



City of Healdsburg Housing Element 2023-2031

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Housing Element



Contents

A Note from the City’s Housing Director	4
1. INTRODUCTION AND SUMMARY	5
Housing Element Organization.....	5
Community Profile.....	5
Community Member Spotlight	9
State Law and Local Planning.....	11
Purpose of the Housing Element.....	12
Definitions of Terms	13
Data Sources	14
Population Characteristics and Trends	15
Community Involvement	17
Summary of Constraints.....	19
Summary of Fair Housing Assessment and Programs	21
Regional Housing Needs Assessment and Summary of Housing Strategy	22
2. HOUSING STRATEGY	24
Goals and Policies	24
Housing Programs.....	43
Quantified Objectives.....	67
Actions to Affirmatively Further Fair Housing	71
3. Housing Sites Identification and Analysis	74
A. Pending, Approved, or Permitted Projects	75
B. Acquisition of Non-deed Restricted Units and Conversion to Affordable Units	81
C. Hotel, Motel, or Hostel Conversion	83
D. Accessory Dwelling Units and Development Assumptions	88
Consistency with Affirmatively Furthering Fair Housing	89
No Net Loss	96
Infrastructure Considerations.....	97
Environmental Considerations.....	98
4. Conclusion.....	99

Housing Element



Tables

Table 1:	Healdsburg’s 6th Cycle RHNA	23
Table 2:	6th Cycle Strategy to Address RHNA.....	23
Table 3:	Summary of Quantified Objectives	67
Table 4:	New Construction by Housing Type	69
Table 5:	Summary of Meaningful Actions to Affirmatively Further Fair Housing.....	72
Table 6:	Healdsburg’s 6th Cycle RHNA	74
Table 7:	6th Cycle Strategy to Address RHNA.....	75
Table 8:	Summary of Pending, Approved, or Permitted Projects, as of 3/1/2023	76
Table 9:	Summary of "Adequate Alternative Sites" Projects	86
Table 10:	Summary of Pending Units by Resource Area Designation	90
Table 11:	AFFH Indicators by Census Tract	95

Figures

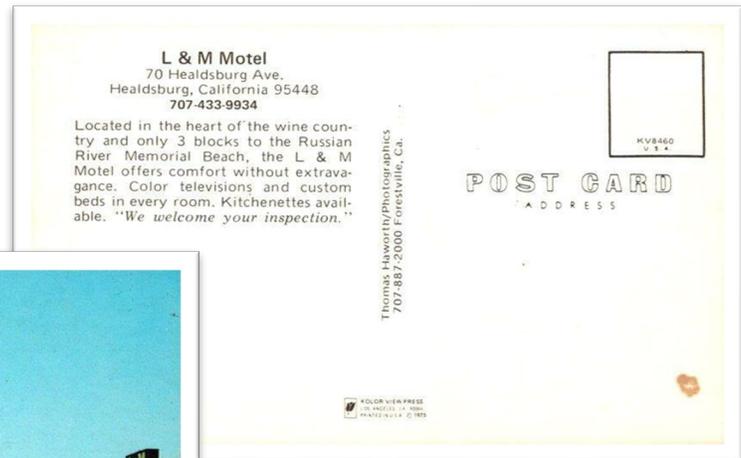
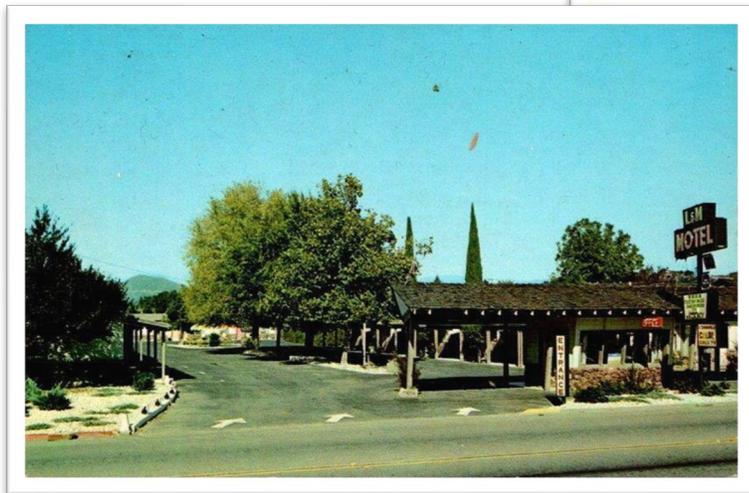
Figure 1:	Healdsburg, County, & Regional Population Over Time, 2000-2020	16
Figure 2:	Housing Units by Year Structure Built	17
Figure 3:	Map of Pending Project Sites	80
Figure 4:	Map of Acquisition and Conversion Project Sites.....	87
Figure 5:	Map of Pending and Acquisition and Conversion Project Sites in Relation to TCAC Opportunity Areas.....	92

Housing Element



The Housing Element of the General Plan is a detailed statement of the housing goals, policies, programs, and quantified objectives for the City. It additionally provides supporting information related to the provision of housing for existing and future residents of the City.

State Planning Law (Government Code Section 65580 et seq., as amended) requires that the Housing Element be updated and certified by the State Department of Housing and Community Development (HCD) every eight years. The existing Housing Element was adopted in 2015 and will expire in 2023; this Housing Element Update, referred to as the '6th Cycle Housing Element Update' will be in effect from 2023 through 2031.



With State funding, the City of Healdsburg acquired the L&M Motel. The L&M Village, which is a partnership between the City of Healdsburg and Reach for Home, will create 22 units for the chronically homeless.



A Note from the City's Housing Director

The City of Healdsburg has made affordable housing a priority as evidenced through the accomplishments of the 5th Cycle of RHNA and our current positioning to meet the goals of the 6th Cycle RHNA. The 5th Cycle accomplishments reflect an intentional approach to solve the ever-increasing need to build more housing to support the workers and residents of Healdsburg.

Recognizing that a healthy community is one that supports housing opportunities for all incomes, the City has leveraged its resources to advance the production of affordable housing opportunities. During the past eight years, the City's deed-restricted affordable housing inventory increased to represent more than 10% of the City's entire Housing stock, yet the community has asked for more to be done.

We have gone beyond the State mandated goals for Healdsburg because the need of our community is not formulaic; it is a symphony in need of a conductor with a finely tuned ear calibrated to the heartbeat of our City. Even in the face of fires, floods, droughts, and pandemics, the City has demonstrated its resiliency and has orchestrated its responses to serve those most vulnerable with the support of the community.

In the same spirit, the community is what drives our housing. Our Community Housing Committee, a group of volunteers, created a Housing Action Plan in 2018 that called for higher production, better policies and innovative strategies to meet our housing needs. Juxtaposed with our State mandated housing goals, the City is proud to highlight some of our major accomplishments:

- We passed Measure S, which provides 2% of Transient Occupancy Tax dedicated to affordable housing, now with annual revenues of more than \$1M.
- We passed Measure P and Measure H, which allow for middle-income deed restricted housing, either for sale or for rent, to be built outside of our voter-initiated Growth Management Ordinance.
- We leveraged hotel developments to negotiate for the inclusion of affordable housing to house the workforce that operates these world class destinations including:
 - 1) Montage Healdsburg
 - 2) Hotel Trio
 - 3) The Mill District
 - 4) The North Village
- We protected our naturally occurring affordable housing stock from market rate conversion by purchasing and rehabilitating 39 units across three properties and further leveraging them by master leasing 10 units for Permanent Supportive Housing.
- We leveraged two City-owned properties for affordable housing which currently are in the planning process for 168 affordable housing units.
- We built a navigation center at the City owned Victory Studios and Apartments that house 11 families and/or individuals that were formerly experiencing homelessness.
- We applied for and received over \$7M in State Project Homekey funding to open the first interim housing program in Northern Sonoma County to house those experiencing chronic homelessness.
- We have achieved functional zero in housing displaced families and have invested heavily in prevention programs to offset evictions, including expanding upon rental relocation assistance programs beyond the provisions of AB 1482.
- Most recently, the City Council approved the establishment of a Housing Department and authorized a new position within the Department to carry out the work that still needs to be done for our community.

While the accomplishments of the past mark milestones of success, the challenges of tomorrow are around the corner. In that spirit, the Housing Element Work Group will be continuing their work to address some of the most pressing challenges that are unique to Healdsburg. We see the submission of this housing element as a continuation of the community and political will to ensure Healdsburg is inclusive, equitable, and affordable to those that make it the very place we love to live.



1. Introduction and Summary

The Housing Element of the General Plan is a detailed statement of the housing goals, policies, programs, and quantified objectives for the City. The Element is based on a comprehensive technical assessment of existing housing policies and programs; current and projected housing needs, especially related to low-income households and special needs populations; an analysis of market, environmental, governmental, and other factors that constrain housing production; an assessment of fair housing; an inventory of sites available for housing development; and programs and policies that are intended to enhance housing production and improve access to housing.

The purpose of the Housing Element is to guide decision-making by elected and appointed officials. Specifically, the Housing Element sets forth how the City will address the need for housing, especially by low- and moderate-income families, and special needs families and individuals. The Housing Element also provides housing-related data and information to the public. This element contains:

- An assessment of housing needs in the City;
- An inventory of resources available to the City to meet these needs;
- The identification of constraints upon the maintenance, improvement, and development of housing for all income levels;
- A statement of the community's goals, quantified objectives, and policies related to the maintenance, improvement, and development of housing; and
- An eight-year schedule of actions the City is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Housing Elements not only establish housing production goals and provide a framework for evaluating programs and policies, but much of the State's funding to build affordable housing is conditioned on a jurisdiction having a Housing Element that is certified by the State. Therefore, this document is a mandated necessity in addressing the critical housing shortage in California.

Housing Element Organization

The Housing Element is organized into four main sections

- **Section 1** presents a profile of the Healdsburg community, introduces the overall Housing Element update effort, and provides a summary of housing needs and constraints, and a summary of the Fair Housing Assessment.
- **Section 2** sets forth the City's Housing Strategy, which is comprised of the Goals, Policies, and Programs that it intends to implement over the next 8-year planning cycle. The City's Quantified Objectives are also included in this section.
- **Section 3** describes the City's plan to address its 6th Cycle RHNA.



- **Section 4** is the **Technical Background Report**, which provides statutorily required data including an assessment of housing needs and programs, an analysis of non-governmental, governmental, and environmental constraints to affordable housing provision, a discussion of special needs populations, and an assessment of fair housing.

Given the detailed analysis and extensive outreach that goes into developing the Housing Element, some of the required information is provided in the following appendices:

- **Appendix A.** Review of 2014 Housing Element and Summary of 5th Cycle Accomplishments
- **Appendix B.** Summary of State Legislation
- **Appendix C.** ABAG Housing Needs Data Packet
- **Appendix D.** Community Engagement and Input
- **Appendix E.** Community Survey Results
- **Appendix F.** Pending, Approved, and Permitted Sites/Unit Detail
- **Appendix G.** Adequate Alternative Sites Checklists

Community Profile

The land now occupied by Healdsburg was once the center of the thriving indigenous Pomo culture that endured for thousands of years in peace and harmony with the bountiful, natural world. The Spanish Mission and Rancho period that followed during the 19th Century brought devastation to the Pomo culture following its defeat in war by the forces of General Mariano Guadalupe Vallejo. Rancho Sotoyome, encompassing nearly 50,000 acres of Alexander Valley and the Healdsburg area was granted to Don Enrique Domingo Fitch (Henry Delano Fitch) in 1841 by the Mexican government, introducing pastoral agriculture (cattle grazing, etc.) to the area. In 1856, Fitch's widow Josefa Carrillo de Fitch, auctioned part of the Rancho to pay property taxes imposed by the new Anglo County government. Harmon Heald, an Ohio businessman who had been squatting on Rancho Sotoyome since 1850, purchased 100 acres. Heald's small town of Healdsburg was incorporated as a California city in 1867.

Over the following decades, Healdsburg became the hub and commercial service center for a thriving agricultural economy that also included timber and mineral extraction (sand and gravel and geothermal resources) all accessing markets with the Northwestern Pacific Railroad Line that linked San Francisco Bay to Humboldt Bay (Eureka), assembled by the Southern Pacific Railway Company mainly to transport timber. Over the years agriculture production followed market trends and demands but centered on fruits including pears and prunes and grapes that thrived in the warm climate and rich alluvial soils of the Alexander and Dry Creek Valleys. Growth of the Bay Area in the post-World War II period led to urban expansion and growth in Sonoma County, including Healdsburg. By the 1970's concerns about urban growth led to adoption of General Plans by the County and cities that established urban boundaries and protected surrounding agricultural lands. Simultaneously, the wine industry was in the beginning stages



of what would be rapid growth in Sonoma and neighboring Napa County. Soon, the prunes and pears and other crops were being supplanted by wine grapes and the creation of numerous estate wineries.

During the past 40 years the City of Healdsburg has transformed from a small town serving the surrounding northern Sonoma County agriculture and other resource-based industries into a vibrant community and center of the County's wine industry, as well as an attraction for destination-based tourism.

During the past 40 years the City of Healdsburg has transformed from a small town serving the surrounding northern Sonoma County agriculture and other resource-based industries into a vibrant community and center of the County's wine industry, as well as an attraction for destination-based tourism. The growth of the County's wine industry, the City's charming downtown area surrounding a central plaza where award-winning

restaurants, destination-oriented retail, and wine tasting shops now dominate retail space, and its pleasant surrounding residential neighborhoods, protected by planning policies and ballot-based growth restrictions, have all contributed to this transformation.

By economic, fiscal, and quality of life measures, the City of Healdsburg has been highly successful -- the vibrant and expanded retail uses, restaurants and lodging have created a stable and growing tax base for the City which supports high levels of municipal services to its residents. Increasing home values have led to substantial re-investment and improvement of the existing housing stock, new development including higher density housing and lodging, and revitalization of existing commercial buildings.

However, this success has created a housing market that has become unaffordable to long-term residents, families with young children, including the City's teachers, first responders, and agricultural and visitor-serving business workers who are increasingly displaced by increasing land prices driven by a supply constrained market. With a continuing decrease in working families and full-time residents, a variety of community demographic effects have set in including an overall aging of the population, a reduction in school-age population and attendance in local public schools, and a decrease in the percentage of Hispanic households, who have over the recent decades become the foundation of the local workforce serving agriculture, construction, retail, and lodging industries and still comprise over 30 percent of the City's population. Along with the reduction of working families able to afford living in Healdsburg comes a reduction of volunteers and support for community-based organizations and activities, and fewer young professional households, and fewer new (non-tourist oriented) employers in the town for lack of affordable housing for their workers.

During the 5th Cycle, the City's residents, the City Council, and City staff began responding to these challenges by expanding their efforts and financial support to increase the supply of housing of all types, including price-restricted affordable housing, moderate-income housing, housing affordable to middle-income families including young families, business owners, and local professionals, and homeless transitional housing. In this way, the City is trying to strike a balance between visitors and local residents and preserving Healdsburg's small town community character and community values.

Community Member Spotlight

Francisco



On a gentle fall morning, with leaves heavy in color dangling from the trees that precariously hold them from their inevitable spiraling tumble to the ground, Healdsburg begins its day. This day begins before the shops on the plaza open their doors, the restaurants fire up their grills, and the tourists from so many different places wake up in their hotels to begin their day and to enjoy the wonderful attractions that Healdsburg has to offer.

The workers of Healdsburg, the very backbone of our service-related industry, emerge from the blanket of cold air that is slowly warming up from the morning sun. They return to the linens that need to be washed, the menus that need to be cooked, the tables that need to be waited and they pick the grapes and make the wine that people travel to enjoy. They also teach our children, protect us from crime, and make this City a world-class destination.

Just feet away from City hall, dozens of workers stand outside the day-labor center, a simple construction trailer with picnic benches warmed by those waiting for employment. The cheerful banter, the layers of clothes that will be shed over the day as the sun warms, and the hand-packed lunches waiting to be eaten are a familiar sight to those who live here but are often not seen by those who visit.

The origins of Healdsburg, deeply entrenched in its agrarian history, are not unfamiliar with those that have worked the land for as long as one can remember. Yet, the hands that have worked these fields, built the hotels, and have tended to our thriving tourism business have been largely excluded from the success of their labor as evidenced by the cars arriving from other cities, where rent is more affordable.

On one such morning, our Housing Department visited these individuals and talked to them about their housing needs. Francisco, a gentleman in his 60's offered to step up to speak for the group. When asked what he would share about housing Francisco replied:

"Aquí en healdsburg la renta es muy caro. No puede uno sobrevivir bien. Tres o más personas tienen que vivir juntos para cubrir la renta. Desde la pandemia, se bajo mucho el trabajo." - Francisco

Translated: "Here in Healdsburg, the rent is very expensive. One cannot survive well. Three or more people need to live together to cover the rent. Ever since the pandemic, the amount of work has gone down."

Five other gentlemen nodded in agreement, almost in unison, lending their support for the statement and making us acutely aware that this is a topic that has been of concern for a long time.

As Healdsburg becomes more and more attractive to those that want a second home or have an all-cash offer, it also becomes more difficult to house those that have made it such a welcoming place to visit.

The talk of a Housing Element, its data, charts, and studies seemed to fade away with the morning cold and morphed into what we need to hear the most: the voice of those we hope to serve through the goals and programs identified in this document. We take this as a reminder that our community has a tremendous responsibility to provide housing for those that serve our community on a daily basis.

Community Member Spotlight

Rick Cafferata



Rick Cafferata stands on the railroad tracks near the Russian River. On the other side of the tracks many homeless residents live in tents and other make-shift shelters awaiting housing and services.

One of the main challenges of homelessness is that each person, each encampment, and each story is unique, yet they all share one common ailment: trauma. In most cases, trauma paves the road to homelessness, gathers strength during homelessness, and haunts those that exit from homelessness. No program, plan, or funding is more important than the trust that can be built through human connection.

In Healdsburg, we partner with Reach for Home, a local non-profit with a mission to end homelessness in Northern Sonoma County. At the heart of Reach for Home is Rick Cafferata who tirelessly helps those experiencing homelessness in our community. In Healdsburg, we know those experiencing homelessness by name, not numbers because of the work of our outreach workers like Rick.

Rick served on our Housing Element Work Group and represented his lived-experience in helping to form the goals and policies of this document. He is a tireless advocate for those experiencing homelessness because he has shared in that experience and paved a pathway for others to follow. And many have.

On any given day, Rick moves about Healdsburg offering services, basic necessities, and a compassionate ear to those hidden in plain sight. When COVID-19 plagued our community, Rick delivered food directly to encampments, when it rains, he drives them to the winter shelter, and when they are ready, Rick brings them home. And now that is more possible than ever.

With the purchase of the L&M Motel through the State of California's Homekey Program, Rick will now have the ability to house up to 22 individuals experiencing chronic homelessness in their own individual rooms, something that most of his clients have not had in years. A perfect place to decompress from the trauma of homelessness before accepting more permanent housing solutions.

More about the L&M and Rick can be found at: <https://youtu.be/TnovUhu18hU>



As the result of these prior or ongoing efforts, the City performed well from a housing perspective during the 5th Cycle that began in 2015. A full review of 5th Cycle Programs, including lessons learned and connections and implications for the 6th Cycle are detailed in **Appendix A**. In summary major 5th Cycle achievements include the following:

- 1) constructed nearly all the affordable housing units specified in the Regional Housing Needs Allocation (RHNA);
- 2) set the stage (with the approval of a range of housing development projects) for meeting the RHNA requirements of the 6th Cycle setting construction in motion, not just siting;
- 3) developed and adopted a Housing Action Plan (HAP) that expanded upon and implemented Housing Element programs; and
- 4) implemented key Housing Element and HAP programs, as documented in this Update.

However, key challenges persist and must be faced in the coming years:

- 1) median housing prices continue to increase and are now well beyond the financial ability of most working families;
- 2) the Growth Management Ordinance, despite amendment, continues to restrain market rate rental or ownership housing construction;
- 3) the limited amount of land or development capacity restrains market-rate or affordable housing that may otherwise occur;
- 4) the existing housing supply continues to shift to use as second homes; and
- 5) high rents and associated loss of community-serving retail uses being displaced by visitor-oriented businesses are altering the community character.

The 6th Cycle 2023-2031 Housing Element Update is intended to meet these challenges in the context of the expanded and rigorous requirements of State Housing Law by going beyond statutory requirements in a variety of ways, particularly to further expand development capacity through intensification and infill development, promoting and requiring development of innovative housing types that meet local housing needs in a cost-effective manner, and expanding housing opportunities for all income groups including the 'missing middle' worker households earning moderate and above moderate family income.

The City is proud of the community's commitment to address these challenges, and with expanded staffing and additional resources, City staff is committed to fulfilling its responsibilities towards RHNA, and, more importantly, meeting the needs of the Healdsburg community.

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State Law and Local Planning

Consistency with State Law

State law establishes detailed requirements for Housing Elements, which are summarized in California Government Code Section 65583 and requires that all local governments adequately plan to meet the housing needs of everyone in the community. The Housing Element contains:

- An assessment of housing needs in the City;
- The identification of constraints upon the maintenance, improvement, and development of housing for all income groups;
- An inventory of sites and development capacity available to the City to meet the housing needs for all income groups sufficient to meet housing needs as required by the Regional Housing Needs Allocation;
- A statement of the community's goals and policies related to the maintenance, improvement, access to, and development of housing;
- A statement for how the City will affirmatively further fair housing for all its residents
- A set of quantified objectives for meeting the Regional Housing Needs Allocation and other needs and specification; and
- An eight-year schedule of programs the City will undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Coordination with the City's Public Works Department and Electric, Water, and Wastewater Department occurred as the Housing Element was prepared. The Departments are aware of their statutory obligation to reserve capacity for affordable units and have confirmed that adequate capacity of these utilities presently exists, and, moreover, various improvements are underway to further expand capacity and conserve water supply.

New Statutory Requirements

During the past decade, multiple statewide bills have been passed by the State Legislature and signed into law by the Governor (see **Appendix B**). This body of legislation reflects heightened concerns at the State level regarding a persistent housing shortage in the State, estimated to be at least 3 million housing units. The lack of affordable housing options has taken a toll on the State's ability to house the working families and the labor force needed to sustain and drive its industries. More importantly, the inability to access homeownership has shortened the economic runway for generational wealth-building for those from marginalized communities and those who identify as ethnic minorities. There have been numerous bills introduced and passed by the State, but at the center of all these initiatives, there is one consistent factor: we need to build housing. This plan incorporates the required State laws and reflects how these laws can be adapted to advance the needs of a community that aspires to go beyond addressing State requirements.



General Plan Consistency

State law requires that all cities and counties in the State adopt a General Plan to guide urban and rural development, conservation, infrastructure policy, and related regulations. A General Plan is comprehensive (integrating the various elements), long range (20 years or longer), and policy oriented (excludes specific regulations, etc.). The Healdsburg General Plan contains State mandated elements relating to Land Use, Circulation, Housing, Noise, Conservation and Open Space, and Safety. The Housing Element is the only element that must be certified by the State. The California Government Code Section 65300.5 requires internal consistency among the various elements of the General Plan. The 6th Cycle Housing Element, following certification by the State, will be incorporated into the Healdsburg 2030 General Plan. At the time the City's General Plan is updated, the City must (and will) ensure continuing consistency between the updated Housing Element and the new General Plan.

Purpose of the Housing Element

The purpose of the Housing Element of the General Plan is threefold:

- 1) to assure that adequate development sites and development capacity is available for housing across the range of household income groups as established by the Association of Bay Area Governments through the Regional Housing Needs Allocation (RHNA) process;
- 2) to present related specified background information, inform and engage the public during preparation and during the term of the Housing Element; and
- 3) to establish policies and programs that remove identified constraints, affirmatively further fair housing, and support housing development meeting the needs of all household income groups.

The Housing Element presents a detailed statement of the housing goals, policies, programs, and quantified objectives for the City. The Element is based on a comprehensive technical assessment of prior existing housing policies and programs; current and projected housing needs, especially related to low-income households and special needs populations; an analysis of market, environmental, governmental, and other factors which constrain housing production; an assessment of ways that the City can affirmatively further fair housing for its residents; an inventory of sites available for housing construction; and an assessment of new programs and policies that can enhance housing production in the City. The Housing Element guides housing-related decision-making by elected and appointed officials. Specifically, the Housing Element sets forth how the City will address the need for housing, especially by low- and moderate-income families, and special needs families and individuals. The Housing Element also provides housing-related background data and information to the public.



Definitions of Terms

Throughout the Housing Element, a variety of technical terms related to income levels are used in describing and quantifying conditions and objectives. The definitions of these terms follow:

- **Above Moderate-Income Households** - Households earning over 120 percent of the County Area Median Income (AMI), adjusted for household size.
- **Affordable Housing** - Housing which costs no more than 30 percent of a moderate-, low-, very low-, or extremely low-income household's gross monthly income. For affordable rental units, monthly rent is capped at 30 percent of the relevant Area Median Income, divided by 12, with any tenant-paid utilities deducted. For homeownership units, maximum sales price is calculated assuming no more than 30 percent of the relevant AMI household's monthly income shall be spent on the monthly housing payment, which includes mortgage payments, taxes, insurance, and homeowners' dues.
- **Area Median Income (AMI)** - The income figure representing the middle point of County household incomes, adjusted for household size. Fifty percent of households earn more than or equal to this figure and 50 percent earn less than or equal to this figure. For the year 2022, the AMI for a four-person household in County of Sonoma was \$112,800.
- **Extremely Low-Income Households (ELI)** - Households earning not more than 30 percent of the AMI, adjusted for household size.
- **Federal Poverty Threshold** - Issued by the Census Bureau and varies by family size, number of children, elderly. There is no geographic variation. For 2021, the poverty threshold for a single person under age 65 was \$14,097, for a three-family unit with two children, it was \$21,831. (Note: this differs from the Federal Poverty Guidelines issued by Health & Human Services).
- **Low-Income Households** - Households earning between 51 and 80 percent of the AMI, adjusted for household size.
- **Lower-Income Households** - Households earning up to 80 percent of the AMI, adjusted for household size, including Extremely Low-income, Very Low-income, and Low-income households.
- **Missing-Middle Housing** - A range of house-scale buildings with multiple units compatible in scale and form with detached single-family homes. (Source: MissingMiddleHousing.com).
- **Middle-Income Households** - Moderate-income households and households earning between 120 and 160 percent of the AMI, adjusted for household size.
- **Moderate-Income Households** - Households earning 81 to 120 percent of the AMI, adjusted for household size.
- **Multiplexes or Plexes** - A single structure that contains more than one dwelling unit. The units share common walls, and each typically has an outside entrance. Examples include duplex, triplex, quadruplex, etc.



- **Very Low-Income Households (VLI)** - Households earning between 31 and 50 percent of the AMI, adjusted for household size.

Data Sources

The 2023 Housing Element Update makes full use of the pre-certified data package provided by the Association of Bay Area Governments (ABAG), which is contained in its entirety as **Appendix C**. In addition to the ABAG dataset, the following sources of data were used to help identify historic patterns of segregation, assess constraints to housing and the market conditions in Healdsburg; and to better identify specific housing needs:

- U.S. Census Bureau, Decennial Census; 2010, 2019, 2020
- U.S. Census Bureau, American Community Survey 5-Year Data, 2015-2019
- U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018
- U.S. Department of Agriculture, Census of Farmworkers; 2002, 2007, 2012, 2017
- U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 2020 first-quarter industry employment
- U.S. Department of Housing and Urban Development (HUD), Consolidated Housing Affordability Strategy (CHAS), 2013-2017 release
- U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release
- U.S. Department of Housing and Urban Development, Section 202/811 Supportive Housing Programs, 2010 Program Fact Sheet
- U.S. Department of Education, National Center for Education Statistics, 2020
- U.S. House of Representatives, US Code Low-Income Housing Preservation and Resident Homeownership, accessed January 1, 2022
- U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019)
- California Tax Credit Allocation Committee, Opportunity Area Index, 2020, 2021
- California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2022
- California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.
- County of Sonoma, Grand Jury Report, June 2022



- City of Healdsburg, Annual Progress Reports, 2015-2021
- UC Berkeley, Urban Displacement Project
- Redfin Housing Market Trends, May 2022
- Zumper Rental Data, June 2022
- Burbank Housing, 2022

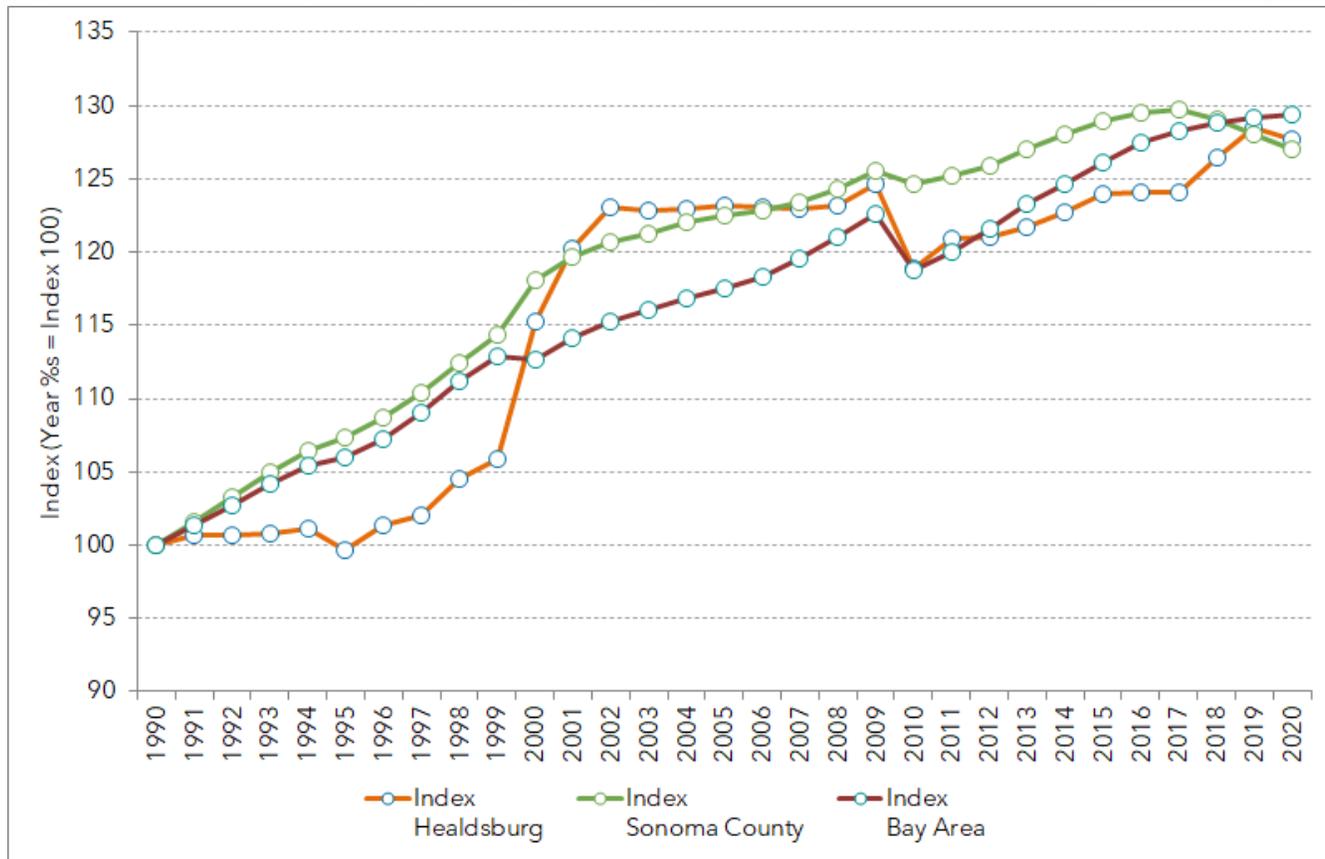
Population Characteristics and Trends

This section explores the characteristics and the housing needs of Healdsburg residents and helps to provide direction in updating the goals, policies, and programs found within this Housing Element. A full analysis of housing needs and demographics is contained in the Technical Background Report, and the ABAG Housing Needs Data Packet is included as **Appendix C**.

Healdsburg's population increased 27 percent, from 9,469 to 12,089 between 1990 and 2020, as shown in **Figure 1**. During the same time period, Sonoma County's population grew 27 percent and the Bay Area's population grew 29 percent. Healdsburg's population increased the most between 1995 and 2005, followed by periodic annual decreases and a slight increase over time. Overall, Healdsburg's population in 2020 was only 4 percent higher than its population in 2005. Since 2020, and as of May 2022, the State Department of Finance reports that Healdsburg's population fell to 11,030.



Figure 1: Healdsburg, County, & Regional Population Over Time, 2000-2020



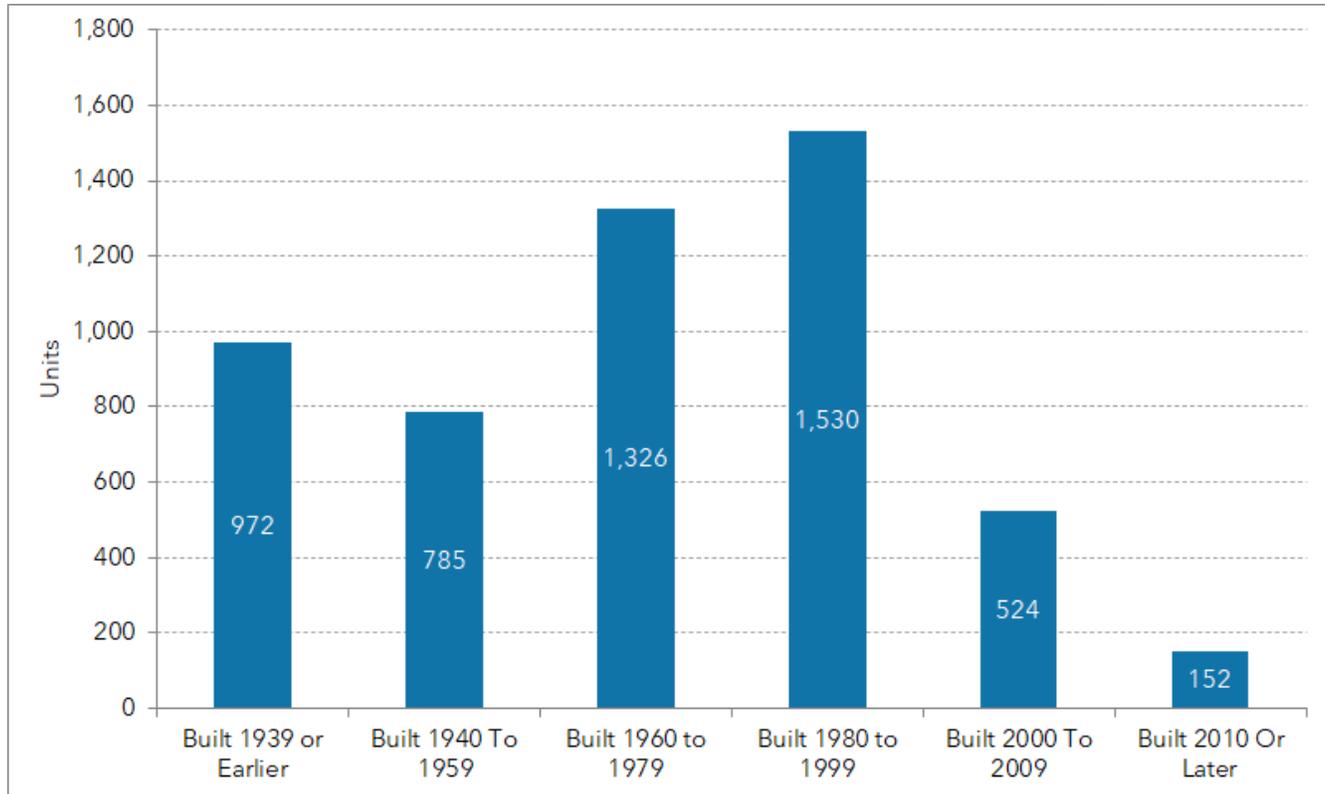
Source: California Department of Finance, E-5 series, 2020 1

Housing production trends over a wider timeframe indicate that production has substantially slowed as shown in **Figure 2**, leading to a modest population increase in the 21st century to date.

¹ Note: DOF uses the decennial census to benchmark subsequent population estimates. Due to this, breaks may appear in this data between estimated data (1999, 2009) and data from the Census count (2000, 2010).



Figure 2: Housing Units by Year Structure Built



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034

Community Involvement

Housing issues affect the entire community and are best understood in a community-driven dialogue. The public participation requirement of Housing Element law presents an opportunity to engage constituents in defining housing issues, and in creating solutions that both meet the needs of the community and the requirements of State law.

The 6th Cycle Housing Element Update has been undertaken during the COVID-19 global pandemic. Community engagement had to be adjusted to allow and encourage meaningful public participation and input without requiring community members to meet or gather in-person. Staff and consultants made use of multiple in-person and digital platforms to facilitate public input throughout the update process and carefully considered community input in the development of the Housing Element.

The community engagement process was steered by the Housing Element Working Group (HEWG), a diverse group of community stakeholders convened to guide priorities throughout the preparation process. Members of the nine-person group included the following:

- A member with lived experience of homelessness
- A member from the Healdsburg business community
- A member from a local non-profit organization
- A member that rents their primary residence
- A member of the Healdsburg Planning Commission



- A member representing the faith-based community
- Community member at-large (x3)

The motivation and success of the group organically led to the group building a roadmap for follow-up work in the 6th Housing Element implementation era (2023-2031), as the City's growing housing efforts formalized into a Housing Department.

The greater community was outreached extensively with City correspondence, mailers, door-to-door canvassing, and digital media resources distributed by the City and HEWG. These community outreach efforts and the incorporation of public feedback into the Housing Element are provided in full within **Appendix D** of the Housing Element.

Through this outreach, City staff provided updates to more than 500 contacts signed up to receive emails and received over 500 community survey responses (see **Appendix E**). Commenters emphasized housing affordability and availability as key priorities, particularly for young families and local workers. In addition to surveys, community members participated in a dozen public workshops on the Housing Element Update. Opportunities for public participation were provided throughout the Housing Element process as outlined below:

- January 2022:
 - City Council kick-off (1/3/22), presented by the consultant team and the subregional Napa Sonoma Collaborative
 - Community survey launched, receiving 500 individual responses
 - HEWG Workshop #1 (1/19/22) with project overview
 - HEWG Workshop #2 (1/31/22) on public outreach and housing site analysis
- February 2022:
 - 750 homes canvassed with a door-to-door bilingual flyer promoting the community survey, prioritizing neighborhoods with higher proportions of renters in areas designated Low Resource on TCAC/HCD Opportunity Maps
 - Bilingual mailer sent to all City utility customers to promote community survey
 - HEWG Workshop #3 (2/28/22) on public outreach, housing site analysis, and programs/policies
- March 2022:
 - HEWG Workshop #4 (3/14/22) on housing site analysis and programs/policies
- April 2022:
 - HEWG Workshop #5 (4/11/22) on housing site analysis, public outreach, programs/policies, and scope of future work during the Housing Element implementation phase
 - Housing development stakeholder engagement with survey tailored to inform analysis of governmental and non-governmental constraints
 - Planning Commission Workshop (4/26/22) on Draft Housing Strategy



- June 2022:
 - City Council Workshop (6/6/22) on Draft Housing Strategy
- July 2022:
 - HEWG Workshop #6 (7/11/22) on revised Draft Housing Strategy, quantified objectives, and scope of future work during Housing Element implementation phase
- August 2022:
 - HEWG Workshop #7 (8/8/22) on fair housing contributing factors and quantified objectives
- September 2022:
 - Launch of Public Review Draft Housing Element (9/30/22), distributed to residents and community stakeholders for 30-day public comment period
- October 2022:
 - Planning Commission Workshop (10/11/22) on Public Review Draft Housing Element
- November 2022:
 - Incorporation of public comment from 30-day public review into draft for submittal to California Housing & Community Development (HCD)
- March 2023:
 - HEWG Workshop #8 (3/13/23) to discuss status of Housing Element update and work plan for upcoming year (quorum was not achieved)
- April/May 2023:
 - Planning Commission & City Council adoption hearings

Summary of Constraints

Constraints to the production of adequate housing affordable to lower-income households are created by market, governmental, infrastructure, and environmental factors, among others. Constraints can generally be divided into 'governmental constraints' - those that are controlled by Federal, State, and local governments - and 'nongovernmental constraints' - factors that are not created by and cannot be directly affected by government policy or regulations.

As demonstrated in the Sites Evaluation, the City of Healdsburg can meet its 6th Cycle RHNA obligation despite outstanding constraints that were identified in the 5th Cycle. There can be further progress made to reduce constraints that may impede the City's housing production beyond the 6th Cycle. These Governmental and Non-governmental constraints are identified in the Technical Background Report, and analysis of these constraints informed the development of programs that eliminate or reduce their negative effects on housing supply and cost.



Governmental constraints result from City land use policies, regulations, ordinances, taxes and fees and the availability and cost of infrastructure needed to serve new development. In a survey of developer stakeholders, 75 percent of respondents indicated that “zoning and permitted uses” in Healdsburg are somewhat or highly prohibitive. The primary governmental constraint in Healdsburg is the Growth Management Ordinance, which limits the number of market-rate units that can be permitted each year. Despite amendments over the years (most recently Measure H, which passed in 2020), the GMO remains a constraint on housing construction in Healdsburg. The community survey found the GMO in the top ten topics across all write-in responses, the HEWG recommended the GMO to be listed as a central contributing factor to fair housing issues (see the **Technical Background Report**), and the survey of development professionals rated the GMO as the primary constraint to development, deemed Highly Prohibitive by a supermajority of respondents.

Non-governmental constraints result from factors that affect housing affordability not directly connected to government policy, programs, or regulation. Key non-governmental constraints related to housing include the cost of construction (including land prices, building materials, and labor), availability and price of construction and mortgage financing, market conditions generally including pricing, consumer preferences, demand, and competition, capacity and availability of local or regional developers and builders, and natural hazards and environmental conditions that effect costs and availability of housing. In a survey of developer stakeholders, 75 percent of developer stakeholders indicated that the cost of construction materials is somewhat or highly prohibitive.

As noted above, the high price of land and housing in Healdsburg is the primary non-governmental constraint, driven by Healdsburg’s sustained position as a popular Sonoma County visitor-destination which continues to drive housing prices higher in combination with the second home and vacation rental markets, which, in turn, reduce the City’s housing inventory available to working families. At the same time, there is limited turnover of existing homes. It is challenging for young families to enter the Healdsburg market, much less stay in the community as their families grow and their housing needs change.

These challenges are attributable to both governmental and non-governmental constraints, which directly affect the production and availability of housing, especially affordable housing. High (and increasing) direct development costs, including the cost and availability of materials and labor represent another constraint.

The **Housing Strategy (Chapter 2)** includes new policies and programs, informed by the Constraints Analysis, and other input including the community outreach efforts, to reduce or mitigate both governmental and non-governmental constraints within the broader policy context. These policies and programs are noted under each constraint. The plans and programs intended to address these constraints include **Housing Program 4 - Expanding Housing Development Capacity** and **Housing Program 7 - Removing Housing Constraints**.



Summary of Fair Housing Assessment and Programs

Assembly Bill 686 (Affirmatively Furthering Fair Housing, or AFFH) requires state and local agencies to take proactive measures to correct any housing inequalities related to race, national origin, color, ancestry, sex, marital status, disability, religion, or other protected characteristics. All Housing Elements due on or after January 1, 2021 (like Healdsburg's) must address these new requirements. The City must also ensure that its policies and programs affirmatively further fair housing, and that they take no actions that counter those goals.

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

Housing Element law now requires the City to prepare an Assessment of Fair Housing, identify factors that contribute to local fair housing issues, and include meaningful actions within the Housing Element Programs to address those factors. The findings from the Assessment of Fair Housing must also be integrated into the Sites Inventory. Public participation and outreach efforts for the Housing Element update must affirmatively further fair housing. Per HCD Guidance, the Assessment of Fair Housing addresses enforcement and outreach capacity, segregation and integration, disparities in access to opportunity, disproportionate housing needs including displacement, and concentrated areas of poverty and affluence across racial/ethnic groups. The City of Healdsburg commits to embedding the lens of fair housing and equity - racial, social, and economic - throughout this plan.

One key aspect of AFFH requirements is to ensure an equitable distribution of sites in the Housing Element Sites Inventory. Since Healdsburg is an affluent community with confluence of both High Resource and Low Resource communities as identified by HCD, this Housing Element plans for equitable distribution of sites including affordable housing in High Resource areas. This sites strategy is paired with programs to ensure that sites in Low Resource neighborhoods are supported by community amenities, infrastructure, and services to prevent segregation in Healdsburg.

Based on data, local knowledge, community outreach and input, and analysis, the City has identified the following factors as contributing to local fair housing issues:

- Limited turnover of existing housing stock excludes younger population who cannot afford to enter the housing market
- Lack of affordable, accessible housing in a range of sizes
- Displacement of residents due to economic pressures (priced out, etc.)
- Lack of affordable units appropriately sized for large families
- Growth management ordinance

Each of these factors are related to limited housing supply and as such, increasing housing supply is the central theme of the 6th Cycle Housing Element Update. As documented in the Quantified Objectives, nearly 1,000 additional units are targeted for construction over the next eight years, a



nearly 20 percent increase in the City’s housing stock. These new housing units will derive from the Housing Programs which, where appropriate, document the new housing units expected from each Program. The City has an ongoing fair housing program that will be expanded to meet the requirements of AB-686 and other new State laws. Key to this expansion is taking a more proactive approach to fair housing administration and addressing the full range of fair housing policy and statutory requirements.

Meaningful actions to affirmatively further fair housing are reflected in **Housing Program 6 - Affirmatively Furthering Fair Housing**. Specific components of Housing Program 6 include:

- Refer Fair Housing Complaints
- Provide Non-Discrimination Clause and Mandate Fair Housing Practices
- Disseminate Fair Housing Information
- Conduct Spanish Language Outreach
- Provide Utility Discounts for Lower-Income Households
- Conduct Code Enforcement
- Improve Infrastructure in Lower Resource Areas

Regional Housing Needs Assessment and Summary of Housing Strategy

The Regional Housing Needs Allocation (RHNA) is a determination of projected and existing housing needs for all jurisdictions in California. State housing law requires that each jurisdiction’s Housing Element demonstrate that the jurisdiction has sufficient land zoned for housing and plan to meet its RHNA. The Association of Bay Area Governments (ABAG) conducts the RHNA process for jurisdictions in the San Francisco Bay Area every eight years.

The RHNA methodology applies several factors to further the objectives of State law and meet ABAG’s regional goals as outlined in its Plan Bay Area. Because one of the five objectives of State housing law is to ensure that there is not an overconcentration of households by income group, after a RHNA total is calculated, a social equity adjustment is applied. The social equity adjustment is based on household income and access to resources. The social equity adjustment helps ensure that the RHNA methodology does not overburden low-income jurisdictions with more low-income households., The result is that higher income jurisdictions are required to plan for fewer market rate units and more affordable units, while lower income jurisdictions plan for more market rate units and fewer affordable units.



Healdsburg’s RHNA for the 6th Cycle Housing Element period (2023 - 2031) is 476 units, divided among each income group as shown in **Table 1**.²

Table 1: Healdsburg’s 6th Cycle RHNA

Income Group	2023 - 2031 RHNA Allocation
Very Low	190
Low	109
Moderate	49
Above Moderate	<u>128</u>
Total	476

Sources: City of Healdsburg; ABAG.

Table 2 summarizes the City’s plan to meet its RHNA, which includes currently planned and approved development, projected ADU development, and acquisition and conversion of market rate units into affordable units.

Table 2: 6th Cycle Strategy to Address RHNA

Income Group	2023 - 2031 RHNA Allocation	Pending, Approved, or Permitted Units	Adequate Sites		Projected ADUs	Total Credits	% of RHNA
			Market Rate Units Converted to Affordable	Hotel, Motel, or Hostel Conversion			
Lower							
Extremely Low	83	16	0	22	17	55	
Very Low	107	119	39	0	16	174	
Low	<u>109</u>	<u>129</u>	<u>0</u>	<u>0</u>	<u>33</u>	<u>162</u>	
Lower, Subtotal	299	264	39	22	66	391	131%
Moderate	49	43			33	76	155%
Above Moderate	<u>128</u>	<u>503</u>			11	<u>514</u>	402%
Total	476	810	39	22	110	981	206%

Sources: City of Healdsburg; ABAG.

² While the RHNA is assigned based on the four income categories above, the law also requires that communities plan for the needs of extremely low-income households, defined as those making less than 30% of the County AMI. The housing need for the extremely low-income group is calculated using U.S. Census Bureau data to calculate the percentage of very low-income RHNA that qualifies for extremely low-income households. In Healdsburg, 970 of Healdsburg’s households are 0 to 50% AMI while 425 are extremely low-income. Therefore, extremely low-income households represent 43.8% of households who are 0 to 50% AMI, as 425 divided by 970 is 43.8%.



2. Housing Strategy

The City of Healdsburg, through adopting its 6th Cycle Housing Element, adopts the following Goals and Policies, as well as a set of Implementing Programs to be completed during the timeframe of the 6th Cycle Housing Element.

During the 5th Cycle, the City of Healdsburg enacted aggressive housing policy implementation efforts and is committed to further expanding these efforts and seeking new funding sources to support fair, affordable, and environmentally-sensitive housing.

The collective Goals, Policies and Programs set forth in this Housing Element and as administered by the City of Healdsburg comply with and further the requirements and goals of Government Code Section 8899.50(b), "A public agency shall administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing and take no action that is materially inconsistent with its obligation to affirmatively further fair housing." As demonstrated throughout the following Goals, Policies and Programs, and in particular in **Goal 6: Affirmatively Furthering Fair Housing** and its related policies, the City is

committing to taking meaningful actions to fulfill its obligation to affirmatively further fair housing and will take no actions that would be materially inconsistent with this goal.

The policies associated with each Goal are listed below each Goal, and implementing programs are described in the subsequent section. (Parenthetical notes following Goals, Policies, and Programs explain changes from the 2015 Housing Element.)

Goals and Policies

Goal 1. Maintain affordable housing sites and expand housing development capacity as needed to accommodate the City's regional housing need throughout the eight-year Planning Period and beyond.

While the City's pipeline of projects is more than adequate to meet Healdsburg's Regional Housing Needs Allocation (RHNA), policies and programs are required to maintain and develop these sites, as well as generally expand affordable and other housing development sites. Specifically, SB 166 (No Net Loss) requires that cities maintain a Sites Inventory to incrementally meet the RHNA, by income category, on an annual basis throughout the Planning Period.



Policies

Policy 1.1

Maintain the supply of residentially-designated land shown in the Housing Sites Inventory adequate to accommodate Healdsburg's share of the regional housing need allocation during the 6th Cycle.

(Existing, Modified)

Implementing Program: HP-3 Sustaining and Expanding Housing Sites

Policy 1.2

Prepare and maintain an Administrative Site List that lists and describes additional housing sites with appropriate residential zoning that presently exist or can be added to the City's Housing Sites Inventory if and when an analysis provided through the Annual Progress Report indicates that sufficient sites may not exist to accommodate the City's remaining RHNA, by income level, during the planning period.

(New, assures adequate sites are available)

Implementing Program: HP-3 Sustaining and Expanding Housing Sites

Policy 1.3

Consistent with "no-net-loss" density provisions contained in Government Code Section 65863, consider the potential impact on the City's ability to meet its share of the regional housing need when reviewing proposals that reclassify residentially-designated property to other uses, or assume fewer units for the site than what is reflected in the Housing Sites Inventory.

(Existing, Modified)

Implementing Program: HP-3 Sustaining and Expanding Housing Sites

Policy 1.4

Facilitate affordable housing opportunities in the City's existing developed neighborhoods by permitting, promoting, and incentivizing construction of ADUs, JADUs, and other accessory units and lot splits as required by Government Code 65852.81 (SB 9).

Implementing Program: HP-5 Affordable Housing Development Program
(New funding required)

Policy 1.5

Pursue selected rezoning of lower density residential or commercial/industrial parcels to higher density multifamily or mixed-use zoning districts.

(Existing, Modified)

Implementing Program: HP-4 Expanding Housing Development Capacity



Policy 1.6 Evaluate and where appropriate increase minimum housing density requirements for residential and mixed-use Land Use Element Designations and corresponding Zoning Districts.

(Existing, Modified)

Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.7 Review all Zoning Districts that allow multifamily residential uses and increase allowable maximum densities, established 'by right,' from their existing maximum to 30 units or more per acre as may be appropriate and adjust height limits to allow such higher density.

(New)

Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.8 Identify and pursue new Area Plans or Specific Plans in areas where substantial increases in housing development capacity are possible.

(Existing, Modified)

Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.9 Identify and evaluate Housing Opportunity Sites, acquire when advantageous, and seek public agency or private partners and initiate planning, development entitlement, and partnership agreements as the Opportunity Sites become available.

(New)

Implementing Program: HP- 4 Expanding Housing Development Capacity (new funding required)

Policy 1.10 Assure zoning changes for Area Plans, Specific Plans, and/or Housing Opportunity Sites include set-aside sites for affordable housing and middle-income housing development through site dedication or donation to the City or an affordable housing developer (one acre minimum), offering units with an enduring price or rent control, and offering sites (lots) for sweat-equity ownership projects (e.g., Habitat for Humanity) and similar programs.

(New)

Implementing Program: HP-3 Housing Sites Inventory



Goal 2. Remove or mitigate impediments to housing production including both governmental constraints and non-governmental constraints.

Housing development is constrained by both the policies, programs, and regulations imposed by government agencies and by market and natural conditions that influence housing development costs. Accordingly, the following policies address both governmental and non-governmental constraints.

Policies

Policy 2.1 Reduce the time spent reviewing and acting upon residential development applications to reduce development costs and improve development feasibility.

(Existing, Modified)

Implementing Program: HP-7 Remove Housing Constraints

Policy 2.2 Reduce the project review requirements for small subdivisions of residentially-zoned land (10 or fewer units) by comparison to larger, more complex projects.

(Existing, Modified)

Implementing Program: HP-7 Remove Housing Constraints (Code Amendments)

Policy 2.3 Streamline permitting for 'multiplexes' (e.g., duplexes, triplexes, etc.) and provide regulatory incentives within single-family designated zoning districts.

(New)

Implementing Program: HP-7 Remove Housing Constraints

Policy 2.4 Incentivize affordable and middle-income housing located in single-family neighborhoods by reducing pre-development and construction costs of ADUs by pre-approving prototypical plans and modular units, and by offering construction loans with debt forgiveness provisions in return for longer-term, price restricted rentals.

(New)

Implementing Programs: HP-7 Remove Housing Constraints (New funding required)



Policy 2.5 Continue improving the efficiency of the City’s Design Review process by providing consistent and predictable policy direction, expanding objective design standards, and reducing the scope of uses requiring a Conditional Use Permit.

(Existing, Modified)

Implementing Program: HP-7 Remove Housing Constraints (Code Amendments)

Policy 2.6 Pursue amendments to the City’s Growth Management Ordinance with the intent of increasing housing production.

(Existing, Modified)

Implementing Program: HP-7 Remove Housing Constraints (GMO)

Policy 2.7 Ensure that aggregate impact fees and related application exactions do not deter new residential development (i.e., target fee burdens that do not exceed 15 percent of the expected retail value/price of new development) and ensure compliance with AB 602.

(New, Statutory Compliance)

Implementing Program: HP-7 Remove Housing Constraints (Impact Fee Update)

Policy 2.8 Explore the efficacy of reducing, or waiving impact fees to affordable and middle-income housing units required by the Inclusionary Housing Ordinance, density bonus, or City development code provisions and pay for such fee reductions with new funding sources dedicated to incentivizing housing production.

(New)

Implementing Program: HP-7 Remove Housing Constraints (Impact Fee Update) (new funding required)

Policy 2.9 Use land-secured and tax increment financing districts (special property taxes, property tax increments) to encourage private infrastructure investment associated with new housing production.

(New)

Implementing Program: HP-7 Remove Housing Constraints (new funding source)



Policy 2.10 Create additional Citywide sources of funding to support infrastructure expansion for new housing when needed including use of utility rate-based revenue bonds, general obligation bonds, grants from Federal and State programs, and JPA-issued bonds.

(New)

Implementing Program: HP-7 Remove Housing Constraints (new funding sources)

Policy 2.11 Utilize a 'Program EIR' (Public Resources Code Section 15168) for environmental review of all land use plans prepared by the City (area plans and specific plans).

(New)

Implementing Program: HP-7 Remove Housing Constraints (Code and procedural amendments)

Policy 2.12 Continue waiver of development standards (e.g., required number of parking spaces) when feasible and where certain criteria are met (e.g., development feasibility is improved, project design is improved, and/or specified housing use types are eligible for by-right review pursuant to statutory requirements).

(Existing)

Implementing Program: HP-7 Remove Housing Constraints (Code and procedural amendments)



Goal 3. Preserve and improve the City’s existing housing stock and community character in residential neighborhoods, while allowing greater density (e.g., ADUs/JADUs, SB 9, multiplexes).

Existing housing units including both ownership and rental units are not constant. They are affected by aging and deterioration, conversion to other uses, and, with respect to rental units, may be affected by conversion to ownership (condominium) uses.

Policies

Policy 3.1 Preserve and improve the stock of affordable rental housing units and special needs housing by offering low interest loans and other incentives to rehabilitate and upgrade these properties and continue opportunistic investment (purchase and rehabilitation) of existing market rate multifamily rental buildings for conversion to affordable, price-restricted units.

(Existing, Modified)

Implementing Program: HP-2 Preserve Housing and Neighborhoods (New funding required)

Policy 3.2 Measure and mitigate loss of housing stock to second homes.

(Existing, Modified)

Implementing Program: HP-2 Preserve Housing and Neighborhoods (New funding required)

Policy 3.3 Vigorously enforce restrictions on vacation rentals and other short-term rentals in the City and identify and amend code restrictions to eliminate loopholes that violate the 30-day minimum rental requirement.

(Existing, Modified)

Implementing Program: HP-2 Preserve Housing and Neighborhoods

Policy 3.4 Expand housing opportunities for middle-income housing households.

(New)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development (New funding required)



Policy 3.5 Discourage the conversion of existing multifamily rental units to condominium units in order to preserve the supply of rental housing in the City.

(Existing)

Implementing Program: HP-2 Preserving Housing and Neighborhoods

Policy 3.6 In cooperation with affordable housing project owners, monitor price-restricted affordable housing programs and projects to ensure their continued occupancy by appropriate individuals and households.

(Existing, Modified)

Implementing Programs: HP-1 Housing Administration (affordability monitoring)

Policy 3.7 Control rent increases on mobile home park spaces consistent with local ordinances and State law.

(Existing)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Rent Stabilization ordinance)

Policy 3.8 Sustain long-term maximum rents and sale price restriction contracts on affordable housing units developed with City assistance and also on the inclusionary units provided by private developers, and encourage owners of affordable housing units to preserve affordable housing through refinancing and the extension of affordability covenants.

(Existing, Modified)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods (new funding may be required)

Policy 3.9 Provide additional land use and public safety policies and programs as needed to mitigate wildfire hazards and loss of existing housing units in the City.

(New)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Update General Plan Safety Element)



Policy 3.10 Support and collaborate with local and surrounding neighborhood associations, Fire Safe Councils, and Citizens Organized to Prepare for Emergencies (COPE) organizations to develop area-specific wildfire response plans.

(New)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods

Policy 3.11 Reduce wildfire hazards on lands surrounding the City, particularly on the eastern edge through cooperation with landowners, the Northern Sonoma County Fire Protection District, Cal Fire, and other entities to reduce fuel and create fire resistant 'buffer zones.'

(New)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Inter-agency cooperation)

Policy 3.12 Require and provide technical guidance and financial incentives to homeowners for completing 'defensible space' and fire safe building 'hardening' retrofitting.

(New)

Implementing Program: HP-2 Preserving Housing and Neighborhoods (new funding may be required)



Goal 4. Support and promote housing production during the Planning Period, emphasizing affordable and middle-income housing needs.

In addition to establishing and maintaining housing sites, removing or mitigating constraints, and creating additional development capacity, it will be necessary to provide additional regulatory and programmatic incentives, as well as subsidies to achieve additional affordable and middle-income housing production.

Policies

Policy 4.1

Post an accessible, interactive, and 'user-friendly' version of the City's Housing Sites Inventory that includes site-specific development information to attract, engage and encourage prospective developers.

(Existing, Modified)

Implementing Program: HP-1 Housing Administration, HP-3 Sustaining and Expanding Housing Sites

Policy 4.2

Cooperate, partner and provide local matching funds with affordable housing developers to: a) benefit from their expertise and resources available for the development of affordable housing units, and b) support their efforts to secure Low-Income Housing Tax Credits and other development financial assistance.

(Existing, Modified)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development

Policy 4.3

Provide regulatory, processing, and financial incentives to developers that provide on-site affordable housing for people with special needs, including extremely low-, very low-, and low-income renters and buyers. Such incentives shall include contribution of City-owned sites, modification of development standards, priority processing, and direct financial assistance. Requests for incentives shall be made with the initial project application and shall be determined on a case-by-case basis, consistent with Government Code 65915.

(Existing, Modified)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development



- Policy 4.4** Continue to require on-site production of low- and moderate-income housing units within new residential development projects consistent with the City’s Inclusionary Housing Ordinance.
(Existing, Modified)
Implementing Program: HP-5 Affordable and Middle-Income Housing Development
- Policy 4.5** Grant density bonuses in accordance with State law and City Ordinance and continue to grant an additional density bonus when an applicant proposes that 100 percent of the bonus units not restricted to lower-income households will be affordable to moderate- and middle-income households.
(Existing, Modified)
Implementing Program: HP-7 Remove Housing Constraints (Code amendments)
- Policy 4.6** As a part of future market-rate housing projects involving development agreements, require a substantial portion of housing created to be exclusively available to the local workforce on a continuing basis through title or price restrictions, (e.g., resales must meet first sale price and continuing price restrictions).
(New)
Implementing Programs: HP-4 Expand Housing Development Capacity, HP-5 Affordable and Middle-Income Housing Development
- Policy 4.7** Provide direct subsidies to middle-income, local workforce households to improve credit worthiness and offset equity requirements using 'silent second mortgages' equity sharing, or other subsidy instruments.
(New)
Implementing Programs: HP-5 Affordable and Middle-Income Housing Development
- Policy 4.8** Develop moderate- and middle-income ownership housing in concert with the Housing Land Trust of Sonoma County (or other similar organizations) specifically targeted at providing home ownership opportunities to moderate- and middle-income, local workforce families.
(Existing, Modified)
Implementing Programs: HP-5 Affordable and Middle-Income Housing Development (New funding required)



Goal 5. Support and promote housing for homeless, special needs households, farmworkers, and elderly individuals.

The City of Healdsburg recognizes the needs of its homeless, special needs, farmworkers, and elderly individuals. Building on existing efforts, including the Project HomeKey Program, the City will continue to pursue policies and programs to provide needed housing and supportive programs within the City through cooperation with County and regional agencies and organizations.

Policies

Policy 5.1

Quantify the housing needs of people with disabilities, including residents with developmental disabilities, female-headed households, the housing needs of the homeless and those in peril of becoming homeless, and the housing needs of farmworkers.

(Existing, Modified, and Consolidated)

Implementing Program: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.2

Continue current City efforts to address homeless population needs by expanding transitional and supportive housing within Healdsburg and sustaining related services.

(New)

Implementing Program: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.3

Amend multifamily, mixed-use, and nonresidential zoning districts to allow permanent supportive housing and low-barrier navigation centers, pursuant to AB 101 and AB 2162.

(New, Statutory requirement)

Implementing Programs: HP-4 Expand Housing Capacity, HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.4

Increase the number of extremely low-income units in affordable housing developments by expanding City subsidies to these projects and including units that qualify as a 'housing unit' in future City-sponsored transitional and supportive services projects and pursuing siting, production, rehabilitation, and preservation of housing for extremely low-income households, including non-traditional housing types.

(New)



Implementing Programs: HP-5 Affordable and Middle-Income Housing Development, HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.5

Encourage and facilitate the transition of homeless residents to permanent housing.

(New)

Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.6

Collaborate with the County, other cities, and non-profit organizations to meet the needs of the homeless and those at risk of homelessness in Healdsburg.

(New)

Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.7

Encourage senior housing development, rehabilitation, and preservation, particularly in neighborhoods that are accessible to public transit, commercial services, healthcare, and community facilities.

(Existing)

Implementing Programs: HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.8

Continue to encourage the provision of housing to serve people with developmental disabilities in new affordable housing projects by facilitating needed Community Care Housing and Community Development (HCD) licensing, streamlining required land use approvals, requiring affordable housing developers to set aside a portion of their units for the developmentally disabled, and offering available subsidies and granting fee waivers.

(New)

Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing



Policy 5.9 Assist special needs housing project partners by seeking dedicated funding for developmentally disabled affordable housing construction including state and federal grants as they become available, and support construction funding applications for affordable housing projects serving the developmentally disabled.

(New)

Implementing Programs: HP-1 Housing Administration (funding), HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.10 Continue to provide individuals with disabilities 'Reasonable Accommodation' through universal design standards and flexibility in zoning and building code regulations as necessary to eliminate barriers to housing.

(Existing, Consolidated, Modified)

Implementing Program: HP-7 Remove Housing Constraints (Code amendments and procedures)

Policy 5.11 Require the inclusion of units meeting special needs in affordable housing projects developed with City assistance, where feasible and appropriate.

(New)

Implementing Programs: HP-5 Affordable and Middle-Income Housing Development, HP-8 Extremely Low, Homeless, and Special Needs Housing



Goal 6.

Affirmatively further fair housing and promote environmental justice for all residents by ensuring fair and equal housing opportunities for all Healdsburg residents regardless of race, color, religion, sex, sexual orientation, age, marital status, national origin, ancestry, familial status, disability, or source of income, and promoting fair housing practices and prohibiting discrimination.

Healdsburg contains areas designated as Low, Moderate, and High Resource according to HCD’s Affirmatively Furthering Fair Housing Opportunity Area Maps. The range of resource designations indicates disparities within Healdsburg neighborhoods in terms of access to economic, educational, and environmental opportunities. AB 686 mandates analysis of segregation patterns in the Housing Element, referred to as Affirmatively Furthering Fair Housing (see Section #). Housing Element policies and programs will reduce the health and safety risks in Low and Moderate Resource areas, notably through access to safe and sanitary housing and the prioritization of these areas for improvements and services. While Affirmatively Furthering Fair Housing is a recurrent goal of the Housing Element, achieved through implementing its full range of goals and policies, the following specific policies are included.

Policies

Policy 6.1

Ensure compliance with fair housing laws and prohibit discrimination in housing by providing fair housing services that include public information, engagement, counseling, and investigation.

(Existing, Modified, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.2

Actively sanction discriminatory housing practices.

(Existing, Modified, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.3

Affirmatively further fair housing by facilitating deliberate action to address and combat disparities and enhance economic mobility, by fostering inclusive communities and preventing the perpetuation of existing patterns of segregation.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing



Policy 6.4 Ensure that affected residents have the opportunity to participate in decisions that impact their health. Facilitate the involvement of residents, businesses, and organizations in all aspects of the planning process, utilizing culturally appropriate approaches for public participation and involvement.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.5 Provide all informational documents, web-postings, and related services in English and Spanish, and conduct all outreach multilingually, with reasonable accommodation for people with disabilities.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.6 Focus affordable housing development in Higher-Resource areas well-served by public transportation, schools, retail, and other services.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.7 Improve public facilities and municipal services in existing Lower-Resource Areas where deficiencies are shown to exist.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.8 Provide housing opportunities for all household income cohorts throughout Healdsburg while avoiding or mitigating displacement of existing residents.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing



Policy 6.9 Provide high quality and equitable public services, including public transportation, crime prevention, police protection, street lighting, street cleaning, and recreational facilities and programs, throughout the City.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.10 Continue to limit regulatory and enforcement actions against tenants in deed-restricted and naturally-occurring affordable housing by providing adequate time or extensions to address violations unless there is an imminent threat to public health and safety.

(New, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.11 Continue to implement the City's Reasonable Accommodations Ordinance to ensure that all persons have access to housing of their choice, regardless of ability.

(Existing, Modified, AFFH)

Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.12 Ensure that the City's programs and policies continue to improve or eliminate the health disparities of residents in existing disadvantaged communities.

(New, AFFH)

Implementing Programs: HP-6 Affirmatively Furthering Fair Housing, HP-10 Environmental Quality



Goal 7. Achieve a high standard of energy efficiency, water conservation, and 'net-zero' energy and water usage throughout the City, including existing and new development.

This Goal addresses the critical need to assure that both existing and new development reduce and re-source energy supplies to renewable (non-fossil fuel) sources, reduce demand for potable water, and reduce aggregate carbon emissions to address climate change and improve environmental quality.

Policies

Policy 7.1 Expand existing City efforts and vigorously pursue new initiatives to increase water conservation and water supply capacity to both sustain supply for existing rate payers and provide capacity for new housing development.

(New)

Implementing Program: HP-9 Environmental Quality

Policy 7.2 Require energy-efficiency performance in new housing and other development that meets or exceeds minimum State building standards.

(Existing)

Implementing Program: HP-9 Environmental Quality

Policy 7.3 Expand reliance on renewable energy sources for City utilities including solar, geothermal, and cogeneration sources.

(New)

Implementing Program: HP-9 Environmental Quality

Policy 7.4 Provide public information and links to subsidy programs and vendors for energy efficiency improvements and on-site energy saving and production retrofitting options for existing homes.

(New)

Implementing Program: HP-9 Environmental Quality



- Policy 7.5** Assist homeowners and businesses with conforming to water conservation measures through public information, workshops, access to needed appliances and equipment, and financing.
(New)
Implementing Program: HP-9 Environmental Quality (new funding may be required)
- Policy 7.6** Expand the inventory of electric vehicle charging stations through public investment and requirements on private parking facilities.
(New)
Implementing Program: HP-9 Environmental Quality (New funding may be required)
- Policy 7.7** Require energy-efficient site development and waste disposal practices.
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality
- Policy 7.8** Include facilities for non-automobile transportation as a part of project approvals and plans, including pedestrian ways, access, and interconnections, on street and dedicated bikeways, and transit options.
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality
- Policy 7.9** Require the planting of drought tolerant street trees as a part of all residential development and parking projects and sustain and expand tree canopy in existing Lower-Resource neighborhoods more susceptible to extreme heat due to a lack of street trees.
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality



Housing Programs

The Housing Element Goals and Policies will be implemented through a set of Housing Programs, including continuation of existing programs and related efforts by the City to preserve, improve, and expand housing opportunities in the City. Collectively, the 6th Cycle Housing Programs not only address RHNA, they also support housing production above-and-beyond RHNA, by reducing barriers and constraints and affirmatively furthering fair housing. The 6th Cycle programs have been consolidated into nine major programmatic efforts that incorporate and expand upon the 49 programs presented in the 5th Cycle Housing Element.

Program Implementation Timeline

The Housing Programs are each composed of specific activities and actions that taken as a whole will implement the 6th Cycle Housing Element Update and set the City up for the 7th Cycle as well. These implementing activities and actions fall into several categories including: 1) ongoing existing activities; 2) expanded or new activities; 3) new technical efforts supporting housing development; and 4) new or amended plans and regulations. Program implementation, generally, is and will be ongoing but implementation of new programs will be accelerated to earlier in the Cycle, so that there is an opportunity to monitor progress and make changes to Programs as may be appropriate.

Housing Program 1 – Housing Administration

The City Council has made access to healthy and safe housing for all Healdsburg residents a high priority. To ensure the housing needs of the community are being met, the City has created and funded a Housing Department that administers the City's housing programs and development efforts, including those below. The City will continue to provide the following under Housing Program 1:

- 1) Sustain Partnerships with Other Agencies. During the 5th Cycle, the City strengthened and formed strategic partnerships with experienced housing service providers including Reach for Home, formerly North Sonoma County Services (NSCS), Housing Land Trust of Sonoma County, Fair Housing Advocates of Sonoma County, Corazón Healdsburg, and others. In partnership, these, and other, service providers assist the City in ensuring residents have direct access to:

- Financial assistance for low-income tenants at risk of displacement,
- Fair housing services for tenants and landlords,
- First-time homebuyer assistance for low-income and moderate-income families, and
- Emergency and transitional housing services.

Timeline category and objective: Ongoing activity; sustain existing partnerships and seek new partnerships as may be appropriate.

- 2) Continue to Assist Affordable Housing Developers. Efforts will be continued to publicize and provide financial and procedural assistance to affordable housing through land donations and long-term leases, the ongoing fee-deferral program, subsidies for City fees and on- and off-site improvements, loans, and other forms of assistance. Procedural assistance will include publicizing and assisting at least one dozen affordable housing developers over the planning cycle with available incentives and housing programs, such



as the density bonus ordinance, small subdivision ordinance, and Growth Management Ordinance provisions and procedures.

Timeline category and objective: Ongoing activity; sustain existing efforts to assist and provide local subsidy funding to affordable housing developers on a project-by-project basis as individual affordable housing projects are proposed, approved, and supported by the City, assist 100% of active project proposers citywide in their efforts to secure State and/or Federal funding at least annually throughout the planning cycle.

- 3) Continue to Administer Fair Housing Programs. The City's ongoing efforts to implement fair housing laws will need to be expanded to meet the full requirements of AB-686. A more active and expansive effort will be required demanding additional staff time. Housing Department staff will produce a comprehensive AFFH plan, that will include the actionable programs to mitigate the Contributing Factors identified within the Fair Housing Assessment, summarized in Section 1 and further detailed in the Technical Background Report.

Timeline category and objective: Ongoing activity; expand existing staff efforts beginning in 2023 by creating and adopting an AFFH Plan by December 2023 and proceeding with implementation immediately thereafter. Annual accomplishments will be documented in each Annual Progress Report.

- 4) Expand Affordable Housing Monitoring Program. The existing and increasing inventory of affordable housing will require monitoring, typically in cooperation with the developers and owners of the individual affordable housing projects. The objective of this program is to ensure that households continue to qualify for price-restricted rents, consistent with HCD income limits, and that other covenants and obligations are being met.

Timeline category and objective: Ongoing activity; expand existing effort beginning in 2023 to encompass new affordable units coming on-line during the 6th Cycle; complete on-site monitoring for all City-funded projects; expand monitoring services to include entrance and exit surveys to understand need of those served by affordable housing.

- 5) Prepare Annual Housing Report. Review and report annually on the implementation of Housing Element programs for the prior calendar year and present the annual report to the City Council at a public hearing before submitting the annual report to HCD and the Office of Planning and Research (OPR).

Timeline category and objective: Ongoing activity; annual reports will be prepared by April 1, 2023 through 2031 documenting progress towards meeting RHNA and other 6th Cycle housing policies and programs.

- 6) Sustain and Expand Financial Resources. The City currently relies upon a variety of funding sources in support of affordable housing development including an allocation of the City's Transient Occupancy Tax, negotiated agreements with developers and Inclusionary Housing Ordinance in lieu fees, and various grant program awards. In addition to these sources the City will continue participation in the Joint Powers Authority with Sonoma County and other Sonoma County jurisdictions to further City's eligibility for



traditional State and Federal funding (e.g., CDBG and HOME programs) and new programs such as California SB-1 Sustainable Communities Grants, the Strategic Growth Council and HCD Sustainable Communities Programs and HCD’s Permanent Local Housing Allocation, and regional funding programs offered by ABAG/MTC. These efforts will require applying for regional, State, and Federal grants for affordable housing, providing documentation as needed in support of project applications for State and Federal financial assistance. Continuing prior efforts, the City will continue to evaluate potential new local funding sources, such as JPA and 501(c) (3) bonds for acquisition and new construction and will implement this model in the first two years of the 6th Cycle.

Timeline category and objective: Ongoing activity; expand existing effort beginning in 2023, to identify and establish additional affordable housing funding sources; local funding program implemented by April 2025.

- 7) Continue to support HEWG. Continue to engage and support the Housing Element Working Group (HEWG) or other successor community focus groups in Housing Element implementation efforts. The HEWG was convened as a public advisory body in support of the 6th Cycle Housing Element update but is being extended by the City Council to serve as a resource to advance policies, implement programs, and support broader community engagement efforts. Specific efforts identified include consideration of options for amending the Growth Management Ordinance, evaluating development capacity and how planning and regulatory measures can increase housing development capacity, strategies for expanding ‘middle’ housing, expanding funding sources, and considering priorities for new area and specific plans.

Timeline category and objective: Ongoing activity; at least once per calendar year, provide updates to the City Council and seek Council direction on policy; continue existing effort as directed by the City Council.

- 8) Continue to Advocate for Affordable Housing. The State Legislature remains very active with its housing agenda. The Housing Department will continue to advocate to the State and Federal governments to provide additional financial resources for affordable housing. The City will continue to include its housing related advocacy platform in its Legislative Agenda which is adopted every two years.

Timeline category and objective: Ongoing activity; sustain existing advocacy with annual review of proposed State legislation provided to City Council by June of each year, biannual consideration of amendments to the City’s Legislative Agenda, and funding advocacy (e.g. public comment at State allocation hearings) conducted as warranted by local funding needs for specific project(s), the City, or the County of Sonoma.

- 9) Continue to act as Redevelopment Successor Agency. While most of the assets of the Successor Agency and Housing Successor Agency have been utilized, there are ongoing responsibilities and obligations of the former Redevelopment Agency. The Housing Department will continue to fulfill this role.



Timeline category and objective: Ongoing activity; sustain existing Successor Agency functions until such time as all related obligations are met and properties divested and/or developed.

- 10) **Pursue Prohousing Designation.** Through addressing constraints to development and fair housing opportunities, the City will strive to achieve and maintain the State’s Prohousing Designation throughout the 6th Cycle. This designation will provide the City an advantage in applications for competitive funding sources, including the Affordable Housing & Sustainable Communities Program, Infill Infrastructure Grant, and a direct pool of Prohousing Incentive Pilot (PIP) funds available to designated communities. In collaboration with the Napa Sonoma Collaborative (or similar/successor organizations) and local nonprofit organizations, the City will analyze policies and programs needed to exceed the threshold for the Prohousing Designation program and apply in 2023.

Timeline category and objective: Ongoing activity; application submitted in December 2022, and Prohousing designation anticipated in 2023.

- Responsibility:** Housing Director
- Resources:** Additional staffing and financial resources will be needed
- Funding:** General Fund, Housing Fund, and grant funding (as available)
- Schedule Summary:** Continuing and expanded efforts initiated in 2023 as documented in the Annual Progress Reports; implementation timing of subprograms noted above.
- Geography:** Citywide, with 6th Cycle affordable housing development primarily concentrated in the City’s relatively higher income northern tract (-013).



Housing Program 2 – Preserving Existing Housing and Neighborhoods

As part of the overall Housing Strategy, preserving existing affordable and market-rate housing is a very high priority because sustaining this housing, both in quantity, quality, and affordability, is generally more cost-effective and less resource-intensive than creating new housing.

Link to Quantified Objectives: The following actions are targeted to result ‘no net loss’ of existing housing units and in a minimum of 61 units, all ‘very low’ and ‘extremely low income,’ to be rehabilitated; and 70 units, ‘extremely low,’ ‘very low,’ and ‘low,’ to be preserved as affordable units during the 6th Cycle.

- 1) Acquire Multifamily Housing. Recognizing the relatively large stock of market-rate multifamily rental buildings, continue seeking opportunities to purchase and rehabilitate multifamily rental housing buildings to provide these housing units at prices affordable to households at a variety of income levels. The City will proactively monitor the availability of properties on the market and responsively coordinate with property owners interested in selling multifamily property. Single-family properties with capacity for redevelopment at greater intensity will be considered for conversion to multifamily or supportive housing on an opportunity basis.

Timeline category and objective: Ongoing activity; provide 39 units affordable to Very Low-income households by the end of 2023 within the “Scattered Sites” project discussed in Section 3; sustain existing opportunistic acquisition and rehabilitation actions when housing rental buildings come onto the market or seek the City’s assistance. Given history, two or three additional opportunities may occur during the 6th Cycle.

- 2) Ensure Replacement Housing. Replace any housing units displaced due to a redevelopment project with equivalent housing units, as a condition of approval.

Timeline category and objective: Ongoing activity; assure continuing consistency with Government Code Section 65915 requirements to replace any housing units displaced by development activity on a project-by-project basis; report such loss and replacement on an annual basis beginning in April 2023.

- 3) Continue to Enforce Mobile Home Park Space Rent Stabilization Ordinance. Continue to enforce the terms of the Mobile Home Park Space Rent Stabilization ordinance (Municipal Code Chapter 2.56) and administer the procedures of the ordinance to ensure the continued preservation of affordability of mobile homes parks within the City.

Timeline category and objective: Ongoing activity; sustain existing Rent Stabilization Ordinance.

- 4) Continue to Restrict Non-Residential Use of Existing Houses. Continue to enforce the terms of the City’s prohibition of vacation home rentals (i.e., fewer than 30 days) in residential zoning districts, and conversions of homes to commercial use (offices, etc.).

Timeline category and objective: Ongoing activity; sustain existing prohibition of vacation home rentals.



- 5) Measure and Consider Strategies to Mitigate Loss of Housing Stock to Second Homes. As part of implementing this housing program, measure and track the number of existing second-home conversions and report changes annually as part of the Annual Housing Report, beginning in 2023. Identify and pursue actions for mitigating loss of housing to second homes through the presentation of an action plan to City Council.

Timeline category and objective: New technical effort and regulatory action; adopt actions needed to mitigate the loss of housing to second home use including identification of needed funding source(s) not later than end of year 2024.

- 6) Continue to Reduce Wildfire Risk. In collaboration with the City Fire Department, regional agencies, CalFire, and organized property owner groups, and building upon existing efforts, adopt and implement additional programs and related investments that reduce wildfire hazards, consistent with the City's General Plan Safety Element update.

Timeline category and objective: Ongoing inter-agency coordination and new plan and regulation; initiate and complete Safety Element Update addressing wildfire hazard reduction and resilience not later than June 2024.

- Responsibility:** Housing Director, Housing Department, and Community Development Department
- Resources:** Ongoing effort, non-residential use restrictions will require legal and technical support
- Funding:** General Fund, Housing Fund, and new local funding
- Schedule Summary:** Continuing, as documented in the Annual Progress Report; implementation timing of subprograms noted above
- Geography:** Citywide; subprogram geography in relation to location of existing multifamily development, new housing development for replacement units, mobile home parks, and wildfire risk concentrated in the wildland-urban interface (WUI) along Healdsburg's eastern edge



Housing Program 3 – Sustaining and Expanding Housing Sites

The primary intent of the State Housing Law that requires adoption of Housing Elements by cities and counties is assuring adequate sites for a prescribed (through the Regional Housing Needs Allocation) amount of housing affordable to the full range of household income categories.

Link to Quantified Objectives: The following actions are targeted to result ‘no net loss’ of existing housing sites and target 75 affordable units in relatively higher income areas using a variety of housing types, including small lots, duplexes, triplexes, multifamily, and accessory dwelling units.

- 1) Maintain Adequate Residential Sites to Assure “No Net Loss”. Monitor the supply of residential sites and related development projects to ensure that sufficient developable sites and units are available to meet the 6th Cycle RHNA requirement. Building upon the existing effort, maintain and expand a detailed listing of sites available for housing development and use this list to assure RHNA requirements are met and also to attract residential developers to the City. Also, assure ‘No Net Loss’ of residential units by disallowing or mitigating any loss of housing due to redevelopment of existing areas containing housing units.

Timeline category and objective: Ongoing activity; sustain existing Residential Sites and assure ‘not net loss’ as the result of their development; potential changes to the Housing Element Sites Inventory reported in the APR by April 1 of each year through 2031.

- 2) Pursue Housing Site Acquisition/Land Banking. On an opportunistic basis, purchase sites or otherwise acquire sites with housing potential as part of efforts to partner with affordable housing developers and consider formation of or participation in a local or regional Housing Trust and/or Community Development Corporation to facilitate such transactions.

Timeline category and objective: Expand existing activity; continue to identify potential housing sites opportunistically where City ownership would facilitate affordable housing production throughout the 6th Cycle; provide Council with action items regarding a Housing Trust and/or Community Development Corporation by December 2025.

- 3) Convert Hotels and Motels. As part of a long-term recovery response to COVID-19, support the acquisition of hotels and motels to be converted into housing units and made available for people experiencing homelessness at rents affordable to extremely low-income households. Provide committed assistance (\$7.2 million in Project Homekey funds) for this conversion, and ensure that these units meet the requirements of Government Code 65583.1(c) for hotel, motel, or hostel conversion.

Timeline category and objective: Provide 22 units by 2023 within the “L&M” project discussed in Section 3.

- 4) Provide Public Information on ADUs, SB 9, and Other Opportunities and Incentives for Homeowners to Increase Housing Onsite. In addition to promoting ADUs, provide information about SB 9 (2021), which allows property owners to split a single-family lot into two lots, and AB 917 (2022), which allows the conversion of existing living space to up to two bedrooms without a public hearing. The City will prepare and distribute



informational brochures and update the City’s website on the permitting procedures, requirements, and support available by 2024.

Timeline category and objective: New technical activity; as part of Housing Development Capacity Study identify parcels with potential for additional housing unit(s) and complete informational brochure and website information not later than the end of 2024.

Responsibility: Housing Director, Housing Department, and Community Development Department

Resources: Ongoing effort

Funding: General Fund and Housing Fund

Summary Schedule: Continuing, as documented in the Annual Report on Housing Element; implementation timing of subprograms noted above.

Geography: Citywide



Housing Program 4 – Expanding Housing Development Capacity

While the existing inventory of housing sites has been shown to be adequate to meet the 6th Cycle RHNA requirements, the City is committed to expanding development capacity to meet current and future housing needs. A range of opportunities exist for expanding housing development potential even within the confines of the City's Urban Growth Boundary (UGB).

Link to Quantified Objectives: The following actions are targeted to substantially expand the City's housing development capacity during the 6th Cycle, allowing construction of housing units over and above RHNA, and consistent with the overall Quantified Objective of 970 units for New Construction.

- 1) Conduct Development Capacity Study. Conduct a 'development capacity and opportunity study' for the City that identifies existing housing development opportunities and visually demonstrates how zoning and other legislative and regulatory tools can unlock development opportunities.

Timeline category and objective: New technical activity; initiate and complete Housing Development Capacity Study by end of 2024.

- 2) Adopt Development Code Amendments. There are a variety of opportunities to amend the City's Land Use Code that can expand housing development capacity and reduce constraints, including increasing the maximum density of selected base zoning districts to 30 units (or more) per acre to better reflect the density needed for multifamily rental housing. While not required to meet the 6th Cycle RHNA, this effort can provide additional opportunities during this Planning Cycle and beyond.
 - Strengthen 'use-by-right' provisions of all zoning districts and limit use of conditional use permits; replacing them with ministerial objective design standards.
 - Review and update parking requirements for all residential districts.
 - Update the City's Density Bonus Ordinance to conform to current State Density Bonus Law and provide additional local bonus provisions to incentivize moderate and middle-income housing projects.
 - As an alternative to increasing maximum densities on selected parcels, create an workforce housing overlay zone or similar overlay district for areas suitable for higher-density multifamily housing development.
 - Review existing minimum density standards in residential districts and increase these minimums to assure better utilization of development capacity, particularly within higher-resource areas.
 - Amend the City's Land Use Code to conform to current State development standards and approval procedures for accessory dwelling units (ADUs).



- Amend the City’s Land Use Code to allow residential care facilities for 7 or more individuals by right, subject to only objective, transparent criteria so as not to constrain the opportunity of large households and households containing people with disabilities.
- Prepare and adopt a code amendment to allow low barrier navigation centers by-right where required and to amend the standards for homeless shelters for consistency with State law. As needed, amend parking requirements and management standards for emergency shelters pursuant to State law, including SB 2, AB 139, and Government Code 65583, subdivision (a)(4)(A).
- The City’s Land Use Code already allows transitional and supportive housing in the Single Family (R1) zoning district; however, the City will review and amend as needed to ensure consistency with State law.

Timeline category and objective: Amended regulation action; initiate code amendments by the end of 2023, and complete Development Code amendments by end of 2025.

- 3) Rezone Existing Sites with Housing Potential. Rezone properties to allow higher density housing where such development is compatible with surrounding uses.

Timeline category and objective: Ongoing and expanded regulation action; continue considering rezoning of individual sites suitable for higher density development and proceed with programmatic rezoning following adoption of amended Development Code in 2025.

- 4) Prepare and Adopt Area Plans and/or Specific Plans. Evaluate and prioritize preparation and implementation of Area Plans or Specific Plans for portions of the City where such planning can substantially add to the City’s housing development capacity and serve as comprehensive place-based strategies to affirmatively further fair housing. These areas include:

- Central Healdsburg Area
- North Healdsburg Avenue Area
- South Entry Area

As these plans are complex and require substantial policy, technical, review, and implementation efforts, schedule the completion of those plans selected in priority order.

Timeline category and objective: New planning and regulation action; select, initiate, and complete a minimum of one of the identified area plans by 2030.

- 5) Pursue Development of ‘Housing Opportunity Sites’ through Partnership with Other Public or Private Entities. Identify and evaluate potential sites (e.g., Foss Creek Community Center site, Healdsburg Hospital site, Station Area site, and other City-owned property) for potential development partnerships that focus on providing local employee housing. If feasible, civic functions (e.g., a community center, recreation facilities, libraries, etc.) that are adjacent to or incorporated as part of the site plan may enhance amenities.



Timeline category and objective: New planning and regulation action; select, pursue, and complete planning and regulations for a minimum of two opportunity sites by 2030.

- Responsibility:** Community Development Department
- Resources:** Substantial costs will be incurred to complete the technical, planning, and environmental review required to implement this Program
- Funding:** General Fund, Housing Fund, and land/developer-based sources
- Summary Schedule:** Development Capacity Study, Code amendments completed during the 6th Cycle; rezoning and plans initiated during 6th Cycle; implementation timing of other subprograms noted above.
- Geography:** Citywide; specific plan geographies as identified, primarily within the western -021 block group



Housing Program 5 – Developing Housing Affordable to Very Low, Low, Moderate, and Middle-Income Households

During the 5th Cycle, the City not only maintained sufficient sites and development capacity to achieve RHNA, but also focused on getting affordable units built and largely met the 5th Cycle RHNA requirements and the Quantified Objectives. At the same time the City expanded development capacity and commitment and mobilized housing projects that will contribute to meeting 6th Cycle RHNA requirements and related Quantified Objectives.

Link to Quantified Objectives: The following actions are targeted to assure construction of 330 'extremely low,' 'very low,' and 'low' income units; construction of 640 'moderate' and 'above moderate' units and, as a part of these units, expand ADUs by a minimum of 110 units and housing ownership opportunities to a minimum of 98 local households.

- 1) Continue to Implement the Inclusionary Housing Ordinance (IHO). Continue to implement the recently amended IHO, which requires Moderate- and Middle Income-units in for sale projects and Low- and Moderate-income units in rental projects. Prepare and act upon any revisions to the inclusionary housing requirements as needed to further incentivize middle-income units, to the extent necessary to achieve Quantified Objectives of 263 affordable rental units and 98 affordable ownership units by 2031.

Timeline category and objective: Ongoing activity; develop, act upon and implement amendments to the Inclusionary Housing Ordinance by 2025.

- 2) Manage Construction of Affordable Housing Development. The development of price-restricted affordable housing projects requires considerable planning review, transactional support, and administrative effort. Fortunately, many of the projects that will be completed during the 6th Cycle have already been planned and funded, reducing this effort. However, there will be ongoing management efforts to ensure the projects are completed as expected and new projects are supported. The City may contract with organizations or consulting firms that assist with construction management and administration of affordable housing projects and tenancing.

Timeline category and objective: Ongoing activity; assure that ongoing and additional affordable housing projects are efficiently and effectively managed throughout the 6th Cycle by tracking units planned and units constructed per Housing Department staff person and monitoring ratios over time, using 2023 as a base year.

- 3) Incentivize Affordable Accessory Dwelling Units. Create an affordable accessory dwelling unit incentive program to encourage property owners to deed-restrict secondary dwelling units as affordable rental housing for lower- or moderate-income households. The program will focus on lowering ADU costs through pre-approved plans, modular units, and financing programs. As part of this program, the City will complete an inventory and evaluation of ADU capacity and trends in the City, establish a monitoring program that documents ADUs created year-to-year, and ensure the long-term affordability is maintained in any ADUs where City financial support is offered.



Timeline category and objective: Ongoing and expanded activity; building upon current efforts, complete the ADU Incentive Program not later than end of year 2024. It is expected that given the average number of permitted ADUs in the past five years, and relying on ABAG’s “safe harbor” allowances, 110 ADU units will be created in the City during the 6th Cycle.

4) Develop Lower, Moderate and Middle-Income Housing. While creating very low and low-income housing is often substantially assisted through LIHTC programs, creating middle-income housing (up to 160% AMI) is often more challenging due to limited State or federal subsidies and the high costs of development, particularly in Healdsburg with its high median housing prices and high land cost. It is also the case that necessary price restrictions associated with public subsidies can deter market attractiveness of such homes, requiring special focused marketing efforts. This program has the following elements:

- **Expand Individual Affordable Housing Projects to include ‘mixed-income’ housing projects.** Existing partnerships with and incentives for affordable housing developers could be expanded to include ‘mixed-income’ units that would be affordable to middle-income households.
- **Utilize Land Trust Model.** Expand cooperation with the Housing Land Trust of Sonoma County (or similar organizations) that use a land trust-based financing model to promote opportunities for ownership housing and provide the necessary incentives including site dedication and other subsidies (see Program 3.2).
- **Employer-Provided Housing.** Consider options for creating, in partnership with local employers, employer-provided or subsidized housing for local workers, including teachers, public safety employees, medical staff, etc.
- **Developing Subsidy Incentives and Options.** In most cases, substantial, local sources of funding and financial subsidies will be required to achieve lower, moderate, and middle-income housing objectives (see Program 1.6) related to expanding financial subsidies and incentives). Local funding is often used to “close the gap” and may be used by developers to off-set impact fees. Additionally, there are a range of techniques used including ‘silent second mortgages,’ equity sharing agreements, lease-purchase options, etc., that can be explored and shaped to meet local circumstances.
- **Target Opportunity Sites for Lower and Middle-Income Housing.** One or more of the Opportunity Sites that have been identified for affordable housing along with sites obtained through planning and development approvals, will include affordable housing sites for lower and middle-income housing, all or in part (mixed-income) (see Programs 4.4 and 4.5). Modifications to development standards (or concessions) to incentivize lower and middle-income housing may occur through this planning process.

Timeline category and objective: New technical activity and related regulatory actions; focus on supporting the development of at least 236 lower-income units in higher-income areas (see Table 10), and integrate ‘middle income’ housing, including opportunities for ownership



housing in the related Program implementation efforts; facilitate construction of a minimum of 50 middle income ownership housing units during the 6th Cycle (before 2030).

- 5) **Facilitate Streamlined Development.** The City will continue ongoing practices for priority processing and increase opportunities for streamlining the development process, including no- cost housing pre-application meetings with all relevant departments, and fast-tracked priority processing for ADUs and affordable housing developments. In addition, the City will develop a written application process, including the pre-application and the procedure that will be used. This process will provide a streamlined ministerial approval process to qualified residential and mixed-use development projects under State laws including SB 9, SB 35 (Gov. Code § 65913.4, as amended), SB 330, and AB 2162. The written procedures and checklists will be developed and made available on the City's website, and revised as additional laws modify or expand eligibility.

Timeline category and objective: Ongoing technical and regulatory activity; focus on streamlining the development of at least 100 ADUs in higher-income R1 areas; integrate 'streamlining' provisions in all planning and regulation actions and develop and adopt standardized streamlined application process not later than end of year 2023.

- Responsibility:** Housing Director, Housing Department and Community Development Department
- Resources:** Ongoing effort
- Funding:** General Fund, Housing Fund
- Summary Schedule:** Continuing, as documented in the Annual Progress Report; implementation timing of subprograms noted above.
- Geography:** Citywide



Housing Program 6 – Affirmatively Furthering Fair Housing

The City has an ongoing fair housing program that will be expanded to meet the requirements of AB-686 and other new State laws. Key to this expansion is taking a more proactive approach to fair housing administration and addressing the full range of fair housing policy and statutory requirements, including diligent implementation of meaningful actions (Table 34).

- 1) Refer Fair Housing Complaints. Continue to refer fair housing complaints to the State Department of Fair Employment and Housing, Fair Housing Advocates of Northern California, and legal services. Complaints are promptly directed to the appropriate authority including the Sonoma County CDC, Legal Aid of Sonoma County, and/or Housing Director for further discussion and evaluation. The City anticipates utilizing this process for 1-2 such complaints per year, or 10-12 times throughout the planning period.

Timeline category and objective: Ongoing technical activity; Respond to complaints within 48 hours; Continue effort throughout the 6th Cycle.

- 2) Provide Non-Discrimination Clause and Mandate Fair Housing Practices. Provide non-discrimination clauses in rental agreements and deed restrictions for housing constructed with City subsidy or through the IHO and mandate the implementation of fair housing practices in contracts with affordable housing developers.

Timeline category and objective: Ongoing technical activity; Continue effort throughout the 6th Cycle.

- 3) Disseminate Fair Housing Information. Create a landing page on City's website and disseminate fair housing information through multilingual posters, brochures, forms, and landlord/tenant handbooks from the State Department of Fair Employment and Housing and Fair Housing Advocates of Northern California in public locations and provide links on the City's website.

Timeline category and objective: Expanded technical activity; develop and disseminate bilingual fair housing information on at least a biannual basis in the City's newsletter to assure citywide reach, developed by December 2023 and continuing with annual review for updates to fair housing law throughout the 6th Cycle.

- 4) Conduct Spanish Language Outreach. Conduct outreach efforts for the City's affordable housing programs in Spanish as well as English and publicize the programs through organizations representing Spanish-speaking residents. Additionally, seek bilingual staff to support the Housing Department in outreach to Spanish-language households citywide, and with proactive outreach conducted to block groups with higher proportions of Spanish-language households at least twice in the planning cycle.

Timeline category and objective: Expanded technical activity; bilingual staff in place, continue translation of policy and program documents throughout the 6th Cycle.

- 5) Provide Utility Discounts for Lower-Income Households. Continue to discount the electric, water and sewer utility and storm drainage maintenance charges to lower-income households and affordable residential projects.



Timeline category and objective: Ongoing technical activity; continue existing discounted rates throughout the 6th Cycle.

- 6) Conduct Code Enforcement. Continue to investigate complaints and take action concerning Code Enforcement violations to encourage rehabilitation of substandard residential properties by homeowners and landlords and improve overall housing quality and conditions in the City. Emphasize **areas of higher need, including relatively lower-income neighborhoods, and assist with funding with a target of 25 homes in the planning period.**

Timeline category and objective: Ongoing regulatory activity; continue existing code enforcement efforts throughout the 6th Cycle.

- 7) Improve Infrastructure in Lower Income Areas. Continue street, sidewalk, recreation and other infrastructure and neighborhood improvements and maintenance. Consistent with the City's Capital Improvement Program, at least every other year apply for funding and annually prioritize improvements in lower- and moderate-income neighborhoods of the City which may include close proximity to new affordable housing developments.

*Timeline category and objective: Ongoing technical activity; continue infrastructure improvements in **relatively lower-income areas and areas with higher concentration of poverty** throughout the 6th Cycle; pursue grant funding sources including the Infill Infrastructure Grant (IIG) program on an annual basis, and apply as project needs align with funding criteria.*

- Responsibility:** Housing Director, Community Development Department
- Resources:** Expansion of City AFFH efforts will require additional staffing and support from collaborating agencies
- Funding:** General Fund and Housing Fund
- Summary Schedule:** Service expansion to begin in FY 22-23; implementation timing of subprograms noted above.
- Geography:** Citywide; emphasis in lower-income and higher poverty areas, low-income households throughout all resource areas, and direct outreach to Spanish-language households with proactive focus on block groups featuring higher proportions than the City's average of Spanish-language households.



Housing Program 7 – Removing Housing Constraints

Both governmental and non-governmental constraints limit housing development potential, increase costs, and inhibit the development of housing at all income levels. This Program seeks to remove these constraints through regulatory reform, infrastructure investments, and broadening the sources of funding available to remove constraints and incentivize housing production.

Link to Quantified Objectives: The following actions are targeted to expand the number of market-rate housing units above the existing 30 unit per year limit, amending fees to be proportional to unit size, and to reduce costs and risks related to environmental review.

- 1) Update and Reform Development Impact Fees and Charges. Review and update City Development Impact Fees and Connection Charges. Conduct economic analysis to determine the burden that such fees place on new development and seek ways, consistent with AB-602, to reduce the burden, particularly on affordable and middle-income housing development while at the same time assuring adequate funding for needed infrastructure. Pursuant to Government Code section 65940.1(a)(1), improve and ensure transparency by posting all development standards, planning and permitting fees/charges, and development impact fees on the City's website so that they are easy to find.

Timeline category and objective: New regulatory action; update City development impact fees and connection charges; and publish development standards and planning, building, and development impact fee schedules on the City's website to be compliant with AB-602 and pursuant to Government Code section 65940.1(a)(1) and to align with other Programs by the end of year 2023.

- 2) Promote and Utilize Exemptions to the Growth Management Ordinance. The GMO, as currently configured, exempts affordable housing units and allows construction of rental housing above its 30 unit per year limit on market rate housing. In addition, encourage housing developments of ten or fewer units, as they are exempt from the GMO under the regulatory provisions of SB 10 and provide a flexible option for amending the City's high propensity of R1 zoning with a target of 25 higher intensity units (tri-plex or more) in relatively higher-income R1 neighborhoods.

Timeline category and objective: Ongoing technical activity; continue efforts to educate the community about how GMO exemptions have been and can be utilized throughout the 6th Cycle; present SB 10 options to City Council concurrent with Development Capacity Study completed by the end of 2024 (see Program 4.1), and adopt any resulting ordinance prior to SB 10 sunset on January 1, 2029.

- 3) Evaluate Potential Amendments to the Growth Management Ordinance. Present amendments to the GMO to add further exemptions or increase the development cap above the existing 30 units per year for market-rate residential. The City will evaluate and consider specific amendments that further reduce constraints imposed by the GMO and thus promote housing availability and affordability.



Timeline category and objective: Amended regulation action; evaluate and select amendments to the existing GMO resulting in an increase in annual market rate units allocated by end of year 2026; present options to City Council for ballot measures amending/eliminating the GMO in the 2024, 2026, 2028, and 2030 primary and general elections by February of each year unless rendered inactionable by a prior election; on an ongoing basis, monitor and present any legislative proposals to modify the Housing Accountability Act or other State law which may alter or nullify the provisions of the GMO.

- 4) Evaluate Infrastructure Readiness and Capacity. Conduct evaluation of roads, utilities, and other infrastructure needed to support expanded development capacity, as proposed in this Housing Element Update, and add required projects to the City's long-range capital improvement plans or the Capital Improvement Program.

Timeline category and objective: New technical activity; concurrent with the preparation of the the Developmet Capacity Study, evaluate related needs for infrastructure improvements and add such improvements to the City's Capital Improvement Program, impact fee project lists, and project or plan related infrastructure improvement programs.

- 5) Prepare Program-Level Environmental Impact Reports. Develop procedures for preparing 'program environmental impact reports' (EIRs). Such program EIRs can reduce the time and expense of preparing project-level EIRs by limiting the scope of environmental review on individual projects covered by the program EIR. Program EIRs are suitable where one large project, such as an area or specific plan, can be characterized geographically. The project may involve a chain of subsequent individual projects carried out under the same authorizing statutory or regulatory authority which may have generally similar environmental effects, and which can be pre-mitigated in similar comprehensive ways.

Timeline category and objective: New technical and regulatory activity; concurrent with the preparation of the the Development Code amendments, rezoning, and development of specific or areas plans prepare program EIRs that minimize the need for project-specific environmental review and EIR preparation.

Responsibility: Community Development Department, Public Works and Utility Departments, City Council

Resources: Additional staff or technical consultant effort required along with potentially substantial capital improvements to improve development readiness

Funding: General Fund, Road Fund, Utility Funds, and new Citywide sources

Summary Schedule: Continuing, as documented in the Annual Report on Housing Element; implementation timing of subprograms noted above.

Geography: Citywide; GMO amendments may designate specific areas for exemption; program-level EIRs on basis of project or specific plan, as applicable



Housing Program 8 – Extremely Low-Income, Homeless, and Special Needs Housing Program

Diligent efforts are required to meet the needs of lower-income, and special needs individuals and households. While Housing Program 5 focuses on very low and low-income housing production (in addition to moderate, and middle-income housing production), housing for special needs households, including extremely low income, disabled, female heads of household, farmworkers, seniors, and homeless populations require special effort and incentives and are thus the focus of Housing Program 8.

The City creates extremely low income units by identifying opportunities to acquire and renovate market-rate housing and deed restrict, deepening subsidies to affordable housing developers and other methods. Additionally, The City, in cooperation with County and regional agencies, has an active countywide Program that can be expanded as technical financial resources are made available.

Link to Quantified Objectives: The 6th Cycle Quantified Objectives include 386 low and very-low income units exceeding the City's 6th Cycle RHNA requirements. The following actions are targeted to assuring that the 75 'extremely low' units are developed in the 6th Cycle; that all affordable price restricted units conform to Universal Design Standards; and that additional transitional housing units are developed as opportunities emerge.

- 1) Develop Extremely Low-Income Housing. Promote housing for extremely low-income households by encouraging and supporting funding applications for developers of permanent supportive housing, and by continuing to provide for housing with supportive services, single-room occupancy housing, and shared housing in the Zoning Ordinance. The City will continue to identify opportunities to incentivize extremely low-income housing by identifying/dedicating land and participating through local match pledges (Measure S (TOT) revenue) to support tax credit applications. In addition, identifying appropriate regulatory incentives will occur with the preparation of Specific Plans (see HP-4 Expanding Housing Development Capacity).

Timeline category and objective: Ongoing technical activity; continue efforts to integrate Extremely Low Income Housing in affordable housing projects and development of supportive housing projects to support the development of at least 83 extremely-low income units over the planning cycle as required by RHNA.

- 2) Provide Disabled-Access Units. Enforce Building Code requirements for the inclusion of accessible units in residential development projects that are subject to such requirements.

Timeline category and objective: Ongoing regulatory activity; continue efforts to create accessible and universal design features in affordable housing projects, special needs housing, and supportive housing projects.

- 3) Provide Emergency and Transitional Housing. Work with appropriate agencies and groups to provide temporary and transitional housing and support services for the homeless in Healdsburg. Continue the 15-year operating grant with the State of California for 22 units of transitional housing at L&M Village throughout the planning cycle, with the



potential to consider programmatic options to convert the L&M Village to permanent supportive housing pursuant to Project Homekey guidelines.

Timeline category and objective: Ongoing technical activity; continue efforts to provide temporary and transitional housing and support services in Healdsburg.

- 4) Provide Assistance to Female Head of Households. Based on identified needs of female heads of households (see **Appendix C**), and specifically single female heads of households with children, conduct targeted outreach regarding the City's housing programs and opportunities, and work to incorporate on-site amenities in new residential developments that benefit this special needs population (e.g., in-unit laundry, onsite childcare, outdoor play structures, etc.).

Timeline category and objective: New technical and regulatory activity; assess the needs of female head-of-households in Healdsburg; conduct outreach to daycares and preschools (using City's business license database) to inform female heads of household regarding available programs and housing opportunities beginning in 2023.

- 5) Provide Farmworker Housing. Work with appropriate agencies and groups to provide housing and support services for farmworkers in Healdsburg. Evaluate the community's farmworker population including farmworker jobs within the community to identify the need for farmworker housing by type and size and establish outreach to farmworker employers to match potential tenants to housing opportunities. The City will amend the City's Land Use Code, as applicable, to permit employee housing of up to 36 beds or 12 units as an agricultural use.

Timeline category and objective: New technical activity; in cooperation with the County, other public agencies and community-based organizations conduct evaluation of local farmworkers, to be completed not later than 2024 and provide farmworker housing needs in affordable and opportunity site projects; City participating in Association of Bay Area Governments (ABAG) farmworker housing cohort commencing in February 2023 to facilitate the identification of action(s) to bring to City Council by February 2024; support applications for the project-based Joe Serna, Jr. Farmworker Housing Grant (FHWG) Program as eligibility opens and local projects qualify for farmworker housing financing.

- 6) Publicize Senior Housing Resources. Provide information to the public on resources available to seniors, including local subsidized senior housing, senior housing providers, and fair housing assistance.

Timeline category and objective: Expanded technical activity; continue efforts to inform the City's senior population regarding housing resources and opportunities in Healdsburg; conduct outreach on housing-related initiatives in coordination with the City's Senior Advisory Committee and Healdsburg Senior Center at least annually.

- 7) Participate in Countywide Homeless Survey. Participate in annual comprehensive surveys of the County's homeless population.



Timeline category and objective: Ongoing technical activity; continue efforts to cooperate with the County in funding and conducting homeless surveys and outreach efforts including the Sonoma County point-in-time count conducted each February.

- 8) Implement Countywide Homeless Plan. Participate in the Sonoma County Continuum of Care Strategic Planning process and continue to implement the strategies outlined in the Northern Sonoma County Homelessness Plan.

Timeline category and objective: Ongoing technical and regulatory activity; continue implementation efforts for the Countywide Homeless Plan including Housing Department participation on the countywide Continuum of Care Board.

- 9) Develop Housing for Persons with Disabilities and Promote Universal Design Guidelines. Reach out annually to developers of supportive housing to encourage development of projects targeted to persons with disabilities, including developmental disabilities. Support applications for County, State, and Federal funding for housing construction and rehabilitation for persons with disabilities, including developmental disabilities. Promote Universal Design guidelines to maximize the number of units that are accessible to persons with disabilities.

Timeline category and objective: New regulatory action; require universal design quotas pursuant to ADA and State standards in new development agreements by December 2023; assemble, promote and provide action items to City Council on implementation of Universal Design Guidelines by April 2026.

- 10) Coordinate with Disability Services Stakeholders. Work with the North Bay Regional Center, Disability Services & Legal Center (DSLCL), and/or other relevant parties to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities, including in coordination with initiatives to increase housing access for people with disabilities as established by Program 8-11. Make information available on the City website including a dedicated page with City procedures and relevant local/regional resources. Publicize updates in the City's newsletter and conduct proactive targeted outreach to affordable housing developments and housing communities dedicated to seniors and people with disabilities at least twice throughout the planning cycle and as policy updates are established.

Timeline category and objective: Expanded technical activity; in cooperation with the North Bay Regional Center or similar agency, implement an outreach program not later than December 2024.

- 11) Provide Incentives for Disabled Access. Adopt incentives for accessory dwelling units that are designed to be accessible for people with disabilities. Incentives may include, but are not limited to: universal design, first floor bedroom/bathroom configurations, reduced setbacks, and/or reduced fees.



Timeline category and objective: Expanded regulatory activity; develop incentives to homeowners building ADUs to include Universal Design and other accessibility features in ADUs, create incentive program by 2024. The City will make its reasonable accommodation form available and easily accessible on its website by December 2023.

- 12) **Allow Employee Housing.** Amend the Zoning Ordinance to allow employee housing for six or fewer employees as a permitted use in the City’s Mixed Use and Office zones to comply with California Health and Safety Code 17000, et seq.

Timeline category and objective: Expanded planning regulatory action; as part of Development Code amendments and opportunity site identification and development, allow employee housing in Mixed Use and Office zoning districts as part of changes to Development Code completed by December 2024.

- 13) **Eliminate Constraints to Emergency Shelters.** Review and amend parking standards for emergency shelters to ensure compliance with SB 2 and mitigate potential constraints to the development of emergency shelters. As necessary, the City will conduct outreach to relevant stakeholders such as service providers.

Timeline category and objective: Expanded regulatory action; review and make regulatory changes to Development Code by December 2024.

Responsibility: Housing Director, Housing Department, and Community Development Department

Resources: Continuation of existing efforts

Funding: General Fund, Housing Fund, and Grants

Summary Schedule: Continuing, as documented in the Annual Progress Report; implementation timing of subprograms noted above.

Geography: Citywide and regional; farmworker housing to provide support to residents/workers in greater Healdsburg area, potentially beyond City limits; regional coordination with homeless services providers conducted on countywide basis with emphasis on Northern Sonoma County



Housing Program 9 – Environmental Quality and Conservation Program

This Program encompasses continuing efforts to assure a high level of environmental quality in the City while recognizing and respecting the costs that may be imposed as part of this effort.

- 1) Implement CalGreen Program. Ensure that the designs and construction practices for new residences and additions to existing residences comply with the California Green Building Standards Code.

Timeline category and objective: Ongoing regulatory activity; continue application of California Green Building Standards Code.

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

Timeline category and objective: Ongoing regulatory activity; continue requirements for solar access in all residential projects.

- 3) Provide and Publicize Energy Audit Program. Continue to provide and publicize the Energy Audit Program services to homeowners and landlords.

Timeline category and objective: Ongoing technical activity; continue to provide and publicize the City's Energy Audit Program with information available on the City's website by December 2025; utilize program in at least two affordable housing developments by December 2023.

- 4) Provide and Publicize Energy Efficiency Rebate and Weatherization Programs. Continue to publicize and administer State rebates for energy-efficient lighting fixtures and light bulbs, electric water heaters, air conditioners, heat pumps, appliances and photovoltaic systems, water storage, greywater systems, and weatherization of existing homes.

Timeline category and objective: Ongoing technical activity; continue to provide and publicize the City's Energy Efficiency Rebate and Weatherization Programs with information available on the City's website by December 2025; utilize program in at least two affordable housing developments by December 2023.

- 5) Construct Pedestrian and Bicycle Facilities. Include projects in the annual Capital Improvement Program and apply annually for CDBG funding to support projects with emphasis in relatively lower-income and higher poverty areas that provide safe walking and bicycling facilities between housing and commercial, educational, and transit destinations.

Timeline category and objective: Expanded technical and regulatory action; continue construction of pedestrian and bicycle facilities in the City as part of project development and the City's Capital Improvement Program, incrementally during the 6th Cycle.



- Responsibility:** Community Development Department, Public Works Department, Utilities Department
- Resources:** Continuation of existing efforts
- Funding:** General Fund and Housing Fund
- Summary Schedule:** Continuing, as documented in the Annual Progress Report; implementation timing of subprograms noted above
- Geography:** Citywide; pedestrian and bicycle facilities in relation to new housing projects [and emphasis in relatively lower-income and higher poverty areas](#)



Quantified Objectives

The Housing Element is required by State statute to include ‘quantified objectives’ that estimate and set targets for the number of units likely to be constructed, rehabilitated, and conserved/preserved by income level during the planning period. Beyond addressing RHNA site capacity requirements, quantified objectives can include targets for actual construction of housing units, specifying the types of housing units, objectives for preserving and conserving existing affordable housing units, and objectives for meeting other housing needs. The quantified objectives do not represent a ceiling, but rather set numerical objectives for the City to achieve during the 6th Cycle.

Healdsburg has set forth Quantified Objectives that exceed its RHNA, as shown on **Table 3**.

Table 3: Summary of Quantified Objectives

Income Category	New Construction [1]	Rehabilitation [2]	Conservation/ Preservation [3]	Total
Extremely Low	33	22	20	75
Very Low	135	39	25	199
Low	162		25	187
Moderate	76			76
Above Moderate	564			564
Total	970	61	70	1,101

[1] New construction includes pending, approved, and permitted units (810 units), projected ADUs (110 units), and above-and-beyond objectives (50 units) for middle-income ownership housing, and small-lot infill and second housing units.

[2] Rehabilitation includes the L&M Village (22 units) and the Scattered Sites Project (39 units).

[3] Conservation/Preservation includes conserving 70 existing, affordable mobile home units in the City that are not part of the City’s RHNA strategy but are included as a Quantified Objective.

Sources: City of Healdsburg; ABAG.

Objective 1 – Maintain Housing Sites

Maintain adequate sites and development capacity documented in this Housing Element Update as necessary to accommodate, at a minimum, Healdsburg’s RHNA throughout the Planning Period, including site capacity for 190 extremely-low and very low-income units, 109 low-income units, 49 moderate-income units, and 128 above moderate-income units for a total of 476 units.

- The Sites Analysis (see Section 3) documents that sites necessary to meet the RHNA presently exist in the City and, moreover, are largely already in the development pipeline. This favorable situation reflects the earlier efforts by the City to secure housing sites and also process several large-scale development projects.
- The Housing Programs that support this Objective include **Housing Program 3 - Sustaining and Expanding Housing Sites**, in recognizing that housing sites to meet the 6th Cycle RHNA requirements are secure, entitled, or under construction focuses on assuring ‘no net loss’ of sites, further efforts to secure future housing sites, and expanding efforts to promote ADU



construction; and **Housing Program 4 - Expanding Housing Development Capacity**, which focuses upon development code amendments, area and specific plans, and development of selected opportunity sites.

Objective 2 – Construct New Housing Units to Exceed RHNA

Construct the number of units equaling or exceeding the quantities by income group specified in the City’s RHNA, as assigned to the City by the Association of Bay Area Governments.

- The quantified objectives for housing construction encompass the new units that will be constructed in the City of Healdsburg by the City through cooperation with non-profit developer partners, by market-rate housing developers, and by homeowners who construct new ADUs or other secondary units. On average, approximately 121 units are needed in each of the eight years of the Planning Period to achieve the 970-unit Objective for New Construction, shown in **Table 3**.

There are currently 5,436 existing housing units in Healdsburg (Census, ACS 2021), and the construction of 970 new units will increase the City’s current housing inventory by 17.8 percent.

- Housing Programs that support this Quantified Objective include **Housing Program 5 - Developing Housing Affordable to Very Low, Low, Moderate, and Middle-Income Households**, which among other efforts focuses upon managing housing construction projects in the ‘development pipeline’ to assure that overall production and price-restricted affordable units are completed as planned and approved.

Objective 3 – Permit and incentivize a diversity of housing types and development strategies

Meeting the housing construction objective shown in **Table 3** will involve construction of a variety of housing types meeting the needs of each of the income groups as reflected in the RHNA requirement. However, in addition to meeting the RHNA numerical requirements, the City envisions ‘going beyond’ the RHNA, particularly to meet the pressing housing needs of moderate and middle-income households. **Table 4** shows housing quantitative objectives by housing type totaling 970 units, which exceeds RHNA.

- Setting quantified objectives for these housing types and is in the spirit of the City’s Housing Action Plan and provide the City with an important guideline and targets for future planning regulatory reform, rezonings and specific plans and individual housing project development. In addition to new housing units intended to meet the RHNA-based construction objectives, these housing types advance the City’s goals to build more housing appropriate for the missing middle-income households.
- The Housing Programs that support this Quantitative Objective include **Housing Program 4 - Expanding Housing Development Capacity** which explicitly requires that development code amendments, plans, and City-sponsored projects all focus on creating a diversity of housing types serving the full range of income category households, and **Housing Program 5 - Developing Housing Affordable to Very Low, Low, Moderate, and Middle-Income Households**, which comprises efforts to incentivize and subsidize needed affordable and middle-income household housing units.



Table 4: New Construction by Housing Type

Housing Type	Income Group Targeted	Number of Units	Percentage Total Units	Annual Average	Housing Program Linkage
Price-restricted Multifamily Rental Units [1]	Primarily Low- and Very Low-Income Households	263	27%	33	Housing Program 5 - Affordable and Middle-Income Housing Development
Market-rate Multifamily Rental Units (including senior housing) [2]	Middle Income Households (80% to 160% AMI)	449	46%	56	Housing Program 5 - Affordable and Middle-Income Housing Development
Middle-income Ownership Housing [3]	Middle Income Households (80% to 160% AMI)	98	10%	12	Housing Program 5 - Affordable and Middle-Income Housing Development
Accessory Dwelling Units [4]	Extremely Low, Very Low, Low, Moderate-Income Households	110	11%	14	Housing Program 3 - Sustaining and Expanding Housing Sites
Small lot Infill and Second Housing Units [5]	Middle Income Households (80% to 160% AMI)	50	5%	6	Housing Program 3 - Sustaining and Expanding Housing Sites
Total [6]		970	100%	121	

[1] Includes pending, approved, or permitted rental units affordable to lower-income households.
 [2] Includes pending, approved, or permitted rental units affordable to Moderate-income and Above Moderate-income households.
 [3] Includes pending, approved, or permitted ownership units affordable to Moderate-income and Above Moderate-income households.
 [4] Includes ADUs credited towards RHNA.
 [5] Reflects the City’s above-and-beyond objective.
 [6] Reflected total of Annual Average may not equal sum of numbers in column due to rounding.



Objective 4 – Conserve and Preserve Affordable Units

Conserve 70 existing affordable units and preserve affordability restrictions.

- This Quantified Objective includes a number of opportunities, including 1) conserving the 70 mobile homes protected by the City’s Mobile Home Park Space Rent Stabilization Ordinance, which are important sources of non-deed-restricted affordable housing in the community, and 2) monitoring and extending, where feasible, the affordability restrictions of units at risk of converting to market rate during the eight-year planning period (2023-2031). There are not any units at risk of converting to market rate during the planning period, but the City will monitor closely.
- This Quantified Objective is supported by **Housing Program 2 - Preserving Existing Housing and Neighborhoods**, which focuses upon replacing any housing units lost due to commercial or institutional construction, maintaining restrictions on mobile home site rents, and restricting conversion of existing homes to commercial or lodging uses.

Objective 5 – Rehabilitate Existing and Newly-Acquired Units

Rehabilitate a minimum of 60 existing housing units during the Planning Period (on average, 7 or 8 units per year during the Planning Period) so that existing and newly acquired affordable units remain affordable and habitable.

- This Quantified Objective can be met in several ways, including 1) acquisition of existing market rate multifamily housing on an opportunistic basis; 2) agreements to make improvements to units remaining in private ownership with the condition of a price-restriction; and 3) acquisition and conversion of motel/hotel units. The City has a relatively large quantity of older multifamily units but fewer motel properties to consider
- Rehabilitation of existing or newly-acquired units can be an important way to expand provision of supportive and transitional housing. Housing the City’s homeless and extremely low-income households is costly and challenging and generally requires special City sponsored projects created and maintained in cooperation with State programs and regional partners. The recently created project involving conversion of an older motel property to transitional housing (the L&M Village project) provides an example of how such units can be created.
- This Quantified Objective is supported by **Housing Program 2 - Preserving Existing Housing and Neighborhoods**, which includes an effort to acquire additional existing multi-family residential properties for rehabilitation and offering as price-restricted housing, as well as **Housing Program 8 - Extremely Low-Income, Homeless, and Special Needs Housing Program**. Housing Program 8 focuses upon creating additional supportive and transitional housing units both as part of its low-income tax credit projects and special projects, as exemplified by the recently completed conversion of the L&M Motel into transitional housing units administered by the City.



Actions to Affirmatively Further Fair Housing

The City of Healdsburg is committed to supporting fair housing rights and addressing fair housing issues. More specifically, the City is committed to implementing Government Code Section 8899.50(b), which requires the City to administer its programs and activities related to housing and community development in a manner which affirmatively furthers fair housing and take no action that is materially inconsistent with the City's obligation to affirmatively further fair housing. Additionally, in response to the fair housing analysis included in the Technical Background Report, the City has developed a set of actions to affirmatively further fair housing, as outlined in **Table 5**.



Table 5: Summary of Meaningful Actions to Affirmatively Further Fair Housing

Action Area	Programs	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
Housing Mobility	Affordable housing production in high-resource areas	Nearly 80% of lower income RHNA is located in high-resource areas.	2023-2031	Focused on northern areas.	RHNA, Sites Inventory, APR
	Improve infrastructure in lower-resource areas and near new affordable housing	Street, sidewalk, recreation infrastructure in low-resource areas; bike & pedestrian infrastructure inclusion in CIP, CDBG, and in conjunction with project development (see Programs 6.7, 9.5).	Ongoing	Citywide; emphasis on lower-resource areas, near new housing.	CIP, CDBG, project-based outcomes
	Housing land trust	Expand housing land trust model including partnership with Housing Land Trust of Sonoma County for low- and moderate-income homeownership (see Program 5.4).	Ongoing	Citywide	RHNA, Sites Inventory, APR
New Opportunities in Higher Opportunity Areas	Zoning for a variety of housing types in R1 zone	City Council to review SB 10 ordinance, and potential for increased development capacity in R1 zone exempt from the GMO (see Program 7.2).	2024	Determined in 2024 Dev't Capacity Study.	Study/Action (2024)
	Site acquisition & land banking	Pursue development of a Housing Trust and/or Community Development Corporation to expand opportunistic acquisition of sites for housing development and preservation (see Program 3.2).	Ongoing	Citywide; emphasis on higher resource areas.	RHNA, Sites Inventory, APR
Place-Based Strategies for Community Revitalization	Acquire multifamily housing	Building on the recent success of L&M Motel and Scattered Sites projects, the City will continue to pursue opportunities to purchase and rehabilitate multifamily rentals to provide affordable units (see Program 2.1).	Ongoing	Citywide; throughout resource areas.	Housing Element Quantified Objectives



	Streamlining affordable housing	Continue to utilize GMO exemption for affordable housing and facilitate streamlined development through an SB 35 standardized application on the City's website (see Program 5.5).	2024	Citywide; emphasis on higher resource areas.	Website
Displacement	Ensure replacement housing	Any units displaced due to redevelopment will be replaced with equivalent units as a condition of approval (see Program 2.2).	2023	Citywide; throughout resource areas.	RHNA, Sites Inventory, APR
	Prevent and mitigate loss of housing stock to non-residential uses	Vacation/investment homes continue to constrain housing supply, and the City will continue to address it through a moratorium on vacation rentals and a study to be conducted in 2024 (see Programs 2.4, 2.5).	Ongoing; 2024 action	Citywide; emphasis on Historic Core.	Study/Action (2024)
	Reduce wildfire risk	Continue inter-agency coordination and complete a Safety Element update by June 2024 to address hazard reduction and resilience strategies aided by new risk maps (see Program 2.6).	Ongoing; 2024 action	Citywide; emphasis on wildland-urban interface at eastern edge.	Safety Element (2024)
Outreach and Enforcement	Spanish language outreach and resources	Direct engagement with Hispanic community facilitated by expanded bilingual staff capacity (see Program 6.4).	Ongoing	Citywide	Staff Resources
		Housing Element Update translated into Spanish	2022-23	Citywide	Website
	Enhanced availability of fair housing resources	Create an updated, dedicated webpage on the City's website with information on fair housing rights/resources (see Program 6.3).	2023	Citywide	Website
		Reasonable accommodations form easily accessible on website	2023	Citywide	Website



3. Housing Sites Identification and Analysis

Consistent with Government Code §65583(a)(3), a major component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites for fulfilling the City’s fair share of regional housing needs, which is based on ABAG’s Regional Housing Needs Assessment (RHNA).

Table 6: Healdsburg’s 6th Cycle RHNA

Income Group	2023 - 2031 RHNA Allocation
Very Low	190
Low	109
Moderate	49
Above Moderate	<u>128</u>
Total	476

Sources: City of Healdsburg; ABAG.

Sites identified to address RHNA can include vacant sites zoned for residential use, vacant sites that allow residential development, and underutilized sites that are capable of being redeveloped to increase the number of residential units. These sites must have the realistic potential for new residential development within the Housing Element planning period. Of particular relevance in Healdsburg, planned, approved, and pending residential units may be credited toward fulfilling the City’s RHNA, as may a limited number of accessory dwelling units (ADU) and junior accessory dwelling units (JADU).

While the City plans to continue to aggressively pursue new housing opportunities throughout the City in the coming years, the City will meet its 6th Cycle RHNA through a combination of the methods listed below, which are summarized in **Table 7** and further described in **Appendix F** as well as the following narrative:

- A.** Pending, approved, or permitted residential projects
- B.** Acquisition of non-deed restricted units and conversion to 55-year deed restricted, affordable units
- C.** Hotel, motel, or hostel conversion
- D.** Accessory dwelling unit (ADU) and junior accessory dwelling unit (JADU) development projections

The Planning Period is the time period between the due date for one housing element and the due date for the next housing element (Government Code §65588(f)(1)). ABAG’s 6th Cycle Planning Period is January 15, 2023 to January 15, 2031.

The Projection Period is the time period for which the regional housing need is calculated (Government Code §65588(f)(2)). ABAG’s 6th Cycle Projection Period is June 30, 2022 to December 31, 2030.



This strategy means that this section is less focused on inventorying and analyzing potential opportunity sites and more focused on evaluating the pending, approved, and permitted project sites and the Alternative Sites to ensure the City is conforming to the Affirmatively Furthering Fair Housing (AFFH) requirements and furthering AFFH objectives.

Table 7: 6th Cycle Strategy to Address RHNA

Income Group	2023 - 2031 RHNA Allocation	Pending, Approved, or Permitted Units	Adequate Sites		Projected ADUs	Total Credits	% of RHNA
			Market Rate Units Converted to Affordable	Hotel, Motel, or Hostel Conversion			
Lower							
Extremely Low	83	16	0	22	17	55	
Very Low	107	119	39	0	16	174	
Low	<u>109</u>	<u>129</u>	<u>0</u>	<u>0</u>	<u>33</u>	<u>162</u>	
Lower, Subtotal	299	264	39	22	66	391	131%
Moderate	49	43			33	76	155%
Above Moderate	<u>128</u>	<u>503</u>			11	<u>514</u>	402%
Total	476	810	39	22	110	981	206%

Sources: City of Healdsburg; ABAG.

A. Pending, Approved, or Permitted Projects

Housing units that are pending, approved, or permitted can be credited towards meeting the City’s 6th Cycle RHNA. These units can count towards the RHNA based on affordability and unit count, provided it can be demonstrated that the units can be built within the planning period. Affordability (income category) is based on the actual or projected sales prices, rent levels, or other mechanisms establishing affordability of the units within the project, including affordability requirements achieved through the City’s inclusionary housing program and/or project entitlement negotiations.

If pending, approved, or permitted projects fail to materialize as indicated due to economic conditions or other unpredictable factors, the City will ensure Housing Element programs are enhanced to incur no net loss of housing inventory. RHNA progress will be evaluated on an annual basis, and any required interventions will be initiated in any Annual Progress Report projecting less than 60 units cumulative average in the prior year(s), or 1/8 of Healdsburg’s total RHNA.

Full details about each project, including the project’s status and the basis for income level assumptions, are included in **Appendix F. Table 8** presents a summary of each project, and a brief description of each project follows.

While pending projects are located in both Low-resource areas and High-resource areas, the Housing Element includes programs to help address and ensure access and mobility for those units pending in Low-resource areas.



Table 8: Summary of Pending, Approved, or Permitted Projects, as of 3/1/2023

Project Name	Number of Units [1]						Resource Area Designation	Status	Anticipated Occupancy
	Total	ELI	VL	LI	MI	AMI			
111 Sawmill	208	0	24	16	1	167	Low	Under Construction	est. 2023
155 Dry Creek	58	5	52	0	1	0	High	Entitled	est. 2024 or 2025
Saggio Hills	188	11	11	86	10	70	High	Entitled	est. 2025
3 Healdsburg	30	0	2	1	0	27	Low	Entitled	est. 2025
Enso Village	221	0	10	5	15	191	High	Under Construction	est. 2024
Comstock	77	0	20	20	13	24	High	Entitled	est. 2024
Farmstand	28	0	0	1	3	24	Low	Under Construction	2022 - 2026
TOTAL	810	16	119	129	43	503			

[1] Project details are current as of March 1, 2023. For each of these projects, the actual number of units and/or the affordability distribution may vary slightly. Any updates will be reflected in the City's Annual Progress Reports.

111 Sawmill

In 2017, Replay Resorts submitted an application to the City for the development of a mixed-use project named the Mill District, the final iteration of which includes construction of a 53-room hotel, approximately 15,000 square feet of commercial space, public improvements and open space, and up to 208 residential units, broken down by affordability level as follows:

- up to 137 multifamily condominium units, to be sold at market rate prices
- 30 multifamily residential units, to be sold or leased to persons whose household income is Above Moderate (i.e., between 120% and 160% of area median income)
- 41 affordable multifamily residential units, to be leased to income-qualifying households
 - 24 Very Low-income units
 - 16 Low-income units
 - 1 Moderate-income unit





The affordable units are being constructed by Eden Housing on a separate 0.86-acre parcel within the property. Eden Housing applied for and received consideration under the City's density bonus program as the project had 24 units of Very Low-income units deed restricted for a 55-year period. The density of the affordable project is 48 units per acre. The affordable housing component of the Mill District is specified in the Affordable Housing Agreement (dated 2/11/2020) and the units are currently under construction. Occupancy is expected in 2023.

On January 8, 2019, the City's Planning Commission approved Resolution No. 2019-02, approving Master Conditional Use Permit CUP 2017-12, the Developer's application for a density bonus, concessions, and waivers pursuant to Density Bonus Law, Historic Demolition Permit MISC 2017-01, and Heritage Tree Removal Permit HT 2017-02 for the Project and recommending that the City Council approve a tentative map and a development agreement for the project.

On March 11, 2019, the City Council adopted Resolution No. 42-2019, approving Tentative Map TM 2017-01 for the Project, and on April 1, 2019, adopted Ordinance No. 1184, approving the Development Agreement for the Project. The overall Project will be constructed in phases over a period of several years, and the affordable units are currently under construction.

155 Dry Creek

The project at 155 Dry Creek Road is a 58-unit affordable project under development by Burbank and subject to an Exclusive Negotiating Agreement (ENA) with the City. The project was entitled on 9/27/2022. The development and disposition agreement (DDA) is drafted and under review. The overall site is 3.52 acres, and the project is achieving a density of 16.5 units per acre. Five of the units are being provided to Reach for Home, a non-profit homelessness and housing service provider, and will be available to households exiting from homelessness (Extremely Low-income households). In total, the project will



provide five Extremely Low-income units, 52 Very Low-income units, and one Moderate-income unit. The Affordable Housing Agreement is pending, and occupancy is expected in 2024 or 2025.

Saggio Hills

In March 2011, the City of Healdsburg and Sonoma Luxury Resort, LLC ("Developer") entered into a Development Agreement (DA) pertaining to the development of a 258.5-acre property located in the northeast corner of the City. In conjunction with the DA, the City certified a Final Environmental Impact Report, adopted the Saggio Hills Area Plan, and approved a Tentative Subdivision Map for the Saggio Hills development project which includes: a 130-key luxury resort with meeting rooms, event and recreation facilities, a spa, restaurants and related amenities; 70 detached residences (market rate); a 36-acre community park; a fire substation; a water pump station; and conveyance of 14.16 acres of land to the City of Healdsburg for development of affordable housing.



The first Final Map for the Saggio Hills development project was approved by the Healdsburg City Council in April 2016 and recorded in May 2018. The first Final Map establishes eleven parcels, including Parcel 5 (7.02 acres) and Parcel 6 (5.45 acres) which comprise the "Affordable Housing Land." The developer provided the 14.16-acre area to the City graded and with infrastructure and roadways installed to serve the site.



The affordable housing project at Saggio Hills is a 100 percent affordable, 118-unit project on a 14.16-acre site being developed by Freebird Development Company as part of a Development Agreement. Freebird Development Company was selected through an RFQ process in February of 2021. The project consists of 11 Extremely Low-Income units, 11 Very Low-income units, 86 Low-income units, and 10 Moderate-income units, as specified in the pending Affordable Housing Agreement. Of the 11 Extremely Low-income units, eight (8) will be available to people with developmental disabilities. The Saggio Hills project will also offer a for-sale component as a part of the development with at least 10 units offered for sale. The overall density is 8 units per acre. Freebird Development formally submitted its project for design review in May of 2022. The Development Agreement and Development and Disposition Agreement were approved in February 2023, and construction will begin in 2024. Occupancy is anticipated in 2025.

3 Healdsburg

The project at 3 Healdsburg is a 30-unit project being developed by KHE Holdings, LLC, of which three affordable units are being provided onsite through the City's inclusionary program. The project was entitled on 12/13/2022. Overall, there will be two Very Low-income units, one Moderate-income unit, and 27 Above Moderate-income units on a 1.25-acre site, achieving a density of 24 units per acre. This project used the State Density Bonus and the City's inclusionary program to arrive at the targeted income levels. The Affordable Housing Agreement is a condition of approval. Occupancy is expected in 2025.



Comstock/North Village

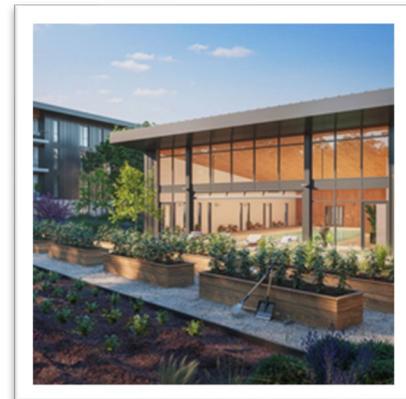
The property owner and project applicant, Comstock Healdsburg, is proposing a redevelopment of a former lumber yard site at the northern edge of the City of Healdsburg, within the North Entry Area Plan area. The site is proposed to be redeveloped with a new Mixed-Use development that provides a gateway into Healdsburg from the north. Part of the project includes the development of multifamily housing that will be available to a range of affordable income categories. The 4th Amendment to the Development Agreement is going to the City Council in 2023.



The North Village project is a 77-unit project with 20 Very Low-income units, 20 Low-income units, 13 Moderate-income units and 24 Middle-income units (120-160% AMI). The affordable units are specified in the Affordable Housing Regulatory Agreement with Burbank and is pending. The site is 7.6 acres and is being developed at a density of 10.5 units per acre. Occupancy is expected in 2024.

Enso Village

The Enso Village project is a Zen-inspired senior living project being developed by Kendal Corporation, located within the North Entry Plan area and part of the North Village project. The project will create 221 units, including 10 Very Low-income units, five (5) Low-income units and 15 Moderate-income units, with the remainder Above Moderate-income. There will be a mix of independent living units, assisted living units and memory support units in support of the City's special needs housing goals. The affordable units and the special needs units are specified in the Affordable Housing Agreement which was last modified June 2022. Occupancy is expected in 2024.



Farmstand

Farmstand is a subdivision project located between US Highway 101 and Grove Street, south of Dry Creek Road consisting of a total of 8.9 acres (formerly assessor parcel numbers 089-081-013 and 089-120-004). The project is expected to result in 28 units at an overall density of 3.1 units per acre is achieved. To meet its inclusionary housing requirement, the project is providing with one (1) Low-income unit and three Moderate-income units. The remaining units are above moderate-income. An affordable duplex (one low-income unit and one moderate-income unit) is currently under construction. The remaining two (2) moderate-income units will be for-sale units, ground leased through the Housing Land Trust.

Occupancy of the initial 24 units occurred in late 2022. The affordable units are treated as "milestones" that are required prior to issuing building permits on the market-rate lots, as specified

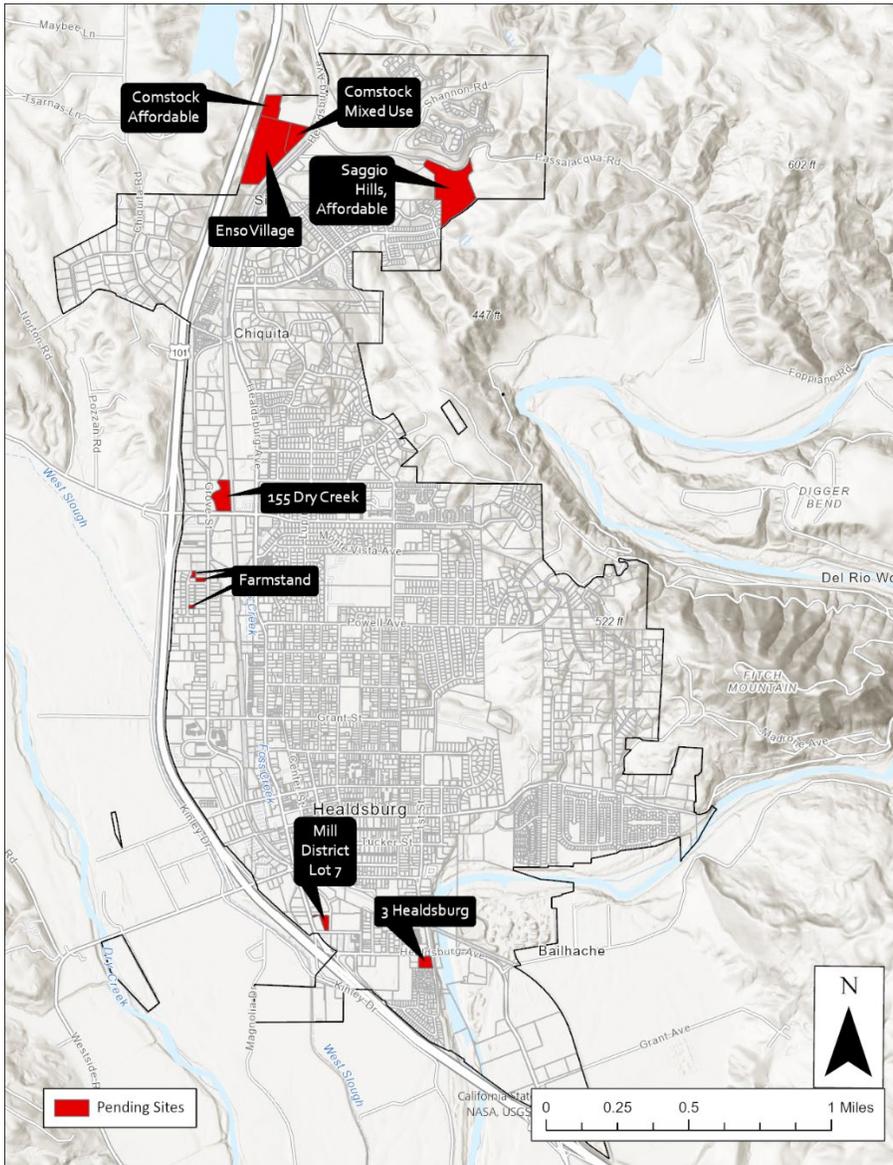


by the City's inclusionary housing ordinance and in the Affordable Housing Agreement. Occupancy of the affordable units is expected prior to 2026.

Map of Pending, Approved, and Permitted Sites

Pursuant to Government Code §65583.2(b)(7), a map (**Figure 3**) of the pending, approved, or permitted sites summarized in **Table 7** is provided above.

Figure 3: Map of Pending Project Sites





B. Acquisition of Non-deed Restricted Units and Conversion to Affordable Units

Scattered Sites Project

The Scattered Sites Project is a City-initiated project through which non-deed restricted units were bought at market rate and are being converted to 55-year deed restricted units. The project includes 39 units that will be affordable to Very Low-income households. These units are identified in **Table 9** and on **Figure 4** below. Of the 39 units, 23 are located in Low resource areas and 16 are located in High resource areas. The renovation work is complete at the Piper and University sites and were occupied as of February/March 2023. The renovation work at Monte Vina is underway and occupancy is expected November 2023.

The Scattered Sites Project can answer “yes” to all of the general requirements set forth in Government Code Section 65583.1(c) and, therefore, qualifies as an “alternate adequate sites” project.

Government Code Section 65583.1(c)

65583.1(c)(4) Yes, the local government is providing “committed assistance” during the period of time from the beginning of the RHNA projection period to the end of the first 3 years of the housing element planning period.

65583.1(c)(1)(A) Yes, the local government has identified the specific source of “committed assistance” funds. The funding history is provided below:

In 2000, the Redevelopment Agency of the City of Healdsburg provided loans to Burbank Housing Development Corporation (Burbank) to purchase 1689 Canyon Run, a 51-unit affordable housing project.

In 2019, the City provided loans to Burbank to purchase 39 units of multi-family housing across three properties located at 1302 Prentice Drive, 500 Piper Street, and 531-535 University Street. The intent of purchasing these properties was to preserve naturally occurring affordable housing, improve the quality of life for the residents, and to deed-restrict these units for a 55-year affordability period.

In 2020, Burbank received nearly \$23 million in tax-credit financing to remodel a total of 90 units consisting of the 39 units of multifamily housing at 1302 Prentice Drive, 500 Piper Street, and 531-535 University Street and the 51 units at 1689 Canyon Run known collectively as the Healdsburg Scattered Sites Project (Project). This Project also leveraged a \$1M loan from the Homeless Emergency Aid Program (HEAP) which will provide 10 units for supportive housing managed by Reach for Home and will provide a pathway for individuals transitioning out of the L&M Village.

On March 15, 2021, Council adopted Resolution No. 19-2021, assigning the loans originally entered between the City and Burbank for the Project to Monte Vina, L.P., the managing entity for the Project. This was necessary for Burbank to meet the requirements to secure permanent financing



and funding for the remodel of the properties through the Low-Income Housing Tax Credit (LIHTC) financing program.

To date, the City has contributed \$4,255,061 towards the acquisition of the Scattered Site properties. The following chart outlines the City’s contributions:

Loan Type	Amount
<i>City Loan For 1302 Prentice Dr. (Acquisition)</i>	\$1,076,500
<i>City Loan for Repairs to Burbank Housing</i>	\$275,000
<i>City Loan for Piper St. & University Ave.</i>	\$580,250
<i>City Loan for Canyon Run</i>	\$2,323,311
Totals	\$4,255,061

On June 21, 2021, Council adopted Resolution No. 84-2021, modifying the existing \$275,000 Loan Agreement with Burbank, which was originally due and payable upon receipt of tax-credit financing, to a loan term of seventeen (17) years at 3% simple interest at the request of Burbank Housing.

65583.1(c)(3) Yes, the City met 73% of its regional share housing need for very low-income (VL) and low-income (L) households in the previous planning period. The number of affordable units permitted/constructed in the previous period (5th Cycle) is presented in **Appendix A**. Affordability was established through implementation of the Inclusionary Housing Ordinance or through negotiations with developers and resulting Affordable Housing Agreements.

65583.1(c)(1)(B) The total number of units in the Scattered Sites project that are being assisted with committed assistance funds is 90, but only 39 are being used to address the City’s 6th Cycle RHNA. Funding sources include the Low-Income Housing Tax Credit (LIHTC) financing program, the Homeless Emergency Aid Program (HEAP), and City funding from Measure S. In addition, City staff has committed approximately 525 hours and will continue to commit staff time to the Scattered Sites project.

65583.1(c)(1)(B) The funds committed are sufficient to develop the identified units at affordable rents.

65583.1(c)(1)(C) The identified units meet the Conversion of Market Rate to Affordable requirements as defined and as demonstrated below.

Conversion of Market Rate to Affordable 65583.1(c)(2)(B)

65583.1(c)(2)(B) In 2019, the City provided loans to Burbank to purchase 39 units of multi-family housing across three properties located at 1302 Prentice Drive, 500 Piper Street, and 531-535 University Street, collectively known as the Scattered Sites Project. The 39 units will be deed-



restricted rental units affordable to Very Low-income households. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(i) Yes, the acquired units be made affordable to very low-income households. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(ii) Thirty-nine non-deed-restricted units are being converted to deed-restricted, very-low income units. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(iii) The acquisition and renovation work resulted in the temporary displacement of residents, some of whom may have been very low- or low-income households, but none of whom were officially qualified as such. The City provided relocation assistance consistent with Government Code Section 7260, including rent and moving expenses equivalent to four (4) months, to those occupants who were temporarily displaced. All have been offered opportunities to qualify for the refurbished, deed-restricted units. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(iv) Yes, the units are and will be decent, safe, and sanitary upon occupancy. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(v) Yes, the affordability covenants and restrictions be maintained for at least 55 years. The Scattered Sites Project is described in **Housing Program 2 - Preserving Existing Housing and Neighborhoods** (Page 47).

65583.1(c)(2)(B)(vi) Not applicable.

C. Hotel, Motel, or Hostel Conversion

L&M Village

The L&M Village Project is a partnership between the City of Healdsburg and Reach for Home. The Project created 22 units for the chronically homeless, addressing the Extremely Low-income cohort. In January 2022, the Healdsburg City Council unanimously approved the purchase/sale agreement for the L&M Motel and accepted a \$7.2 million-Project HomeKey grant for the provision of interim housing at the former L&M Motel. The project is a collaboration between the City, Reach for Home, and Burbank Housing. Residents were able to move in in November of 2022.

The L&M Village Project can answer “yes” to all of the general requirements set forth in Government Code Section 65583.1(c) and, therefore, qualifies as an “alternate adequate sites” project.



Government Code Section 65583.1(c)

65583.1(c)(4) Yes, the local government is providing “committed assistance” during the period of time from the beginning of the RHNA projection period to the end of the first 3 years of the housing element planning period.

65583.1(c)(1)(A) Yes, the local government has identified the specific source of “committed assistance” funds. The funding history is provided below:

In July of 2020, the State of California launched a \$750 million program called “Project Homekey,” with the aim of helping local communities rapidly acquire hotels, motels, commercial buildings, and other creative housing types to rapidly house people experiencing homelessness during the COVID-19 pandemic. Project Homekey resulted in 8,264 individuals housed across 120 unique properties.

Given the success of Project Homekey, the State of California budgeted an additional \$1.45 billion for Fiscal Year (FY) 2021-2022. Of the \$1.45 billion in Homekey funding, \$1.2 billion is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) established by the American Rescue Plan Act (ARPA) of 2021 and \$250 million is State General Fund.

On October 18, 2021, the City Council authorized City staff, in collaboration with Reach for Home and Burbank Housing to apply for the FY 2021-2022 Project Homekey program for the acquisition by the City of the L&M Motel for use as interim housing for those experiencing homelessness.

On October 26, 2021, the County of Sonoma adopted Resolution 21-0431 which authorized a Project Homekey Round-2 (PHK-2) Supportive Services Funding Framework and Early Capital Match Program and approved \$950,000 in Capital Match funding and \$3,388,660 in operating subsidy for the L&M Village.

On October 27, 2021, the City, Reach and Burbank submitted an application to the State of California for \$5,720,000 in Project Homekey capital funding and \$1,328,800 in operating subsidy for a total of \$7,048,800 in State funds.

On December 21, 2021, the State of California announced that the City, Reach and Burbank were successful in their application for Project Homekey funding and conditionally awarded the requested funding pending the execution of the State’s Standard Agreements.

On February 16, 2022, the City executed a State Standard Agreement with the State of California and on March 23, 2022, the City received the PHK-2 program funds for both capital and operational costs.

On May 3, 2022, the City closed escrow on the L&M Motel and the property is now under City ownership.

In June of 2022, the City of Healdsburg requested an extension for the PHK-2 occupancy deadline to restore the time between the date of award of funding and the time funds were actually received by the City. This extension was approved and extended the City’s occupancy deadline from August 21,



2022, to November 21, 2022 and preserved the City's ability to receive an early occupancy bonus of \$220,000.

On August 1, 2022, the City awarded a bid to DMR Builders of Santa Rosa to make improvements to the L&M Village Property.

The L&M Village began accepting clients on November 21, 2022, in accordance with the terms set forth in the PHK-2 agreement.

In addition to the funding documented above, the City and Reach for Home applied for and received \$200,000 in Community Development Block Grant Funding (CDBG) through the Sonoma County Community Development Commission (CDC) for additional capital improvements to the L&M Village.

65583.1(c)(3) Yes, the City met 73% of its regional share housing need for very low-income (VL) and low-income (L) households in the previous planning period. The number of affordable units permitted/constructed in the previous period (5th Cycle) is presented in **Appendix A**. Affordability was established through implementation of the Inclusionary Housing Ordinance or through negotiations with developers and resulting Affordable Housing Agreements.

65583.1(c)(1)(B) The total number of units in the L&M Village project that are being assisted with committed assistance funds is 22. Funding sources include Project Homekey, PHK-2 Program Funds, and CDBG Funds. In addition, City staff has committed approximately 500 hours and will continue to commit staff time to the L&M Village project.

65583.1(c)(1)(B) The funds committed are sufficient to develop the identified units at affordable rents.

65583.1(c)(1)(C) The identified units meet the Hotel, Motel, or Hostel Conversion requirements as defined and as demonstrated below.

Hotel, Motel, or Hostel Conversion 65583.1(c)(2)(D)

65583.1(c)(2)(D)(i) Yes, the units are a part of a long-term recovery response to COVID-19. The project is partially funded through Project Homekey which, by definition, has a target population of households impacted by COVID19. The L&M Village project is described in **Housing Program 3 - Sustaining and Expanding Housing Sites** (Page 49).

65583.1(c)(2)(D)(ii) Yes, the units are being made available for people experiencing homelessness as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The project is partially funded through Project Homekey which, by definition, has a target population of households experiencing or at risk of homelessness. The L&M Village project is described in **Housing Program 3 - Sustaining and Expanding Housing Sites** (Page 49).

65583.1(c)(2)(D)(iii) Yes, the units are being made available for rent at a cost affordable to very low-income households (ELI). The L&M Village project is described in **Housing Program 3 - Sustaining and Expanding Housing Sites** (Page 49).



65583.1(c)(2)(D)(iv) Yes, the units are and will be decent, safe, and sanitary upon occupancy. The L&M Village project is described in **Housing Program 3 - Sustaining and Expanding Housing Sites** (Page 49).

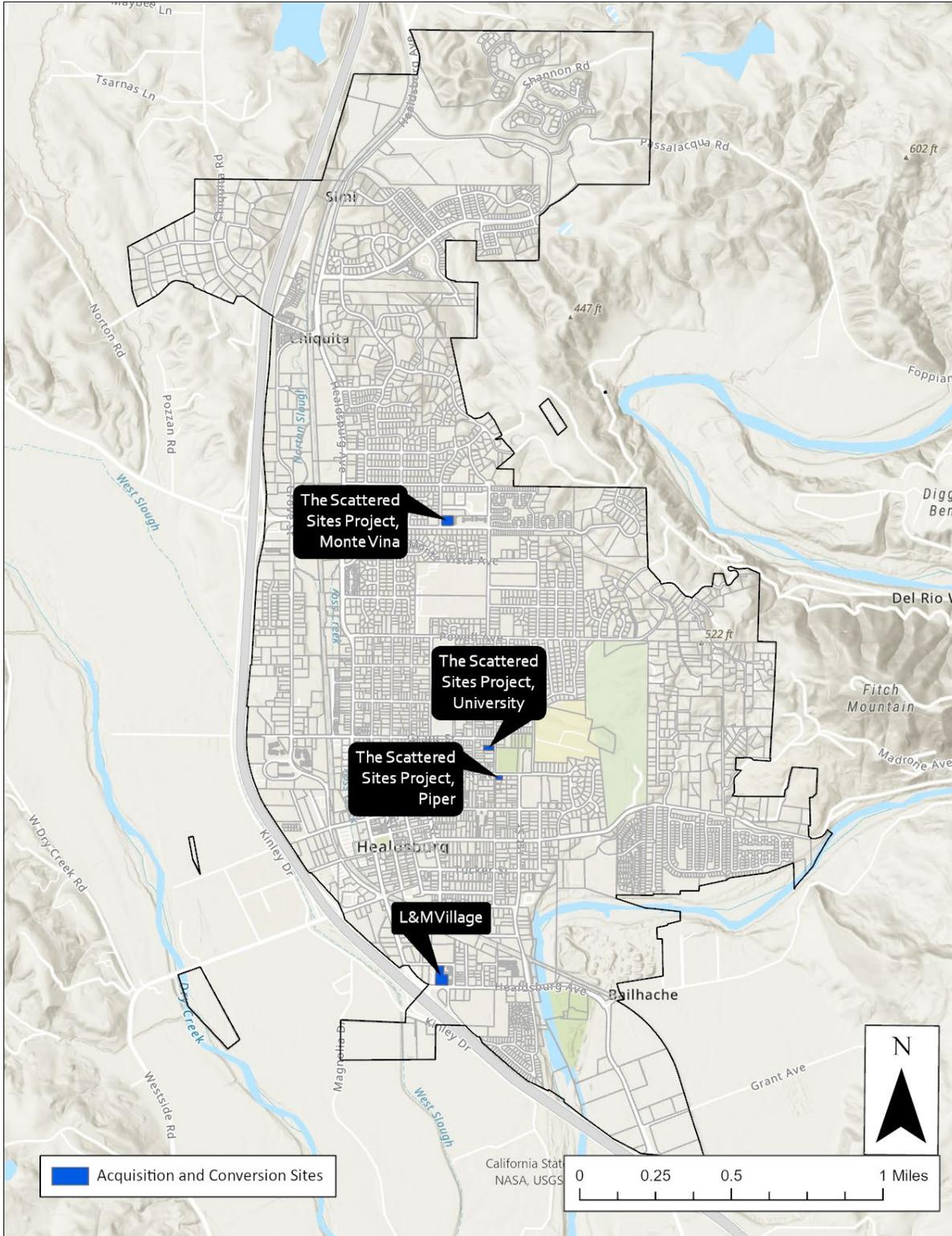
65583.1(c)(2)(D)(v) Yes, the affordability covenants and restrictions be maintained for at least 55 years. Project Homekey requires 15 years, and the City is committing to a minimum of 55 years. The L&M Village project is described in **Housing Program 3 - Sustaining and Expanding Housing Sites** (Page 49).

Table 9: Summary of "Adequate Alternative Sites" Projects

Project Name	Number of Units						Resource Area Designation	Status	Occupancy
	Total	ELI	VLI	LI	MI	AMI			
L&M Village	22	22					Low	Complete	as of November 2022
The Scattered Sites Project									
Monte Vina	23		23				Low	Renovations Underway	expected November 2023
University	8		8				High	Complete	as of February/March 2023
Piper	8		8				High	Complete	as of February/March 2023
TOTAL	61	22	39	0	0	0			
<i>Total Acquisition/ Conversion Units in Areas Designated High Resource</i>	16	0	16	0	0	0			



Figure 4: Map of Acquisition and Conversion Project Sites





D. Accessory Dwelling Units and Development Assumptions

Accessory dwelling units (ADUs) are small (no larger than 1,200 square feet), self-contained units that provide living, sleeping, and kitchen areas. The unit can be attached to the main home with a separate entrance or can be a small, detached unit in the rear yard or above a garage, for example. Junior accessory dwelling units (JADUs) are no more than 500 square feet and contained entirely within a proposed or existing single family home. A JADU has its own entrance and includes an efficiency kitchen; it may have its own bathroom or it can share with the primary residence.

Because of their small size, ADUs/JADUs typically rent for less than single-family homes or larger apartments. They can provide affordable rental options for smaller households and can provide rental income for the homeowner. Between 2017-2019, the State adopted a series of additional requirements for local governments related to ADU ordinances. In response to these new ADU laws, Healdsburg has continually updated its ordinance to align with State law and better facilitate the production of ADUs and JADUs. Plan check time for ADUs in Healdsburg is relatively fast. The City has a 15-business day building permit plan review timeframe, and 10-business day resubmittal review timeframe.

Healdsburg has been successful in its efforts, with 69 building permits issued for ADUs from 2018 through 2022, an average of 13.8 ADUs per year. Pursuant to AB 671, the Housing Element includes a program to further incentivize the production of affordable ADUs through the creation of architect-designed ADU construction plans that can be pre-approved and customizable at minimal cost to the applicant.

Given Healdsburg's growing track record in producing ADUs and relying on HCD's safe harbor ADU assumptions, the sites inventory projects a minimum of 13.8 new ADUs to be produced annually, or 110 during the 6th Cycle Planning Period (2023-2031). The projected affordability of these ADUs is allocated 30 percent to Very Low, 30 percent to Low, 30 percent to Moderate, and 10 percent to Above Moderate based on ABAG's ADU Affordability study. These projected units may be credited towards Healdsburg's RHNA. The City will continue to monitor the extent of ADU production to ensure that the program is successful and that the Housing Element goals and RHNA production can be met. Additional measures (e.g., outreach and marketing) will be taken within six to 12 months if ADU production is falling below projections.



Consistency with Affirmatively Furthering Fair Housing

Pursuant to AB 686, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities per Government Code §65583(c)(10). Affirmatively Furthering Fair Housing means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

For purposes of the housing element sites inventory, this means that sites identified to accommodate the lower-income need are not concentrated in low-resourced areas (lack of access to high performing schools, proximity to jobs, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Instead, sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing.

In the context of AFFH, the site identification requirement must analyze whether the identified sites serve the purpose of affirmatively furthering fair housing by replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

The City’s map of sites is overlaid on the California Tax Credit Allocation/California Department of Housing and Community Development Opportunity Map (see **Figure 5**). The analysis shows that 79% of the lower income RHNA are located in areas of the City designated high resource (236 pending lower-income units divided by the lower-income RHNA of 299 = 79%). In addition, future ADUs are likely to be developed in areas where there are existing single family homes in high-resource areas. This analysis is summarized in **Table 10** below.

Approximately 79% of the lower income RHNA are located in areas of the City designated high resource.



Table 10: Summary of Pending Units by Resource Area Designation

Project Name	Number of Units						Resource Area Designation	Status	Occupancy	
	Total	ELI	VLI	LI	MI	AMI				
111 Sawmill	208	0	24	16	1	167	Low	Under Construction	est. 2023	
155 Dry Creek	58	5	52	0	1	0	High	Entitled	est. 2024 or 2025	
Saggio Hills	188	11	11	86	10	70	High	Entitled	est. 2025	
3 Healdsburg	30	0	2	1	0	27	Low	Entitled	est. 2025	
Enso Village	221	0	10	5	15	191	High	Under Construction	est. 2024	
Comstock	77	0	20	20	13	24	High	Entitled	est. 2024	
Farmstand	28	0	0	1	3	24	Low	Under Construction	2022 - 2026	
L&M Village	22	22					Low	Complete	November 2022	
The Scattered Sites Project										
Monte Vina	23	0	23	0	0	0	Low	Renovations Underway	November 2023	
University	8	0	8	0	0	0	High	Complete	February/March 2023	
Piper	8	0	8	0	0	0	High	Complete	February/March 2023	
TOTAL	871	38	158	129	43	503				
<i>Total Pending, Approved, or Permitted Units in Areas Designated High Resource</i>	544	16	109	111	39	285				
<i>Lower-income RHNA</i>	299									
<i>Percent of Pending Lower-income Units as a Percentage of Lower-income RHNA</i>	79%									

For those units that will be located in Low-resource areas of the City, the Housing Element includes policies to ensure access to resources and opportunities to avoid exacerbating concentrations of lower-income units, including subprogram #7 (Improve Infrastructure in Lower Resource Areas) of **Program 6 - Affirmatively Furthering Fair Housing**.

Opportunity Areas

HCD and TCAC have created opportunity maps to identify areas throughout the state whose characteristics support positive economic (low poverty, high employment, high median household income), educational (reading and math proficiency, high school graduation rates, low student poverty rates), and environmental outcomes (low exposure to pollution) for low-income families, particularly long-term outcomes for children. The HCD/TCAC Opportunity Areas Map ranks Census tracts in Highest Resource to Low Resource based on these outcomes. A Census tract with a designation of High Resource would indicate that the Census tract has strong educational and economic opportunities for current and future residents.

The City limits partially or fully encompass three Census tracts (11 Census Block Groups), which are categorized by the 2021 TCAC/HCD Opportunity Map as a mix of low to high resources areas. No Census Block Groups were identified as exhibiting "High Segregation & Poverty."

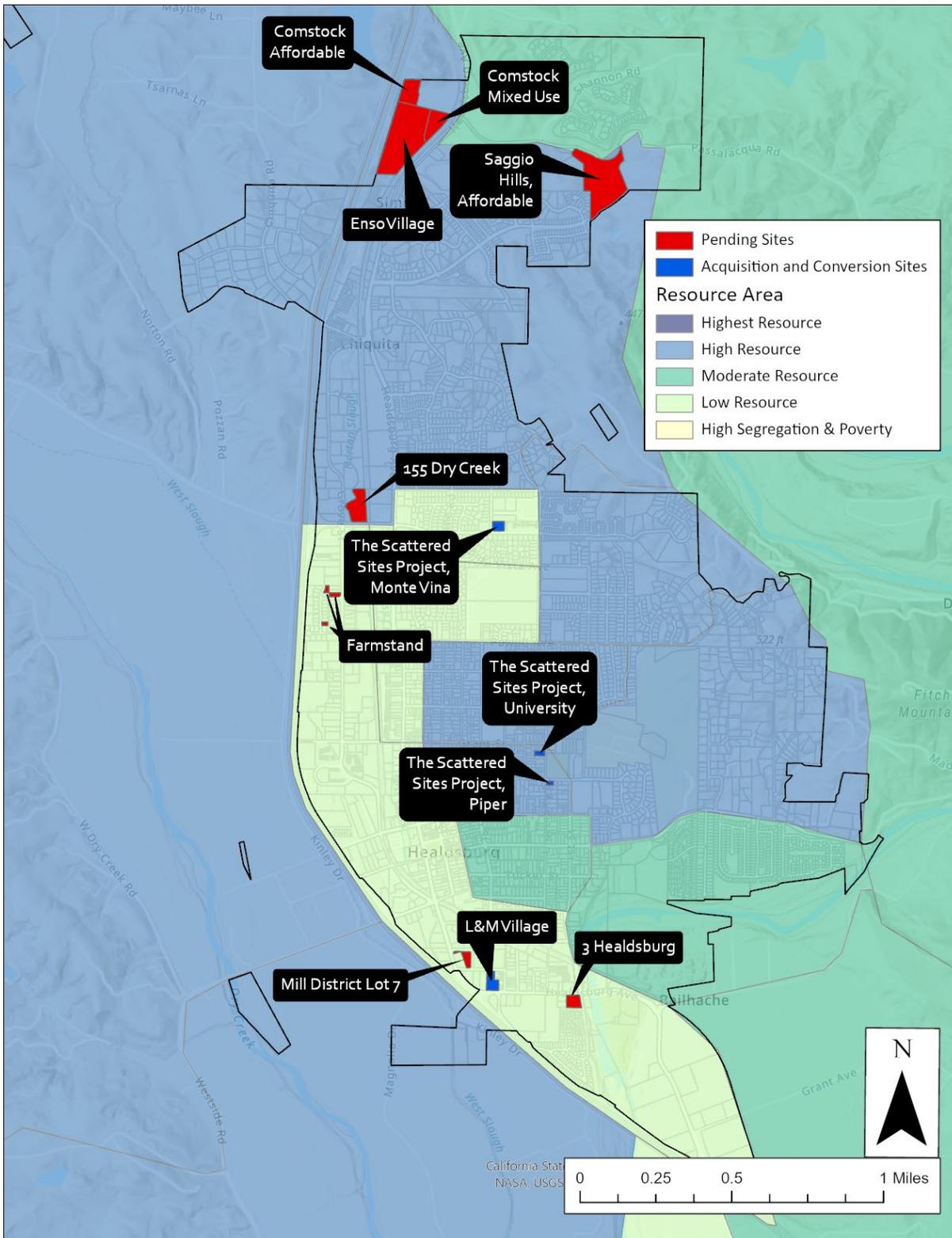


Of the seven (7) housing sites identified to address the lower-income RHNA, four (4) are in high resource areas. The majority of the unit capacity for lower-income sites is located in high or higher resource areas. Of Healdsburg’s lower-income RHNA of 299 units, 220 pending units are in high resource areas. The two acquisition and conversion projects represent 60 additional lower-income units, of which 16 units are located in high-resource areas. The combined result is that 79% of Healdsburg’s lower-income RHNA is addressed through credited units in high resource areas. In addition to providing an equitable distribution of sites throughout the City, Healdsburg has committed to infrastructure improvements such as sidewalks and sewer upgrades in Low Resource areas in conjunction with developments such as L&M Village.

Figure 5 shows the distribution of pending projects and acquisition/conversion units in relation to the TCAC Opportunity Areas.



Figure 5: Map of Pending and Acquisition and Conversion Project Sites in Relation to TCAC Opportunity Areas





Improved and Exacerbated Conditions

Improved Conditions

By meeting 79% of the lower income RHNA in high-resource areas, Healdsburg is affirmatively promoting integration, balancing the distribution of residential development, and improving access to resources for the City's lower-income families. In addition, sites for all income levels are scattered throughout the City. There is no significant concentration of one income category in any one area included in the inventory.

Exacerbated Conditions

Three pending projects, representing 44 units affordable to lower-income households are located in a Census Block Group that is considered low-resource partially due to its low "Environmental Domain" score. Due to the redevelopment of the City's central lumber mill and further deindustrialization through infill housing development, this score is likely to improve through the planning cycle. In addition, the acquisition of the L&M Motel for conversion to 22 deed-restricted affordable units is located in the same low-resource Census Block Group. One of the three Scattered Sites properties, representing 23 Very Low-income units, is located in a different, but adjacent, low-resource Census Block Group. In total, these projects represent 89 units that will be located in low-resource areas.

To ensure these sites do not exacerbate current conditions, these sites are accompanied by place-based strategies within the City's Policies and Programs to improve conditions in these areas. **Housing Program 6 - Affirmatively Furthering Fair Housing.**

includes an initiative to invest in street, sidewalk, recreation and other infrastructure improvements and maintenance in low- and moderate-income neighborhoods of the City. One example of furthering this goal is that as a part of the L&M Village project, the City added sidewalks and sewer upgrades as a part of the project's scope of work to not only provide 22 units of interim housing, but to also to improve the neighborhood's infrastructure.

Several other programs are aimed at improving access to fair housing resources and providing information and engaging in outreach in Spanish. Together these programs are designed to invest in the area to better meet the needs of the community while reducing the risk of displacement. At the same time, the pending projects and the acquisition/conversion projects will bring investment and a more diverse set of housing choices to the neighborhoods.

Fair Housing Assessment and Distribution of Sites

Additional analysis of each Census tracts was conducted in support of the Fair Housing Assessment. Select factors are described below and summarized on **Table 11**.

Integration and Segregation: Race and Income

The Census tract with the highest concentration of Hispanic residents and low-to-moderate households (LMI) populations are located in Census tract 1539.02, which is located at the western boundary of the City and stretches east across Healdsburg Avenue, from the southern end of the City north to Dry Creek Road. Of the 95 units pending in this Census tract, approximately one-half will be Above-Moderate units, indicating that new housing for all incomes is distributed throughout the City. More specifically, the pending lower-income units are not concentrated in the City's Census



tract with the highest concentration of Hispanic residents and low-to-moderate households pending lower-income units. These sites represent a mix of vacant and underutilized sites.

Racially/Ethnically Concentrated Areas of Poverty and Affluence

While Healdsburg has no racially/ethnically concentrated areas of poverty (per HUD's definition), there is one Census tract (Census tract 1539.02) in the central part of the City with a higher concentration of minorities and LMI populations. The City's other two Census Tracts have large proportions of white populations and the highest ranges in median income in the City and may be considered a concentrated area of affluence. Sites are spread around the City and lower- and moderate- income sites are located in both areas with higher concentrations of minorities and LMI populations as well as within concentrated areas of affluence, promoting integration and balanced living patterns.

Access to Opportunity

The City boundary partially or fully encompasses three Census tracts and 11 Census Block Groups. Nearly half of the Census Block Groups are categorized as high resource while the balance is split between low and moderate resource areas (See **Figure 5** above). Housing units are spread across different resource areas.

Disproportionate Housing Needs

The fair housing assessment identifies an ongoing need for more affordable housing in the City's higher-resource areas. The City incentivizes the development of extremely low-, very low-, low-, and moderate-income housing while including programs to prevent displacement (Program HP-6 Affirmatively Furthering Fair Housing). The Sites Inventory includes pending units and acquisition/conversion units within these areas that can assist in addressing these needs



Table 11: AFFH Indicators by Census Tract

Census Tract	Existing Household Count	RHNA Credit Projects (Units)			AFFH Indicators					CalEnviro-Screen Pollution Burden Percentile
		Lower-Income	Moderate-Income	Above Moderate-Income	Percent Non-White	TCAC Opportunity Area	Percent Overpayment by Renters	Percent Overcrowded Households	Displacement Sensitivity	
<u>06097153902</u>	1,744	89	4	218	23.2%	Low	41.1%	5.6%	Vulnerable	46.08
<u>06097153903</u>	1,546	16	0	0	15.8%	High	27.3%	1.7%	Other	20.25
<u>06097153904</u>	940	0	0	0	8.9%	Moderate	41.4%	0.0%	Other	23.85
<u>06097153905</u>	1,310	220	39	285	16.3%	High	53.0%	0.4%	Other	23.85
<u>06097154000</u>	<u>1,028</u>	<u>0</u>	<u>0</u>	<u>0</u>	10.7%	High	32.0%	1.5%	Other	19.10
Total	6,568	325	43	503						
Data Source:	ACS				ACS	TCAC/HCD	ACS	ACS	AFFH	AFFH
Data Year:	2020				2020	2022	2020	2020	2017	2021

Source: Source: California Tax Credit Allocation Committee (TCAC)/California Housing and Community Development (HCD), Opportunity Maps (2022); California Department of Housing and Community Development, Affirmatively Furthering Fair Housing Data and Mapping Resources (AFFH); U.S. Census Bureau, American Community Survey(ACS) 5-Year Estimates (2016-2020); Economic & Planning Systems



No Net Loss

State Law (SB 166), the “No Net Loss” law, requires jurisdictions to maintain adequate sites to address their RHNA throughout the 8-year Housing Element planning period. If sites are developed with fewer units, or are developed at a higher affordability level than assumed in the Housing Element, the jurisdiction needs to adopt findings that adequate sites are still available to meet the remaining RHNA by income category; if such a finding cannot be made, the jurisdiction is required to rezone an additional site(s) within 6 months to make up the sites shortfall.

Because of this requirement, HCD recommends an increased buffer of at least 15 to 30 percent more capacity than required, especially for the lower-income RHNA, or projecting a lower density capacity than is allowed. Additionally, programs are included within the Housing Element to ensure the City complies with new ‘No Net Loss’ requirements and maintains sufficient sites in inventory.

This Sites Inventory includes a 131% buffer for lower-income units, a 155% buffer for Moderate-income units, and a 402% buffer for Above Moderate-income units. An overall buffer of 206% is demonstrated.

Programs to Ensure Continued Adequate Sites (No Net Loss)

To ensure the development capacity anticipated as part of the pending projects continues to be available for development, especially for lower income housing, programs have been included to maintain an adequate Sites Inventory, throughout the 8-year planning period. **Housing Program 3** is focused on Sustaining and Expanding Housing Sites and is summarized here:

- 1) Maintain Adequate Residential Sites to Assure “No Net Loss”. Monitor the supply of residential sites and related development projects to ensure that sufficient developable sites and units are available to meet the 6th Cycle RHNA requirement. Building upon the existing effort, maintain and expand a detailed listing of sites available for housing development and use this list to assure RHNA requirements are met and also to attract residential developers to the City. Also, assure ‘No Net Loss of Residential Units’ by disallowing or mitigating any loss of housing due to redevelopment of existing areas containing housing units.
- 2) Pursue Housing Site Acquisition/Land Banking. On an opportunity basis, purchase sites or otherwise acquire sites with housing potential as part of efforts to partner with affordable housing developers and consider formation of a Community Development Corporation to facilitate such transactions. In addition, the City will explore the creation of a Housing Trust Fund that will meet State requirements for matching funding.
- 3) Provide Public Information on ADUs and other Accessory Dwelling Units. In addition to promoting ADUs, promote the development of accessory dwelling units (as permitted by SB-9 and ADU laws) by preparing and distributing an informational brochure on the permitting procedures, requirements, and support available for building accessory dwelling units in the City.



Infrastructure Considerations

A review of the City's Water Management Plan and discussions with the City's Public Works Department indicates that there is sufficient infrastructure in place to accommodate all the sites identified to address RHNA. All of the identified sites are infill sites and public services are available.

Water

In 2020, the City adopted an updated Water Management Plan, which indicates the City of Healdsburg's water supply is derived from surface water primarily through water rights but also includes a backup supply of contracted water. The City serves as the water provider within the municipality's water service area. The service area is approximately four-square miles and serves primarily residential and commercial customers. The potable water distribution system contains eight pressure zones (Tayman, Panorama, Sunset, Cadoul, Montage, Latimer, Hidden Acres, Iverson) that are each served by one or more of the six storage reservoirs (Iverson, Panorama, Tayman (2), Cadoul, Sunset) named for the zone they serve. Other zones are served by pressure regulating valves (Latimer, Hidden Acres) or a booster pump station (Montage). The City is a wholesaler to the Fitch Mountain Service area (CSA41). The principal water mains in the distribution system range in size from 4 to 16 inches in diameter. Most of the distribution piping in the older areas of the City range in size from 1-1/2 to 4 inches, while the newer areas are served by pipes 6 to 16 inches in diameter.

The City has a recycled water distribution system outside of the water service area. The recycled water transmission main extends north from the Water Reclamation Facility (WRF) following the West Slough and terminating at a recycled water dispenser on Kinley Drive, southwest of Highway 101. Another segment of recycled water pipe extends south from the WRF to multiple vineyard properties, extending approximately 18,300 feet south of the WRF. The recycled water distribution system can reach approximately 850 acres. The City is in the process of extending the recycled water pipeline into the City to offset potable water demand by irrigating parks and athletic fields with recycled water instead.

Domestic water supply is not expected to limit development. However, the impacts of climate change must be considered. Due to climate change and more severe weather patterns, the City can expect adverse and variable impacts to its water supply and demand:

- **Water Demand:** Hotter days and nights will result in a longer irrigation season and therefore increase landscaping and irrigation water needs.
- **Water Supply:** More frequent and exacerbated weather events such as longer drought periods and higher temperatures can impact water supply and supply reliability.
- **Natural Disaster:** Wildfires are predicted to increase in intensity and frequency, droughts may become longer and more severe, and floods are expected more frequently.

Wastewater

The City of Healdsburg Department of Public Works and Utility Department operate and maintain a total of 50.2 miles of collection system gravity main piping, eleven (11) lift stations, and 3.0 miles of force main. Sewage flows by gravity to the Magnolia Lift Station, which pumps all the City's flow to the Wastewater



Reclamation Facility (WRF). The northern area of the City is served by the relatively new North Trunk Sewer, which was constructed in 1995.

This trunk sewer was constructed to serve the areas of the City where nearly all significant new non-infill growth was expected to occur. The 33-inch Magnolia Trunk sewer collects all wastewater within the City near the south end of Healdsburg Avenue, where it runs under Highway 101 and flows another 4,400 linear feet south to the Magnolia Lift Station, located near the Foss Creek/Dry Creek confluence. After flowing through a grinder, flow enters the wet well at the Magnolia Lift Station and is then pumped approximately 3,500 linear feet through parallel 14-inch diameter force mains to the WRF.

The other 10 lift stations serve smaller areas within the City, two of which are located in the Corporation Yard. The Orangewood, Mountain View, and Heron Drive lift stations serve the southeastern portion of the City between South Fitch Mountain Road and the Russian River, and isolated areas north of South Fitch Mountain Road. All flows from the Orangewood and Mountain View lift stations are directed through the Heron Drive lift station.

Based on the preceding analysis and discussions with the Public Works Department, the units identified to address RHNA will have access to water and wastewater services, consistent with water and sewer priority requirements pursuant to SB 1087.

Environmental Considerations

While the City of Healdsburg, as documented in its General Plan Safety Element is subject to portions of the City being flooded by episodic winter storm-related high flows of the Russian River, is proximate to earthquake faults capable of damaging buildings, and is adjacent to lands designated as 'high' and 'extremely high wildfire hazard, there are ongoing programs in place to reduce these risks. None of these risks uniquely or disproportionately affect the City's under-resourced areas. A more detailed discussion of environmental constraints is included within the Technical Background Report.

Fire Hazards

As noted and addressed in the Goals and Policies and the related Programs, the City is located adjacent to wildland areas particularly to its east and western borders, that are designated 'high' and 'extremely high' wildfire hazard by CalFire. The City has active efforts underway to reduce the potential of fires in these adjacent areas from burning into the City.

Seismic Hazards

The City does not lie within active faults but is near to several known active and potentially active earthquake faults. The nearest fault zone is the Healdsburg-Rodgers which lies approximately 5 miles to the east of the City. Seismic hazards do not impede housing development in the City.

Flood Hazards

Significant portions of the City are located within the 100-year floodplain of the Russian River. Episodic flooding, typically associated with 'atmospheric river' storm events affecting the West Coast can cause flooding in the City. Local tributary creeks such as Foss Creek, are also subject to flooding. Flooding that occurs is typically a short-term inconvenience and can cause some damage to low-lying homes and businesses. Flood hazards do not impede housing development, as planned in the General Plan, from occurring.



4. Conclusion

The 6th Cycle Housing Element Update is intended to not only address Healdsburg’s RHNA, but also to demonstrate the City’s commitment to going above and beyond State statutory requirements in a variety of ways. The City is committed to expanding development capacity through intensification and infill development, promoting and requiring development of innovative housing types that meet local housing needs in a cost-effective manner, and expanding housing opportunities for all income groups including the ‘missing middle’ worker households earning moderate and above moderate family income.

The City’s RHNA strategy lays out a plan for 981 units - more than double the City’s RHNA of 476. This strategy reflects a 131% buffer for lower-income units, a 155% buffer for Moderate-income units, and a 402% buffer for Above Moderate-income units. An overall buffer of 206% is demonstrated.

In addition, under State law, Affirmatively Furthering Fair Housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” In the context of a community’s housing needs, AFFH is not just about the number of housing units needed, but also about where the units are located and who has access to them. The City is especially pleased that nearly 80% of lower income RHNA is addressed through pending/approved projects located in high-resource areas.

The City is proud of the community’s commitment to address our collective housing challenges, and with expanded staffing and additional resources, City staff is committed to fulfilling its responsibilities towards RHNA, and, more importantly, meeting the needs of the Healdsburg community.