PUBLIC REVIEW DRAFT

Appendix A Draft Housing Needs Assessment

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Appendix A: Housing Needs Assessment

A review of the City's population, business and housing characteristics helps to identify trends and housing needs. The following analysis shows that although the City of Petaluma has had some success in addressing the City Council's affordable housing goals, the need for appropriate affordable housing continues to grow, particularly for seniors, large families and first-time homebuyers. Sources used for this section include the following:

- 1. Housing Needs 2021 Data Packets prepared by the Association of Bay Area Governments (ABAG), which rely on 2015-2019 American Community Survey (ACS) data by the U.S. Census Bureau
- 2. U.S. Census Bureau's Decennial Census (referred to as "Census")
- 3. California Department of Finance (DOF) population and housing estimates
- 4. U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) reports (which are based on the ACS)
- 5. California Employment Development Department (EDD) labor statistics
- 6. City of Petaluma website

A.1. Population and Employment Trends

Table A1 shows the population growth in Petaluma, neighboring cities and Sonoma County over the last 20 years. Petaluma's population has increased at a steady pace and has had the most growth (7%) since 2010 compared to neighboring cities. Population increases in Sonoma County as a whole slowed down since 2010, showing only a two percent increase.

Table A1: Population Growth Trends between 2000 and 2020

	2000	2010	2020	% Change 2000-2010	% Change 2010-2020
Petaluma	54,550	57,941	61,873	6%	7%
Rohnert Park	42,236	40,971	43,069	-3%	5%
Santa Rosa	147,595	167,815	173,628	14%	3%
Sonoma	9,128	10,648	11,050	17%	4%
Sonoma County	458,614	483,878	492,980	6%	2%

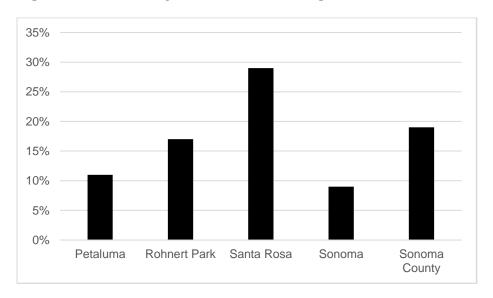
Sources: ABAG Housing Element Data Packet

US Census, 2000 (SF1); 2010 (DP-1) and California Department of Finance, 2020 E-5 series

The Association of Bay Area Governments (ABAG) has projected population growth throughout the Bay Area over the next two decades. Figure A1 illustrates the projected growth for Petaluma, surrounding cities and the County. The population growth in Petaluma is anticipated to increase by 11 percent, which is slightly higher than the City of Sonoma. Santa Rosa is projected to increase its population by almost 30 percent while the County's growth is anticipated to be around 19 percent.

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Figure A1: ABAG Projected Growth Through 2040



Source: Association of Bay Area Governments 2040 Projections by Jurisdiction

A.1.1. Age

The age distribution of the City's population affects the type of housing that is needed. The dynamics of Petaluma's population has changed since the 2000 Census (See Table A2). The number of children aged 14 and under continues to decrease in the City, while older residents (aged 55 and up) have increased in number and comprise one-third of City residents in 2019. The median age for Petaluma is 41.7 years, which is higher than the 2010 Census when the median age was 40.1. The median age for Sonoma County is significantly higher at 43.1. The biggest change in the population occurred in the 65 to 74 age group, indicating that many residents are remaining in Petaluma as they age.

Table A2: Age Characteristics

Age Group	2000	2010	2019	% Change 2000-2010	% Change 2010-2019	% of 2019 Population
Age 0-4	3,612	3,464	3,008	-4%	-13%	5%
Age 5-14	8,313	7,609	7,317	-8%	-4%	12%
Age 15-24	6,268	6,971	7,020	11%	1%	12%
Age 25-34	7,039	6,896	7,311	-2%	6%	12%
Age 35-44	10,143	8,145	8,543	-20%	5%	14%
Age 45-54	8,577	9,582	8,262	12%	-14%	14%
Age 55-64	4,569	7,691	8,633	68%	12%	14%
Age 65-74	2,835	3,996	6,633	41%	66%	11%
Age 75-84	2,341	2,303	2,750	-2%	19%	5%
Age 85+	851	1,284	1,290	51%	0%	2%
Totals	54,548	57,941	60,767	6%	5%	100%

Source: ABAG Housing Element Data Packet

A.1.2. Race/Ethnicity Characteristics

Race/ethnicity of the population is important to examine when looking at the housing needs of a community. The racial and ethnic composition may have implications for housing needs to the extent that different groups have different household characteristics, income levels and cultural backgrounds.

Overall, the racial and ethnic makeup of Petaluma residents has stayed relatively consistent since the previous Housing Element. Race and ethnicity characteristics are shown in Table A3. Whites continue to make up the majority of Petaluma's population (68.1%). Hispanic or Latinx residents comprise a little over 20 percent of the population. Other race or multiple race residents had the largest growth in the last decade, going from 2.9 percent in 2010 to 4.4 percent in 2019, although still representing a small portion of the overall city population.

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Table A3: Race/Ethnicity Characteristics

	0000	% of	0040	% of	0040	% of
	2000	Population	2010	Population	2019	Population
White	41,996	79.2%	40,226	69.4%	41,357	68.1%
Hispanic or Latinx	7,985	15.1%	12,453	21.5%	13,305	21.9%
Asian/API	2,174	4.1%	2,669	4.6%	2,714	4.5%
Other Race or	100	0.2%	1,676	2.9%	2,673	4.4%
Multiple Races	100	0.270	1,010	2.070	2,010	1.170
Black or African American	581	1.1%	719	1.2%	646	1.1%
American Indian or Alaska Native	173	0.3%	198	0.3%	72	0.1%
Total	53,009	100%	57,941	100%	60,767	100%

Source: ABAG Housing Element Data Packet

Compared to Sonoma County, Petaluma has a higher percentage of White residents (68% in Petaluma compared to 63% Countywide). The County's Hispanic or Latinx population (27%) is higher than Petaluma's, while the percentages of Black/African Americans, Asian/API and Other Race residents are similar.

A.1.3. Economic Characteristics

A community's economic characteristics, including income levels, employment trends and educational attainment help to determine what kind of housing is in demand by its residents. The information below examines these issues in Petaluma.

A.1.3.1. Income

Table A4 shows the distribution of household income in Petaluma and Sonoma County. In 2019, the median income in Petaluma was \$91,528, which was higher than the County overall (\$87,828). Petaluma also had larger proportions of residents making less than \$35,000 or making more than \$150,000 compared to the County. This indicates a missing middle class in the community.

The 2015-2019 ACS data states that in 2019 approximately 6.7% of Petaluma's population lived below the poverty level. Blacks or African Americans experience a disproportionate level of poverty compared to other city residents, as more than 16 percent of Blacks in Petaluma are experiencing poverty.

Table A4: Income Distribution in Petaluma

	% of Households					
Income Level	Petaluma	County				
Less than \$10,000	3.0%	2.9%				
\$10,000 to \$14,999	2.9%	2.7%				
\$15,000 to \$24,999	6.1%	4.2%				
\$25,000 to \$34,999	6.1%	6.5%				
\$35,000 to \$49,999	7.7%	9.3%				
\$50,000 to \$74,999	14.5%	16.1%				
\$75,000 to \$99,999	13.8%	15.6%				
\$100,000 to \$149,999	19.5%	18.8%				
\$150,000 to \$199,999	12.0%	10.7%				
\$200,000 or more	14.4%	13.3%				
Total HH	22,655	190,689				
Median income (dollars)	\$91,528	\$87,828				
ACS (2015-2019) 5-Year Data, 1	Table S1901					

A.1.3.2. Employment Trends

Petaluma is home to a variety of employment sectors and jobs. Table A5 outlines the number and percentage of jobs by industry type according to the 2015-2019 ACS data. A third of jobs are in the health and educational services industries, while another 20 percent of jobs are in the financial and professional services industry. The employment sectors in Petaluma and Sonoma County are similar as shown in the table below.

Table A5: Employment by Industry

	Pe	Petaluma				
Industry Type	Number	Percent	Percentages			
Health & Educational Services	10,348	33%	32%			
Financial & Professional Services	6,273	20%	17%			
Manufacturing, Wholesale & Transportation	4,148	13%	16%			
Retail	3,426	11%	12%			
Other	3,321	11%	10%			
Construction	2,221	7%	8%			
Information	977	3%	2%			
Agriculture & Natural Resources	533	2%	3%			
Total	31,247	100%	100%			
Source: ABAG Housing Element Data Pa	cket, ACS (2015-2019)	5-Year Estimates	- 1			

The City of Petaluma Economic Development Division has a variety of resources available to help businesses either start or grow in the city. These resources include a business toolkit, explanations of the development and permit processes, City contact lists, financial information and links to business support organizations.

In addition to being close to a variety of job markets in Sonoma County and the wider Bay Area, Petaluma itself is home to a number of businesses. Below is a list of companies that are based in Petaluma:

- Information & Communications Technology Businesses: Enphase, Blue Planet (Cyan), Hydropoint Data, FIS Mobile, Vendini and X2NSAT.
- Consumer Products: CamelBak, Scandinavian Designs and World Centric.
- Healthcare & Life Science: several healthcare services providers and Sonoma Pharmaceuticals.
- Advanced Manufacturing: products range from plastic laboratory products to small precision tools to components for high end bicycles.
- Food & Beverage Production: Lagunitas Brewing Company, Amy's Kitchen, Cowgirl Creamery, Clover Sonoma and Straus Family Creamery.
- Green Services & Construction: Enphase, Hydropoint Data and Sonoma Cast Stone.
- Tourism, Recreation, Hospitality: a variety of jobs to support the popular local tourist industry.

The ABAG Housing Needs Data Packet looked at the number of jobs compared to the number of households in Petaluma. This jobs/housing ratio has increased from 1.19 in 2002 to 1.37 jobs per household in 2018.

A.1.3.3. Commuting Patterns

The City's General Plan Existing Conditions Report on Transportation includes data on commuting patterns for Petaluma. Petaluma experiences a net influx of workers each day, with approximately 18,800 residents commuting out of Petaluma and approximately 22,400 workers commuting into Petaluma. In comparison, 6,000 workers both live and work in Petaluma. Of the 24,800 employed Petaluma residents, approximately 76 percent are employed outside of Petaluma. Approximately 18 percent commute to other locations within Sonoma County, 17 percent to Marin County, 7 percent to San Francisco, and 3-5 percent to Alameda, Contra Costa, Santa Clara, and Napa counties. Of the approximately 28,400 workers employed in Petaluma, approximately 20 percent live in Petaluma. Of the 80 percent of workers who commute from outside Petaluma, 15 percent live in Rohnert Park, 60% live elsewhere in Sonoma County, and 5 percent live in Marin or Solano counties.

Decreasing commuting times has many benefits, including reducing Greenhouse Gas (GHG) emissions. In 2018, on-road transportation sources accounted for 67 percent of Petaluma's annual community GHG emissions.² Between 2010 and 2018, the city experienced a 42 percent increase in local vehicle miles traveled (VMT).³ Longer commutes to work may have contributed to this VMT increase along with population and job growth.⁴

A.1.4. Educational Attainment

The City has seen a remarkable increase over the last 50 years in the educational attainment of its residents, reflecting a change from an agricultural- and service-based economy to one focused on technology. In 1970, nearly 32 percent of adults over 24 years of age had not graduated high school and only 10 percent had earned a college or advanced degree. In 2019, more than 90 percent (90.4%) of residents had a high school degree or higher, while more than 40 percent (40.4%) had a bachelor's degree or higher.

A.2. Household Characteristics

The Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood and unrelated individuals living together. The types of households in a community provides insights into the types of housing needed. For example, single-person households, such as young adults or seniors, tend to live in apartments or smaller homes while families typically occupy single-family homes. Household income levels also provide information on what type of housing residents can afford, with lower income households often having limited options.

¹ City of Petaluma General Plan Update Existing Conditions Report: Transportation, September 23, 2021.

²,City of Petaluma Climate Action and Adaptation Plan, 2018 Community Greenhouse Gas Inventory, October 2021.

³ See footnote 2

⁴ See footnote 2

A.2.1. Household Type and Size

According to the 2015-2019 ACS data, Petaluma has 22,655 households. Table A6Table A6 shows the household characteristics of Petaluma, surrounding cities and Sonoma County. Petaluma has the highest percentage of "married-couple family households" (53.6%) and the lowest percentage of "other non-family households" (6.5%) of the jurisdictions in the table.

Table A6: Household Characteristics

Geography	Female- Headed Family HH	Male- Headed Family HH	Married- Couple Family HH	Other Non- Family HH	Single- Person HH	Total Households
Petaluma	9.1%	5.1%	53.6%	6.5%	25.6%	22,655
Rohnert Park	13.2%	6.6%	40.6%	13.9%	25.7%	16,377
Santa Rosa	11.4%	6.0%	44.8%	9.6%	28.2%	66,319
Sonoma	5.0%	4.1%	44.2%	8.0%	38.7%	5,125
Sonoma County	10.1%	5.5%	48.1%	8.9%	27.5%	189,374

Sources: ABAG Housing Element Data Packet, American Community Survey 5-Year Data (2015-2019

In 2020, the California Department of Finance stated that the average household size in Petaluma was 2.65 persons per household. This is higher than the County (2.55 persons per household). Petaluma's household size has slightly increased since 2010 when it was 2.63 persons per households.

A.2.2. Household Income

Household income indicates the wealth distribution of a community and determines the ability to afford housing. As household income increases, the more likely a household can own their home, while lower incomes can lead to overpaying for housing as well as overcrowding.

For planning and funding purposes, the California State Department of Housing and Community Development (HCD) has developed the following income categories based on the Area Median Income (AMI) of a metropolitan area (such as Sonoma County):

Extremely Low Income: 0 - 30% AMI Very Low Income: 31 - 50% AMI Low Income: 51 - 80% AMI Moderate Income: 81 - 120% AMI Above Moderate Income: 120% + AMI

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Petaluma. This income distribution is shown in Table A7. Approximately 28 percent of households are lower income, earning 80 percent or less of the AMI. Housing options for these households may be limited due to affordability factors. This is examined later in this Needs Assessment.

Table A7: Household Income Distribution

Households	Percent
2,120	9.4%
1,915	8.5%
2,365	10.5%
16,110	71.6%
22,510	100.0%
	2,120 1,915 2,365 16,110

Sources: HUD Comprehensive Housing Affordability Strategy (CHAS); based on ACS (2014-2018) 5-Year Estimates

A.3. Housing Problems

Housing problems can make it challenging to obtain housing or make necessary repairs to current housing. The 2014-2018 CHAS data looks at the following four housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room (overcrowding) and households paying more than 30 percent of their income on housing (cost burden). Severe problems include households paying more than 50 percent of their income on housing (severe cost burden).

State Government Code Section 65583(a)(1) requires an analysis of population and employment trends and a quantification of Petaluma's existing and projected needs for all income levels. The Element must also quantify existing and projected extremely low income (ELI) households (incomes with 30% or below the AMI) and analyze their housing needs in accordance with Chapter 891, Statutes of 2006.

A.3.1. Cost Burden

Table A8 shows housing problems for lower income households by tenure and special needs in Petaluma. A majority of lower income households face at least one type of housing problem. Cost burden impacts a larger portion of renters than homeowners. The discrepancies are more pronounced for lower income renters. Severe cost burden (more than 50 percent of household income) impacts extremely low income and very low income households more often compared to all household types and for owners and renters. However, severe cost burden is less of an issue among low income households. Senior renter-households are the most impacted by cost burden regardless of income levels.

To address issues for mobile home residents, the City adopted a Rent Stabilization Ordinance in 1993. At that time, a survey of mobile home park tenants reported that just over half of the respondents reported they paid more than 30 percent of their income for housing expenses. About 40 percent reported paying more than 35 percent of their income for housing.

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Table A8: Housing Problems for Lower Income

Household Income and Housing Problem	Seniors	Large Families	Renters	Seniors	Large Families	Owners	Total (Owner & Renter)
Extremely Low (<=30% AMI)	665	185	1,390	385	50	735	2,125
% with any housing problems	57.1%	81.1%	65.7%	85.7%	100.0%	83.0%	71.8%
% Cost Burden >30%	57.1%	81.1%	65.7%	85.7%	100.0%	82.9%	71.7%
% Cost Burden >50%	45.9%	73.0%	56.3%	74.0%	100.0%	76.2%	63.3%
Very Low (> 30% to < 50% AMI)	420	70	995	535	50	920	1,915
% with any housing problems	72.6%	100.0%	85.4%	78.5%	30.0%	73.4%	79.6%
% Cost Burden >30%	69.0%	64.3%	80.9%	78.5%	30.0%	79.2%	80.1%
% Cost Burden >50%	45.2%	21.4%	60.8%	36.4%	30.0%	50.5%	55.9%
Low Income (> 50% to < 80% AMI)	340	205	1,065	720	130	1,300	2,365
% with any housing problems	75.0%	80.5%	77.0%	38.9%	80.8%	52.3%	63.6%
% Cost Burden >30%	66.2%	75.6%	70.4%	38.9%	53.8%	49.6%	59.2%
% Cost Burden >50%	33.8%	29.3%	34.3%	20.8%	46.2%	28.8%	31.5%
Moderate/Above (>80% AMI)	260	465	4,225	3,905	750	11,560	15,785
% with any housing problems	67.3%	48.4%	27.9%	21.8%	40.7%	22.7%	24.1%
% Cost Burden >30%	65.0%	44.1%	25.5%	21.8%	26.5%	21.5%	22.6%
% Cost Burden >50%	7.3%	2.2%	2.2%	5.0%	3.2%	3.7%	3.3%
Total Households	1,685	925	7,975	5,545	980	14,530	22,505
% with any housing problems	66.2%	65.9%	47.3%	33.9%	48.5%	31.6%	37.1%
% Cost Burden >30%	63.1%	60.0%	44.6%	33.9%	34.1%	30.7%	35.6%
% Cost Burden >50%	37.3%	23.8%	23.2%	14.9%	15.2%	12.5%	16.3%

Sources: HUD Comprehensive Housing Affordability Strategy (CHAS); based on ACS (2014-2018) 5-Year Estimates

A.3.2. Overcrowding

The State defines overcrowded housing as units with more than one inhabitant per room, excluding kitchens and bathrooms. Large household sizes, multi-generational households, high numbers of children per household, low incomes, and the limited availability of large rental units can all be factors in overcrowding.

While Table A8 looks at overcrowding for lower income households, Table A9 below shows the percentage of overcrowding for all of Petaluma's households. As can be seen, overcrowding impacts less than four percent of the City's households. However, the rate of overcrowding for renters is higher, at 7.8 percent. Severe overcrowding, or more than 1.50 persons per room, is only seen in an estimated 106 households (or 0.5%).

Table A9: Overcrowded Households By Tenure

	Owner		Renter		Total	
Persons per Room	НН	%	НН	%	НН	%
1.00 or less	14,693	98.4%	7,122	92.2%	21,815	96.3%
1.01 to 1.50	201	1.3%	533	6.9%	734	3.2%
1.51 or more	37	0.2%	69	0.9%	106	0.5%
Total	14,931	100.0%	7,724	100.0%	22,655	100.0%
% Overcrowded by Tenure		1.5%		7.8%		3.7%
Source: American Community S	Survey 5-Year	Data (2015)	-2019), Tabl	e B25014		

A.4. Housing Stock Characteristics

A community's housing stock includes all of the housing units within the jurisdiction. Characteristics of housing stock includes the current supply, the tenure of housing, the age of housing and vacancy rates among other factors. This section looks at the housing stock characteristics of Petaluma.

A.4.1. Housing Growth

Table A10 shows housing growth in Petaluma, surrounding cities and the County in the last 20 years. According to the ABAG data profiles, housing development between 2000 and 2010 was robust in Petaluma, with over 2,000 units constructed. Since 2010, housing growth in Petaluma and the surrounding areas occurred at a modest rate (2% to 4%). In the last ten years Petaluma added just over 550 units and had a growth rate similar to Sonoma County.

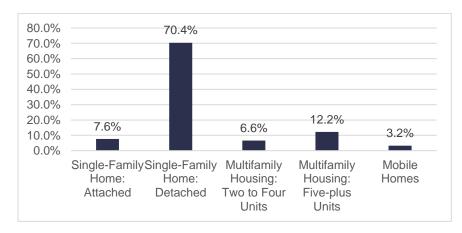
Figure A2 shows the housing type distribution in Petaluma. Detached single-family homes make up more than 70 percent of the City's housing stock, while multi-family units comprise less than 20 percent. Eight mobile home parks are located in the city, with four of these restricted to residents age 55 or older. Mobile homes provide an affordable housing option for the Petaluma community.

Table A10: Housing Growth in Petaluma and Surrounding Jurisdictions

Jurisdiction	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
Petaluma	20,304	22,736	23,291	12%	2%
Rohnert Park	15,808	16,551	17,025	5%	3%
Santa Rosa	57,578	67,396	69,406	17%	3%
Sonoma	4,671	5,544	5,778	19%	4%
Sonoma County	183,153	204,572	208,293	12%	2%

ABAG Housing Element Data Packet; US Census, 2000 (SF1); 2010 (DP-1) and ACS (2015-2019) 5-Year Estimates (DP05)

Figure A2: Housing Types in Petaluma



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

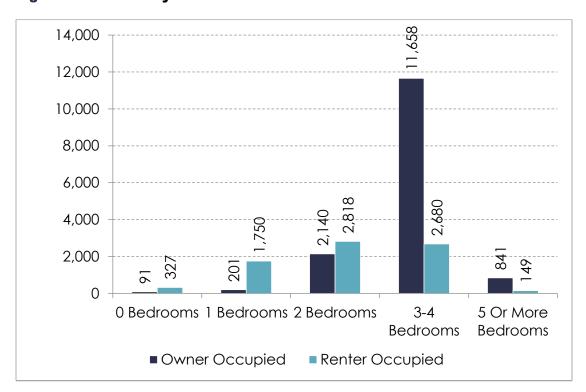
A.4.2. Housing Tenure

According to the 2015-2019 ACS data Petaluma had 22,655 households in 2019. More than 14,900 of these units were owner-occupied, while approximately 7,725 were rentals. Table A11 illustrates that Petaluma has a greater percentage of owner-occupied units compared to surrounding cities and Sonoma County. Figure A3 shows the breakdown of tenure by number of rooms. Larger housing units are predominately owner-occupied. This may make finding affordable housing options difficult for larger families.

Table A11: Housing Tenure in Petaluma and Surrounding Jurisdictions

	% of Occupied					
Jurisdiction	Owner	Renter				
Petaluma	65.9%	34.1%				
Rohnert Park	54.8%	45.2%				
Santa Rosa	54.7%	45.3%				
Sonoma	61.0%	39.0%				
Sonoma County	62.2%	37.8%				
Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates						

Figure A3: Tenure by Number of Bedrooms in Petaluma



Source: ABAG Housing Element Data Packet

A.4.3. Housing Vacancy

Vacancy rates in a community indicates the level of mobility for residents as well as if there is sufficient supply to meet demand. A vacancy rate of five percent for rental housing and two percent for ownership housing is generally considered healthy and suggests that there is a balance between the supply and demand of housing. In 2019, the vacancy rate for owner-occupied units was 0.1 percent, while rental units had a vacancy rate of 1.6 percent. These vacancy rates indicate that the current housing stock is in high demand in Petaluma and that residents may have challenges finding housing within the community.

A.4.4. Age and Condition of Housing

The age of a community's housing stock can provide an indicator of overall housing conditions. As can be seen in Table A12, the majority of Petaluma's housing stock was built between 1970 and 2009. Less than three percent of housing has been built in the last ten years.

Typically, housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work, and other repairs. As Table A12 illustrates, approximately 67 percent of Petaluma's housing stock is at least 30 years old. The most recent available reliable data regarding housing conditions is the American Community Survey Five-Year (2015-2019) Data. In Petaluma, only nine housing units lacked complete plumbing facilities and 161 housing units lacked complete kitchen facilities.

Table A12: Age of Housing Stock

		Sonoma
	Petaluma	County
Built 2014 or later	1.2%	3.1%
Built 2010 to 2013	1.6%	1.4%
Built 2000 to 2009	11.3%	10.2%
Built 1990 to 1999	18.2%	14.8%
Built 1980 to 1989	15.4%	17.7%
Built 1970 to 1979	18.9%	19.7%
Built 1960 to 1969	13.0%	11.5%
Built 1950 to 1959	6.9%	8.2%
Built 1940 to 1949	3.6%	4.9%
Built 1939 or earlier	9.7%	8.4%
Courses, ABAC Housing E	Jamont Data Backets	ACC (2015 2010) 5

Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates

A.4.4.1. Code Enforcement

The City operates a code enforcement program concurrently with neighborhood preservation efforts. Staff is able to make great progress in getting property owners to clean up their front and side yards which had become neglected and, in some instances, consumed by illegal structures. In 2010, the property maintenance code was adopted into the Municipal Code in Chapter 1.10. 085 as well as the Health and Safety Codes for Substandard Buildings, Section 1.10.085 L.

A.4.4.2. Rehabilitation

Between 2017 and 2022, approximately 139 code enforcement cases were based on substandard housing issues such as general dilapidation, mold, sanitation issues, lack of heating facilities, etc. Given that the total number of housing units in Petaluma was 23,291 in 2019, it can be estimated that approximately 0.5 percent of units in the City are in substandard conditions that require rehabilitation. Occasionally some units may be red-tagged (condemned), due to condition of the structure. Most red-tags are to order the property vacated until life safety issued are corrected. Any property that has been red-tagged can potentially be demolished due to non-compliance and not correcting violations. Currently, two residential structures may

potentially be demolished if corrective actions are not completed. However, this action would require Council action.

The City's rehabilitation partner is "Rebuilding Together - Petaluma," a community-based non-profit agency that rehabilitates approximately 25-40 homes in the city annually. Since 2015, the City has been able to complete 213 projects utilizing CDBG funding. The program solicits applications through information printed on city water bills and targets households with incomes of 60 percent or less of the area median income, the elderly, veterans, disabled, single parents and large families. Using 400 community volunteers and donated materials the program undertakes a wide range of repairs for each house that can include painting, new roofs, wheelchair ramps, electrical rewiring, new bathrooms, replacement flooring, plumbing repairs, furnace and hot water heater installation, smoke detector installation, landscaping, and window and door replacement.

A.5. Housing Costs and Affordability

Home prices in an area often reflect a variety of factors including housing supply, available jobs, construction costs and geographical locations. As ABAG describes in the Data Needs Report, the Bay Area has long had some of the highest housing costs in the nation. With the exception of the Great Recession, housing prices in the Bay Area have steadily increased since 2000.

A.5.1. Housing Values

The real estate website Zillow.com has developed a home valuation model to estimate the market value of individual properties and compiles this information to produce a median "Home Value Index" for any given geographic area. Table A13 shows the home value index, including owner-occupied single-family homes and condominiums, for Petaluma and Sonoma County. As can be seen, housing values dropped between 2001 and 2011 due to the Great Recession. However, prices have more than doubled since 2011 with Petaluma's home values increasing by more than 130 percent. This is similar to what has occurred in the County overall.

Table A13: Home Values in Petaluma and Sonoma County

	December	December	November	% Change	% Change		
	2001	2011	2021	2001-2011	2011-2021		
Petaluma	\$414,704	\$380,055	\$877,606	-8.4%	130.9%		
Sonoma County	\$382,894	\$339,973	\$770,337	-11.2%	126.6%		
Sources: ABAG Housing Element Data Packet; Zillow website							

A.5.2. Homeownership Market

In November 2021, Zillow had the following units for sale in Petaluma: 35 detached single-family homes, eight condominiums and seven mobile homes. Table A14 shows the price range by unit size as well as the median and average prices. The majority of single-family homes were three or four bedrooms that had a median listing price of \$849,000 and \$875,000, respectively. The median price for a condo was \$315,000 for a one-bedroom, \$632,000 for a two-bedroom and \$613,500 for a three-bedroom. The median listing price for mobile homes was \$140,000, providing an affordable housing option for Petaluma residents.

Table A14: Homeownership Market - December 2021

Unit Type	Bedrooms	Units Listed	Range	Median	Average
	2	2	\$649,000-\$649,000	\$649,000	\$649,000
Detached Homes	3	15	\$585,000-\$2,500,000	\$849,000	\$1,054,851
	4	11	\$525,000-\$1,300,000	\$875,000	\$909,636
	5	5	\$799,500-\$5,200,000	\$1,099,000	\$2,094,700
	6	2	\$2,600,000-\$3,495,000	\$3,047,500	\$3,047,500
	1	2	\$295,000-\$335,000	\$315,000	\$315,000
Condos	2	2	\$499,000-\$765,000	\$632,000	\$632,000
	3	4	\$545,000-\$839,000	\$613,500	\$652,750
Mobile Homes	2	7	\$95,000-\$269,000	\$140,000	\$157,214
Source: Zillow we	bsite, accessed	December 20	021	•	1

A.5.3. Rental Market

In December 2021, the rental websites apartments.com and rent.com were accessed to determine monthly rates in Petaluma. As shown in Table A15, one- and two-bedroom apartment units were available; however, while three-bedroom units are in several of the apartment complexes none were listed as available. One-bedroom condos have the lowest median rent at \$1,925 while the highest median rents are for three-bedroom apartments at \$3,565.

Table A15: Rental Market - December 2021

Unit Type	Bedrooms	Units Listed	Range	Median	Average
	1	15	\$2,115-\$2,865	\$2,306	\$2,381
Apartment	2	21	\$2,280-\$3,039	\$2,776	\$2,756
riparimoni	3	See Note Below	\$3,095-\$4,921	\$3,565	\$3,660
Condos	1	2	\$1900-\$1,950	\$1,925	\$1,925
	2	1	\$2,700	\$2,700	\$2,700
Townhomes	2	2	\$3,200	\$3,200	\$3,200

Note: When these websites were accessed, three-bedroom apartments were not available; however, the price range was available.

Sources: Apartments.com and Rent.com, accessed December 2021

A.5.4. Housing Affordability

Table A16 below shows the affordable housing costs by income category and housing unit size. This information can be compared to the market rate analyses in Table A14 and Table A15 above to see what housing opportunities are available to Petaluma residents.

Extremely Low Income Households: Extremely low income households earn 30 percent or less of the area median income – up to \$24,450 for a one-person household and up to \$37,700 for a five-person household. Given this income level, extremely low income households are unable to rent or purchase market rate homes in Petaluma.

Very Low Income Households: Very low income households earn between 31 percent and 50 percent of the area median income. This equates to \$40,750 for a one-person household and \$62,850 for a five-person household. At this income level, the only market rate housing option would be a two-bedroom mobile home for a two- or three-person household. Market rate rents are not affordable to households in this income category.

Low Income Households: Low income households earn 51 percent to 80 percent of the area median income. For a one person household, this income level is \$65,150 and for a five person household the annual income is \$100,500. One bedroom rental condos might be within the affordability range for a two person household in this income category. Other rental options are beyond the reach of low income households. Mobile homes for smaller households are the only affordable purchase options in this income category.

Median Income Households: Median income households earn between 81 percent and 100 percent of the area median income, equating to \$72,300 for a one-person household and \$111,550 for a five person household. One- and two-bedroom rental units are within the affordability range, although some three-bedroom or larger units may still be out of reach. In terms of home purchase opportunities, one-bedroom condominiums and mobile homes are the only market rate options.

Moderate Income Households: Moderate income households earn between 101 percent and 120 percent of the area median income. At this income level, almost all one- and two-bedroom rental options are available to these households. However, larger units are still above affordability. In addition, home purchase opportunities are limited to mobile homes and small condominiums.

Table A16: Housing Affordability Matrix for Petaluma

				Housing Costs			Affordable Price		
Household	Annual	Affordable Monthly	Rental Utilities	Owner	Taxes/				
Income and	Income	Housing	(Multi-	Utilities	Insurance				
Size	Limits	Costs	Family)	(SFH)	(Owner)	Rent	Sale		
Extremely Low Inc			· ay/	(5111)	(Owner)	Itolit	Jaio		
1-Person (studio)	\$24,450	\$611	\$180	\$190	\$214	\$431	\$54,636		
2-Person (1 bd)	\$27,950	\$699	\$228	\$240	\$245	\$471	\$56,448		
3-Person (2 bd)	\$31,450	\$786	\$285	\$299	\$275	\$501	\$55,888		
4 Person (3 bd)	\$34,900	\$873	\$351	\$368	\$305	\$522	\$52,478		
5 Person (4 bd)	\$37,700	\$943	\$420	\$441	\$330	\$523	\$45,231		
Very Low Income			1 '				,		
1-Person	\$40,750	\$1,019	\$180	\$190	\$357	\$839	\$124,442		
2-Person	\$46,550	\$1,164	\$228	\$240	\$407	\$936	\$136,104		
3-Person	\$52,350	\$1,309	\$285	\$299	\$458	\$1,024	\$145,394		
4 Person	\$58,150	\$1,454	\$351	\$368	\$509	\$1,103	\$152,048		
5 Person	\$62,850	\$1,571	\$420	\$441	\$550	\$1,151	\$152,938		
Low Income (50-8	0% AMI)		•			•			
1-Person	\$65,150	\$1,629	\$180	\$190	\$570	\$1,449	\$228,937		
2-Person	\$74,450	\$1,861	\$228	\$240	\$651	\$1,633	\$255,588		
3-Person	\$83,750	\$2,094	\$285	\$299	\$733	\$1,809	\$279,867		
4 Person	\$93,050	\$2,326	\$351	\$368	\$814	\$1,975	\$301,511		
5 Person	\$100,500	\$2,513	\$420	\$441	\$879	\$2,093	\$314,177		
Median Income (8	0-100% AMI)							
1-Person	\$72,300	\$1,808	\$180	\$190	\$633	\$1,628	\$259,558		
2-Person	\$82,650	\$2,066	\$228	\$240	\$723	\$1,838	\$290,705		
3-Person	\$92,950	\$2,324	\$285	\$299	\$813	\$2,039	\$319,267		
4 Person	\$103,300	\$2,583	\$351	\$368	\$904	\$2,232	\$345,407		
5 Person	\$111,550	\$2,789	\$420	\$441	\$976	\$2,369	\$361,500		
Moderate Income	(100-120% /	AMI)							
1-Person	\$86,750	\$2,169	\$180	\$190	\$759	\$1,989	\$321,441		
2-Person	\$99,150	\$2,479	\$228	\$240	\$868	\$2,251	\$361,368		
3-Person	\$111,550	\$2,789	\$285	\$299	\$976	\$2,504	\$398,923		
4 Person	\$123,950	\$3,099	\$351	\$368	\$1,085	\$2,748	\$433,842		
5 Person	\$133,850	\$3,346	\$420	\$441	\$1,171	\$2,926	\$457,001		

Source: 2021 HCD State Income Limits - Sonoma County; County of Sonoma Utility Allowances; effective October 2021; VTA Planning December 2001

Note: Utilities: includes electric space heating, cooking, water heating and other allowances. These estimates are for the purpose of general comparison and illustration of the magnitude of issues only.

A.5.4.1. Affordable Housing Programs in Petaluma

Petaluma partners with developers and affordable housing nonprofits who build affordable housing and manage the application process, rents, etc. The City monitors the housing to ensure that affordable housing recipients continue to be eligible and that property owners are maintaining the property adequately.

Petaluma has a variety of affordable housing programs and developments to help provide options that otherwise would be unavailable to many lower and moderate income households. The following provides an update on active projects with affordable housing providers:

PEP Housing

City staff is working with PEP Housing on the final transactions related to the Riverview project at 951 Petaluma Boulevard South, a 54-unit senior/veteran apartment project with all 53 units affordable to low and very low income households and one manager unit. The Certificate of Occupancy is expected in July of 2022. The City's contribution included land and \$1,000,000 from housing in-lieu fee funds.

MidPen Housing

MidPen Housing Corp prepared an SB 35 application that was approved by the city in June of 2020. The project is a 44-unit lower income rental development located at 414 Petaluma Boulevard North, directly north of the North River Apartments site and associated extension of Oak Street and Water Street North. Forty-three of the units will be for households with an income between 30 percent to 60 percent AMI, with an average income of 49 percent AMI. There will be one unrestricted unit for the resident manager. The project will include amenities and services at the ground level, including a community room, craft room, and learning center. The City has approved \$900,000 in HOME funding and \$1.1 million in funding from housing in-lieu fees to support the project. This project started construction in May of 2022.

Burbank Housing

Burbank Housing submitted an application pursuant to SB 35 which was approved in July of 2020. The project is a 50-unit affordable housing development on a 2.5 acre property at 1601 Petaluma Boulevard South. The 50 units are designated to be affordable at the very-low and low income levels and Burbank is pursuing Tax Credit funding. The project site was initially approved for dedication to the City as part of alternative inclusionary housing compliance for the Hines Downtown Station and as part of the approved Development Agreement associated with the Corona Station Residential project. The entitlements for the Corona Station Residential project were subsequently rescinded by the City at the request of the applicant, including the alternative compliance component. It is staff's understanding that Burbank has entered into a purchase agreement directly with Lomas LLC for the property. As of February 2022, this project is still working on securing additional financial subsidy for the project.

Danco Group

Danco submitted an application for the Meridian at Corona Station project, a 131-unit affordable housing project including 30 supportive housing units and onsite support services, on the parcel adjacent to the future SMART station at Corona Road. The project was submitted under AB 2162 streamlining and the City Council approved a policy to allow the project on the site as prescribed by AB 2162. The project was approved by the City in September 2021 and the City subsequently approved local funding of approximately \$2 million. Danco is actively working on additional funding requests to move forward with the project.

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Sonoma County Housing Land Trust

The City works closely with the Sonoma County Housing Land Trust for management of many of the onsite inclusionary units approved as part of market rate housing development. Most recently SCHLT was part of 26 low and moderate income deed restricted units as part of the Brody Ranch project in northeast Petaluma. Additionally, SCHLT is working with developers to manage the deed restricted units as part of the Riverbend and Casa Grande residential for sale projects approved by the City of Petaluma.

A.5.4.2. First Time Homebuyers

To support the preservation of the City First Time Homebuyer Program, in 2020 the City contracted with the Housing Land Trust of Sonoma County. The land trust provides stewardship and manages the administrative process for new homes entering the program and also undergoing resale activity.

A glowing example of Petaluma's First-Time Homebuyer program is Frates Square, which is a 26-unit development using the Land Trust model. The City of Petaluma partnered with the Housing Land Trust of Sonoma County and a private developer, Delco Builders, to build the homes to sell to low and moderate income families. There were no "silent second" loans on the 26 homes that were purchased by the homeowners. This land trust has not lost any of its homes to foreclosure.

A.6. Special Housing Needs

California law recognizes that certain households face greater difficulties in finding decent and affordable housing due to special circumstances, including but not limited to: income, age disability, household size and household type. Special needs populations addressed in the Housing Element include the elderly, persons with disabilities, families with female heads of households, large families, persons experiencing homelessness, and farmworkers. Table A17 summarizes the number of households or persons in each of these special needs groups in Petaluma.

Table A17: Special Needs Households

Special Needs Group	Persons	Households	% of Total
Seniors (65+)	10,673		17.6%
With a disability	2,534		23.7%
Households with one or more seniors		7,849	34.6%
Seniors Living Alone		3,284	41.8%
Persons with Disabilities	5,495		9.0%
Female-headed Households		5,632	24.9%
With own children		732	13.0%
Large Households		2,032	9.0%
Renter		954	46.9%
Owner		1,078	53.1%
Agricultural Workers ¹	553		0.9%
Homeless	296		0.5%

Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates

A.6.1. Seniors

The 2015-2019 ACS data reported 10,673 city residents age 65 or over (18% of the population), and 7,849 households with one or more seniors (34.6% of total households). Since 2000, the percentage of the elderly population increased from 11 percent to 18 percent.

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

The majority of the seniors in Petaluma are on fixed incomes such as pensions, social security, and personal savings. Many elderly households pay an excessive proportion of their income for housing because their incomes are low. The 2015-2019 ACS data identified over 850 residents over the age of 65 living in poverty, which is approximately 8.2 percent of city residents.

Low income senior homeowners face special challenges to live in and maintain their homes. While many younger homeowners can perform routine home repairs themselves, many elderly homeowners are often too frail to do so and must rely on others for help. They may not be able to afford modifications that are needed to their homes to ensure their safety and improve their mobility, such as grab bars and ramps. Many single senior homeowners may be especially dependent on professional or other outside assistance for home repairs. Some have no or few companions or nearby relatives who can help them care for their homes. Senior people are less willing to move, despite the physical condition of their homes. Most often the home is paid for so it is more cost effective to stay in the home that they may have lived in 30 or more years.

As shown previously in Table A8, 66 percent of elderly renters and 34 percent of elderly homeowners are experiencing housing problems, primarily related to housing cost burden. Extremely low income and very

¹ All farming, fishing, and forestry occupations. Percent of civilian employed population 16 years and older.

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low income elderly homeowners in particular, have high rates of housing cost burden. House sharing can provide older homeowners with revenue, as well as added security and companionship, and provides renters with affordable housing. Accessory apartments, which are separate units within a home, offer the same advantages as well as privacy.

Table A17 shows that almost a quarter (23.7%) of Petaluma seniors have a disability. The following lists the types of disabilities in the senior population in 2019:

Ambulatory difficulty: 14.5%
Independent living difficulty: 10.1%
Hearing difficulty: 9.9%
Self-care difficulty: 5.1%
Cognitive difficulty: 4.9%
Vision difficulty 3.3%

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

As it becomes increasingly difficult for the elderly to live independently, there is a need for congregate or group housing that provides small individual units without kitchens or with minimal provision for cooking, and some common facilities and services, including shared arrangements for meals and housekeeping services. Congregate care housing is particularly attractive to older persons, as building design and services can be tailored to their specific needs. Providing housing that will allow seniors to "age-in-place" will become increasingly important for non-profit senior housing partners.

A.6.1.1. Existing Senior Housing and Services

Since 2015, 133 units of senior affordable housing units have either been rehabilitated or approved. The City's website has a listing of affordable housing options in Petaluma. Five senior rental complexes are on the list, including the low income Sunrise of Petaluma complex.

The California Department of Social Services shows 13 small residential care facilities for the elderly licensed in the city with a total of 75 beds. In addition there are four larger facilities including: Muirwoods Memory Care (capacity of 80), Our House (capacity of 11), Springfield Place (capacity of 112) and Sunrise of Petaluma (capacity of 95).

To help address the needs of this special population, the City of Petaluma supports Rebuilding Together Petaluma, a non-profit, non-denominational volunteer organization that provides home repair services to low income Petalumans, many of whom are elderly, during its annual rebuilding day in April. Since 2015, the City has been able to complete 213 projects utilizing CDBG funding.

Seniors own a large percentage of the mobile homes in Petaluma. Mobile homes meet the needs of many seniors because they provide an independent living environment with smaller yards and homes requiring lower levels of maintenance. Since 2015, the City's number of mobile home spaces has increased to 368.

The Petaluma People Services Program offers a variety of services to seniors including assisting: over 300 seniors with Case Management Services, over 10,000 telephone callers with information and referral services, 35 seniors with Alzheimer's respite care through the Senior Day Care program and over 42,000

meals for seniors in need of nutritional services through the Meals on Wheels Program and the Senior Café. Additionally, there are volunteer drivers' program to provide rides to seniors, senior counseling services and a support group for caregivers.

A.6.2. Persons with Disabilities

A disability is defined as a long lasting condition (more than six months) that impairs an individual's mobility, ability to work, or ability to care for oneself. Persons with disabilities include those with physical, mental, or emotional disabilities.

As shown in Table A17, 5,495 non-institutionalized Petaluma residents are identified as having one or more disabilities, representing nine percent of the City's population. The 2015-2019 ACS data documents the presence of the following types of disabilities among Petaluma's residents:

•	Ambulatory difficulty:	4.3%
•	Hearing difficulty:	3.0%
•	Cognitive difficulty:	3.0%
•	Independent living difficulty	2.9%
•	Self-care difficulty:	1.7%
•	Vision difficulty	1.4%

In response to the lack of accessible housing in the United States, the Fair Housing Act requires that all ground floor dwelling units in buildings of four or more units without elevators and all dwelling units in elevator buildings of four or more units include the following basic features of accessible and adaptive design:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
 - 1. An accessible route into and through the unit
 - 2. Accessible light switches, electrical outlets, thermostats and other environmental controls
 - 3. Reinforced bathroom walls to allow later installation of grab bars and
 - 4. Kitchens and bathrooms that can be used by people in wheelchairs.

A.6.2.1. Developmentally Disabled

According to Section 4512 of the Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years and continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual, which includes intellectual disability, cerebral palsy, epilepsy, and autism.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmentally disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

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The State Department of Developmental Services (DDS) currently provides community based services to persons with developmental disabilities and their families through a statewide system of 21 regional center, four developmental centers, and two community-based facilities. The North Bay Regional Center is one of the 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

During 2020, the North Bay Regional Center assisted 378 Petaluma residents. Of this total, 191 residents were age 18 or older, while 187 were under the age of 18. Table A18 below shows the type of residence for the people served by the Regional Center. Approximately 85 percent of residents live in a home with a parent, family member or guardian while 11 percent live in an independent or supported living environment.

Table A18: Population with Developmental Disabilities by Residence

Residence Type	# of Persons
Home of Parent /Family /Guardian	322
Independent /Supported Living	40
Foster /Family Home	8
Community Care Facility	5
Other	3
Intermediate Care Facility	0
Totals	378

Source: ABAG Housing Element Data Packet; California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2020)

A.6.2.2. Existing Housing and Services for Persons with Disabilities

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of consideration that are important in serving this need group.

In order to assist in the housing needs for persons with developmental disabilities, the City has implemented programs to coordinate housing activities, encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, especially persons with developmental disabilities, outreach with the North Bay Regional Center, and pursue funding sources designated for persons with special needs and disabilities.

The City has funded both new construction, and rehabilitation of existing facilities, and implemented programs and policies to address existing and projected needs of Petaluma's disability community. The City of Petaluma follows state and federal regulations which require that any new residential construction of three or more apartments or four or more condominium units be accessible and/or adaptable to disabled persons. The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes regarding housing for persons with disabilities.

The 13-unit Salishan Apartments project was constructed at 780 Petaluma Boulevard South by North Bay Rehabilitation Services. The property has been very successful in serving the most low income disabled community. The City has also completed a property with Buckelew Programs, a non-profit organization for persons with a mental disability. The property, Boulevard Apartments, includes 14 units for very low income persons who have a mental illness.

The Fair Housing Act requirements for accessible housing are included in California's Title 24 regulations, which are enforced by the City through its building codes, building plan review, and site inspections. All city-assisted housing is compliant with both Title 24 regulations and the Americans with Disabilities Act. All senior units developed with city assistance are disabled-accessible. Additionally, Old Elm Village, an 88-unit affordable family rental project that opened in 2002 with support from the City, has six accessible units in a range of sizes. In 2010, the National Association of Mental Illness of Sonoma County (NAMI Sonoma County) purchased a foreclosed property in Petaluma with Neighborhood Stabilization funds from the County of Sonoma. The property was rehabilitated with Petaluma's CDBG funds and houses low income people with a mental disability.

The City also continues to fund local nonprofits to remove physical barriers in homes occupied by persons with a disability.

A.6.3. Female-Headed Households

Close to 25 percent of Petaluma's households are female-headed households and 13 percent of these include children. Often times, these households are low income and face a housing cost burden. The City targets these families for their affordable housing communities. The chief beneficiaries of the Petaluma People Services Center (PPSC's) homeless prevention programs described in the "Homeless" subsection below are single mothers.

A.6.4. Large Families

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

The 2015-2019 ACS data reported 2,032 large households in Petaluma, which is nine percent of households city-wide. Approximately 47 percent of these households are renter-occupied, while 53 percent are owner-occupied. As shown in Table A8, large households generally have disproportionate housing needs compared to other types of households in the city. Specifically, 66 percent of the large renter-households and 49 percent of the large owner-households experience housing problems. While the City does not have a large number of lower income large households, the majority of these households experience housing problems. For example, 81 percent of the extremely low income large renter households and 100 percent of the extremely low income large owner households experience housing problems. The Housing Element continues to encourage family apartment projects that receive city funding to include units with more than two bedrooms.

A.6.4.1. Existing Housing

As described in the "Rental Market" subsection above, while many apartment complexes have three-bedroom units, none were available during the December 2021 rent survey. Additionally, larger single-family homes may be out of the price range of many families. In the past, the Low Income Housing Tax Credit Program encouraged the production of affordable housing with a relatively higher proportion of four-

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bedroom units. As indicated above, the City also promotes the inclusion of larger units. Examples include the 74-unit Corona Ranch project, which has 32 three-bedroom and 10 four-bedroom units and Round Walk Village, which has 47 three-bedroom and 6 four-bedroom units. Burbank Housing just completed a 66-unit affordable housing property, Logan Place, which will also help fulfill the need of housing large families.

A.6.5. Farmworkers

The ABAG Housing Element Data includes information from the US Department of Agriculture, Census of Farmworkers. In 2017, over 14,000 farm workers were in Sonoma County. Approximately 7,600 were seasonal farm workers while 6,715 were permanent workers. Table A17 above showed a total of 553 agricultural workers in Petaluma, comprising less than one percent of the workforce.

In Petaluma, permanent rental housing is most likely the best housing option for farmworkers that live in the City, although the availability of affordable rental housing is limited.

Another unique factor of the farming community is that most seasonal farmworkers are single men who leave their families behind to work in the fields, and who have no adequate housing. These men live in fields, shacks, barns, or other unsuitable places. Although there is some overlap in many need areas, the housing needs of the male seasonal farmworker differ markedly from the housing needs of farmworker families. All residential zoning districts in Petaluma that allow affordable housing as a permitted use would permit farmworker housing to be built.

A.6.5.1. Existing Housing

All of the City's affordable units help to address the housing needs of farmworker households. Accessory Dwelling Units (ADUs) may also be an available affordable housing option to some farmworker households.

A.6.6. Persons Experiencing Homelessness

The U.S. Department of Housing and Urban Development (HUD) defines people experiencing homelessness as:

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

Reasons for homelessness in Petaluma include:

- The lack of permanent affordable housing caused by dissolution of redevelopment
- A low rental vacancy rate
- Personal emergencies
- · Cutbacks in federal housing assistance
- Chronic substance abuse

- Insufficient support systems
- Spousal/partner abuse or abandonment
- Physical or mental illness
- A lack of life skills
- Loss of employment

Populations at risk of becoming homeless also include those living in subsidized housing units if their subsidies are discontinued, and those with fixed or low incomes facing rent increases.

The most recent homeless count and survey for Sonoma County was conducted in 2020 using HUD-recommended practices. The Point-in Time Count identified 2,745 persons experiencing homelessness in Sonoma County. This represents a decrease of seven percent from the count conducted in 2019. Overall conclusions from the 2020 survey included:

- 73 percent of the population were male, 27 percent were female, less than 1 percent were transgender and less than 1 percent were gender non-binary.
- The majority (60%) of the population were between the ages of 25 and 54. The population under the age of 18 made up 5 percent, ages 18-24 comprised 11 percent and people 55 years or older made up the remaining 24 percent.
- The sheltered population made up 38 percent of the survey respondents while 62 percent were unsheltered. Also, 28 percent of the population was counted in vehicles.
- Chronically homeless individuals comprised 19 percent of the population, veterans made up five percent, nine percent were families and two percent were unaccompanied children.
- 88 percent of those experiencing homelessness became homeless while living in Sonoma County.
- Almost one-quarter (22%) of survey respondents cited job loss as the primary cause of their homelessness. 70 percent reported unaffordable rent as an obstacle to securing permanent housing and another 50 percent cited no job or not enough income as an obstacle.
- 89 percent of respondents who were unsheltered or staying in emergency shelter would move into housing if it were available. 54 percent preferred housing without preconditions.

The 2020 Point-in-Time Count found 296 homeless persons in Petaluma. Of this total, 163 were sheltered and 133 were unsheltered. Table A19 shows the number of homeless surveyed between 2018 and 2020 in Petaluma, surrounding cities and Sonoma County. As shown, while the percentage of homeless in the County decreased, the number in Petaluma increased.

Table A19: Total Number of Homeless Persons By Jurisdiction and Shelter Status

Unsheltered			ed	Sheltered			Total		
Jurisdiction	2018	2019	2020	2018	2019	2020	2018	2019	2020
Petaluma	91	138	133	194	127	163	285	265	296
Rohnert Park	127	114	241	11	15	7	138	129	248
Santa Rosa	863	954	719	700	707	742	1,563	1,661	1,461
Sonoma (City)	15	32	46	15	18	15	30	50	61
Sonoma County	1,929	19,577	1,702	1,067	994	1,033	2,996	2,951	2,745

Source: 2020 Sonoma County Point-in-Time Census

A.6.6.1. Existing Homeless Facilities

The City of Petaluma has undertaken a number of successful projects and programs that address the needs of the local population experiencing homelessness. These include:

- Committee on the Shelterless (COTS) This organization runs the Mary Isaak Center Emergency Shelter in Petaluma. The shelter is an 80-bed dorm-style shelter for individuals aged 18 and over. COTS also operates one small 15-bed shelter for families, the Kids First Family Shelter (KFFS). COTS offer two outreach workers who regularly make contact with homeless residents, working to understand their situations and provide connections to services. Since 2015, the City has provided \$380,000 to the Mary Isaak Center for operational support.
- People's Village Twenty-five non-congregate tiny homes with intensive case management to support clients on the pathway to long term housing solutions.
- Petaluma People Services Center (PPSC) Provides a variety of important programs including counseling, therapy and family support services; programs for senior citizens such as Meals on Wheels and an adult day & respite program; fair housing guidance and rental assistance; employment and job training/retention programs; and a youth mentoring program.
- Downtown Streets Team (DST) Provides people experiencing homelessness with job training, skill development, and access to services. They also clean-up garbage in the downtown, waterways, and homeless encampment areas. DST recruits community members experiencing homelessness to volunteer for their daily work crews. Team members receive weekly stipends via gift cards for essentials and help with housing, health services, and workforce training.
- SAFE (Specialized Assistance for Everyone) program A mobile crisis response team partnership between the City and the PPSC. The SAFE team provides the following services: (1) emergency response for issues relating to mental health, addiction and homelessness; (2) non-emergency response for people in need; and (3) proactive community outreach.

On September 13, 2021, the Petaluma City Council declared a Shelter Crisis in Petaluma in recognition of the urgent need for shelter faced by a significant and growing number of people in the community. Declaring a "crisis" empowers the City to take necessary steps to address these important issues.

This declaration also allows the City to implement interim housing solutions on City owned or leased land that support the health, safety, and well-being of people currently experiencing homelessness. The design

and site development will be at the discretion of the City Manager. To this end, Council has approved funding for the Interim Housing Solutions Project, a program that will provide safe, temporary shelter for those experiencing homelessness to reside in as they get back on their feet.

Petaluma is embarking on three major projects to house those experiencing homelessness – People's Village (Tiny Homes); the Steamer Landing Injunction process, and Governor Newsom's Project Homekey to purchase hotels for permanent supportive housing.

A.6.6.2. Existing Transitional and Shared Housing

The City's transitional housing program consists of three separate programs operated by COTS: 1) a 32-bed transitional housing program for families located on the 2nd floor of the Mary Isaak Center, 2) one shared transitional house with 9 beds; and 3) four houses with a total of 32 beds for single adults.

The City's transitional housing program assists families and single adults by providing a shared home, either in a neighborhood or at the Mary Isaak Center, that is designed to be the final step on their way to stability in permanent, independent housing. With a combined total of 73 beds for single adults and families, the City's transitional housing program provides case management, children's programs, budgeting and credit repair classes and a host of skills-building programs to enable their return to self- sufficient and long-term housing stability. COTS runs the Rapid Rehousing program that assists individuals and families who are experiencing homelessness. The program assists people in obtaining and maintaining permanent housing by providing short-to-medium term financial assistance, case management, and other supportive services. Financial assistance is determined on a case-by-case basis dependent on client need. COTS does not own or manage the units that are rented by Rapid Rehousing clients, but they do enter into a financial agreement with property owners to pay security deposit and graduated rental assistance. COTS can also support clients with moving costs and utility assistance.

A.6.6.3. Existing Permanent Supportive Housing (PSH)

COTS's Permanent Supportive Housing (PSH) program consist of two separate programs:

- Community Based Permanent Supportive Housing for Chronically Homeless and Veterans. A 9bed program located in 4 – bedroom apartments in Petaluma.
- The 37-bed Integrity House program, located in 11 shared homes in the community.

Partnering with COTS, Petaluma is able to provide permanent, subsidized housing with supportive services to mostly chronically homeless and veterans. A goal of the City is to keep these vulnerable individuals housed long-term, preventing their return to shelters or the streets.

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

In 2018 the City updated its Zoning Ordinance to allow transitional and supportive housing as a residential use in all zones. The 2023-2031 Housing Element includes a program to amend the City's Zoning Code to address new State law on Supportive Housing (AB 2162).

A.6.6.4. Homeless Prevention

According to the City's 2021-2022 Action Plan for the use of CDBG funds, prior to April 2020, 28 low income families and individuals accessed the Rental Assistance Program (25 received services, 3 did not qualify).

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This program slowed due to the pandemic because people were not moving into new units and those that needed assistance due to COVID received assistance through the Pandemic funding from the City and the County. All of those who participated in this program received additional Human Services support through the Petaluma People Services Center (PPSC). All participants received information on accessing additional food locations. Three families enrolled in the Mentor Me program, five families received counseling services, four received Home Delivered Meals, and one person volunteered with the agency.

The Sonoma County Community Development Commission (SCCDC) is the lead agency for the Sonoma County Continuum of Care (CoC) and hosts its planning process. The three HUD entitlement jurisdictions in Sonoma County jointly participate and have designated seats on the CoC governing body. These jurisdictions are: the City of Petaluma, the City of Santa Rosa and SCCDC. Petaluma staff participates in quarterly membership meetings which includes representation from the non-profit, governmental, service provider, housing development, law enforcement, faith-based, business, homeless and general communities. The CoC 10-Year Homeless Action Plan and its annual submissions to HUD reflect the demographics, available shelter spaces, additional shelter needs, housing and services in all three HUD entitlement jurisdictions in order to provide a cohesive shelter system throughout the County. In 2020 the CoC updated its structure to align with current HUD regulations, with most recent CoC Board elections in December 2020.

In June of 2022, the city adopted the Strategic Plan to End Homelessness (Plan).⁵ This includes a vision and specific strategies to guide the City's homelessness policies, programs, and investments during the upcoming three-year action cycle, covering July 1, 2022 through June 30, 2024. This Plan meets the State AB 2553 requirements of declaring a shelter crisis after January 1, 2021 and developing a plan to address the shelter crisis, including, but not limited to, the development of homeless shelters and permanent supportive housing, as well as onsite supportive services.

The Plan was developed through a three-phase process which included: 1) Discovery (local input through community feedback sessions and individual interviews), 2) Analysis (review of data sources, identification of strengths/weaknesses/opportunities/threats within the current system, and development of a "pathway to housing framework" to better identify gaps and opportunities), and 3) Feedback and Adoption (iteration and review of the Plan with staff, service providers, and the broader community.

In summary, adoption and execution of the proposed Plan will:

- Create a robust "housing-focused" outreach system that links people experiencing homelessness
 with new options through increased numbers of permanent supportive housing units and creative
 shelter options for vulnerable sub-populations,
- Improve the Petaluma Coordinated Entry access point through which people access housing and shelter options,
- Tackle root causes of homelessness to prevent people from losing housing in the first place, and
- Increase the City's internal capacity to respond to homelessness, leverage the community to accelerate progress, and build alignment with other cities and subregions.

⁵ City of Petaluma Resolution No. 2022-110 N.C.S. Adopted on June 20, 2022.

The Plan includes the creation of a "Community Steering Committee" of local stakeholders along with the monthly publication of updates and stats to measure progress and maintain accountability.

A.7. Affordable Housing at Risk of Conversion

The Housing Element must address the potential conversion of existing affordable housing to market-rate housing during the next ten years (2023-2033). This analysis is required to cover the rental housing units deed-restricted as affordable housing for lower income households. This analysis does not cover ownership housing units that may be deed-restricted with have resale/recapture provisions. Table A20 presents a list of the City's publicly assisted rental housing for lower income households.

Table A20: Affordable Rental Housing Deed-Restricted for Lower Income Households

	Affordable	Unit	Year Built or Place in	Funding	Potential Conversion
Development	Units	Туре	Service	Sources	Date
Boulevard Apts.	14 Very Low	Disabled	2006	HUD PRAC/811; SHMHP	5/30/2025
Park Lane Apartments	18 Very Low 71 Low	Family	1973	Project-based Section 8	9/30/2035
R S Lieb Sr Apts	22 Very Low	Seniors	2004	HUD PRAC/202	9/30/2025
Casa Grande Senior Apts	57 Very Low	Seniors	2008	HUD Section 8 LIHTC	11/30/2025
Kellgren Senior Apartments	20 Very Low 29 Low	Senior	2014	HUD Section 202 LIHTC	2/28/2026
Salishan Apts	12 Very Low	Disabled	1999	HUD PRAC/811	3/31/2026
Petaluma Senior Apts	57 Very Low	Seniors	1982	Section 8 NC; 221(d)(4)MKT CalHFA Permanent Loan	4/30/2026
Edith Street Apts	22 Very Low	Seniors	2001	HUD PRAC/202	6/30/2026
Daniel Drive Apts.	5 Very Low	Family	1980	Units Donated	2035
Wilson St. I	10 Very Low	Family	1984	CDBG	2039
Lindberg Lane Senior Apt.	12 Very Low 4 Low	Seniors	1986	Units Donated	2041
Wilson Street II	6 Very Low	Family	1988	CDBG	2043
Madrone Village	23 Very Low	Family	1991	LIHTC-9	2046
Caulfield Lane Apts.	22 Very Low	Seniors	1992	LIHTC	2047

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	Affordable	Unit	Year Built or Place in	Funding	Potential Conversion
Development	Units	Туре	Service	Sources	Date
Mountain View Senior Apts.	16 Very Low 4 Low 4 Disabled	Seniors	1992	Hsg Fund CDBG RHCP	2047
Corona Ranch	74 Very Low/Low	Family	1993	LIHTC	2048
Vallejo Street Senior Apts.	44 Very Low/Low	Seniors	1994	LIHTC	2049
Washington Creek Apts	32 Very Low/Low	Family	1994	Hsg Fund LIHTC	2049
Vallejo Street I Senior Apts	40 Low	Seniors	1998	LIHTC	2053
Vintage Chateau Senior Apts	238 Low	Seniors	2000	LIHTC	2055
Old Elm Village	85 Low	Family	2001	LIHTC	2056
Downtown River Apts.	80 Low	Family	2005	LIHTC	2060
Vintage Chateau II	67 Low	Seniors	2012	LIHTC	2067
Round Walk Village	58 Very Low 69 Low	Family	2013	LIHTC	2068
Logan Place Sources: California I	55 Very Low 10 Low	Family	2013	LIHTC	2068

Sources: California Housing Partnership; HUD Multi-Family Housing; City of Petaluma

A.7.1. At-Risk Potential

Petaluma's policy of requiring that affordable units developed with city assistance be restricted for 55 years for target households ensures that it is highly unlikely that they will be converted to market-rate units. However, some projects receive ongoing project-based Section 8 assistance from HUD. Such subsidy contracts are usually renewed every five years. The projects that are identified as potentially at risk are primarily due to the need to renew expiring Section 8 contracts. Overall, eight projects have Section 8 contracts that require renewal between 2023 and 2033. HUD prioritizes the renewal of Section 8 contracts for seniors and disabled. Therefore, these units are at low risk of converting to market-rate housing.

A.7.2. Preservation and Replacement Options

To preserve the existing affordable housing stock, the City must either preserve the existing assisted units or facilitate the development of new units. Preservation options typically include: 1) transfer of project to non-profit ownership; 2) provision of rental assistance to tenants using other funding sources; and 3) purchase of affordability covenants. In terms of replacement, the most direct option is the development of new assisted multi-family housing units. These options are described below.

A.7.2.1. Transfer of Ownership

Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, income restrictions can be secured. However, four of the eight projects with potentially at-risk units are non-profit owned. The long-term commitment of these projects being affordable is assured. The other four projects are for-profit owned – Park Lane Apartments (89 units); Petaluma Senior Apartments (57 units); Casa Grande Senior Apartments (57 units); and Kellgren Senior Apartments (49 units).

A review of ten apartment buildings for sale in Sonoma County indicates an average cost of \$372,000 per unit, with specific prices varying based on location and condition. One apartment complex in Petaluma was listed for sale with an average of \$475,000 per unit. However, this is a fairly small complex and may not be representative of a HUD-assisted complex. Assuming \$400,000 per unit, to transfer ownership of the 252 units at the four for-profit owned projects would require over \$100 million.

A.7.2.2. Rental Assistance

According to HUD, 300 units in the eight projects are subsidized with Section 8 – 16 studios; 247 one-bedroom units; 36 two-bedroom units; and 1 three-bedroom units. The 2022 Fair Market Rents (FMRs) for these units are \$1,373 for studios, \$1,549 for one-bedrooms; \$2,038 for two-bedrooms, and \$2,851 for three-bedrooms in Sonoma County. Comparing the FMRs with affordable rents for very low income households as shown in Table A16, average monthly subsidies are estimated at \$500 for studios, \$500 for one-bedrooms, \$1,000 for two-bedrooms, and \$1,750 for three-bedrooms. Therefore, annual subsides of \$2.3 million may be needed for the 300 assisted units in the unlikely event that Section 8 funds are no longer available.

A.7.2.3. Purchase of Affordability Covenants

Another option to preserve the affordability of the at-risk project is to provide an incentive package to the owner to maintain the project as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, providing a lump-sum payment, and/or supplementing the rents to market levels. The feasibility of this option depends on whether the complex is too highly leveraged. By providing lump sum financial incentives or ongoing subsides in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

A.7.2.4. Construction of Replacement Units

The construction of new low income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, land costs, and type of construction. A study by the Turner Center indicates an average of \$600,000 for the construction of a housing unit. Replacing the 322 units at the eight projects would require over \$193 million.

A.7.2.5. Resources to Preserving at-Risk Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments include Sonoma County Housing Trust and City of Petaluma. (See the Housing Resources section later for further details.)