

2023-2031 Housing Element

March 2023

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1. Introduction

A Portrait of the Community

Petaluma is located 40 miles north of San Francisco in southern Sonoma County, bisected by the Petaluma River and under the backdrop of the Sonoma Mountains. It is a unique, geographically defined community with a distinctive character derived from its geography, physical diversity, and small town atmosphere.

Petaluma was incorporated in 1858 and grew steadily following incorporation. There was a notable residential growth spurt following suburbanization from the 1950s to 1970s, resulting in the adoption of its residential growth management program. Following that landmark legislation, the City slowed its residential growth rate to not exceed 500 units per year through the turn of the 20th century. In recent years, the average number of building permits rarely comes close to 500 units annually. Limited local and regional housing construction has placed strong economic pressure on the local housing prices and rents, and housing is becoming increasingly unaffordable to the workforce. This 2023-2031 Housing Element presents a proactive strategy to create new housing opportunities and preserve housing affordability in the community.

California Housing Element Law

Enacted in 1969, State housing element law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development.

The Housing Element is subject to detailed statutory requirements regarding its content and is subject to mandatory review by the California Department of Housing and Community Development (HCD). The Housing Element must be updated every eight years. According to State law, the statutory due date to update the Housing Element for jurisdictions in the Association of Bay Area Governments (ABAG) region is January 31, 2023. A key component of the Housing Element requirement is the jurisdiction's ability to accommodate the City's share of Regional Housing Needs Assessment, (RHNA) as determined by HCD. For this sixth cycle of the Housing Element update, the City of Petaluma has been assigned a RHNA of 1,910 housing units.

1.1.1. Housing Element Components

State law requires the Housing Element to include the following information:

- An analysis of population and employment trends and documentation of projections, and a quantification of the existing and projected housing needs for all income levels, including extremely low income households.
- An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.
- An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period.

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- The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.
- An analysis of potential and actual governmental and non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels.
- An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and experiencing homelessness.
- An analysis of opportunities for energy conservation.
- An analysis of existing assisted housing developments that are eligible to change from low income housing uses during the next 10 years.
- A statement of the community's goals, quantified objectives, and policies relative to affirmatively furthering fair housing and to the maintenance, preservation, improvement, and development of housing.

The housing element establishes an action plan that details the actions, or programs, that will implement the goals and policies. For each program, the action plan must identify the agency responsible and the timeframe for implementation.

1.1.2. Organization of the Housing Element

This 2023-2031 Housing Element for the City of Petaluma is organized into the following sections and appendices:

Section 1 – Introduction

Section 3 – Resources to Accomplish Goals

Section 3 – Housing Action Plan

Appendix A: Housing Needs Assessment

Appendix B: Housing Constraints

Appendix C: Sites Inventory

Appendix D: Review of Past Accomplishments

Appendix E: Affirmatively Furthering Fair Housing

Appendix F: Summary of Community Outreach

Relationship to the General Plan

The City of Petaluma is developing a comprehensive update to the 2025 General Plan (adopted May 2008) concurrently with the required update of the Housing Element. The General Plan update may introduce additional opportunities for residential growth beyond current land use policy. The General Plan update is anticipated to conclude in late 2023. To meet the January 2023 statutory deadline for the Housing Element, this Housing Element relies on sites that are currently designated and zoned for residential development and do not anticipate the need to modify current land use designation or zoning to accommodate the 6th cycle RHNA. Therefore, this Housing Element is consistent with the current 2025 General Plan and will be consistent with the 2045 General Plan update.

Relationship to Climate Goals

The City of Petaluma is committed to achieving greenhouse gas carbon neutrality Petaluma by 2030. To further this work, the City plans to develop and adopt a Climate Action and Adaptation Plan in 2023. The City has also considered and worked to reduce climate impacts in the Housing Element. Climate-related actions and programs include a focus on infill development accessible to transit and away from high-VMT areas, water conservation initiatives, increased densities in transit-accessible areas, revising the City's development fee structure to promote the development of smaller and more affordable units, and revising the City's parking ordinance to encourage a mode shift away from single-occupancy vehicles. The Climate Action and Adaptation Plan will additionally focus on energy and water efficiency in new and existing buildings, a shift away from natural gas usage, and many other avenues for climate impact reduction.

Community Participation

The City has implemented an extensive community outreach program for the Housing Element, that is being updated as part of the comprehensive update to the General Plan. A detailed summary of the outreach efforts and results is provided in Appendix F to this Housing Element.

The Draft Housing Element was available for public review between August 29, 2022 and October 3, 2022. The City also held public meetings before the Planning Commission (September 13) and City Council (October 3) to review the Draft Housing Element. Comments received on the Draft Housing Element are summarized by theme below, along with the City's responses.

2. Resources to Accomplish Goals

Fiscal Resources and Leveraging History

With the dissolution of redevelopment by the State legislature in 2012, local jurisdictions' ability to expand affordable housing opportunities has been seriously compromised. In many cases, local jurisdictions lack a steady source of revenue to finance affordable housing. State and federal programs such as Low Income Housing Tax Credits are highly competitive. Increasingly, local jurisdictions are looking to locally generated resources to support affordable housing development. To the extent feasible, the housing programs outlined in this Housing Element will utilize the following sources of revenue to fund its projects and programs.

2.1.1. Inclusionary Housing In-Lieu Fund

In 2018, Petaluma adopted an Ordinance (No. 2300 N.C.S.) implementing a housing in lieu fee for residential development to contribute to satisfy affordable housing requirements. The Inclusionary Housing In-Lieu Fund is generated by payments from developers in-lieu of providing inclusionary affordable units. The Fund is used to expand and preserve affordable housing opportunities for lower income households through land acquisition and assistance to non-profit developers with pre-development costs and subsidies for on- and off-site improvements. The City's current inclusionary housing ordinance was adopted in 2018 and eliminated the ability for a developer to meet inclusionary housing requirement through payment of an in-lieu fee unless separately approved as alternative compliance by the City Council. Therefore, the generation of housing in-lieu fees has significantly slowed in recent years. Additionally, the City has recently provided local funding for several affordable housing projects which has reduced the balance of the fund. As of July 1, 2022, the In-Lieu Fund has a balance of \$3,323,128, which is expected to fluctuate through October 2022.

2.1.2. Commercial Linkage Fee

In 2004, Petaluma adopted an Ordinance (No. 2171 N.C.S.) implementing a commercial linkage fee for nonresidential development to mitigate the impacts on affordable housing linked to nonresidential development and to provide housing affordable to those with incomes between 80 and 100 percent of the Area Median Income. In June 2011, the Ordinance was revised to limit the type of nonresidential development to new or expanded nonresidential gross square footage. For purposes of this Fee, nonresidential land uses are classified as commercial, retail, or industrial. Funds collected may be used to directly finance the development of affordable housing units between the range 80 to 100 percent of AMI. The current fee schedule (July 2022) establishes the fee at \$3.36 per square foot of commercial development, \$5.81 per square foot of retail development, and \$3.46 per square foot of industrial development. As of July 1, 2022, the Commercial Linkage Fee has a balance of \$2,158,717.

2.1.3. Community Development Block Grant

The Community Development Block Grant Program (CDBG) is a "pass-through" program that allows local governments to use federal funds to alleviate poverty and blight. The U.S. Department of Housing and Urban Development (HUD) makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing and community development

efforts. With population over 50,000, Petaluma is considered an entitlement jurisdiction to receive CDBG funds from HUD directly. For FY 2022-2023, the City has been allocated \$329,577 in CDBG funds.

2.1.4. HOME Investment Partnership

The HOME Investment Partnership Act is a formula-based block grant program similar to CDBG. HOME funds are intended to expand affordable housing through acquisition, construction, and rehabilitation of rental and ownership units. However, Petaluma does not qualify as an entitlement jurisdiction to receive HOME funds directly from HUD and must apply to the State HOME program on a competitive basis. Specifically, the City used \$900,000 of program income from the State HOME program for a MidPen development. HOME program income is comprised of interest earned and loan payoffs from earlier HOME financed projects. The project is located at 414 Petaluma Blvd North. The development will provide 43 units between 30 and 60 percent AMI. Construction started on the project in Spring of 2022 and will be ready for occupancy in fall of 2023.

2.1.5. Permanent Local Housing Allocation

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. Because the number of real estate transactions recorded in each county will vary from year to year, the revenues collected will fluctuate.

The first year of SB 2 funds are available as planning grants to local jurisdictions. For the second year and onward, 70 percent of the funding will be allocated to local governments for affordable housing purposes and will be distributed using the same formula used to allocate Federal CDBG. This funding is known as the Permanent Local Housing Allocation (PLHA) and can be used to:

- Increase the supply of housing for households at or below 60 percent of AMI
- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower and moderate income households
- Promote projects and programs to meet the local government's unmet share of regional housing needs allocation

The City is eligible to receive approximately \$250,000 in PLHA annually. The program has a current fund balance of \$470,905 from the program years 2019-2020. A Housing Element certified by the State HCD is a prerequisite for receiving PLHA funds.

Article 34 Authority

Article XXXIV of the California Constitution requires that when the City develops, constructs, or acquires a housing project targeted towards lower income households, its qualified electors must approve the project by a majority. The City has secured Article 34 authority for elderly affordable housing (up to 5 percent of the total housing stock) and has been otherwise effective in providing affordable housing to lower income households by partnering with non-profit developers.

Partnership Opportunities

The City partners with a number of housing developers to construct, acquire/rehabilitate, and preserve affordable housing and special needs housing in the community. Active nonprofit developers include:

- Eden Housing
- Burbank Housing
- MidPen Housing
- PEP Housing
- DANCO Communities
- Housing Land Trust of Sonoma County

Opportunities for Energy Conservation

Housing has a large role to play in energy conservation and the reduction of greenhouse gas emissions in terms of both its location and its construction methods. Petaluma is committed to lessening the impact of greenhouse gas emissions by reducing emissions and conserving resources through the implementation of the goals, policies and programs outlined in the General Plan.

The City's General Plan promotes energy conservation by reducing reliance on non-renewable energy sources in existing and new development:

- 2-P-118 As part of the Development Code and Standards Updates, incorporate sustainable site planning, development, and maintenance standards and procedures, reflecting conditions in the variety of Petaluma settings (such as hillsides and floodplains).
- 4-P-18 Develop and adopt local energy standards that would result in less energy consumption than standards set by the California Energy Commission's (CEC) Title 24 or updates thereto.
- 4-P-19 Encourage use and development of renewable or nontraditional sources of energy.

To implement these policies, the City prepares, periodically updates, and implements green building guidelines and/or standards, appropriate to the Petaluma context, to ensure high level of energy efficiency and reduction of life-cycle environmental impacts associated with construction and operations of buildings. The City adopts green street standards, and incorporates these practices in design of city streets. The City also identifies and implements energy conservation measures that are appropriate for public buildings and facilities, such as:

- Schedule energy efficiency "tune-ups" of existing buildings and facilities.
- Institute a lights-out-at-night policy in all public buildings where feasible.
- Continue to retrofit older lighting fixtures in City facilities until all buildings have been upgraded.
- Where new traffic signals or crosswalk signals are installed, or existing signals are upgraded, continue to use LED bulbs or other equivalent efficient technology that may develop.
- Evaluate the possibility of decreasing the average daily time streets lights are on.
- Periodically evaluate the efficiency of potable and sewer pumping facilities and identify measures to improve pumping efficiency.

- Encourage the County of Sonoma to upgrade existing, inefficient facilities which serve Petaluma (e.g. potable water pumping facilities).

The City adopted the Climate Energy Framework in 2021 with the goal of achieving carbon neutral by 2030. Specifically relating to residential new construction and major remodels, the City requires the use of all electrical appliances. The City's website includes a dedicated page "Climate Ready 2030" that provides information on ways to reduce greenhouse gas emissions, including energy efficiency and renewable energy retrofits. This Housing Element includes an action to assist households in the disadvantage neighborhoods to move toward all electrical appliances. The City is in the process of updating its General Plan, including the development of a Climate Action and Adaptation Plan.

Regional Housing Needs Assessment

2.4.1. Overview of RHNA

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the eight-year period. The regional housing needs analysis is derived from the statewide growth forecast, which is then allocated to regions, counties, and cities. The statewide determination is based on population projections produced by the California Department of Finance and the application of specific adjustments to determine the total amount of housing needs for the region. The adjustments are a result of recent legislation that sought to incorporate an estimate of existing housing need by requiring the State HCD to apply factors related to a target vacancy rate, the rate of overcrowding, and the share of cost-burdened households. The new laws governing the methodology resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles. The RHNA for Bay Area jurisdictions was adopted by the Association of Bay Area Governments (ABAG) in December 2021.

2.4.2. RHNA for Petaluma

California housing element law requires that each city and county develop local housing programs to meet its "fair share" of existing and future housing needs for all income groups, as determined by the jurisdiction's council of governments. The Regional Housing Needs Allocation (RHNA) is the share of housing assigned to each jurisdiction by the Association of Bay Area Governments (ABAG) in the Bay Area for the eight-year planning period (January 31, 2023 to January 31, 2031). This "fair share" allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for its share of projected regional housing growth across all income categories and demonstrates capacity to accommodate its housing share.

The RHNA represents the minimum number of housing units each community is required to provide "adequate sites" for through zoning and is one of the primary threshold criteria necessary to achieve State certification of the Housing Element.

In December 2021, ABAG approved the Final RHNA Plan. Petaluma must plan for a RHNA of 1,910 units, a substantial increase from the last cycle, accommodating not only future needs but also factoring in the unmet demand of the previous cycles. Petaluma's RHNA is divided into four income categories (i.e., very low, low, moderate, and above moderate) as shown in Table 1 below.

Table 1: City of Petaluma RHNA (2023-2031)

Petaluma	Extremely Low/ Very Low	Low	Moderate	Above Moderate	Total
RHNA	499	288	313	810	1,910
% of Total	26%	15%	16%	42%	100%

Source: ABAG 6th Cycle Final RHNA Allocation Plan, adopted December 2021

*The RHNA does not include the extremely low category. It is estimated to be ½ of the very low income need, per Government Code §65583.a.1. The total very low income RHNA is 499 units; therefore, 254 units are designated as extremely low income and 254 units are designated as very-low-income. However, for the sites inventory purposes, no separate accounting is required for the extremely low income category

2.4.3. Summary

The Housing Element must include an inventory of land with potential for residential development during the Housing Element planning period. In conducting this adequate sites analysis, jurisdictions can accommodate the RHNA through the following:

Likely Sites:

- Projected ADU Trend: State law allows jurisdictions to project the number of ADUs to be constructed over eight years based on the recent trend of ADU construction. ABAG prepared a rent study that received preliminary approval from HCD. Based on a survey of rental listings for ADUs and similar units, ABAG established an income/affordability distribution for ADUs at 30 percent very low income, 30 percent low income, 30 percent moderate income, and 10 percent above moderate income.
- Credits toward RHNA (Pipeline Projects): While the new 6th cycle Housing Element begins January 31, 2023, the baseline project period for the RHNA begins on June 30, 2022. Housing units under construction, approved, entitled, or permitted but not expected to be finalized until after June 30, 2022 can be credited toward the 6th cycle RHNA.

Sites Inventory:

- Opportunity Sites: Accounting for projected ADUs and eligible credits, the City must identify adequate sites to fully accommodate the remaining RHNA obligations. Opportunity sites are sites that are currently zoned for residential or mixed use development, where existing uses on site are considered underutilized with potential for redevelopment. Sites with expressed interests for redevelopment from property owners and developments are also included.

Table 2 provides a summary of the City’s strategy for meeting the 6th cycle RHNA. The total realistic capacity shown is 3,241 units, which exceeds the target of 1,910 units the City is required to accommodate for its RHNA. The capacity identified in the site inventory includes an approximately 19 percent buffer in the lower income categories to ensure that Petaluma is proactively identifying sites to meet housing needs for the most vulnerable. Additionally, the overall buffers are recommended by HCD and provide assurance that Petaluma has adequate sites to meet the local RHNA.

Table 2: Summary of RHNA Strategy

	Units by Income Group				Total
	Very Low	Low	Moderate	Above Moderate	
RHNA	499	288	313	810	1,910
Likely Sites	236	191	106	1,355	1,888
Potential ADUs	38	38	38	14	128
Pipeline Projects	198	153	68	1,341	1,760
Remaining RHNA	263	97	207	(545)	567
Opportunity Sites	214	215	358	566	1,353
Vacant Sites	37	37	44	220	338
Parking Lots of Shopping Centers	10	11	-	221	242
Underutilized sites	167	167	314	125	773
Total Capacity	450	406	464	1,921	3,241
Buffer (Opportunity Sites over Remaining RHNA) ¹	+19%		+73%	N/A ²	NA
<p>1. Buffer percentage was calculated by dividing the surplus/deficit by the remaining need. 2 There is no remaining need for Above Moderate units (RHNA was met with pipeline projects and potential ADUs).</p>					

3. Housing Action Plan

3.1. Goals and Policies

Goal 1: Housing Availability and Choices

Provide opportunities for residential development to accommodate projected residential growth and diverse housing needs of all existing and future Petalumans.

- Policy 1.1** Promote residential development within the Urban Growth Boundary, especially near transit and services and areas of high resource, as defined under Affirmatively Furthering Fair Housing legislation.
- Policy 1.2** Work towards the City's goal of being climate neutral by 2030 by developing a Climate Action and Adaptation Plan that includes reducing the carbon footprint of housing in the city.
- Policy 1.3** Encourage infill housing development with a particular focus on facilitating development near transit and services to support City climate goals.
- Policy 1.4** Establish flexibility in the City's standards and regulations to encourage a variety of housing types, including mixed-use and flexible-use buildings, and affordable housing development.
- Policy 1.5** Encourage the efficient use of residential and mixed-use land by facilitating development at the upper end of the density range.
- Policy 1.6** Encourage the development of ADUs and JADUs as affordable housing resources.
- Policy 1.7** Facilitate the transition of existing neighborhoods into more walkable neighborhoods with integrated services, amenities, and a diversity of housing choices.
- Policy 1.8** Monitor and minimize the impact of short-term rentals on the City's supply of housing available for long-term residential uses.
- Policy 1.9** Work towards a pro-housing designation with the Department of Housing and Community Development.

Goal 2: Development Constraints

Remove or mitigate constraints on housing development to expedite construction and lower development costs while avoiding impacts on environmentally sensitive areas.

- Policy 2.1** Review and adjust City residential and mixed-use development standards that are determined to be a constraint to the development and improvement of housing.
- Policy 2.2** Streamline the City's review and approval process for residential and mixed-use projects to ensure objective evaluation and greater certainty in outcomes to facilitate affordable housing production.
- Policy 2.3** Develop incentives such as streamlined review, fee adjustments, and objective design standards to encourage residential development that is affordable and environmentally appropriate.

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Policy 2.4 Periodically review and update the City’s impact fees to ensure adequate fees are collected to provide services, infrastructure, and facilities for the projected population. Waive, reduce, or defer fees for affordable housing units and climate-friendly development.

Policy 2.5 Update the City’s residential impact fees based on unit size to incentivize smaller units.

Policy 2.6 Periodically review the City’s development standards, regulations, and procedures to ensure that the City responds to the changing market conditions and development trends in a timely manner.

Goal 3: Affordable Housing

Promote the development, preservation, and improvement of housing affordable to lower and moderate income households, including extremely low income households.

Policy 3.1 Expand revenue sources to provide housing affordable to extremely low to moderate income households, and those with special needs.

Policy 3.2 Partner with developers of market-rate housing and non-residential projects, as well as employers, to address the housing needs in the community.

Policy 3.3 Facilitate the entry of lower and moderate income households into the housing market.

Policy 3.4 Streamline the review process for projects with 20 percent or more units affordable to lower income households.

Policy 3.5 Evaluate City-owned parcels for affordable housing development. Rezone, as necessary, identified parcels to allow housing development.

Goal 4: Housing Preservation

Improve the quality and diversity of residential neighborhoods, preserve the City’s existing affordable housing, and ensure the long-term affordability of new below-market-rate units.

Policy 4.1 Preserve the affordability of the City’s existing affordable housing stock.

Policy 4.2 Ensure the long-term affordability of units developed or provided with City assistance.

Policy 4.3 Promote the improvement and maintenance of existing residential units.

Policy 4.4 Provide incentives for longer affordability terms.

Policy 4.5 Develop financial and technical assistance for renovation and upgrades to affordable units.

Policy 4.6 Develop programs and actions to address the risks and impacts of economic displacement.

Goal 5: Special Needs Housing

Promote housing opportunities for persons and households with special needs, including the elderly, disabled, large households, female-headed households, farmworkers, and persons experiencing homelessness.

Policy 5.1 Support efforts to prevent homelessness and to rapidly re-house the recently homeless.

Policy 5.2 Provide housing and support services for persons experiencing homelessness.

Policy 5.3 Facilitate the development of transitional and supportive housing for those moving from homelessness to independent living.

Policy 5.4 Promote the construction and maintenance of housing for the elderly and provide housing choices to allow older residents to age in place.

Policy 5.5 Promote the development of housing that is designed to accommodate the needs of persons with disabilities, including supportive housing with on- or off-site services.

Policy 5.6 Promote the construction of adequately sized rental units for large households.

Policy 5.7 Facilitate the provision of housing for the workforce, including those in the agricultural and hospitality industries.

Goal 6: Fair Housing

Affirmatively further fair housing to promote equal access to housing opportunities for all existing and future residents.

Policy 6.1 Comply with federal, state, and local Fair Housing and anti-discrimination laws, and affirmatively further fair housing for all, ensuring equal access to housing regardless of their special circumstances as protected by fair housing laws.

Policy 6.2 Promote housing mobility by expanding housing choices and increasing housing opportunities in high resource areas.

Policy 6.3 Protect tenants from discriminatory housing practices and displacement.

Policy 6.4 Promote the integration of affordable and special needs housing projects in existing neighborhoods.

Policy 6.5 Collaborate with and support efforts of organizations dedicated to eliminating housing discrimination.

Policy 6.6 Ensure City boards and commissions include members who are representative of the targeted populations.

Housing Programs

3.2.1. Housing Availability and Choices

Program 1: Adequate Sites for RHNA and Monitoring of No Net Loss

The City of Petaluma has been allocated 1,910 units (499 very low income, 288 low income, 313 moderate income, and 810 above moderate income units). Based on projected ADUs and entitled projects, the City has met all its RHNA for above moderate income units, with a remaining RHNA of 567 units (263 very low income; 102 low income; and 212 moderate income units). Using factors such as existing uses, zoning, and development standards, the City has identified an inventory of sites with potential for redevelopment over the eight-year planning period to fully accommodate the remaining RHNA. Specifically, vacant and underutilized sites identified with near-term development potential can accommodate 1,632 units (524 lower income units; 444 moderate income units; and 664 above moderate income units). The City is able to accommodate its full RHNA based on existing land use policy and zoning provisions. The City has endeavored to identify sites that are located in areas with a VMT at or below the citywide average in order to reduce the carbon and ecological impacts of new development to support the City's climate goals.

To comply with the AB 1397 requirements for reusing sites that were identified in previous Housing Element cycles, the City will amend the Zoning Code to permit residential/mixed use projects on these reuse sites by right without discretionary review if the project includes 20 percent of units affordable to lower income households.

To ensure that the City complies with SB 166 (No Net Loss), the City will monitor the consumption of residential and mixed-use acreage to ensure an adequate inventory is available to meet the City's RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction in capacity below the residential capacity needed to accommodate the remaining need for lower and moderate income households, the City will identify and if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA.

The City's Residential Growth Management System (RGMS) caps the number of housing units at 500, exempting multi-family housing for the elderly, lower income households, and projects with fewer than 30 units. The RGMS has not had any material impact on limiting housing production except for its first few years of implementation in the 1970s, and it is not expected to impede the City in meeting its RHNA of 1,904 units for the 6th cycle Housing Element.

Specific Actions and Timeline	<ul style="list-style-type: none">• Maintain an inventory of the available sites for residential development and provide it to prospective residential developers. Update the sites inventory at least annually. Fully accommodate the RHNA of 1,910 units (495 very low income; 288 low income; 313 moderate income; and 810 above moderate income units).• By January 2024, as part of an update to the General Plan, pursue land use and zoning strategies to allow the evolution of predominantly single-
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	<p>family neighborhoods to facilitate the development of a wider diversity of housing typologies as well as neighborhood services.</p> <ul style="list-style-type: none"> • By January 2024, amend the Zoning Code to permit residential/mixed use projects by right without discretionary review on reuse sites from previous Housing Elements, if the project includes 20 percent of the units affordable to lower income households. • By January 2024, implement a formal evaluation procedure pursuant to Government Code Section 65863 to monitor the development of vacant and nonvacant sites in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category, and include this data in the annual Housing Element Progress Report. <p>In 2025, conduct community education to discuss the impacts of the RGMS on housing production and housing needs, and initiate a process to review the RGMS for consistency with State law and identify mitigating actions if necessary.</p>
<p>Primary Responsible Departments</p>	<p>Community Development (Planning, Housing)</p>
<p>Funding Sources</p>	<p>General Fund</p>

Program 2: Replacement Housing

Development on nonvacant sites with existing residential units is subject to a replacement requirement. Specifically, AB 1397 requires the replacement of units affordable to the same or lower income level as a condition of any development on a nonvacant site. Replacement requirements per AB 1397 are consistent with those outlined in the State Density Bonus Law.

To further mitigate any impacts relating to displacement, the City will consider requiring the first right of refusal for the displaced tenants.

Specific Actions and Timeline	<ul style="list-style-type: none"> • By December 2024, update the Zoning Code to specify the replacement requirements for redevelopment of properties with existing residential uses. As part of this Code update: <ul style="list-style-type: none"> ○ Identify specific properties in the sites inventory with existing residential units that may be subject to replacement requirements and monitor development activities. ○ Consider requiring the first right of refusal for the displaced tenants or develop alternative strategies to mitigate displacement by July 2025. • Ongoing on a project-by-project basis, provide technical assistance to project applicants regarding compliance with replacement requirements.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

Program 3: Accessory Dwelling Units

Accessory Dwelling Units (ADUs) represent an important resource to providing lower and moderate income housing in Petaluma. To facilitate ADU production, the City will:

- Dedicate a specific page of the City website to provide information on and resources for ADU construction.
- Develop an ADU construction guide to clarify the process and requirements for permit applications. The guide will outline the required review by various departments, the fees required, and if a new address is required for the ADU.
- Create a permit center to coordinate application and review processing by various departments.
- Provide specific staff familiar with ADUs to respond to questions and offer office hours to answer questions, offer technical assistance, and provide seminars or other education to the public, and provide other support to those increased in creating ADUs and JADUs.
- Consider reducing or waiving plan check fees if the applicant chooses one of the plans pre-approved or pre-reviewed by the City.
- Consider setting aside funding or offering other financial incentives to encourage ADUs to be made

available at affordable costs to lower income households. A loan or grant may be offered to property owners in exchange for deed restricting ADUs as housing affordable for lower income households.

- Develop an amnesty program for illegally constructed ADUs to legalize these units as long as these units are code corrected to meet health and safety, and building standards. A checklist will be developed to assist homeowners in assessing their eligibility/feasibility and in estimating costs before applying for amnesty.
- Promote ADU-related programs and/or ADU construction in neighborhoods with a higher need for affordable housing, or relatively high capacity for ADU development.
- As part of the Inclusionary Housing program review and update, allow ADUs in multi-family developments to count toward the inclusionary housing requirement (see Program 11).
- Work with regional organizations to develop and implement best practices to support the conversion of garages into ADUs.

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<p>Specific Actions and Timeline</p>	<ul style="list-style-type: none"> • Continue to promote and facilitate the development of ADUs through a partnership with a regional organization such as the Napa-Sonoma ADU Center, including through financial support of the Center. • Permit on average 16 ADUs or JADUs per year (128 ADUs or JADUs over eight years). If an average of 16 ADUs per year are not achieved by 2025, consider adopting additional measures that are supportive of ADU development. • By December 2023, create a streamlined process application and review process, update the City website to create a dedicated page for ADU resources, and develop an ADU construction guide. Update the ADU webpage semi-annually to ensure information addresses questions raised by applicants. • By December 2023, amend the ADU Ordinance as necessary, to address comments from HCD to comply with State law. • By December 2023, allocate staffing resources to expedite the ADU review and approval process and create a permit center to coordinate the review of ADU applications. • In 2023 and annually thereafter, pursue financial incentives to encourage affordable ADUs (fee waivers or direct subsidies) and allocate resources as appropriate, with the goal of achieving 16 affordable ADUs per year over eight years. • In 2024, evaluate and develop an ADU amnesty program, with the goal of converting 16 unpermitted units into ADUs that meet building codes, for an average of two unit per year. (This estimate is included in the 16 ADUs per year projected.) • In 2024, identify neighborhoods with capacity for ADU development and conduct targeted outreach. • Provide an annual update on ADU permit progress to Planning Commission and City Council.
<p>Primary Responsible Departments</p>	<p>Community Development (Planning, Building)</p>
<p>Funding Sources</p>	<p>General Fund</p>

Program 4: Efficient Use of Multi-Family Land

The City permits single-family homes in all residential zones and the MU1 C mixed-use zone, potentially reducing the achievable density in multi-family zones. Establishing increased minimum densities for multi-family and mixed-use zones will ensure efficient use of the City's multi-family land, including requiring multi-family densities in multi-family zones.

Specific Actions and Timeline	<ul style="list-style-type: none"> • By June 2024 adopt the Zoning Text Amendment to modify residential product types allowed in higher density zones. • By December 2024, as part of the General Plan update: <ul style="list-style-type: none"> ○ Establish minimum densities for multi-family and mixed-use zones and if appropriate, develop target density policies.
Primary Responsible Departments	Community Development (Planning)
Funding Sources	General Fund

Program 5: Flexible Development Standards

The City will continue to support neighborhood vibrancy through flexible development standards. As part of the General Plan update process, the City will explore land use policy and development code changes to encourage the integration of mixed-use and residential development. These may include:

- Conversion of nonresidential uses into housing. Strategies may include the waiving of additional parking requirements or the ability to pay into a parking assessment district.
- Small lot development in Downtown Petaluma. Many Downtown parcels are small and consolidation for large-scale development may be challenging. To facilitate residential development in Downtown, consider allowing up to six units on small lots with 6,000 square feet and explore policies that facilitate small lot consolidation.
- The minimum retail requirement may be a constraint to developing mixed-use buildings given the evolving retail and office markets. Currently, certain streets within SmartCode areas do not have minimum retail requirements. Explore and possibly expand areas where a minimum nonresidential component may be reduced or eliminated.
- Due to the changing economy and impacts of COVID, regionally communities are experiencing changes to the commute patterns, level of home occupancy, and remote working. The City will evaluate the definition of live/work and work/live units and the provisions for such housing types to allow flexibility in various living and working arrangements. An emerging trend is to allow co-working spaces to fulfill the nonresidential component of mixed-use development.
- Develop objective design standards for residential and mixed use development.

<p>Specific Actions and Timeline</p>	<ul style="list-style-type: none"> • By July 2023, adopt objective design standards and parking standards for multi-family residential and mixed use development (currently underway). • By December 2023, as part of the General Plan update, adjust the mixed-use development requirements and address zoning code constraints, such as parking, to support adaptive reuse of nonresidential spaces. Create 40 new units through adaptive reuse and conversion of nonresidential use, for an average of five units annually, representing the potential conversion of one to two second floor office uses per year. • By December 2023, adopt live/work standards to encourage a greater range of options. • By December 2023, update onsite parking regulations to reduce barriers to housing development and to support the City's affordable housing development and climate goals. Specifically, reduce the parking standards for small units (such as micro units, studio/efficiency units, and one-bedroom units) and based on location relative to transit and amenities.
<p>Primary Responsible Departments</p>	<p>Community Development (Planning)</p>
<p>Funding Sources</p>	<p>General Fund</p>

Program 6: Religious and Institutional Facility Housing Overlay

AB 1851 of 2020 allows an affordable housing project to be developed at a place of worship owned by a religious institution even if the development requires the reduction of the number of religious-use parking spaces. This bill applies to religious facilities that are located in zones that allow residential uses.

The City will explore establishing a Religious and Institutional Facility Housing Overlay with the following potential provisions:

- Expand the provisions of AB 1851 to other institutional uses, such as schools and hospitals, as well as religious facilities located in zones that currently do not allow residential uses.
- Allow religious and institutional uses to construct up to four ADUs and/or JADUs on site.
- Allow safe parking on site as desired by the institution.
- Allow 100% affordable housing projects in the Civic Facility (CF) zone

Specific Actions and Timeline	<ul style="list-style-type: none"> • By December 2024, as part of the General Plan update, establish a Religious and Institutional Facility Housing Overlay Zone. • By December 2025, convene a meeting with religious and institutional facilities to discuss opportunities for affordable housing. • Create 50 new housing units affordable to lower income households in Overlay, representing the typical approximate size of an affordable housing project using the State’s Low Income Housing Tax Credit program (LIHTC).
Primary Responsible Departments	Community Development (Planning)
Funding Sources	General Fund

3.2.2. Development Constraints

Program 7: Zoning Code Amendments

The City will amend the Zoning Code to address the following to facilitate the development of a variety of housing types:

- **Parking:** The City currently requires one space per bedroom but no fewer than 1.5 spaces per multi-family unit. These parking standards may be considered a constraint to large units (with three or more bedrooms) and small units (such as efficiency units). The City will establish updated parking standards for various housing types, including minimums and maximums where appropriate, consider the need for unbundling parking, and EV parking needs. Specifically, the City will reduce the parking standards for small units (such as micro units, studio/efficiency units, and one-bedroom units) and based on location relative to transit and amenities.
- **Density Bonus:** The City’s Density Bonus must be updated to reflect recent changes to State law, such as AB 1763, which made several changes to density bonus requirements for 100 percent affordable projects, and AB 2345, that further incentivizes the production of affordable housing.
- **Residential Care Facilities:** The City permits residential care facilities for six or fewer persons in residential and mixed-use zones. However residential care facilities for seven or more persons are not permitted in any residential zones, but are permitted or conditionally permitted on an upper floor or behind a ground floor fronting use in mixed use and commercial zones. Furthermore, residential care for the chronically ill and adult residential facilities are subject to additional restrictions (such as a maximum capacity of 25). The requirement for placing the facility on an upper floor and behind a ground floor street fronting use may constrain the development of larger residential care facilities. The City will evaluate this constraint and amend the Zoning Code to mitigate this constraint to facilitate the development of additional types of residential care facilities. Specifically, residential care facilities for seven or more persons will be conditionally permitted in residential zones, mixed use, and commercial zones subject to findings for approval that are objective and provide certainty in outcomes. The placement requirement for upper floor and behind a ground floor street fronting use will be removed. These revisions are in accordance with State interpretation of Affirmatively Furthering State Housing legislation.

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- **Supportive Housing (AB 2162):** While the City has already developed a procedure to process supportive housing pursuant to AB 2162, this 2023-2031 Housing Element includes a program action to amend the City's Zoning Code to clarify that eligible projects are permitted in all multi-family zones and nonresidential zones (such as mixed use zones) that permit multi-family housing.
- **Low Barrier Navigation Center (LBNC):** AB 101 requires that LBNCs be permitted by right in areas zoned for mixed-use and nonresidential zones that permit multi-family housing. The City will update the Zoning Code to reflect State law. A Low-Barrier Navigation Center (LBNC) is a "Housing First," low barrier, temporary, service-enriched shelter that helps homeless individuals and families to quickly obtain permanent housing.
- **Reasonable Accommodation:** The City will work to develop a formal Reasonable Accommodation procedure to provide flexibility in the implementation of the City's land use and zoning policies to address housing for persons with disabilities. Reasonable Accommodation requests should be considered via a ministerial process. Criteria for review and approval will be objective and facilitate certainty in outcomes.
- **Civic Facility:** Consider amending the Zoning Code to permit residential uses in the Civic Facility zone and incorporate deed restrictions to ensure residential units are affordable.
- **Emergency Shelter Zoning:** Evaluate and designate the appropriate residential and/or mixed use zoning districts where emergency shelters will be permitted by right and amend the Zoning Code to establish objective development standards pursuant to AB 2339. This new bill requires that the identified zones to meet at least one of the following: (1) vacant and zoned for residential use; (2) vacant and zoned for nonresidential use if the local government can demonstrate how the sites are located near amenities and services that serve people experiencing homelessness; or (3) nonvacant if the site is suitable for use as a shelter in the current planning period.
- **Employee Housing:** Amend the Zoning Code to comply with Employee Housing Act (Health and Safety Code §17021.5 and §17021.6). Specifically, employee housing providing accommodation for six or fewer employees is deemed a single-family structure with a residential land use designation. Farm labor housing of no more than 36 beds or 12 units is deemed an agricultural land use to be similarly permitted as other agricultural uses in the same zone.
- **Single-Room Occupancy (SRO) Housing:** Amend the Zoning Code to identify SRO as a permitted use in MU, R4 and R5 districts where high density multi-family housing is already allowed.
- **Open Space Requirement:** Study open space requirements for comparable housing types in the region and reduce the open space requirements to align with regional trends and to ensure maximum allowable density in each district can be achieved.

Specific Actions and Timeline	<ul style="list-style-type: none"> • By December 2024, amend the Zoning Code to address specific issues as outlined above. • Create 100 new housing units for special needs groups, including for seniors, disabled, farmworkers, hospitality workers, and the homeless, representing approximately two affordable housing projects over eight years, at typical size of approximately 50 units per project utilizing LIHTC.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

Program 8: Development Fees

The City's development impact fees are established on a per-unit basis without consideration of unit size. This fee structure is not conducive to promoting the development of a range of unit sizes, particularly smaller units. The City will review and revise its fee structure to encourage a range of unit sizes and to facilitate the development of affordable housing. Potential revisions may include:

- Reviewing fees in general
- Shifting impact fees to \$ per square foot to encourage more compact units
- Shifting impact fees for parking aligned to City's goals
- Reducing impact fees for floors above third story to encourage development of higher intensity projects
- Reducing fees for affordable units
- Reducing fees to incentivize affordable housing development
- Amortizing fees over a period of time for affordable housing

Specific Actions and Timeline	<ul style="list-style-type: none"> • By December 2024, conduct an impact fee analysis and revise the development fee structure to encourage a range of housing unit sizes by utilizing a sliding scale based on unit size or fee schedule per square foot basis. • Create 100 new housing units for special needs groups, including for seniors, disabled, farmworkers, hospitality workers, and the homeless representing approximately two affordable housing projects over eight years, at typical size of approximately 50 units per project utilizing LIHTC (see also Program 7).
Primary Responsible Departments	Community Development
Funding Sources	General Fund

Program 9: Shopping Center Conversion

Throughout the state, and even nationwide, the shift to online shopping has resulted in changes to the retail landscape. Many shopping centers are being reimagined as vibrant residential/commercial mixed use development. However, redeveloping shopping centers presents some challenges, such as the large site scale, configuration of existing structures and parking areas, existing lease terms, CC&R provisions, shared parking agreements, and community desire to maintain and rejuvenate retail services. The City will establish policies and development regulations to enable a residential development through a range of approaches including:

- Full redevelopment
- Addition of residential uses in existing surface parking areas
- Cluster residential development on underutilized portions of the site, and/or
- Addition to or reconfiguration of the existing structures to include residential uses

Specifically, policies and zoning development standards will be written to facilitate:

- Subdividing, if necessary, of the parking areas to create developable parcels
- Clustering of densities on portions of the parking areas
- Shared access to existing structures to allow existing uses to remain while the parking areas are being redeveloped or reconfigured
- Increase height limits and permit shared parking options
- A strong sense of place and cohesive urban design both within the site and in relation to the surrounding neighborhood

Specific Actions and Timeline	<ul style="list-style-type: none"> • By March 2023, develop land use policies and development standards to facilitate shopping center redevelopment with a strong sense of urban design cohesion.
Primary Responsible Departments	Community Development (Planning)
Funding Sources	General Fund

Program 10: Water Master Plan and Priority for Water and Sewer Services

The City is implementing its current water master plan as it develops an updated water master plan. The City purchases most of its drinking water from Sonoma Water and is a party to the Restructured Agreement for Water Supply (Restructured Agreement) between Sonoma Water and its water contractors. As required by the Restructured Agreement, the City is an active participant in the Sonoma Marin Saving Water Partnership which provides regional solutions for water use efficiency. The City is participating with Sonoma Water in a Regional Water Supply Resiliency Study.

As an urban water supplier, the City prepares an updated Urban Water Management Plan (UWMP) every five years which assesses the reliability of water sources over a 20-year planning horizon. Part of the UWMP is the Water Shortage Contingency Plan (WSCP) which is enacted during water shortage events. As part of the City development impact fees, the City charges water and sewer capacity fees for new connections.

By December 2023, the City will conduct a water and sewer capacity fee study and revise its capacity fees to reflect the current cost of growth for future customers.

The City has a robust water conservation strategy that offers many programs to help residential and commercial water customers conserve water including rebates, water use evaluations, leak detection, and free water-saving devices. The water conservation program contracts with the local non-profit organization Daily Acts to provide water conservation outreach and programming.

The City has the following efforts planned to increase local water supply resiliency and water use efficiency:

- Drought Ready Ordinance – a requirement to pre-plumb new buildings for graywater
- WSCP Update – plan update to include restrictions for some new water customer connections that occur during a water shortage periods
- Recycled Water Program Expansion – expand urban recycled water pipeline to irrigate additional parks, schools, and public landscape areas
- Expand the water conservation rebate program
- Aquifer Storage and Recovery Plan – plan to study taking surplus drinking water from the Russian River system during wet winter years and storing it in the deep underground aquifer in the Petaluma groundwater basin. The stored water would then be available as an emergency backup supply
- Expand local municipal groundwater wells – develop new wells and implement decentralized treatment for existing wells with impaired water quality
- The City is a member of the Petaluma Valley Groundwater Sustainability Agency (GSA) which is a public agency formed in 2017 to sustainably manage groundwater in the Petaluma Valley groundwater basin
- Advanced Metering Infrastructure – replacement project for all existing 20,000 + water meters to Advanced Metering Infrastructure technology. Advanced Metering Infrastructure will increase water conservation and provide water customers with real-time leak detection alerts and water use information

As an urban water supplier and wastewater service provider, the City will comply with SB 1087 to establish priority water and sewer services for new affordable housing development applications

<p>Specific Actions and Timeline</p>	<ul style="list-style-type: none"> • Ongoing participation in the update and implementation of the water master plan. • On-going compliance with the Restructured Agreement and participation in the Sonoma Marin Saving Water Partnership. • On-going implementation and expansion of water conservation program. • On-going recycled water program expansion. • By December 2023, an estimated 5 new recycled water connections off Maria Drive to serve public parks and landscape areas • By December 2023, Drought Ready Ordinance to City Council for consideration and adoption. • By December 2023, begin Aquifer Storage and Recovery Plan. • By September 2023, update UWMP and WSCP. • By December 2023, begin updated water and sewer capacity fee study and implement revised capacity fees. • By December 2023, adopt policy for prioritizing water and sewer services to new affordable housing development applications, consistent with SB 1087. • FY23-24, Installation of new municipal groundwater well. • Planning stages for well treatment at existing groundwater wells. • By December 2025, complete the Advanced Metering Infrastructure installation.
<p>Primary Responsible Departments</p>	<p>Public Works and Utilities</p>
<p>Funding Sources</p>	<p>Water Enterprise</p>
<p>AFFH Themes</p>	<p>Not applicable</p>

3.2.3. Affordable Housing

Program 11: Inclusionary Housing

The City implements its local Inclusionary Housing program that requires 15 percent of the units in new development (of five or more units) to be rented or sold at prices affordable to lower low and very low and/or low and moderate income households. To facilitate housing development, the City will evaluate the Inclusionary Housing program to:

- Assess the threshold for applying the inclusionary requirements, including the appropriate unit threshold for in-lieu options.
- Establish specific alternative options for fulfilling the inclusionary housing requirements, such as payment of an in-lieu fee, donation of land, acquisition/rehabilitation and deed restriction of existing housing, preservation of affordable housing at risk of converting to market rate, or allowance of ADUs in multi-family development to count toward the requirement.

Specific Actions and Timeline	<ul style="list-style-type: none"> • Continue implementation of the Inclusionary Housing Program to create 1,000 affordable units (400 very low income; 400 low income; 200 moderate income) over eight years, inclusive of the 419 affordable units in the pipeline. • In 2024, evaluate the Inclusionary Housing program to ensure the in-lieu options, threshold and fee structure for in-lieu options are appropriate to facilitate housing development given the current market conditions. • At least every four years, review the in-lieu fee calculations to ensure the fees reflect current market conditions.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund
AFFH Themes	<ul style="list-style-type: none"> • New Opportunities in High Resource Areas • Housing Mobility • Anti-Displacement and Tenant Protection

Program 12: Housing-Commercial Linkage Fee

The City implements the Housing-Commercial Linkage Fee program to facilitate affordable housing development. The program requires all construction or expansion of nonresidential development to pay a linkage fee for affordable housing. Nonresidential uses include commercial, retail, and industrial uses. The collected fee is used to provide affordable housing for households with incomes between 80 and 100 percent of the Area Median Income (AMI). However, this income range does not cover many workers in the farming or hospitality industries who are at lower pay scales. To ensure the success of the Housing-Commercial Linkage fee in helping the City meet workforce housing needs in the community, the City should evaluate the appropriateness of the 80 to 100 percent AMI target and consider modifying the fee to allow for use in lower income categories. Additionally, the fee as currently adopted does not include the annual increase by CPI that many other City impact fees have. Therefore, the Linkage fee should be modified to include an annual adjustment to keep up with market trends.

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Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2024, review the existing nexus study. • At least every four years, review and revise the Linkage fee calculations to ensure the fee reflects current market conditions. • In 2024, modify fee resolution to include an automatic annual increase by CPI. • By the end of 2024, revise the target AMI range for the program to up to 100 percent AMI (to encompass the very low income and extremely low income groups). • Facilitate the development of 1,000 affordable units over eight years, inclusive of the 419 affordable units in the pipeline.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

Program 13: Local Housing Trust Fund

A major constraint to affordable housing development is the lack of funding. The City has established a Local Housing Trust Fund but has limited sources of revenue for the Trust Fund. Currently, available sources include fees generated from the Inclusionary Housing in-lieu fee, Housing-Commercial Linkage Fee, and Permanent Local Housing Allocation. With the City’s focus on on-site production of affordable units, the In-Lieu fee is not a significant revenue for the Trust Fund.

The City is exploring participation in the Joint Powers Authority (JPA) with the City of Santa Rosa and the County of Sonoma. The JPA was created with the PG&E settlement funding from the 2017 and 2018 wildfires.

The City will explore other funding sources, including:

- General Fund
- Transient Occupancy Tax
- Short-Term Rental registration fee
- Vacant Home Tax - Imposing a tax on homes that are unoccupied for an extended period
- Employer Fee – Requiring major employers to contribute to affordable housing

Specific Actions and Timeline	<ul style="list-style-type: none"> • Ongoing exploration of additional funding sources for the Housing Trust Fund and pursue appropriate options by 2025.
Primary Responsible Departments	Community Development (Housing)
Funding Sources	Housing Trust Fund

Program 14: Incentives for Affordable Housing

The City will continue to facilitate the development of affordable housing, especially housing for lower income households (including extremely low income) and those with special housing needs (including persons with disabilities/developmental disabilities). Incentives may include, but are not limited to:

- Expedited review of affordable housing projects
- Dedicated project manager to help navigate the City process
- Financial participation using the Local Housing Trust Fund
- Support and assistance in project developer's applications for other local, state, and federal funds
- Density bonus beyond State law
- Waived, reduced, or deferred impact fees for affordable housing units (potentially scaled on the basis of affordability level and percent of affordable units)
- Streamlined review for 100 percent affordable housing projects

Specific Actions and Timeline	<ul style="list-style-type: none"> • This work is ongoing. • Annually, pursue funding from local, state, and federal programs to facilitate the development of affordable housing, including housing for those making extremely low incomes and those with special housing needs. • By December 2023, establish an incentive package for affordable housing development, such as the percentage of affordable units to qualify for expedited review and local density bonus. • Facilitate the development of 1,000 affordable units in eight years (400 very low income; 400 low income; and 200 moderate income), inclusive of the 419 affordable units in the pipeline. • Target at least 40 percent of new affordable units in high resource areas.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

Program 15: Workforce and Missing Middle Housing

In general, the concept of missing middle housing refers to two scenarios. One, housing is not affordable to middle income households. Two, the range of housing available in a community is missing housing types at medium densities. Often these two scenarios overlap, as affordability is correlated with density. Housing in Petaluma is generally not affordable to lower and moderate income households. Even middle income or workforce households, defined as households making up to 150% of the area median income, have difficulty locating affordable and adequate housing options. More than three-quarters of the City's housing stock is comprised of single-family detached homes, a housing type that is generally not affordable to

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middle income households. The City will explore various strategies to promote workforce/missing middle housing. Potential strategies may include:

- Transitioning single-family neighborhoods into 15-minute walkable neighborhoods by integrating neighborhood-serving uses, and live/work spaces with residential uses. This approach enhances housing options by introducing medium density housing into single-family neighborhoods, providing the middle income housing that is missing in the City's range of housing choices. To implement this goal, the City will explore several changes to the Zoning Code, including but not limited to:
 - Allowing neighborhood-serving nonresidential uses into residential neighborhoods, including co-working spaces
 - Redefining home occupation and live/work arrangements
 - Implementing SB 9
 - Promoting small lot subdivisions and appropriately-scaled multi-family buildings
- Allowing small complexes, up to six units, on lots of at least 6,000 square feet citywide.
- Facilitating lot consolidation.
- Establishing a requirement for an average unit size per development to balance between density and unit sizes and encourage the development of smaller units.
- Pursuing the acquisition and deed restriction of apartments for middle income households.

Specific Actions and Timeline	<ul style="list-style-type: none"> • By December 2023, as part of the City's General Plan update, develop land use policies to facilitate the transitioning of single-family detached neighborhoods and to increase opportunities for medium density residential for middle income housing. • By December 2023, develop application and process materials for SB 9 applications. In the interim, work with applicants one-on-one to ensure the City is implementing State mandates. • In 2024, pursue opportunities with Joint Powers Authorities to acquire and deed restrict apartments as middle income housing. • Create 80 new units (duplex, triplex, fourplex, and small multi-family complex) in single-family and other lower density neighborhoods, for an average of ten units per year as part of the City's efforts to create 15-minute neighborhoods.
Primary Responsible Departments	Community Development (Planning, Housing); City Attorney's Office
Funding Sources	Housing Trust Fund
AFFH Themes	<ul style="list-style-type: none"> • Housing Mobility • New Opportunities in High Resource Areas

Program 16: Community Land Trust/Land Banking

Community land trusts (CLT) are nonprofit, community-based organizations designed to ensure community stewardship of the land. Community land trusts can be used for many types of development (including commercial and retail), but are primarily used to ensure long-term housing affordability. To do so, the trust acquires land and maintains ownership of it permanently.

The CLT model is often used for the ownership of affordable housing because the cost of land is not factored into the price of the home. Prospective homeowners enter into a long-term renewable lease with the CLT instead of a traditional sale. When the homeowner sells, the seller earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low to moderate income households. For rental housing, the CLT guarantees the affordability of the properties in perpetuity.

The City may also pursue an alternative approach to CLT, by acquiring and retaining ownership of the land but leasing the land to developers for affordable housing for \$1 per year.

Specific Actions and Timeline	<ul style="list-style-type: none"> Partnership with a regional community land trust is ongoing. In 2024, conduct outreach to nonprofit housing developers and other Community-Based Organizations (CBOs) to explore the feasibility of establishing a CLT. If feasible, identify funding sources to seed the CLT and in 2025, establish a CLT for affordable housing or develop an alternative land banking strategy.
Primary Responsible Departments	Community Development (Housing)
Funding Sources	Housing Trust Fund

3.2.4. Housing Preservation

Program 17: Housing Rehabilitation

In recent years, the City has been providing Community Development Block Grant (CDBG) funds to Rebuilding Together to provide major and minor rehabilitation services to lower income households. The City will continue to support nonprofit efforts for the improvement of housing conditions for lower income households, especially those with special needs. Eligible improvements include emergency health and safety housing repairs, energy conservation, and accessibility improvements.

The City will also explore using available resources to assist disadvantaged neighborhoods in moving toward all electrical utilities and appliances per the City’s Climate Action and Adaptation Plan.

<p>Specific Actions and Timeline</p>	<ul style="list-style-type: none"> • Continue to provide funding for housing rehabilitation services to assist an average of 30 households annually or 240 households over eight years. • By 2025, pursue funding for decarbonization of housing for low income households to assist a minimum of 40 households over eight years. • Require that projects seeking local funding for housing rehabilitation demonstrate a commitment to electrification.
<p>Primary Responsible Departments</p>	<p>Community Development (Housing)</p>
<p>Funding Sources</p>	<p>CDBG</p>

Program 18: Preservation of At-Risk Housing

The City has an inventory of publicly assisted housing projects that offer affordable housing opportunities for lower income households. Most of these projects are deed-restricted for affordable housing use long term. However, eight projects (300 units) in the City utilize Section 8 rental assistance from HUD to further subsidize the affordability of these units. These subsidy contracts require renewal periodically. However, all except one of these projects are owned by nonprofit organizations. Therefore, the likelihood of these projects opting out of low income use is limited.

The City will work to preserve the long-term affordability of its affordable housing inventory, including these eight projects with project-based Section 8 contracts. A possible strategy for preserving the affordable housing inventory is to acquire and maintain the affordable projects through the Community Land Trust if one is established (Program 17).

Specific Actions and Timeline	<ul style="list-style-type: none"> • The City is currently working to support the preservation of at-risk housing. • Annually monitor and report on the status of the at-risk units with the goal of preserving the existing 300 at-risk units. • Ensure tenants are properly noticed by the property owners should a Notice of Intent to opt-out of low income use is filed. Notices must be filed three years, one year, and six months in advance of conversion. • If HUD Section 8 contracts are not renewed, work with property owners to pursue other funding to preserve affordability. Outreach to other nonprofit housing providers to acquire projects opting out of low income use. • Work with property owners to encourage the acceptance of Section 8 vouchers by securing resources and or partnerships to that would support a Housing Locator position within the community or through a regional partnership. The position would be focused on marketing the Section 8 Program, building relationships with landlords, and linking landlords with community service providers as resource. • Pursue acquisition and expansion of the affordable units through the Community Land Trust if one is established.
Primary Responsible Departments	Community Development (Housing)
Funding Sources	Housing Trust Fund

Program 19: Mobile Home Rent Stabilization

The City implemented rent stabilization for mobile home spaces in 1994 to ensure affordability for homeowners, most of whom are on fixed incomes. At the same time, rent stabilization is intended to allow mobile home park owners to maintain a fair and reasonable return. Rent stabilization applies to spaces that have a rental agreement term of 12 months or less. Annual rent increases are limited to the percentage change in the Consumer Price Index (CPI), but any increase is limited to a maximum of 6 percent.

The City promotes the long-term affordability of the mobile home units through the following actions:

- The land use classification of the seven mobile home parks in Petaluma is Mobile Homes. This classification protects the mobile home parks from possible future development by limiting the housing types to only mobile homes. Any proposed change would require a General Plan amendment.
- Support the administration of the Mobile Home Rent Control Program that was implemented to provide rent stabilization for over 317 lower income mobile home park tenants, most of whom are elderly.

(See Program 29: Tenant Protection Strategies that cover housing opportunities citywide.)

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Specific Actions and Timeline	<ul style="list-style-type: none"> • Continue to support the affordability of mobile home parks by working with residents and property owners to monitor rents and ensure rent increases are economically feasible, in addition to putting in place tenant protections city wide. • Annually monitor mobile home park rents to ensure compliance with the Rent Stabilization Ordinance. • As requested, conduct mediation between tenants and mobile home park owners for rent increases. • By December 2023, update the Mobile Home Rent Stabilization Ordinance.
Primary Responsible Departments	Community Development (Housing); City Attorney’s Office
Funding Sources	Mobile Home Rent Stabilization Fee

Program 20: Historic Preservation

The City has many homes older than 50 years that are eligible for historic preservation through the Mills Act. The City will explore adopting a Mills Act Program to preserve and enhance the quality of historic homes, while still increasing the housing supply. A potential adaptive reuse approach is to convert these older homes into smaller living quarters or other living arrangements.

Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2024, adopt a Mills act program based on City priorities or develop alternative tools to facilitate historic preservation. • Annually outreach to historic homes through the City newsletter regarding the tax benefits through Mills Act. • Provide technical assistance to interested property owners in converting large historic homes into smaller housing units such as creating JADUs within the existing square footage or converting into co-housing arrangements.
Primary Responsible Departments	Community Development (Planning); City Attorney’s Office
Funding Sources	Housing Trust Fund

Program 21: Condominium Conversion

The City allows the conversion of apartments into condominiums only when the rental vacancy rate is above three percent, or if one-for-one replacement of rental units of a similar type occurs, or if two-thirds of the adult tenants agree to the conversion. However, given the tight rental housing market in Petaluma, condominium conversion is not anticipated to be a significant trend in the foreseeable future. Should this become an issue, the City will also consider a Tenant Opportunity to Purchase Act (TOPA) to mitigate the displacement impacts.

Specific Actions and Timeline	<ul style="list-style-type: none"> • Bi-Annually monitor the vacancy rate. • If condominium conversion becomes a market trend again, within one year of identifying a revived trend, pursue Tenant Opportunity to Purchase Act to allow a tenant the first right of refusal or other alternative tools to mitigate displacement impacts.
Primary Responsible Departments	Community Development (Planning, Housing); City Attorney's Office
Funding Sources	General Fund

3.2.5. Special Needs Housing

Program 22: Project HomeKey

In March 2022, the City was awarded \$15,385,000 funding from the State of California, Housing and Community Development Department (HCD), for Project Homekey. The project scope includes the acquisition and rehabilitation of an existing 62-unit hotel. The project will provide sixty units of permanent supportive housing for members of the community who are chronically unhoused.

Specific Actions and Timeline	<ul style="list-style-type: none"> • This work is ongoing. • In 2023, identify additional potential locations that may be appropriate as Project HomeKey sites and conduct outreach to interested nonprofit developers to pursue funding from HCD. The goal is to potentially achieve additional projects.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	HCD Project HomeKey Funds, City/County housing funds

Program 23: Support for Homeless Services and Facilities

In June of 2022, the city adopted the Strategic Plan to End Homelessness. 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. The Plan was developed through a three-phase process which included: 1) Discovery (local input through community feedback sessions and individual interviews – with an emphasis on incorporating lived experience input from people who had experienced or who currently are experiencing homelessness, and research of related reports and studies on homelessness in Petaluma and Sonoma County as well as at regional, state and federal levels), 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. As funding permits, the City continues to support the provision of housing and services for community members who are unhoused. In the past, the City has supported the following programs and facilities:

- Petaluma People Services Center (PPSC) Rental Assistance Program: This program assists Petaluma individuals and families seeking to retain affordable housing by making a one-time payment of rent or mortgage on their behalf. Clients also receive information, referrals, and counseling services to prevent future threats to their stability.
- Mary Isaak Center (MIC): MIC contains an 80-bed dormitory, a large dining area, a six-bed sick room, a large training/service kitchen, a living room, a conference/counseling room, a laundry room, offices, lockers, and men's and women's bathroom facilities with showers. All clients participate in multi-level case management and goal-setting program that helps clients with basic needs and access to social services, including life skills workshops, counseling services, referrals, showers, lockers, mail, laundry facilities, telephone, and message services.
- Committee on the Shelterless (COTS) Family Shelter: MIC has a 32-bed transitional housing program for families located on the 2nd floor of the Mary Isaak Center. The program is designed to be the final step on their way to stability in permanent, independent housing.
- People's Village: The Village is comprised of 25 non-congregate tiny homes adjacent to the COTS Mary Isaak Center. The program includes intensive case management services and is focused on transitioning clients into long-term housing solutions.
- Committee on the Shelterless (COTS) Family Transitional Homes: The COTS program has a total of 12 homes, four of which are City-owned, while eight are market-rate and leased by COTS and have County Housing Vouchers. This program provides housing for clients transitioning out of an emergency shelter.
- City-Owned Homes: The City owns a four-bedroom house on Rocca Drive, leased and operated by the America's Finest (formerly Vietnam Veterans of America) serving homeless veterans who are unsheltered and are enrolled in the Agency's Employment and Training Program.

Specific Actions and Timeline	<p>This work is ongoing. Annually assist various local nonprofits that serve the homeless:</p> <ul style="list-style-type: none"> ○ 100 households through PPSC Rental Assistance ○ 80 bed nights through Mary Isaak Center ○ People’s Village 25 Non- congregate interim housing ○ 60 individuals through COTS Family Shelter ○ 80 individuals through COTS Family Transitional Homes ○ 12 individuals through City-owned Transitional Home
Primary Responsible Departments	Community Development (Housing)
Funding Sources	Housing Trust Fund; CDBG

Program 24: Senior Housing Options

1. The City has an aging population and there are generally limited options for seniors to trade down their current homes for smaller units that may require less upkeep and repairs. The City will explore incentives to encourage the development of a range of senior housing options, such as senior apartments, condominiums/townhomes, assisted living, co-housing, and intergenerational housing. Development standards may need to be modified to accommodate alternative housing options such as co-housing and tiny homes. Other policies may include encouraging developers to include accessible homes that utilize universal design principles. The City established a Visitability and Residential Design Ordinance in 2022. In addition, the City will promote programs such as Home Match to assist seniors who would like to remain in their homes but rent out the excess rooms or develop ADUs.

Specific Actions and Timeline	<ul style="list-style-type: none"> • Some of this work is ongoing. • In 2024, develop incentives and modifications to development standards to facilitate a variety of housing options for seniors. Specifically, establish appropriate parking standards for different types of senior housing. • Continue to promote Home Match and similar programs that help match seniors with potential tenants and help navigate the rental leasing process. • Create 50 new senior units, representing an average approximate size of an affordable housing development using LIHTC.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

Program 25: Adequately Sized Rental Housing for Families

The rental housing market of Petaluma offers limited large rental units that would be considered adequate for large households or families with children. When such units are available, the rents are not affordable to lower and moderate income households. The City may consider policies to facilitate the development of large rental units. Potential considerations may include:

- Requiring projects above a certain size to include units with three or more bedrooms
- Allowing large units to qualify as more than one inclusionary unit
- Reducing parking requirements (currently one per bedroom) to facilitate larger rental units
- Allowing ADUs to exceed State size requirements

Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2024, develop incentives and modifications to development standards to facilitate large rental units. • Target 20 percent of new rental units to have three or more bedrooms.
Primary Responsible Departments	Community Development (Planning)
Funding Sources	General Fund

Program 26: Universal Design and Visitability

Universal design is the design of buildings or environments to make them accessible to all people, regardless of age, disability, or other factors. Universal design goes beyond ADA requirements but may add to the cost of construction. Typically, communities incentivize the use of universal design principles.

Currently, visitability is a requirement for HUD-funded single-family or owner-occupied housing. Visitability is housing designed in such a way that it can be lived in or visited by people who have trouble with steps or who use wheelchairs or walkers. The City demonstrates its support for visitability by requiring design measures for developments with five units and under and expanding visitability to 30 percent of multi-family housing with the Visitability and Universal Design Ordinance approved by City Council on February 28, 2022.

Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2022, research and develop an ordinance to ensure Visitability and Universal Design for future residential development for both single family and multifamily development. • In 2022, approve a Visitability and Residential Design Ordinance (adopted June 6, 2022). • Continue to implement and enforce visitability and universal design compliance. • By 2026 evaluate impact of the ordinance and if appropriate, expand to higher percentage of multi-family units. • Consistent with the City’s recently adopted Ordinance, achieve 30 percent of multi-family units meeting visitability or universal design requirements.
Primary Responsible Departments	Community Development (Planning)
Funding Sources	General Fund

Program 27: Housing for Farmworkers and Hospitality Workers

Sonoma County is known for its wide range of agricultural activities. Agricultural activities and the hospitality industry associated with local wineries represent a significant segment of the regional economy. Although the City of Petaluma does not have a large farmworker population, farmworkers live outside of City limits and access public services within City limits. Also, about 22 percent of employees in Petaluma are employed in retail and service sectors that support the hospitality industry. Farmworkers and hospitality employees typically earn lower wages and have limited affordable housing options in Petaluma. To participate in addressing this regional housing need, the City may explore policies that facilitate the provision of affordable housing for these workers. Potential considerations may include:

- Adjusting the Housing-Commercial Linkage Fee program requirement for affordable housing to households earning up to 100 percent of AMI (encompassing very low income and extremely low income households) (see Program 13)
- Setting aside a specific percentage of affordable housing units for farmworkers and hospitality workers
- Partnering with other jurisdictions, farm operators, wineries, hotels, and other hospitality employers in the region to contribute to an affordable housing fund or Community Land Trust
- Requiring hospitality employers to provide housing for temporary employees during peak seasons

Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2025, reach out to other jurisdictions, farm operators, and hospitality employers to explore strategies for providing affordable housing options to farmworkers and hospitality employees. Develop strategies by December 2025. • Create 50 units for farm workers and/or hospitality workers, representing the typical size of an affordable housing project using LIHTC.
Primary Responsible Departments	Community Development (Planning, Housing)
Funding Sources	General Fund

3.2.6. Fair Housing

Program 28: Fair Housing Outreach and Enforcement

The City of Petaluma provides funding annually to Petaluma People Services Center (PPSC), which provides several services including mediation and resolution of tenant/landlord disputes, helping tenants complete state and federal complaint forms, investigating complaints of housing discrimination, and providing outreach services.

Specific Actions and Timeline	<ul style="list-style-type: none"> • This work is ongoing. • Assist an average of 300 residents annually with tenant/landlord dispute resolution, and fair housing inquiries and investigations. • By December 2023, update the City website to provide a range of fair housing resources, including PPSC, State Department of Fair Employment and Housing (DFEH), and HUD Fair Housing and Equal Opportunity (FHEO) Office, along with State tenant protection provisions. • By December 2023, work with PPSC to expand methods of information dissemination, including print, website, and other social media outlets. Specifically, work with PPSC to develop materials on the State’s source of income protection and distribute them as part of the ADU permit application package.
Primary Responsible Departments	Community Development (Housing)
Funding Sources	City Housing In-Lieu

Program 29: Tenant Protection Strategies

Throughout the region, tenants are facing rising rents and the risk of eviction due to the economic impact of COVID, as well as displacement impact from the economic pressure of new development. The City will explore a series of strategies that offer tenant protection. These may include:

- **Rent stabilization:** Currently, the State imposes rent caps on some residential rental properties (AB 1482) through 2030. However, AB 1482 exempts single-family homes and condominiums for rent, and multi-family housing units built within the previous 15 years. A strategy for rent stabilization is to make permanent the policy and possibly expand the policy to units not covered by AB 1482. However, compliance with the 1995 Multi-Family Housing Act (Costa Hawkins) is critical.
- **Just Cause for Eviction:** AB 1482 also establishes a specific set of reasons that a tenancy can be terminated. These include: 1) default in rent payment; 2) breach of lease term; 3) nuisance activity or waste; 4) criminal activity; 5) subletting without permission; 6) refusal to provide access; 7) failure to vacate; 8) refusal to sign lease; and 9) unlawful purpose. The City may consider adopting a local Just Cause for Eviction ordinance that offers greater protection in the scope of units covered.
- **Tenant Commission:** Typically, most land use policies and planning decisions are made from the perspective of property owners. Tenants lack a voice in the planning process. A Tenant Commission or Advisory Committee may be an avenue where they can bring policy discussions that highlight tenant interests to the City.
- **Right to Purchase:** When tenants are being evicted due to condominium conversion or redevelopment, the Right to Purchase policy/program ensures the first right of refusal to displaced tenants to purchase the units.
- **Right to Return:** When tenants are being evicted due to rehabilitation/renovation of the property, the Right to Return policy/program offers the first right of refusal to displaced tenants to return to the improved property.

Specific Actions and Timeline	<ul style="list-style-type: none"> • In 2023, begin community outreach to discuss various strategies of tenant protection. • In 2024, adopt appropriate tenant protection strategies, such as right to purchase policies, just cause for evictions, relocation assistance, and rent stabilization.
Primary Responsible Departments	Community Development (Planning); City Attorney's Office
Funding Sources	General Fund
AFFH	<ul style="list-style-type: none"> • Tenant Protection and Anti-Displacement

Affirmatively Furthering Fair Housing

The following table summarizes the City’s implementation actions to further fair housing. Individual housing programs may have different impacts on furthering housing choices in Petaluma. Fair housing actions are grouped into the five themes:

- Fair housing outreach and enforcement
- Housing mobility through expanded choices in housing types and locations
- New opportunities in high resource areas
- Place-based strategies for neighborhood improvements
- Tenant protection and anti-displacement

Housing programs are often implemented citywide. However, individual programs may have targeted locations for specific actions, increased outreach efforts, and/or priority for allocation of resources, and program-level metrics are not mutually exclusive.

Table 1: Affirmatively Furthering Fair Housing Action Matrix

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
Housing Mobility				
Program 5: Flexible Development Standards	As part of the General Plan update, adjust the mixed-use development requirements and address zoning code constraints, such as parking requirements, to adaptive reuse of nonresidential spaces.	By December 2023	Downtown	Create 40 new units through adaptive reuse and conversion of nonresidential use
Program 6: Religious and Institutional Facility Housing Overlay	As part of the General Plan update, establish a Religious and Institutional Facility Housing Overlay.	By December 2024	Citywide	Create 50 new housing units affordable to lower income households in Overlay, representing the typical size of an affordable housing project using LIHTC
Program 7: Zoning Code Amendments	Revise the Zoning Code to facilitate a variety of housing types.	By December 2024	Citywide	Create 100 new housing units for special needs groups, including for seniors, disabled, farmworkers, hospitality workers, and the homeless.
Program 8: Development Fees	Conduct an impact fee analysis and revise the development fee structure to encourage a range of housing unit sizes.	By December 2024	Citywide	
Program 15: Workforce/Missing Middle Housing	Develop land use policies to facilitate the transitioning of single-family neighborhoods and to increase opportunities for medium density residential	By December 2023	Single-family neighborhoods and lower density areas	Create 80 new units (duplex, triplex, fourplex, and small multi-family complex) in single-family and other lower density neighborhoods, for an average of 10 units per year.

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Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
	for workforce and middle income housing.			
Program 24: Senior Housing Options	Develop incentives and modifications to development standards to facilitate a variety of housing options for seniors.	In 2024	Citywide	Create 50 new senior units, representing an average size of an affordable housing development using LIHTC
	Promote Home Match and similar programs that help match seniors with potential tenants and help navigate the rental leasing process.	Ongoing	Citywide	Not applicable
Program 25: Adequately Sized Rental Housing for Families	Develop incentives and modifications to development standards to facilitate large rental units.	In 2024	Citywide, with an emphasis on Midtown/Downtown neighborhood (Tracts 1507.01, 1509.01)	Target 20 percent of new rental units to have three or more bedrooms
Program 26: Universal Design and Visitability	Research and develop an ordinance to ensure Visitability and Universal Design for future residential development for both single family and multifamily development.	By 2026	Citywide, with an emphasis on Midtown/Downtown neighborhood (Tracts 1507.01, 1509.01)	Consistent with the City's recently adopted Ordinance, achieve 30 percent of multi-family units meeting visitability or universal design requirements.
	Approve a Visitability and Residential Design Ordinance at	In 2022		

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
	Continue to implement and enforce visitability and universal design compliance.	Ongoing		
	Evaluate impact of the ordinance and consider expansion to higher percentage of multifamily units.	By 2026		
Program 27: Housing for Farmworkers and Hospitality Workers	Outreach to other jurisdictions, farm operators, and hospitality employers to explore affordable housing solutions for farmworkers and hospitality employees and develop appropriate implementation strategies.	By 2025	Citywide	Create 50 units for farm workers and/or hospitality workers, representing an average size of an affordable housing project using LIHTC.
New Opportunities in High Resource Areas				
Program 3: Accessory Dwelling Units	Develop and implement an outreach program to promote ADU/JADU in Planned Unit Development (PUD) areas that previously do not allow such units.	In 2023	PUD areas	Create 16 ADUs/ JADUs in PUD areas
Program 11: Inclusionary Housing	Continue to implement the Inclusionary Housing Program.	Ongoing	Citywide	Create 1,000 new affordable units, inclusive of the 419 affordable units in the pipeline.

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
Program 14: Incentives for Affordable Housing	Develop an incentive package for affordable housing development, such as the percentage of affordable units to qualify for expedited review and local density bonus.	By December 2023	High resource areas	Target at least 40 percent of new affordable units in high resource areas
Place-Based Strategies for Neighborhood Improvements				
Program 3: Accessory Dwelling Units	Promote opportunities to property owners, particularly those in the Disadvantaged Communities as outlined in the Environmental Justice Element.	Within six months of adopting an amnesty program	Disadvantaged Communities: 1506.01 1506.09 1509.01	Achieve code compliance or legalization of 40 units over eight years
Program 17: Housing Rehabilitation	Pursue funding for decarbonization of housing for low income households.	Beginning 2025	1506.03, Block Group 1 1506.03, Block Group 2 1506.03, Block Group 5 1506.07, Block Group 2 1508.00, Block Group 3 1512.01, Block Group 4	Assist a minimum of 40 lower income households in Disadvantaged Communities

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
			Adobe Neighborhood (Low Resource) 1506.01 1506.02 1506.11	
Tenant Protection and Anti-Displacement				
Program 2: Replacement Housing	Update the Zoning Code to address the replacement requirements and to consider requiring the first right of refusal for displaced tenants.	By December 2024	Citywide	No net loss of existing affordable housing
Program 18: Preservation of At-Risk Housing	Take actions to preserve at-risk units.	Ongoing	Citywide	Preserve all 300 at-risk units
Program 19: Mobile Home Rent Stabilization	Monitor mobile home park rents to ensure compliance with the Rent Stabilization Ordinance.	Annually	Citywide	Preserve affordable rents for 317 mobile home park tenants
Program 29	Conduct community outreach to discuss various strategies of tenant protection and adopt appropriate tenant protection strategies.	In 2024	Citywide, with an emphasis on Tract 1508 (identified as a sensitive community at risk of displacement)	Not applicable

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metrics ¹
Fair Housing Outreach and Enforcement				
Program 28: Fair Housing Outreach and Enforcement	Continue to outreach to residents regarding fair housing rights.	Ongoing	Citywide	Assist 400 residents, housing providers, and housing professionals
	When vacancies at City boards and commissions become available (especially those with the ability to influence housing policies), conduct citywide outreach to recruit members who are representative of the targeted populations	Ongoing		

Units listed in the metrics are inclusive of the units listed in Table 2: Summary of Quantified Objectives (below).

3.4. Summary of Quantified Objectives

The following table summarizes the City's quantified objectives for the various housing programs outlined above related to Affirmatively Furthering Fair Housing.

Table 2: Summary of Quantified Objectives (2023-2031)

	Extremely Low ¹	Very Low	Low	Moderate	Above Moderate	Total
RHNA	247	248	288	313	810	1,910
New Construction ²	100	300	400	200	2,500	3,500
Rehabilitation	20	120	140	--	--	280
Preservation ³	75	75	150	--	--	300
Conservation ⁴	100	100	117	--	--	317

Notes:

1. State law requires projecting the needs of extremely low income households. One allowable methodology is to assume that 50% of the very low income housing needs are extremely low income.
2. New construction is generally estimated by doubling housing units from pipeline projects, assuming new development and adaptive reuse activities in the next eight years will at least reflect the projects already in the pipeline and assume a steady trend of about 200 units per year. Specifically, the City has 1,760 units in the pipeline as of November 2022 that are anticipated to be constructed within the 6th cycle Housing Element planning period.
3. Preservation of 300 at-risk housing units
4. Mobile home rent stabilization program benefiting 317 tenants.

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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

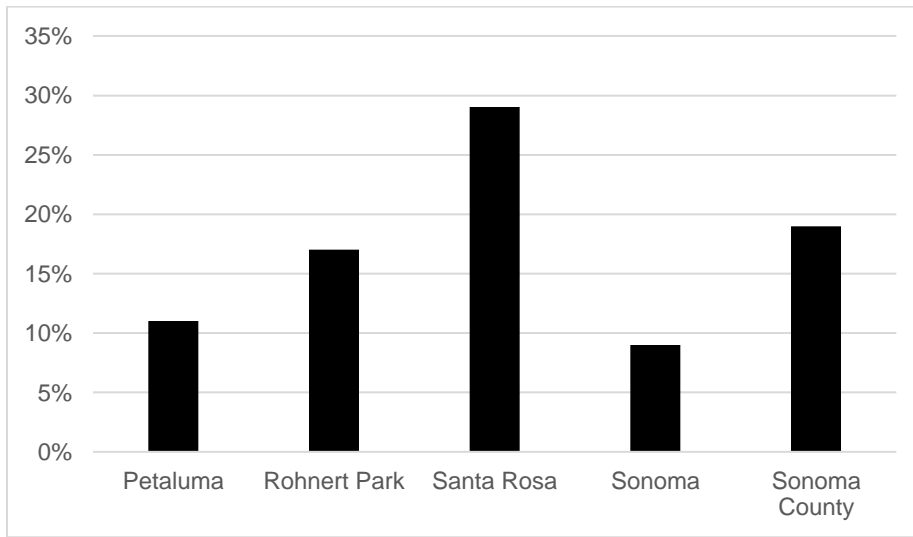
Table A1 shows the population growth in Petaluma, neighboring cities and Sonoma County over the last 20 years. Petaluma’s population has increased at a steady pace and has had the most growth (7%) since 2010 compared to neighboring cities. Population increases in Sonoma County as a whole slowed down 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%
<i>Sources: ABAG Housing Element Data Packet US Census, 2000 (SF1); 2010 (DP-1) and California Department of Finance, 2020 E-5 series</i>					

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.

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%
<i>Source: ABAG Housing Element Data Packet</i>						

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.

Table A3: Race/Ethnicity Characteristics

	2000	% of Population	2010	% of Population	2019	% of 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 Multiple Races	100	0.2%	1,676	2.9%	2,673	4.4%
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%
<i>Source: ABAG Housing Element Data Packet</i>						

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

Income Level	% of Households	
	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
<i>ACS (2015-2019) 5-Year Data, Table S1901</i>		

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

Industry Type	Petaluma		County Percentages
	Number	Percent	
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%
<i>Source: ABAG Housing Element Data Packet, ACS (2015-2019) 5-Year Estimates</i>			

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Appendix A Draft Housing Needs Assessment

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.¹

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

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.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.

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
<i>Sources: ABAG Housing Element Data Packet, American Community Survey 5-Year Data (2015-2019)</i>						

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

Income Category (% of County AMI)	Households	Percent
Extremely Low (30% or less)	2,120	9.4%
Very Low (31%-50%)	1,915	8.5%
Low (51%-80%)	2,365	10.5%
Moderate or Above (over 80%)	16,110	71.6%
Totals	22,510	100.0%
<i>Sources: HUD Comprehensive Housing Affordability Strategy (CHAS); based on ACS (2014-2018) 5-Year Estimates</i>		

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.

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

Persons per Room	Owner		Renter		Total	
	HH	%	HH	%	HH	%
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%
<i>Source: American Community Survey 5-Year Data (2015-2019), Table B25014</i>						

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

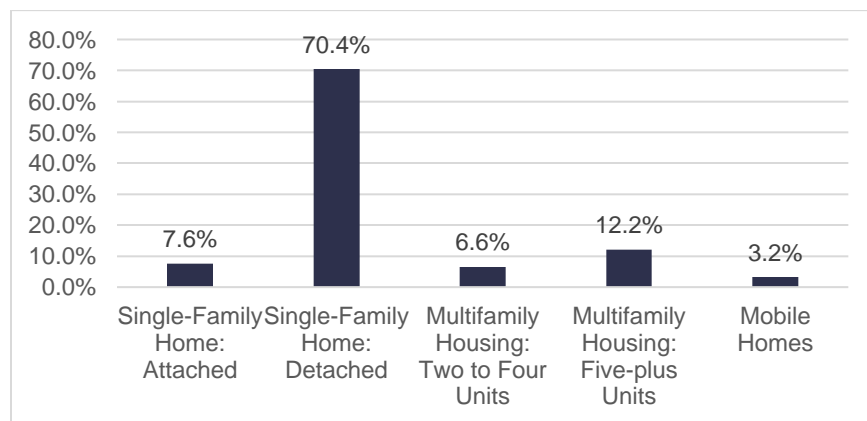
Table A10 shows housing growth in Petaluma, surrounding cities and the County in the last 20 years. According to the ABAG data profiles, housing development between 2000 and 2010 was robust in Petaluma, with over 2,000 units constructed. Since 2010, housing growth in Petaluma and the surrounding areas 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%
<i>ABAG Housing Element Data Packet; US Census, 2000 (SF1); 2010 (DP-1) and ACS (2015-2019) 5-Year Estimates (DP05)</i>					

Figure A2: Housing Types in Petaluma



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

A.4.2. Housing Tenure

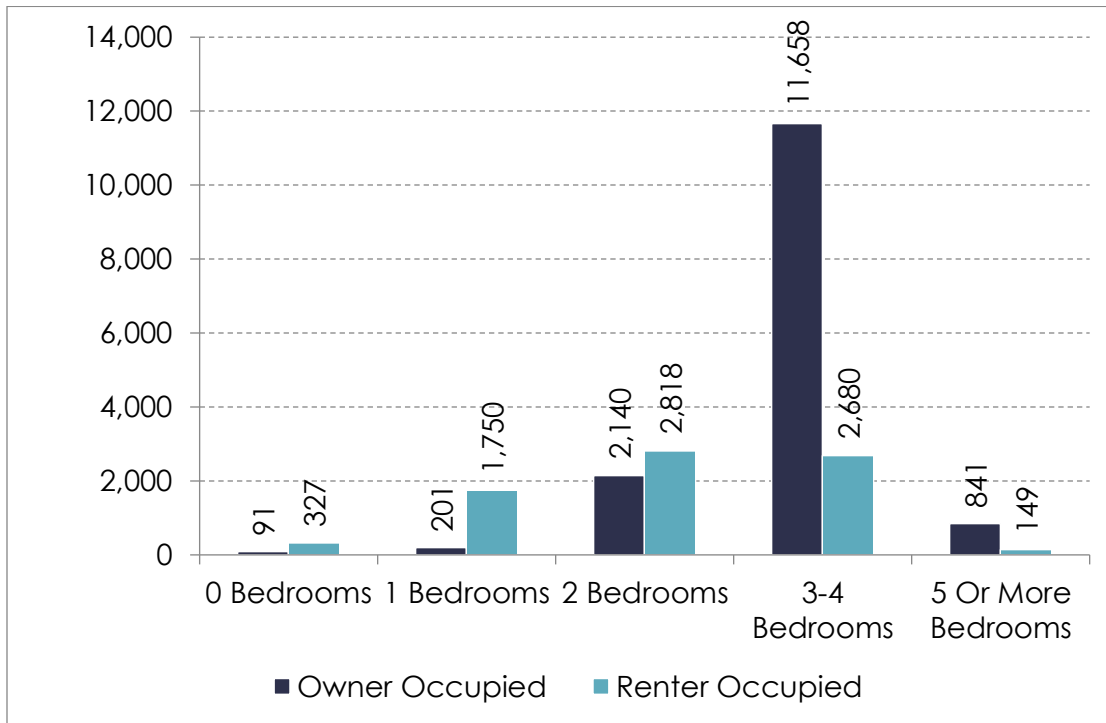
According to the 2015-2019 ACS data Petaluma had 22,655 households in 2019. More than 14,900 of these units were owner-occupied, while approximately 7,725 were rentals. Table A11 illustrates that Petaluma has a greater percentage of owner-occupied units compared to surrounding cities and Sonoma County. 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

Jurisdiction	% of Occupied	
	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

	Petaluma	Sonoma 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%
<i>Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates</i>		

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. Based on city records, there have been no complaints filed on the conditions of mobile homes in mobile home parks.

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 2001	December 2011	November 2021	% Change 2001-2011	% Change 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%
<i>Sources: ABAG Housing Element Data Packet; Zillow website</i>					

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
Detached Homes	2	2	\$649,000-\$649,000	\$649,000	\$649,000
	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
Condos	1	2	\$295,000-\$335,000	\$315,000	\$315,000
	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
<i>Source: Zillow website, accessed December 2021</i>					

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
Apartment	1	15	\$2,115-\$2,865	\$2,306	\$2,381
	2	21	\$2,280-\$3,039	\$2,776	\$2,756
	3	See Note Below	\$3,095-\$4,921	\$3,565	\$3,660
Condos	1	2	\$1,900-\$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. <i>Sources: Apartments.com and Rent.com, accessed December 2021</i>					

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

Household Income and Size	Annual Income Limits	Affordable Monthly Housing Costs	Housing Costs			Affordable Price	
			Rental Utilities (Multi-Family)	Owner Utilities (SFH)	Taxes/ Insurance (Owner)	Rent	Sale
Extremely Low Income (0-30% AMI)							
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

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Household Income and Size	Annual Income Limits	Affordable Monthly Housing Costs	Housing Costs			Affordable Price	
			Rental Utilities (Multi-Family)	Owner Utilities (SFH)	Taxes/ Insurance (Owner)	Rent	Sale
Very Low Income (30-50% AMI)							
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 (50-80% 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 (80-100% 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
<p>Source: 2021 HCD State Income Limits - Sonoma County; County of Sonoma Utility Allowances; effective October 2021; VTA Planning December 2001</p> <p>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.</p>							

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.

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	293		0.5%
<i>Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates; County of Sonoma 2022 Point-in-Time Count Results</i>			
¹ All farming, fishing, and forestry occupations. Percent of civilian employed population 16 years and older.			

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

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.

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

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-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 2022 using HUD-recommended practices. The Point-in Time Count identified 2,893 persons experiencing homelessness in Sonoma County. This represents a decrease of ten percent from the count conducted in 2019. Overall conclusions from the 2022 survey included:

- 63 percent of the population were male, 35 percent were female, 1 percent were transgender and 1 percent were gender non-binary.
- The majority (75%) of the population were between the ages of 25 and 60. The population under the age of 18 made up one percent, ages 18-24 comprised 10 percent and people 61 years or older made up the remaining 15 percent.
- The sheltered population made up 28 percent of the survey respondents while 68 percent were unsheltered. Also, 18 percent of the population was counted in vehicles.
- Chronically homeless individuals comprised 25 percent of the population, veterans made up seven percent, nine percent were families and two percent were unaccompanied children.
- 68 percent of those experiencing homelessness became homeless while living in Sonoma County.
- Almost one-quarter (23%) of survey respondents cited job loss as the primary cause of their homelessness. 63 percent reported unaffordable rent as an obstacle to securing permanent housing and another 45 percent cited no job or not enough income as an obstacle.

The 2022 Point-in-Time Count found 293 homeless persons in Petaluma. Of this total, 79 were sheltered and 214 were unsheltered. Table A19 shows the number of homeless surveyed between 2018 and 2022 in Petaluma, surrounding cities and Sonoma County. As shown, while the number of homeless in the County increased, the number in Petaluma decreased.

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

Jurisdiction	Unsheltered			Sheltered			Total		
	2018	2020	2022	2018	2020	2022	2018	2020	2022
Petaluma	91	133	214	194	163	79	285	296	293
Rohnert Park	127	241	365	11	7	4	138	248	369
Santa Rosa	863	719	1,089	700	742	569	1,563	1,461	1,658
Sonoma (City)	15	46	66	15	15	15	30	61	81
Sonoma County	1,929	1,702	2,088	1,067	1,033	805	2,996	2,745	2,893

Source: 2022 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:

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Appendix A Draft Housing Needs Assessment

- 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 has embarked on major projects to house those experiencing homelessness – People’s Village (Tiny Homes) 25 units of non-congregate shelter with on-site support services; and Governor Newsom’s Project Homekey Program. Program funding has been used for the acquisition and rehab of a 60-unit hotel, known as the Studios at Montero, that will provide 60 units of permanent supportive housing with onsite services.

Recent changes to State law require that the City amend its Zoning Code to address the provision of emergency shelters and housing for the homeless. These include:

- AB 101 – Low Barrier Navigation Center to be permitted in mixed use and nonresidential zones that allow multi-family housing
- AB 2339 - The sites identified for emergency shelters must be in residential areas or are otherwise suitable, thus prohibiting local governments from situating shelters in industrial zones or other areas disconnected from services. AB 2339 also eases constraints on the development of emergency shelters by requiring that any development standards applied to emergency shelters be "objective."

The Housing Element includes a program to address these changes, including the most recently passed AB 2339.

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.

The Petaluma Zoning Code allows transitional and supportive housing as a residential use in all zones that permit residential uses in the same manner as other similar residential uses in the same zones,

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 9-bed 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). 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.

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

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

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

Development	Affordable Units	Unit Type	Year Built or Place in Service	Funding Sources	Potential Conversion 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	4/30/2023
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
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

Development	Affordable Units	Unit Type	Year Built or Place in Service	Funding Sources	Potential Conversion Date
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	55 Very Low 10 Low	Family	2013	LIHTC	2068
<i>Sources: California Housing Partnership; HUD Multi-Family Housing; City of Petaluma</i>					

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 subsidies 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 subsidies 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.)

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Appendix B: Housing Constraints

A number of factors may constrain the development of housing, particularly housing affordable to lower-income households. These factors can generally be divided into “governmental constraints,” or those that are controlled by federal, state, or local governments; and “nongovernmental constraints,” factors that are not generally created or cannot be affected by government controls. This chapter also looks at the “infrastructure and environmental constraints” facing Petaluma.

An analysis of these factors can help in the development of programs that lessen the effects of constraints on the supply and cost of housing.

B.1. Governmental Constraints

B.1.1. Transparency in Development Regulations

To increase transparency and certainty in the development application process as required by law, the City provides a range of information online for ease of access, some of which is as follows:

- City General Plan: <https://cityofpetaluma.org/general-plan/>
- Planning Documents: <https://cityofpetaluma.org/planning-documents/>
 - River Access and Enhancement Plan
 - Central Petaluma Specific Plan
 - Petaluma Smart Rail Station Areas: TOD Master Plan
- City Interactive Zoning Map: <https://cityofpetaluma.org/zoning-map/>
- Zoning Code: <https://petaluma.municipal.codes/ZoningOrds>
- Smart Code (for the TOD Master Plan areas): <https://petaluma.municipal.codes/SmartCode>
- Planning Applications: <https://cityofpetaluma.org/planning-applications/>
- Planning Fee Schedule: <https://cityofpetaluma.org/documents/planning-fee-schedule/>
- Permits and Planning Applications Hub – online tool for submitting and paying for applications and other research tools: <https://cityofpetaluma.org/planning-apply-online/>
- Site Plan and Architectural Review Guidelines: <https://cityofpetaluma.org/site-plan-architectural-review/>
- Historic District Guidelines: <https://cityofpetaluma.org/historic-districts/>

B.1.2. Land Use Controls

B.1.2.1. Urban Growth Boundary

In 1998, the citizens of Petaluma overwhelmingly approved (by 80 percent of the vote) an urban growth boundary (UGB) that represents the limit of urban development and the provision of city water and sewer services. The original expiration date for the UGB was December 31, 2018 but a voter-approved extension now means the boundary is in place through 2025. The UGB is intended to promote a compact urban form that ensures the efficient provision of services and infrastructure, and preserves agricultural and open space outside of the boundary. The boundary is essentially contiguous with the City’s Sphere of Influence except for a sewer service area that encompasses the Penngrove area and a water service area that serves a small rural area on the western edge of the city. Although most amendments to the UGB require a popular

vote, the City Council is empowered to amend the UGB to accommodate affordable housing projects under certain circumstances.

The City of Petaluma is actively promoting the development of higher-density housing to maximize the number of units that can be built within its UGB. In 2025, the City will review the UGB to potentially expand or modify it. The City expects that any modifications will be minor adjustments rather than large expansions.

Because there are ample areas within the UGB to more than accommodate Petaluma’s regional “fair share” of new construction during the planning period, the UGB is not a constraint on the ability of the City to meet its housing needs for the next eight years (2023-2031).

B.1.2.2. General Plan

In May 2008 the City adopted the Petaluma General Plan 2025. The General Plan 2025 included a comprehensive, parcel specific review of land use and infrastructure capacity. The General Plan includes a variety of goals, policies and actions addressing a wide range of topics. In addition to the Housing Element, two of the General Plan’s other elements directly affect the location, type, and timing of housing that may be developed: the Land Use, Growth Management, and the Built Environment Element (Chapter 1), and the Community Design, Character, and Green Building Element (Chapter 2).

B.1.2.2.1. Land Use, Growth Management, and the Built Environment Element

The Land Use, Growth Management, and the Built Environment Element establishes eight residential land use classifications, with the density ranges shown in Table B1. High-density residential uses are also allowed under the Mixed Use designation.

Table B1: Residential Land Use Designations

General Plan Designation	Type of Uses	Density (units/acre)
Rural Residential	Single-family residential development located primarily at the western perimeter of the City, along the Urban Growth Boundary	0.1 – 0.6
Very Low Density Residential	Single-family residential development applied primarily to the southern hillsides, with a minimum lot size of half an acre, and larger lots required for sloped sites.	0.6 – 2.5
Low Density Residential	Single-family dwellings. This classification represents the majority of the existing stock of detached single-family dwellings.	2.6 – 8.0
Diverse Low Density Residential	Single-family dwellings, duplexes, multi-family dwellings. This designation encompasses the diversity of housing types and densities in the older neighborhoods surrounding downtown Petaluma.	6.1 – 12.0

General Plan Designation	Type of Uses	Density (units/acre)
Medium Density Residential	Single-family dwellings, duplexes, multi-family dwellings.	8.1 – 18.0
High Density Residential	Multi-family dwellings. This designation would permit the full range of housing types, but is intended for multi-family housing in specific areas where higher density is considered appropriate.	18.1 –30.0
Mobile Homes	Mobile/Manufactured Homes. Residential home developments of eight or more units. Mobile or manufactured homes are the only allowed housing type.	8.0 – 18.0
Mixed-Use	Outside of the Central Petaluma Specific Plan. Multi-family dwellings and non-residential uses such as retail and office	up to 30.0
	Within the boundaries of the Central Petaluma Specific Plan	---
<i>Source: City of Petaluma: General Plan 2025, May 2008.</i>		

Minimum densities are included in the residential classifications in order to maximize residential development on a limited supply of land and achieve a balance and variety of housing types. A program in this Housing Element considers establishing minimum residential densities in mixed-use zones.

Residential uses occupy the largest share of land in the City limits (43.4%) and are generally represented in the form of low-density neighborhoods. Residential areas are distributed across the entire city, except along the far eastern riverfront. Single-family homes comprise the predominant housing type and span virtually all parts of Petaluma, while a mix of both low- and higher-density housing (e.g., multiplexes and apartments) is generally clustered in the downtown area, organized on a walkable street grid. A smattering of middle-density apartments are found throughout the City with larger master planned apartment communities found east of Highway 101, and some middle-density buildings (e.g., duplexes, triplexes, quadplexes) found on the north end of the city near Sonoma Mountain Parkway. There are six mobile home parks in the city, totaling more than 120 acres and 660 dwelling units. These are primarily located in the north end of the city near Highway 101.¹

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

¹ City of Petaluma General Plan Update Existing Conditions Report: Land Use and Community Character, October 22, 2021.

definition and represent the greatest potential for development of affordable housing to very low and low income households.

B.1.2.2.2. Community Design, Character, and Green Building Element

The Community Design, Character, and Green Building Element of the General Plan is intended to strengthen Petaluma's unique identity, preserve and strengthen the quality of life in Petaluma, and preserve and enhance views of dominant features. The element divides the community into fourteen planning subareas providing more detailed policies specific to those subareas. The final section of the element relates to green building. Petaluma has a unique identity valued by residents and visitors alike. The Community Design, Character, and Green Building Element includes policies aimed at protecting and enhancing the physical elements (both natural and created) that have helped shape this identity. Included among these are the city's setting, general distribution of neighborhoods and land uses, landmarks, special neighborhoods, open space amenities, and historical and archeological resources. On a more detailed level, the discussion outlines policies for each of Petaluma's 14 planning subareas, as well as green building policies. Policies focus attention on the city's neighborhoods, on the creation of pedestrian-oriented activity centers, and linkages.

B.1.2.2.3. General Plan Update

Concurrent with this Housing Element update the City is updating the 2025 General Plan. The process began in late 2020 with community outreach and is anticipated to be adopted by the City Council in 2023. In addition to this Housing Element, the General Plan update will include the following elements, which may be combined or renamed: Land Use, Open Space, Conservation, Circulation, Noise, and Safety. Petaluma has experienced a great deal of change since the adoption of the current General Plan. High priority concerns include availability and affordability of housing, climate change, public health and sustainability. Climate action is an integral part of this update process and a Climate Action and Adaptation Plan will be included in the new General Plan. This Climate Action and Adaptation Plan will be both a technical document used to guide City decision-making and a visionary document used by the public to understand the direction of the community. This plan will include a greenhouse gas inventory, greenhouse gas reduction analysis, and a climate equity assessment that will serve as a foundation for the plan alongside community engagement and visioning.

B.1.2.3. Central Petaluma Specific Plan

The Central Petaluma Specific Plan (CPSP) covers approximately 380 acres of land immediately east of and adjacent to the City's historic downtown core; when the CPSP was adopted in 2003, much of the area was underutilized, having been an industrial core closely tied to transportation by river and rail. The intent of the plan is to redirect development from the fringes of the city to the central core, accommodate greater diversity and intensity of development and activities, and give the area identity and interest. To that end, the plan calls for: mixed use development with residential densities up to 60 units per acre, a pedestrian and river focus, and respect for existing industrial uses. It included lower and flexible parking requirements and opportunities for multi-modal transportation options, including a station site on the SMART rail corridor and the city's bus transit mall. With the amendment of the implementing SmartCode in 2013, there is no longer a limit to the number of units to the acre and building heights of up to six stories are possible in some areas..

Following adoption of the General Plan, updates to the CPSP may occur to implement direction in the newly adopted General Plan.

B.1.2.4. Petaluma SMART Rail Station Areas: TOD Master Plan

Adopted in 2013, the Station Area Master Plan provides a framework to guide future development and redevelopment around Petaluma's two Sonoma-Marín Area Rail Transit (SMART) stations: (1) the Downtown Petaluma Station located at the renovated historic rail depot located adjacent to Lakeville Street and bounded by East Washington Street and East D Street; and (2) the planned Corona Road Station located in northwestern Petaluma in the vicinity of the Corona Road and North McDowell Boulevard intersection. In July 2022, \$10 million in funding was issued for construction of this station under the California Transit and Intercity Rail Capital Program (TIRCP).. The Station Area Master Plan has several objectives including improving transportation and transit connectivity, implementing design standards that promotes walkable environments and creating an integrated development plan that capitalizes on the SMART rail system.

Following adoption of the General Plan, updates to the Station Area Master Plan may occur to implement direction in the newly adopted General Plan.

B.1.2.5. Zoning Ordinance

In conjunction with the adoption of the General Plan 2025, the City adopted an Implementing Zoning Ordinance designed to carry out the policies of the Petaluma General Plan by classifying and regulating the uses of land and structures within the city. Providing consistency between land use and zoning facilitates residential development by eliminating the need for costly and time consuming General Plan amendments and/or rezoning.

The City's Implementing Zoning Ordinance specifies the zoning districts in which residential development may occur and under what circumstances. The districts that allow residential or mixed-use development are listed below:

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

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

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

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

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

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

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

MU1A, MU1B, MU1C (Mixed Use 1): The MU1 zone is applied to areas intended for pedestrian-oriented, mixed-use development with ground-floor retail or office uses adjacent to the Downtown Core, and in other areas of the city where existing auto-oriented commercial areas are intended for improvement into pedestrian-oriented mixed use development. The MU1 zone is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.

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

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

T4 (General Urban); T5 (Urban Center); T6 (Urban Core) Mixed Use: These zones apply to lands within the CPSP and are subject to the development standards as defined in the SmartCode© allowing for a mixture of uses and no stated maximum for residential density.

Following adoption of the General Plan, updates to the Zoning Ordinance may occur to implement direction in the newly adopted General Plan.

B.1.2.6. SmartCode

Developed to implement the Central Petaluma Specific Plan (CPSP) the SmartCode© is a form-based zoning code with an emphasis on the physical relationship between people, buildings, and public spaces. The SmartCode is a unified land development ordinance template for planning and urban design. It provides detailed regulations for development and new land uses within the specific plan area, and describes how

these regulations will be used as part of the City’s development review process. It is the zoning ordinance for properties located within the CPSP area – Transect Zones: T-4 through T-6.

The SmartCode was amended in 2013 to ensure that the development within the Downtown Station area is consistent with the community’s vision and the Master Plan document. These amendments included:

- Refinements to address procedural issues in the existing document raised by staff, developers, and community members.
- Refinements to development standards that have been found to be impediments to development.
- Expanded regulations to provide more certainty for the community and clarity for developers on the type and form of new development.
- Refinements consistent with the updating of the SmartCode template from the version that was adopted to the current version (v.9.2).

Following adoption of the General Plan, updates to the SmartCode may occur to implement direction in the newly adopted General Plan.

B.1.2.7. Overlay Zones

The City has developed three overlay zones for areas of special consideration and/or protection. A brief description of these zones are below:

Flood Plain Overlay: This zone is intended to protect life, health, property, and public facilities and utilities from damage resulting from floodwaters.

Theater District Overlay: This zone is intended to promote the development of movie theaters featuring: “first-run”, independent, and foreign films.

Historic District Overlay: This zone is intended to protect the character and integrity of areas, buildings, or other features with special historic and/or cultural aesthetic values.

B.1.2.8. Residential Development in Other Districts

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

Planned Unit District (PUD): This zone allows any and all compatible uses, although a property’s General Plan land use designation would determine its ultimate use and residential density.

Significant residential development in the City has taken place on residentially designated land that is rezoned to a PUD District as part of the project entitlement, most recently in order to vary from minimum site and/or yard standards set by the original residential zoning. For example, a single-family project used the PUD process to create 3,600-square foot “Z” lots with reduced side and rear yard setbacks.

While the frequency of rezoning properties to PUD as a component of a development application has declined with the reduction of some standards with the 2008 adoption of the IZO and as PUDs are no longer encouraged by staff as they once were, it remains the case that those projects seeking variations from development standards generally request rezoning to a PUD District, an expensive and lengthy process that requires project review by both the Planning Commission and City Council. Amending the PUD regulations to clarify what variations may be approved and under what circumstances could facilitate the

review and approval process for both applicants and the City. The Implementing Zoning Ordinance adopted in 2008 address many of the site standards that had led to the need for PUDs, and following adoption of the General Plan, additional updates to the Zoning Ordinance to further reduce the use of PUDs may occur. The City hopes to rely upon this district less in the future.

Commercial 1(C1) and Commercial 2 (C2): This zone allows residential uses above the ground floor as permitted uses. The process for approving residential uses in the C1 and C2 districts however is not straightforward because their corresponding General Plan land use designations (i.e., Neighborhood Commercial and Community Commercial) do not always specifically allow dwelling units and development standards, such as maximum densities, are not specified. Some C1 and C2 sites appropriate to mixed use have been designated as such in the General Plan 2025 . Following the adoption of an updated General Plan, updates to these zoning districts may be made to implement policy and/or to modify permit requirements for residential in these commercial zones.

B.1.3. Residential Development Standards

The Implementing Zoning Ordinance and SmartCode© prescribe minimum standards for residential lot sizes, yards, and in some zones, usable open space per unit and maximum lot coverage. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. The Zoning Ordinance also serves to preserve the character and integrity of existing neighborhoods. It sets forth the City’s specific residential development standards, which are summarized in Table B2:

Table B2: Residential Development Standards – Zoning Code and SmartCode

Zone District	Density (units/ acre)	Minimum Lot Size (sq. ft.)	Maximum Bldg Height (feet)	Minimum Lot Width (feet) (Interior/ Corner)	Minimum Yard Setback (feet)				Minimum Open Space (sq. ft.)
					Front	Side	Side – Street Side	Rear	
RR	0.1 – 0.6	2 acres	25	150/165	40	20	40	40	NA
R1	0.6 – 2.5	20,000	25	100/110	30	15	30	30	NA
R2	2.6 – 8.0	6,000	25	50/55	20	5	NA	20	NA
R3	6.1 – 12.0	4,000	25	40/45	15	3	NA	15	600/unit
R4	8.1 – 18.0	3,500	35	35/40	10	0	10	10	300/unit
R5	18.1 – 30.0	1,500	45	NA	0	0	0	0	400/unit
MU1	Max 30.0	NA	30	NA	0	0*	0	0*	30/unit
MU2	Max 30.0	2,000	45	NA	0 min/ 10 max	0min/ 10 max*	0 min/ 10 max	0*	30/unit
T4	CPSP	4,000 avg.	3 stories	NA	0 min/ 15 max	5 min/ 30 max	NA	20 no alley/0 alley	NA
T5	CPSP	none	4 stories max/2 min	NA	0 min/ 10 max	0 min/ 10 max	NA	5 no alley/0 alley	NA
T6	CPSP	none	6 stories max/3 min	NA	NA	0 min/ 10 max	NA	0	NA

Source: *Petaluma Zoning Code Chapter 4.040, Petaluma SmartCode Section 4.20.*

Notes: *Abutting an R district: 15 ft, plus 1 ft of additional setback for each foot of building height over 20 ft.
CPSP – densities in these districts correspond to the Central Petaluma Specific Plan

B.1.3.1. Lot Size, Setbacks and Building Height Standards

The Zoning Ordinance establishes minimum lot size, setbacks and building height standards. These standards have the potential to impact the size of structures which are permitted to be built, and the number of units on a particular site.

Within the residential zones in the Zoning Ordinance, the minimum lot size varies from two acres in the rural residential zone down to 1,500 square feet in the R5 zone. The MU1 zone does not have a minimum lot size and is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.

The setbacks in the R2 through MU2 zones vary from 0 to 20 feet allowing for a variety of designs, layouts and mix of uses. For building height, 25 feet is the standard for the more traditional single-family and multi-family zones (RR – R3) while the higher density and mixed-use zones have height limits between 30 and 45 feet. A maximum height of 60 feet may be permitted in the R5 zoning district when the review authority is able to make specific findings.

The SmartCode Urban Standards for the T4, T5 and T6 zones shown in Table B2: regulate the aspects of each private building that affects the public realm, including building placement and façade design. The Urban Standards also regulate how certain land use types must be operated to ensure their compatibility with adjacent uses.

These standards are typical of many California suburban communities. The City of Petaluma has greater flexibility in medium to high density residential standards, including setbacks and building height, compared to the neighboring cities of Rohnert Park and Novato. While Petaluma allows residential in most zoning districts, the City acknowledges some development standards, when taken cumulatively, may impede development from reaching the maximum allowable density or may result in increased costs of construction. Therefore, increasing building heights to facilitate shopping center conversions, reducing parking standards for small units, reducing private open space requirements, and limiting single-family detached development in multi-family zones can help facilitate the desired housing in Petaluma. The Housing Element includes actions to address these potential constraints.

B.1.3.2. Minimum Open Space Requirements

For residential zones, the Petaluma Zoning Code requires 600 square feet of usable open space per residential unit in the R3, and 300 square feet per unit in R4, 400 square feet per unit in R5. In mixed use development, 30 square feet per unit is required in the MU1 and MU2 zoning districts. This has not proven to be a constraint in that there are a range of ways to accommodate this requirement (including common and private open spaces), especially for townhome and small lot single-family developments. None of the concessions requested as part of density bonus projects have requested a concession from this requirement which further indicates that it has not proven a constraint to residential development. However, the open space requirements may potentially constrain the development of rental apartments. This Housing Element includes a program action in Program 7 (Zoning Code Amendments) to review and revise the open space requirements as appropriate.

B.1.3.3. Parking Standards

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

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

To facilitate the development of senior housing options, the City will amend the Zoning Ordinance to establish specific parking standards for various types of senior housing. The Ordinance also allows existing covered parking facilities to be converted into additional living space if the covered parking space is replaced with a paved space (that may be uncovered). A few of these conversions are approved each year. No replacement parking is required for conversion of existing covered parking to accessory dwelling units or junior accessory dwelling units.

Qualified affordable housing projects have utilized reduced parking requirements through incentives or concessions as allowed under the City's Density Bonus Law. Recent amendments to California's Density Bonus Law (AB 2345, 2020) further provide that, upon a developer's request, a locality must utilize State-mandated parking for qualifying projects. For example, under state law, only 1.5 on-site parking spaces are required for a two- to three-bedroom unit.

The City recently approved Ordinance No. 2830 on December 19, 2022 amending the Implementing Zoning Ordinance to create flexibility to reduce parking requirements. The ordinance provides a mechanism for applicants to request a reduction in onsite parking requirements based on reduced demand and specific project components that support reduced demand. Such as proximity to transit, bike share location, car share options, etc.

The first application under the new ordinance was reviewed and approved to allow a reduction in onsite parking for a hotel expansion based on proximity to the SMART station, vacancy rates, bicycle and pedestrian provisions, and other related considerations.

The City is also looking at other zoning text amendments to reduce or eliminate parking requirements and adopt parking maximums to further reduce constraints from parking requirements, as outline in proposed Program 5 (Flexible Development Standards), Program 7 (Zoning Code Amendments), Program 9 (Shopping Center Conversion), and Program 24 (Senior Housing Options).

Parking reductions provided through state density bonus law are often used for applicable projects to reduce parking. Most projects qualify for a density bonus when complying with local inclusionary ordinance

and therefore have the benefit of reduced parking ratio through state density bonus or further parking reduction as one of the allowed concessions.

Recently adopted state law (AB 2097) provides that a local jurisdiction cannot require onsite parking for residential projects in proximity to transit. That law is being implemented for applicable projects to reduce development constraints from parking regulations.

Finally, the City is actively working with a consultant in an effort to reduce VMT through adoption of objective design standards, a TDM ordinance, and a VMT mitigation program. This effort is anticipated to reduce VMT constraints on residential development.

B.1.3.3.1. SmartCode Parking Requirements

Recognizing the opportunity for transit-oriented development and walkability, projects within the Central Petaluma Specific Plan (CPSP) (T4 – T6 zones) area have considerably lower parking requirements. These include one space per residential unit and one space per 500 square feet of non-residential uses. For affordable housing units, the requirement drops to 0.5 space per unit. In addition to the lower standard the CPSP SmartCode© provides flexibility in reducing parking requirements through alternative parking arrangements, shared on-site parking, parking waivers under certain circumstances and off-site parking.

B.1.3.4. Flexibility in Development Standards

In addition to the flexibility in development standards provided by the CPSP, the Station Area Master Plan and SmartCode described earlier in this chapter, and those provided by the IZO at Chapter 12, Development Standards Modifications, the following are other tools that can be used by the City to help facilitate housing development.

B.1.3.4.1. Variance Process

A Variance is permission to depart from the literal requirements of the Implementing Zoning Ordinance. Variances provide the discretion and flexibility necessary to resolve practical difficulties or unnecessary hardships resulting from a zoning requirement, and are regulated by required findings set by the California Government Code. Examples include exceptional narrowness, shallowness, or unusual shape of a parcel of property; or by reason of exceptional topographic conditions; or by reason of the use or development of property immediately adjoining the parcel in question.

Petaluma's Implementing Zoning Ordinance (Chapter 24.050) outlines the requirements and findings necessary to grant a variance. The Zoning Administrator or Planning Commission is the deciding body for a variance. In addition, Chapter 24.030 of the Implementing Zoning Ordinance outlines exceptions to setbacks and accessory buildings that may be made at the administrative level by the Community Development Director.

B.1.3.4.2. Density Bonus

Chapter 27 of the Petaluma Implementing Zoning Ordinance sets forth the criteria and standards for residential density bonuses. This chapter was established to: (1) comply with state density bonus law in accordance with California Government Code Section 65915, and (2) facilitate the development of affordable housing consistent with the goals, policies and programs of the Housing Element.

The City shall grant either a Density Bonus or a Density Bonus with a Concession or Incentive as set forth in the Zoning Ordinance Chapter 27 to an applicant or developer who agrees to provide one of the following:

1. At least ten percent of the total units of the Housing Development as Restricted Affordable Units affordable to Lower Income Households; or
2. At least five percent of the total units of the Housing Development as Restricted Affordable Units affordable to Very Low Income Households; or
3. A Senior Citizen Housing Development, as defined in the Zoning Ordinance; or
4. Ten percent of the total dwelling units in a common interest development as defined in Civil Code section 4100 for persons and families of Moderate Income Households as defined in the Zoning Ordinance, provided that all units in the development are offered to the public for purchase.

The Zoning Ordinance outlines the density bonus percentage calculations for very low, low, and moderate income units as well as for land donation. Restricted affordable units must be constructed concurrently with non-restricted units unless an alternative schedule is agreed upon between the City and the applicant. Restricted affordable units shall remain restricted and affordable for a period of 30 years. The City may require a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.

Concessions or Incentives

Upon the written request of the applicant, the City shall provide a Concession or Incentive as follows:

1. For a Housing Development that provides either 5 percent of the units affordable to Very Low income households, or 10 percent of the units affordable to Lower income households, the developer is entitled to one Concession or Incentive.
2. When the number of affordable units is increased to 10 percent Very Low income units, or 20 percent Lower income units, the developer is entitled to two Concessions or Incentives.
3. When the number of affordable units is increased to 15 percent Very Low income, or 30 percent Lower income, the number of Concessions or Incentives is increased to three.

The Zoning Ordinance outlines the available concessions and incentives. These include: reduced lot setbacks; increased maximum building height; reduced on-site parking standards and approval of a mixed-use development if the land uses are compatible and if commercial, office, industrial or other land uses will reduce the cost of the housing development. Since 2016, 2 projects requested a density bonus.

Recent Change to State Density Bonus Law

In recent years, the State has made various amendments to the State Density Bonus Law to improve its effectiveness in facilitating affordable and special needs housing. These include, but are not limited to, AB 1763, which made several changes to density bonus requirements for 100 percent affordable projects, and AB 2345, that further incentivizes the production of affordable housing. The City's Density Bonus provisions must be updated to reflect these new changes. Program 7 (Zoning Code Amendments) includes an action to amend the City's Density Bonus ordinance.

B.1.3.5. Residential Growth Management System (RGMS)

The City adopted a growth management system in 1972 to meet such objectives as maintaining a reasonable ratio of Eastside to Westside growth, encouraging infill and a mix of housing types, and matching essential public facilities and services to residential development. In general, the system allows

for allocations averaging 500 residential lots or units per year, over three years. The actual requirement is 1,500 units over any three consecutive years and no more than 1,000 units in any one year. Because the system exempts multi-family housing for senior and lower income housing as well as residential development projects having 30 or fewer units, the system has not had any material impacts on the City's ability to provide for housing or meeting its RHNA.

The growth management allocation system has not been used since 1998 because development of subject projects has averaged fewer than 500 lots or units per year. Specifically for the 6th cycle Housing Element, the City's RHNA is 1,904 units. The RGMS would allow for 4,000 units over eight years, not including units that are exempt under the system. Therefore, the growth management system will not represent a constraint on residential development during the planning period. Nevertheless, the RGMS may not be considered enforceable due to SB 330 (which expires in 2030). This Housing Element includes a program action to evaluate the RGMS for consistency with State law and identify mitigation actions if necessary.

B.1.4. Provision for A Variety of Housing Types

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, accessory dwelling units, mobile homes, emergency shelters, and transitional housing, among others. Table B3 and Table B4 summarize the different housing types permitted in the various land use zones in Petaluma.

B.1.4.1. Single-Family Homes

Single-family homes are permitted in all of the residential zones and the MU1C mixed-use zone. In the T4, T5, and D4 SmartCode zones, single-family units are allowed only on upper floor(s) or behind an allowed ground floor use per the permit requirement indicated. Single-family homes comprise the predominant housing type and span virtually all parts of Petaluma. While only 27.6 percent of land is zoned residential, Planned Unit Developments – most of which represent master-planned single-family housing communities, such as those on the northeast end of town – comprise an additional 24.7 percent of land. Thus, the total amount of land that allows single-family housing is approximately 52 percent.²

According to the Zoning Code, a dwelling group is a group of two or more detached dwellings located on one parcel of land in one ownership and meeting the requirements of Section 7.040. No more than three dwelling units shall be erected in a dwelling group. An accessory dwelling is not included as a dwelling for the purposes of a dwelling group. These dwellings are allowed in the RR through R3 zones, subject to a site plan and architectural review.

To encourage the efficient use of limited land resources, this Housing Element includes Program 4 (Efficient Use of Multi-Family Land) to modify allowable residential types in higher density zones.

B.1.4.2. Multi-Family Housing

Multi-family housing is permitted in the R3, R4, R5 and MU1C zones. In the T4, T5, and D4 SmartCode zones and MU1A, MU1B, and MU2 zones, multi-family units are allowed only on upper floor(s) or behind

² City of Petaluma General Plan Update Existing Conditions Report: Land Use and Community Character, October 22, 2021.

an allowed ground floor use or with issuance of Conditional Use Permit. In C1 and C2 zones, multi-family housing is permitted on floors above a ground-floor commercial use. Multi-family units are conditionally permitted in the MU1A and B zones.

B.1.4.3. Mixed-Use Residential, Live/Work and Work/Live

Petaluma has a variety of zones that permit residential developments in mixed-use locations. These include all of the mixed-use zones (MU1A, MU1B, MU1C and MU2), the C1 and C2 commercial zones, and the following SmartCode Zones: T4, T5, T6, T6-O and D4.

As defined by the SmartCode: a work/live unit refers to a space in which the commercial activities are the predominant use and the residential component is a secondary use. Meanwhile live/work units refer to a space in which the predominant use is residential, and commercial activity is a secondary use. Work/live units are a permitted use on an upper floor or behind a ground floor street fronting use in the mixed-use zones and the C1 and C2 zones. In the CPSP area, work/live and live/work units are either permitted, conditionally permitted, or permitted as part of a mixed-use project in most of the SmartCode zones (refer to Table B4). The flexibility and locations where mixed-use projects are permitted helps to provide a diversity of housing choices for Petaluma residents.

Table B3: Housing Types Permitted – Zoning Code

Land Use Type	Permit Required by Zone																
	AG	RR	R1	R2	R3	R4	R5	MH	MU1 A	MU1 B	MU1 C	MU 2	C1	C2	B P	I	C F
Dwelling, Accessory and Junior Accessory	A, S	A, S	A, S	A, S	A, S	A, S	A, S	---	A, S	A, S	A, S	A, S	---	---	--	--	---
Dwelling, Group	-	S ⁽¹⁾	S ⁽¹⁾	S ⁽¹⁾	S ⁽¹⁾	---	---	---	---	---	---	---	---	---	--	--	---
Dwelling, Multiple	---	---	---	---	P	P	P	---	CUP	CUP	P	---	---	---	--	--	---
Dwelling, Single Household	P	P	P	P	P	P	P	---	---	---	P	---	---	---	--	--	---
Emergency Shelters	---	---	---	---	---	---	---	---	---	---	---	---	---	---	--	P	C U P
Mobile Homes/Manufactured Housing ⁽⁵⁾	P	P	P	P	P	P	P	P									
Residential Care, 6 or fewer	---	P	P	P	P	P	P	---	P ⁽²⁾	P ⁽²⁾	---	P ⁽³⁾	---	---	--	--	---
Residential Care, 7 or more	---	---	---	---	---	---	---	---	P ⁽³⁾	P ⁽³⁾	P	CUP ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	--	--	---
Residential Facilities, Adult (ARF)	---	---	---	---	---	---	---	---	P ⁽²⁾	P ⁽²⁾	---	CUP ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	--	--	---
Residential Care Facilities for the Chronically Ill (RCFCI)	---	---	---	---	---	---	---	---	P ⁽²⁾	P ⁽²⁾	---	CUP ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	--	--	---
Residential Care Facilities for the Elderly (RCFE)	---	---	---	---	---	---	---	---	P ⁽²⁾	P ⁽²⁾	---	CUP ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	CU ⁽³⁾ P ⁽³⁾	--	--	---
Residential in mixed use building	---	---	---	---	---	---	---	---	P ⁽²⁾	P ⁽²⁾	P ⁽²⁾	P ⁽²⁾	P ⁽³⁾)	P ⁽³⁾)	--	--	
Supportive Housing	P	P	P	P	P	P	P	---	CUP	CUP	P	P ⁽⁴⁾)	P ⁽⁴⁾)				
Transitional Housing	P	P	P	P	P	P	P	---	CUP	CUP	P						
Work/Live	---	---	---	---	---	---	---	---	P ⁽²⁾	P ⁽²⁾	P	P ⁽²⁾	P ⁽²⁾)	P ⁽²⁾)	--	--	---

Land Use Type	Permit Required by Zone															
	AG	RR	R1	R2	R3	R4	R5	MH	MU1 A	MU1 B	MU1 C	MU 2	C1	C2	B P	I I
<i>Source: Petaluma Zoning Code</i>																
<p>Notes:</p> <p>BP = Business Park, I = Industrial, CF = Civic Facility</p> <p>P = Permitted Use, C = Conditional Use Permit, S = Permit Requirement in Specific Use Regulation, A = Accessory Use, --- = Use Not Allowed</p> <p>(1) Site Plan and Architectural Review Required & Compliance with Section 7.040 Required</p> <p>(2) Permitted use on an upper floor or behind ground floor street fronting use; use in other locations allowed subject to a CUP</p> <p>(3) Allowed only on floors above the ground floor</p> <p>(4) See discussions on Supportive Housing Streamlined Approval Process pursuant to AB 2162</p> <p>(5) Manufactured or mobile homes placed on a permanent foundation are considered single-family homes</p>																

Table B4: Housing Types Permitted – SmartCode

Land Use Type	Permit Required by Zone					
	T4	T5	T6	T6-O	D2	D4
Dwelling, Multiple	P*	P*	---	---	---	---
Dwelling, Single Household	P*	P*	---	---	---	---
Emergency Shelters	CUP	CUP	CUP	CUP	CUP	CUP
Residential in mixed use building	P	P	P	P	---	P
Work/Live	MUP	MUP	CUP	MUP	---	P
Live/Work	P	P	CUP*	MUP	---	P

Source: Petaluma SmartCode

Notes:
 P = Permitted Use, CUP = Conditional Use Permit, MUP = Minor Use Permit
 --- = Use Not Allowed
 * On a frontage where shopfronts are required, use is allowed only on upper floor(s) or behind an allowed ground floor use per the permit requirement indicated.

B.1.4.4. Accessory Dwelling Units

An accessory dwelling unit (ADU), also referred to as a second unit, is an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. ADUs are usually considered to be affordable housing because there are no land costs associated with their development and they frequently rent for less than comparably-sized apartments. They may also occupy unused space in large homes, and by supplementing the income of the homeowner, allow the elderly to remain in their homes or make it possible for lower income families to afford homes.

Over the last few years, the State legislature has passed a series of bills aimed at encouraging the development of ADUs. These bills, including AB 68, AB 587, AB 881, and SB 13, all pertain to ADUs and became effective on January 1, 2020.

The Petaluma City Council adopted Ordinance 2738 in June 2020 to comply with the new state law changes related to ADUs, including standards for junior ADUs, which are structures no more than 500 square feet in size created within the existing walls of an existing or proposed dwelling. ADUs and junior ADUs are permitted in all of the city’s residential and mixed-use zones and are only subject to ministerial review. Sections 7.030 and 7.035 of the Zoning Code outline the requirements for ADUs and junior ADUs respectively. The following are highlights from the Zoning Code changes:

- ADUs
 - One detached accessory dwelling unit is permitted on a lot with a proposed or existing single-family dwelling
 - One accessory dwelling unit is permitted on a lot with a proposed or existing multifamily dwelling. A maximum of two detached accessory dwellings are permitted on a multifamily lot if each unit is limited to 16 feet in height and provides four-foot side and rear yard setbacks.

- The maximum allowable living area of an accessory dwelling unit is 1,000 square feet; provided, however, that if a proposed accessory dwelling unit is to be attached to an existing or proposed primary residence, then the accessory dwelling unit total living area may not exceed 50 percent of the total living area of the primary residence, unless the accessory dwelling unit has a total living area no greater than 800 square feet, a height no greater than 16 feet, and minimum four-foot side and rear yard setbacks.
- An accessory dwelling unit must provide setbacks of no less than four feet from the side and rear lot lines.
- No additional parking is required for new accessory dwelling units.
- An accessory dwelling is encouraged to be designed to be compatible with the architectural richness of existing development in the immediate vicinity and principal dwelling on the site.
- No accessory dwelling units permitted after September 7, 2017, shall be permitted as a short-term vacation rentals.

The Zoning Code recognizes that there is not discretion in approving ADU, but expresses an aspiration of the community's desire for ADU development to enhance the surrounding neighborhood. This section of the Zoning Code encourages design be a consideration when developing ADUs in existing neighborhoods. However, there is no requirement for architectural review, consistent with state law.

- Junior ADUs
 - A junior accessory dwelling unit must be created within the existing walls of an existing or proposed primary dwelling.
 - A separate exterior entry shall be provided to serve a junior accessory dwelling unit.
 - Kitchen Requirements - Junior accessory dwelling units shall include an efficiency kitchen, which complies with any applicable requirements of the Building Code,
 - No additional parking requirements apply for creation of a junior accessory dwelling unit.
 - Maximum Unit Size - The maximum unit size for a junior accessory dwelling unit is 500 square feet.
 - Setbacks - Setbacks are as required for the primary dwelling unit.
 - All rentals of accessory dwelling units shall be for a term of more than 30 days.

The City's ADU ordinance has been submitted to HCD for review, as required by State law. The City is awaiting comments from HCD. This Housing Element includes an action in Program 3 (Accessory Dwelling Units) to address HCD comments.

ADUs can be an important tool to help meet affordable housing needs in a community. The City has seen significant ADU construction, reaching nearly 30 permits per year. The majority of the ADU development has been in the western part of the city. However, the eastern part of the city is characterized by many Planned Unit Developments (PUDs), where ADUs were mostly prohibited until the passage of recent state legislation.³ A detailed explanation of the ADU standards and approval process is available on the City's website. The City is currently working in partnership with the Sonoma Napa ADU Accelerator program to facilitate ADU production and availability of pre-approved plans, and permit resources for property owners. Additionally, the City is currently working to update local resources on line to improve transparency and efficiency with ADU permitting.

³ City of Petaluma General Plan Update Existing Conditions Report: Land Use and Community Character, October 22, 2021.

B.1.4.5. Mobile Home Parks and Manufactured Homes

The MH (Mobile Home) zone is applied to existing mobile home parks throughout the City. Approximately 120 acres of land have this land use designation and are primarily located along Highway 101.⁴ Since 2015, the city's number of mobile home spaces has increased to 368. The Zoning Code does not contain specific provisions for the approval of new mobile home parks. However, given the market conditions, such as cost of land, and generally low density of mobile home parks, development of new mobile home parks is not likely.

The City Council adopted a Mobile Home Park Space Stabilization Program (Ordinance 1949 N.C.S) in 1993 to help stabilize rents for Petaluma mobile home owners, who tend to be low income seniors. Under the ordinance, mobile home park rent increases are only allowed to take place on an annual basis. Furthermore, the increases cannot exceed the rate of inflation.

Mobile and manufactured homes meeting State building code standards and installed on permanent foundation are considered single-family homes and permitted where single-family homes are permitted.

B.1.4.6. Emergency Shelters and Low-Barrier Navigation Centers

As mentioned in the Needs Assessment chapter, the City of Petaluma has undertaken a number of successful projects and programs that address the needs of the local population experiencing homelessness. The Committee on the Shelterless (COTS) is an organization that runs the Mary Isaak Center Emergency Shelter in Petaluma. The shelter is an 80-bed dorm-style facility for individuals aged 18 and older. 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 residents experiencing homelessness, 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.

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 approved funding for the Interim Housing Solutions Project, People's Village. This project will provide 25 units of non-congregate shelter and intensive case management services for those experiencing homelessness. Program services are focused on supporting community members transition to long term housing solutions. The project was completed in June 2022 and is fully occupied.

The Zoning Code defines emergency shelters as housing with minimal supportive services for persons experiencing homelessness that is limited to occupancy of six months or less. Emergency shelters are permitted by-right in the Industrial zone. No special development standards are established for emergency

⁴ City of Petaluma General Plan Update Existing Conditions Report: Land Use and Community Character, October 22, 2021.

shelters. Development of emergency shelters will be subject to the same standards as established for other uses in the same zone.

Shelters are also conditionally permitted in the CF zone and the following SmartCode zones: T4, T5, T6, T6-O, D2 and D4. The City currently has an unsheltered population of 214 persons, according to the 2022 Point in Time Count. The City's Zoning Code does not establish limitations such as number of beds and separation requirement for shelters. Portions of the Industrial zone are also centrally located with access to services, amenities, and transportation. Typical uses are light industrial activities that do not result in contamination. The City has at least 26.41 acres of vacant and underutilized properties in the Industrial zone, adequate to accommodate the City's unsheltered persons experiencing homelessness.

With the most recent changes to State law regarding emergency shelters, the City will re-evaluate the Industrial Zone as the zone where shelters can be permitted by right. AB 2339 makes two changes to Housing Element law. AB 2339 provides that the sites identified for emergency shelters must be in residential areas or are otherwise suitable, thus prohibiting local governments from situating shelters in industrial zones or other areas disconnected from services. The law also seeks to ease constraints on the development of emergency shelters by requiring that any development standards applied to emergency shelters be "objective."

AB 139, adopted by the State legislature in 2019, limits the standards that local jurisdictions may apply to emergency shelters. Per AB 139, cities and counties may set forth standards regulating: the maximum number of beds; the size and location of onsite waiting and intake areas; the provision of onsite management; proximity to other emergency shelters, provided that shelters are not required to be more than 300 feet apart; length of stay; lighting; and, security during hours of operation. Additionally, a city or county may only require off-street parking to accommodate shelter staff, provided that these standards do not require more parking than what is required for other residential or commercial uses in the same zone. The City's Zoning Code does not include specific development standards (including parking or separation requirements) for emergency shelters. Therefore, no revisions to the Zoning Code are needed to comply with AB 139.

Also adopted in 2019, AB 101 requires cities to permit Low Barrier Navigation Centers by right in areas zoned for mixed-use and nonresidential zones that permit multi-family uses, if the center meets certain requirements. AB 101 defines a Low Barrier Navigation Center as "a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing." AB 101 is effective through the end of 2026, at which point its provisions are repealed.

This Housing Element includes a program for the City to update the Zoning Code to reflect State law and the permitting of Low Barrier Navigation Centers in areas zoned for mixed-use and nonresidential zones that permit multi-family housing.

B.1.4.7. Transitional and Supportive Housing

In 2018 Petaluma updated its Zoning Ordinance to allow transitional and supportive housing as a residential use in all zones. The Petaluma Zoning Code defines supportive and transitional housing as follows:

Supportive Housing: Housing with no limit on length of stay, that is occupied by the Target Population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible,

PRELIMINARY DRAFT FOR DISCUSSION
Appendix B Draft Housing Constraints

work in the community. Supportive housing is a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Transitional Housing: Buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. Transitional housing is a residential use subject to only those restrictions that apply to other residential uses of the same type in the same zone.

Target Population: Persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

B.1.4.7.1. Supportive Housing Streamlined Approval Process

In 2018, the State legislature adopted new requirements (AB 2162), which mandate cities to permit supportive housing developments of 50 units or less, meeting certain requirements, by right in zones where mixed-use and multi-family development is permitted. Additionally, parking requirements are prohibited for supportive housing developments within one-half mile of a transit stop.

In 2020 staff implemented application processes for AB 2162 applications. Project applicability and application requirements are provided on the City’s website. Below are some of the key points of the of the process:

Eligible Projects (list of all requirements are on the application form):

- **Affordability:** The project must comply with required affordability standards as specified in California Government Code 65651. At the time of writing, one hundred percent of the units, excluding managers’ units, within the development are restricted to lower income households and are or will be receiving public funding to ensure affordability of the housing to lower income Californians.
- **Supportive Housing:** At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers’ units, in the development shall be restricted to residents in supportive housing.
- **Supportive Services:** A developer of supportive housing shall provide the planning agency with a plan for providing supportive services.

Application Process:

- Prior to submitting an application for the AB 2162 review process applicants are encouraged to schedule a preliminary project discussion with Planning Division Staff to assess eligibility.
- The applications can be submitted at the Planning Division under the same procedure as other Planning review submittals. CEQA review is not required for AB 2162 eligible projects because they are subject to a ministerial approval process and the building permit will not be subject to any applicable neighborhood notice requirements.

- In compliance with Section 65653, Petaluma will notify the applicant whether the application is complete within 30 days of receipt of an application to develop supportive housing in accordance with this article. The City shall also complete its review of the application within 60 days after the application is deemed complete for a project with 50 or fewer units, or within 120 days after the application is complete for a project with more than 50 units.
- Any project that has been approved using the AB 2162 review process may then apply for building permits.

The Meridian at Corona Station is 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 an AB 2162 policy to allow the project on the site. This project was approved by the City in September 2021 and the developer is currently seeking funding sources. Another project approved under AB 2162 streamlining was the Studios at Montero motel conversion located at 5135 Montero Way. This project will provide 60 new permanent supportive housing units and onsite support services. Currently in building permit review, funding for the project was through Homekey.

While the City has already developed a procedure to process supportive housing pursuant to AB 2162, this 2023-2031 Housing Element includes a program action to amend the City's Zoning Code to clarify that eligible projects are permitted in all multi-family zones and nonresidential zones that permit multi-family housing in compliance with State law.

B.1.4.8. Residential Care Facilities

The City's Zoning Code has the following residential care facility uses:

Residential Care, 6 or Fewer Clients, in a Home: Permitted in all residential zones. Also permitted on an upper floor or behind ground floor street fronting use in the MU1 A and B zones and allowed only on floors above the ground floor MU2 zone.

Residential Care, 7 or More: Permitted in the MU1 C zone; permitted on an upper floor or behind ground floor street fronting use in the MU1 A and B zones; conditionally permitted above the ground floor in the MU2, C1 and C2 zones.

In addition, the residential facilities listed below are permitted on an upper floor or behind ground floor street fronting use in the MU1 A and B zones and conditionally permitted above the ground floor in the MU2, C1 and C2 zones.

Residential Facilities, Adult (ARF): Facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically disabled, developmentally disabled, and/or mentally disabled.

Residential Care Facilities for the Chronically Ill (RCFCI): Facilities with a maximum licensed capacity of 25. Care and supervision is provided to adults who have Acquired Immune Deficiency Syndrome (AIDS) or the Human Immunodeficiency Virus (HIV).

Residential Care Facilities for the Elderly (RCFE): Facilities that provide care, supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans. The facilities provide services to persons 60 years of age and over and persons under 60 with compatible needs. RCFEs may also be known as assisted living facilities,

retirement homes and board and care homes. The facilities can range in size from six beds or less to over 100 beds. The residents in these facilities require varying levels of personal care and protective supervision. Because of the wide range of services offered by RCFEs, consumers should look closely at the programs of each facility to see if the services will meet their needs.

The California Department of Social Services shows 13 small residential care for the elderly facilities 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).

Overall, the locational requirements (upper floor or behind street front) may restrict the development of such uses as mixed use projects only and therefore constrain the potential development of residential care facilities.

B.1.4.9. Housing for Persons with Disabilities

B.1.4.9.1. Zoning and Other Land Use Regulations

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

- The City allows some variation from the application of its parking standards; for example, the reduction of parking spaces for a unique use such as a senior housing project or other special needs.
- The City permits group homes with six or fewer persons by right in all residential districts. No permits are required unless accommodations are needed that require a building permit. The City has no authority to approve or deny group homes of six or fewer people, except for compliance with building code requirements, which are also governed by the State.
- The City permits group homes of 7 or more persons in mixed use zones above ground floor by right, and in commercial zones subject to a Condition of Approval.
- The City permits housing for special needs groups, including for individuals with disabilities, without regard to distances between such uses or the number of uses in any part of the city. The Land Use Element of the General Plan does not restrict the siting of special need housing.

Definition of Family

The City does not restrict occupancy of unrelated individuals in group homes and does not define family or enforce a definition in its zoning ordinance.

Building Code

Petaluma implements and enforces the 2019 California Building Standards Code and does not have any modifications to that code that would affect accessibility. The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for the other residential projects and are straightforward and not burdensome. City officials are not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

The City recently adopted a local visitability/universal design code applicable to all new residential development to ensure efficient internal conversions and to facilitate the ability for Petaluma's aging population to age in place as desired.

Reasonable Accommodation

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. Reasonable accommodations may include, but are not limited to, setback area encroachments for ramps, handrails, or other such accessibility improvements; hardscape additions, such as widened driveways, parking area or walkways that would not otherwise comply with required landscaping or open space area provisions; and building addition(s) necessary to afford the applicant an equal opportunity to use and enjoy a dwelling. The City has not yet established a formal procedure for processing reasonable accommodation requests. Program 7 (Zoning Code Amendments) includes an action to establish an objective and ministerial procedure to review and approve reasonable accommodation requests.

B.1.4.10. Employee Housing

State Employee Housing Act: Any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation. For the purpose of all local ordinances, employee housing shall not be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. The Petaluma Zoning Code currently does not address employee housing. The Zoning Code will be amended to address this requirement.

Furthermore, the State Employee Housing Act provides for farm labor housing. Specifically, any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use. For the purpose of all local ordinances, employee housing shall not be deemed a use that implies that the employee housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located.

The Petaluma Zoning Code currently allows agricultural uses such as crop production, horticulture, orchard, vineyard, and farm animal keeping in OSP (Open Space), AG (Agriculture), RR (Rural Residential), and R1 (Residential 1) zones. Farm labor housing is not currently addressed in the Zoning Code. The City will amend the Zoning Code to address this requirement.

B.1.4.11. Single-Room Occupancy (SRO) Housing

Petaluma's Implementing Zoning Ordinance does not currently allow traditional SROs (buildings with private bedrooms and shared bathroom and kitchen facilities) as a land use. While SROs could be considered synonymous with permanent supportive housing projects like the Studios at Montero, which is the adaptive re-use of the former America's Best Value Inn in northeast Petaluma, each of Montero's small units has its own bathroom and kitchenette but shares other services/resources in common areas. Historically, SROs have typically consisted of small furnished rooms with shared kitchen and bath facilities

that are rented monthly. Contemporary SROs are more commonly made up of small efficiency units that include kitchen and bath facilities in each unit. Deed-restricted projects like the Studios at Montero are obviously affordable to lower-income groups but even non-deed-restricted SROs could be considered affordable by design.

To align Petaluma's zoning regulations with state law as well as facilitate the City's overarching effort to create a wide range of housing opportunities, the City will be updating zoning regulations to define SRO as a land use type and permit SROs in zoning districts such as the MU and R4 and R5 districts where high density multi-family housing is already allowed.

B.1.5. Affordable Housing Requirements

B.1.5.1. Inclusionary Housing Program

Section 3.040 of the Zoning Code regulates inclusionary housing in Petaluma. The inclusionary housing requirement is a critical component of the City's housing program and an active means of providing affordable units to households typically shut out of the housing market. Developers of residential projects of five or more units are required to rent or sell 15 percent of the units at prices or rents affordable to lower and moderate income households.

B.1.5.1.1. Inclusionary Housing Implementation Framework

The developer's affordability requirements shall apply based on the ownership structure of the residential project:

- Inclusionary housing units in a rental project shall be made affordable to very low and low income households as follows: 7.5 percent of the total number of residential units or lots in the residential project shall be affordable to very low income households and 7.5 percent of the total number of residential units or lots in the residential project shall be affordable to low income households.
- Inclusionary housing units in an ownership project shall be made affordable to low and moderate income households as follows: 7.5 percent of the total number of residential units or lots in the residential project shall be affordable to low income households and 7.5 percent of the total number of residential units or lots in the residential project shall be affordable to moderate income households.
- Affordable units required pursuant to this section shall be made subject to affordability covenants that are binding on owners of the units and their successors for a duration of at least 55 years in the case of rental projects and for a duration of at least 45 years in the case of ownership projects.
- When providing inclusionary rental units the developer must restrict half of the required 15% inclusionary units to the Very Low Income category and the other half to the Low Income category. When providing inclusionary for sale units, the developer must restrict half of the required 15% onsite inclusionary units to Low Income households and the other half to Moderate Income households.
- Affordable units required pursuant to this section shall be made subject to affordability covenants that are binding on owners of the units and their successors for a duration of at least 55 years in the case of rental projects and for a duration of at least 45 years in the case of ownership projects.

The following compliance options are available to developers:

- The developer may provide affordable units pursuant to the requirements.
- The developer may request approval of Alternative Compliance, at the sole discretion of the City Council. Alternative Compliance options include:
 - Donation of a portion of the project site or an off-site property to the City or a non-profit organization deemed acceptable by the City for development of affordable housing; or
 - Payment of a housing in-lieu fee established by the City's adopted fee schedule; or
 - Alternative mixture of units by income levels; or
 - Use of an alternative method, such as provision of a smaller percentage of onsite inclusionary units coupled with payment of in-lieu fee for the inclusionary units not provided.
- A developer may only satisfy inclusionary housing requirement through payment of in-lieu funds if approved by the City Council as Alternative Compliance.
- A developer's request for Alternative Compliance is not limited to payment of in-lieu fees but all such requests are at the sole discretion of the City Council.

The following incentives are provided by the City on a case-by-case basis:

- Housing funds for site acquisition, pre-development, etc. as funds are available
- Deferred fees
- Reduced fees for residential projects that are located in proximity to transit and services and does not exceed minimum parking requirement
- Fast-track processing

B.1.5.1.2. In-Lieu Fees

On December 1, 2003, the City Council adopted a resolution that increased the In-Lieu fees based on the square footage of the market-rate units. The current in lieu fees were established by Ordinance No. 2664 N.C.S and Resolution No. 2018-142 N.C.S. and is \$10.12/square foot. An explanation of the fee is provided in the City's Development Impact and Capacity Fees Booklet on the City's website. According to the City's Draft 2021-2022 CDBG Action Plan, the City allocated \$1,100,000 of City In-Lieu Housing funds to assist with a senior housing development under construction which will provide 54 affordable units. The City also utilizes the Housing In-Lieu fund towards a rental assistance program, which is administered by the Petaluma People Services Center and the Committee on the Shelterless. This program serves households at or below 80 percent AMI annually. It is anticipated that 140 households will receive assistance in 2021/2022. The City's inclusionary housing ordinance does not allow payment of in-lieu fees to satisfy inclusionary housing requirements. The ability to pay in lieu fees rather than construct inclusionary affordable housing is only through approval of alternative compliance at the sole discretion of the City Council. There have been limited applications for alternative compliance since the City adopted its inclusionary housing ordinance in 2018. One approved request was for a mixed use project in Central Petaluma to provide a reduced percentage of onsite inclusionary units based on the project performance and the length of time the project had been in design phase. As of 2022, the housing in-lieu fee is \$10.21 per square foot for residential development, however, based on the 2019 change in the City's inclusionary housing ordinance the City has seen a significant increase in local generation of in-lieu funds.

B.1.5.2. Commercial Development Housing Linkage Fee

Section 19.36 of the Zoning Code establishes the City’s Commercial Linkage Fee for housing. The purpose of the fee is to mitigate the housing impacts caused by new, changed and expanded nonresidential development in the city and to provide housing affordable to persons who earn between 80 and 100 percent of the Area Median Income. For the purposes of this fee, nonresidential land uses are divided into three classifications: commercial, retail, and industrial. As of 2022, the fee is between \$3.36 and \$5.81 per square foot of nonresidential development.

B.1.6. Project Review and Approval

The length of time it takes the City to review and approve housing development applications can add to housing costs. If the developer is buying the land outright, there are monthly interest costs, and if they are working under an option to purchase, there are option costs to hold the land. Processing delays for residential projects can result from incomplete submittals by project applicants, inadequate responses to staff requests for additional information and exhibits, and failure to design projects to city standards.

Generally, projects that require environmental impact reports and/or are subject to public controversy have longer review periods. Project re-designs or additional studies may be required by environmental review. Each change in the project design can have associated architect and engineering fees, which grow with each revision. Projects that receive a negative declaration of environmental impact are typically approved within four to six months; projects with environmental impact reports typically require nine to 12 months. Table B5 below shows the typical application process times for a variety of planning applications. Table B6 provides a summary of processes for typical residential and mixed use development projects. Site Plan and Architectural Review (SPAR) is discussed in detail under Section B.1.6.2. Program 5 (Flexible Development Standards) includes an action adopt objective design standards and parking standards for multi-family residential and mixed use development that will guide the SPAR.

The City is also pursuing a comprehensive update to the General Plan and Zoning Code update. Once completed, the need to request General Plan amendment and Zone Change in the future to accommodate residential and mixed use development is likely reduced.

Below-market-rate projects are fast-tracked through the City of Petaluma’s approval process as required by the State of California. Please see the SB 35 timelines in Table B5. Also as required by the State, Petaluma complies with streamlined project review under AB 2162. Projects that meet AB 2162 eligibility provisions (including lower income and supportive housing requirements) are reviewed within the timelines outlined in Table B5. All processing time limits required by state law are adhered to and the overall length of review is consistent with similar communities.

Table B5: Planning Application and Processing Timelines

Application Type	Completeness Review*	Analysis and Action Phase**
Conditional Use Permit	30 days	6 weeks to 6 months
General Plan Amendment	30 days	2 to 6 months
Site Plan and Architectural Review	30 days	6 weeks to 6 months
Specific Plan/Zoning Amendment	30 days	2 to 6 months
Tentative Parcel Map	30 days	6 weeks to 4 months
Tentative Subdivision Map	30 days	2 to 6 months
Variance	30 days	2 to 6 months
SB 35 Application and Processing Timeline		
<p>Any design review or public oversight must be completed in:</p> <p>90-days for 150-or fewer units and 180 days for projects with more than 150 units, measured from the date of the SB-35 application submittal. This time includes the eligibility review phase.</p> <p>Any project that has been approved using the SB-35 review process may then apply for building permits.</p>		
AB 2162 Application and Processing Timeline		
<p>Any AB 2162 application review must be completed in:</p> <p>60-days after an application is deemed complete for a project with 50 or fewer units or 120 days after the application is deemed complete for a project with more than 50 units.</p> <p>Any project that has been approved using the AB 2162 review process may then apply for building permits.</p>		
<p><i>Source: City of Petaluma Planning Documents and Forms, https://cityofpetaluma.org/planning-applications/</i></p>		
<p>Notes:</p> <p>*The Analysis and Action Phase may be extended if an application is deemed incomplete and additional information is required from the applicant.</p> <p>**This timeline does not include the appeals period or the building permit phase.</p>		

Table B6: Typical Projects – Process and Timeline

Typical Project	Reviews Required	Approval Body	Required Number of Hearings	Overall Timeline
Single-Family Unit	Building Permit	Ministerial Review	None	15 working day plan review
Multi-Family – Apartments (<5 units)	Administrative SPAR	Administrative (Staff)	No Hearing	8 weeks
Multi-Family – Apartments (≥5 units)	Major SPAR	Planning Commission	1 hearing	6-9 months
Multi-Family – Mixed Use	SPAR	Planning Commission	1 hearing	6-9 months
SPAR = Site Plan and Architectural Review				

B.1.6.1. Development Review Committee

The City’s Development Review Committee meets weekly with prospective developers to allow for early input on project proposals. This committee brings building, planning, water, fire, police, transit, public works and engineering, and economic development staff to the table early in the process to identify issues and opportunities. The effect of these meetings is that applications are more complete and the review process is more efficient.

B.1.6.2. Site Plan and Architectural Review

A Site Plan and Architectural Review (SPAR) is required for residential projects involving more than one dwelling unit per lot (except for accessory buildings or ministerial projects as directed by the State of California such as SB 9 projects⁵), and subdivisions with five or more single-family dwellings. According to Section 24.010 of the Implementing Zoning Ordinance, the intent of the review is to achieve a satisfactory quality of design in the individual building and its site, appropriateness of the building to its intended use, and the harmony of the development with its surroundings. Reviewers of residential projects are to be guided by the following standards to achieve these purposes:

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

⁵ Senate Bill (SB) 9 (Chapter 162, Statutes of 2021) requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. SB 9 contains eligibility criteria addressing environmental site constraints (e.g., wetlands, wildfire risk, etc.) Source: www.hcd.ca.gov

- The bulk, height, and color of the proposed structure as compared to the bulk, height, and color of other structures in the immediate neighborhood

The City's existing Site Plan and Architectural Review (SPAR) findings are largely subjective as found in the Zoning Code, with the exception of the area governed by the Smart Code, which is governed by a comprehensive Form Based Code. Depending on the scope of a given project, Administrative SPAR is approved by the Planning Director and Major SPAR is approved by the Planning Commission. Projects are evaluated for consistency with the adopted criteria in Zoning Code as well as consistency with development standards, General Plan policy, and SPAR guidelines:

1. The project uses quality materials and the overall design is harmonious and in proportion in itself and in relation to adjacent development, based on the following:
 - a. The architectural style is appropriate for the project, and compatible with the character of the neighborhood.
 - b. The siting of the structures on the property is appropriate for the site and as compared to the siting of other structures in the neighborhood.
 - c. The size, location, design, color, number, lighting, and materials of all signs and outdoor advertising structures is in accordance with all applicable requirements of this Zoning Ordinance and appropriate for the site and compatible with the character of the neighborhood.
 - d. The bulk, height, and color of any proposed structure is appropriate for the site and as compared to the bulk, height, and color of other structures in the neighborhood.
2. Landscaping in accordance with applicable City standards and that is appropriate for the site and compatible with the character of the neighborhood will be provided on the site. Existing trees shall be preserved wherever possible, and shall not be removed unless approved by the Planning Commission.
3. Ingress, egress, internal circulation for bicycles and automobiles, off-street automobile and bicycle parking facilities and pedestrian ways are designed so as to promote safety and convenience and conform to applicable City standards. Any plans pertaining to pedestrian, bicycle, or automobile circulation have been routed to the Pedestrian and Bicycle Advisory Committee for review and approval or recommendation.
4. The design is of good character and has been prepared by a professional designer, such as an architect, landscape architect or other practicing urban designer or person with equivalent skill and qualifications.
5. The application and the project for which it seeks approval are exempt from the California Environmental Quality Act (CEQA), or the environmental impacts of the project including impacts to or of biological resources, greenhouse gas emissions, vehicle miles travelled, land use, population and housing, agriculture and forestry resources, cultural resources, hazards and hazardous materials, mineral resources, public services, utilities and service systems, air quality, geology and soils, hydrology and water quality, noise, and recreation are avoided, or are mitigated by conditions imposed by the reviewing authority so as to be less than significant, or are approved based on overriding considerations in accordance with all applicable CEQA requirements.

PRELIMINARY DRAFT FOR DISCUSSION
Appendix B Draft Housing Constraints

6. The proposed structure and use, subject to any conditions which may apply, conforms with the applicable requirements of this Zoning Ordinance and applicable policies and programs of the City's General Plan and any applicable specific plan, and the proposed use will not, under the circumstances of the conditional use application, constitute a nuisance or be detrimental to the public welfare of the community.

The City reviews SB 35 or similar projects given the objective standards that the City does have in the Implementing Zoning Ordinance, such as building heights and setbacks, and the Smart Code, where it is applicable. The City is developing Objective Design Standards for adoption in 2023 (see Program 5: Flexible Development Standards).

B.1.6.3. Historic Preservation

The City is committed to protecting the many historic resources in Petaluma. Petaluma has a Nationally Registered Commercial District and three city-designated local Historic Districts. Over 300 properties have been surveyed for potential historic significance. Well-known historic landmarks in the city include the Sweed House, United States Post Office (4th and D Streets), the Opera House, the former Carnegie Library (now the Petaluma Historical Library and Museum), and the Old Silk Mill. Historic landmark properties are provided a designation of "Historic" overlay on the City's Zoning Map. Applications to alter designated historic resources (excluding demolition) are reviewed in accordance with Implementing Zoning Ordinance Section 15.050 and 15.070. Review under those sections include an evaluation of conformance with district guidelines (when applicable) and the Secretary of Interior's Standards for the Treatment of Historic Properties.

B.1.6.4. Building Codes

The City has adopted all of the California Building Standards Code, (Title 24) which include Building, Plumbing, Mechanical, Electrical, Green, Energy, Fire, Historic and Existing Building subsections.

The City has amended these codes in a few instances when necessary to protect the health, safety, and welfare of its residents. Smoke detectors are required in single-family homes and automatic fire alarm systems must be provided in multi-family complexes, apartment complexes, and condominium complexes.

The City continues to comply with the Building Code requirements on energy conservation. In 2020 the City adopted a mandatory all-electric code for new construction and substantial remodels and additions that exceed base requirements of the California Building Code. Additionally, the City has adopted the Green Building Code at Tier One to maximize energy efficiency.

In 2022 the City adopted a visitability and universal design code that is required for all new residential construction.

Automatic fire suppression systems must be installed in new residential structures. While these measures result in higher initial housing costs, they are offset over the long run by savings on homeowners' insurance and property damage.

The presence of an active code enforcement effort serves to maintain the conditions of the City's housing stock and does not constrain the production or improvement of housing in the city. The Municipal Code also establishes standards for the maintenance of properties with three or more rental units regarding the accumulation of trash and debris, overgrown vegetation, and abandoned vehicles and equipment.

B.1.6.5. Required Fees and Improvements

The City collects various fees from developments to cover the costs of processing permits, including fees for planning approvals, subdivision map act approvals, environmental review, engineering and plan check services and building permits, among others.

B.1.6.5.1. Planning Fees

Table B6 below shows the Planning Fees, effective July 1, 2022

Table B7: Planning and Building Fees

Category	Fee with 9% Overhead
Planning and Application Fees (Deposit + Time and Materials)	
Conditional Use Permit - Major	\$6,458.25 +TM
Conditional Use Permit - Minor	\$2,459.04 +TM
General Plan Map Amendment	\$7,575.50 +TM
Zoning Map Amendment	\$8,180.45 +TM
Site Plan & Architectural Review	\$7,921.03 +TM
Specific Plan	\$10,989.38 +TM
Variance	\$5,596.06 +TM
Building Inspection/Permit	Building Valuation \$500,001 to \$1,000,000: \$4,710 for first \$500,000 plus \$6 for each additional \$1,000. Building Valuation \$1,000,001 and up \$8,170 for first \$1,000,000 plus \$4 for each additional \$1,000.
Subdivision	
Lot Line Adjustment	\$3,787.75 + \$1,744 Deposit for Engineering Tech Review for Lot Line Adjustment, +TM
Tentative Parcel Map	\$4,478.81 +TM
Tentative Subdivision Map	\$11,106.01 + TM
Final Parcel Map	\$3,357.20 + \$5,450 Deposit for Engineering Tech Review
Environmental	
Initial Study	\$7,590.76 +TM
Environmental Impact Report	Consultant Fee +25% admin & TM
<i>Source: City of Petaluma FY22-23 Planning Fees Handout</i>	

B.1.6.5.2. Impact Fees

The City charges residential development a variety of development impact fees in order to pay for the increased system capacities and services required by that development. The City’s Development Impact and Capacity Fees booklet from July 2022 is a collection of general descriptions of development and capacity fees imposed on new construction in the City of Petaluma. It is intended to serve as a general guideline describing when a fee applies, how it is calculated, and when it is collected. This booklet can be found on the City’s website.

The fees, as shown in Table B7 are reflective of the costs associated with major transportation improvements and water-capacity infrastructure needs. While these fees may affect housing prices, the only alternatives would be their payment by the existing Petaluma taxpayers or no further residential development, either of which are infeasible. The Traffic Impact fee is prorated for projects located within one-half mile of a parcel identified as a possible future location for a SMART Rail Station. The existing fee schedule applies to the City’s affordable housing developments (usually multi-family). As opposed to waiving impact fees for affordable housing project, the City has provided local funding and the developers pay the applicable city fees. Several impact fees are reduced or waived for low and moderate senior housing projects, including the City Facilities Development Impact Fee, Park Land Acquisition Fee and Traffic Impact Fee. The fees are included within the development budget and are not a constraint to the production of low and moderate income housing.

Table B8: Development Impact Fees

Fee Type	Single-Family Fee/Unit	Multi-Family Fee/Unit
City Facilities	\$7,419	\$4,995
Open Space	\$522	\$350
Park Land Acquisition	\$2,219	\$1,501
Park Land Development	\$7,341	\$4,943
Traffic Impact	\$18,656	\$11,453 *
Wastewater	\$9,846	\$6,519
Water	\$4,794	\$4,794
TOTAL	\$50,797	\$34,555
<i>Source: City of Petaluma FY22/23 Development Impact Fees</i>		
* Senior Housing \$4,986/unit		

Storm Drain Impact Fee

The increase in runoff created by a given project is calculated for a 100-year storm, utilizing runoff coefficients based upon the portion of vegetated area to impervious surfaces, and expressed in acre-feet. Runoff coefficients are based upon the type of use, slope of the land, and percent of vegetation coverage. Projects pay a fee of \$15,000 per acre-foot of additional runoff. Incremental runoff is dependent upon the density of a project and the amount of landscaping and open space provided. A high-density project with

20 percent or less area in landscaping could expect to pay \$4,500 per acre. A typical detached single-family subdivision would pay approximately \$1,500 per acre.⁶

B.1.6.5.3. Fees for a Typical Residential Development

Table B8 below identifies the hypothetical fees that would be collected for a new 2,000-square-foot two-story house and a 45-unit multi-family project. This assumes that inclusionary housing is constructed on site, so does not include payment of a housing in-lieu fee. These fees would be approximately \$54,954 and \$37,805 per unit respectively. This represents about 7.9 percent of the total development cost for a single-family unit and 5.4 percent for a multi-family unit. The City's fee structure is not partial to single-family development.

Table B9: Proportion of Fee in Overall Development Cost for a Typical Residential Development

Development Cost for a Typical Unit	New Single-Family	New Multi-Family
Total estimated fees per unit*	\$ \$54,954	\$ \$37,805
Typical estimated cost of development per unit**	\$700,000	\$700,000
Estimated proportion of fee cost to overall development cost per unit	7.9%	5.4%

*Includes building permit fees of \$3,969 for a single-family home and \$3,000 per multi-family unit.

**Based on current article published July 2022 in Press Democrat Newspaper.

In order to develop a fee comparison, the City reviewed the 6th cycle Housing Element updates submitted to HCD by jurisdictions in Sonoma County. However, not every jurisdiction provides estimates on the total fees (planning and development) for typical single-family and multi-family housing development. The following information is available:

- Rohnert Park: Impact fees only – \$27,000 per single-family unit and \$17,000 per multi-family units; these fees do not include school fees or planning fees
- Santa Rosa: \$51,862 per single-family unit and \$29,486 per multi-family unit; these fees do not include school fees
- Sonoma: \$28,748.91 per single-family unit and \$18,264.25 per multi-family unit
- Windsor: Impact fees only - \$57,423 per single-family unit and \$37,158 per multi-family unit

Based on estimates provided by these jurisdictions in their Housing Elements, planning and development fees in Petaluma are comparable to Santa Rosa and Rohnert Park, lower than Windsor, and likely to be higher than Sonoma.

In December 2022, the City Council approved an ordinance to exempt qualifying affordable housing from development impact fees.

⁶ City of Petaluma FY22/23 Development Impact Fees.

B.1.6.6. Required Improvements

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

Recent development in the City has primarily consisted of multi-family housing, which generally requires less on- and off-site improvements compared to new single-family subdivisions. Furthermore, payment of development fees is considered adequate to address most key off-site improvements, as shown previously. As shown above, the City's development impact fees are moderate compared to other jurisdictions in the region. Other improvements required have included undergrounding of utilities, and sidewalk and street improvements to half the street. All standards for public improvements (i.e., street widths, sidewalks, storm drains) are delineated in the Municipal Code. These standards may be modified if warranted by individual circumstances, and therefore are not a constraint on development. Specifically, the City has a large number of housing units on the pipeline. No developers have expressed the City's on- and off-site improvements as constraining to development.

The City's In-Lieu Housing Fund, Commercial Linkage Fee Fund, the California HOME Investment Partnership Act funds, and CDBG funds are often used to assist below-market-rate projects with the aforementioned improvements.

B.2. Non-Governmental Constraints

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

B.2.1. Construction Costs

Housing prices are influenced partly by the types of construction materials used. Homes in Petaluma are generally of wood frame construction and finished with stucco or wood siding. This type of construction is the least expensive conventional method (brick, stone and concrete block are more costly). Composition shingle and built-up roofs, which are found on a large share of the community's homes, are also the least expensive, followed by concrete tile, metal and clay tile. A barrier to building taller residential structures (above 4 stories) is the requirement for podium construction, which raises the construction cost making the project financially infeasible.

In general, construction costs per unit can be lowered by increasing the number of units built. According to the Association of Bay Area Governments (ABAG), wood frame construction at 20 to 30 units per acre is generally the most cost-efficient method of residential development. However, local circumstances affecting land costs and market demand will impact the economic feasibility of construction types.

A report in 2020 by the Turner Center for Housing Innovation at UC Berkeley found that materials and labor (also referred to as hard construction costs) accounted for approximately 63% of total development costs for multi-family projects in California between 2010 and 2019.⁷ The report also found that controlling for project characteristics, compared to the rest of the state, average materials and labor costs were \$81 more

⁷ The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California, Turner Center for Housing Innovation. March 2020.

expensive per square foot in the Bay Area. The Bay Area has comparatively higher construction wages than elsewhere in California.⁸

Additionally, labor costs are influenced by the availability of workers and prevailing wages. State law requires payment of prevailing wages for many private projects constructed under an agreement with a public agency that provides assistance. As a result, the prevailing wage requirement substantially increases the cost of affordable housing construction. In addition, a statewide shortage of construction workers can impact the availability and cost of labor to complete housing projects. This shortage may be further exacerbated by limitations and restrictions due to the COVID-19 pandemic

A recent study looking at affordable housing production in Marin County included residential development costs for projects in Marin, Sonoma, and Napa Counties. The following is a summary of the seven projects that were included:

- Average number of units in the project: Average dwelling units per acre: 63.27
- Average land costs: \$3,174,814; \$37/square foot
- Average construction costs: \$28,383,713; \$345/square foot
- Average project costs: \$47,179,443; \$564/square foot

The Sonoma County Economic Development Board's 2021 Construction Industry Insider Report stated that Builders are experiencing higher commodity and labor expenses. Though construction labor wages plateaued in mid-2020, they are expected to accelerate as residential building ramps up and competition for an adequate workforce rises. Other input costs are on the rise as well. Most notably, lumber prices are likely to continue going up until there is an end to the COVID-19 induced supply shocks; the same holds true with copper, steel and fuel prices.⁹

Additionally, labor costs are influenced by the availability of workers and prevailing wages. State law requires payment of prevailing wages for most private projects constructed under an agreement with a public agency providing assistance to the project. As a result, the prevailing wage requirement substantially increases the cost of affordable housing construction. Although construction costs are a significant factor in the overall cost of development, the City of Petaluma has no direct influence over materials and labor costs.

B.2.2. Land Costs

Land costs are affected by such factors as zoning density, the availability of infrastructure, the existence or absence of environmental constraints, land speculation, and the relative amount of similar land available for development. As is typical in California, land costs are high in Petaluma. Listings for residential land for sale on Zillow.com as of June 2022 averaged to \$108,750 per acre to \$6.7 million per acre, depending on location and density. On a per-acre basis, the most expensive property listed for sale was a 0.1 acre parcel that is centrally located in the city.

⁸ Same as Footnote 7

⁹ Sonoma County Economic Development Board, Construction Industry Insider Report, July 2021.
www.sonomaedb.org

B.2.3. Financing Costs

B.2.3.1. Mortgage Financing

The availability of financing affects a person’s ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications. Through analysis of HMDA data, an assessment can be made of the availability of residential financing within Petaluma.

Table B9 shows the 2018-2019 HMDA data for the City of Petaluma, including loan approval rates by race/ethnicity. Citywide, the mortgage application approval rate was 71 percent. This is the same approval rate for White residents. However, other racial/ethnic groups have lower approval rates, with Black or African American residents having the lowest at 50 percent. Black or African Americans also have the highest denial rate (29%) while Asians/Asian Pacific Islanders have the highest rate of loans withdrawn by the applicant or closed for incompleteness (Other = 23%).

Table B10: Mortgage Applications and Approval Rates (2018-2019)

Racial/Ethnic Group	Total # of Applications	% Approved*	% Denied	% Other*
White	1,902	71%	14%	16%
Unknown	709	65%	13%	22%
Hispanic or Latinx	246	61%	19%	20%
Asian/API	130	59%	18%	23%
Black or African American	28	50%	29%	21%
American Indian or Alaska Native	7	71%	14%	14%
Citywide	3,022	68%	14%	18%
<i>Source: ABAG Housing Needs Data Packet, Federal Financial Institutions Examination Council's (FFIEC) Home Mortgage Disclosure Act loan/application register (LAR) files</i>				
Notes: **“Approved” loans include loans originated and applications approved but not accepted. “Other” includes loans withdrawn by the applicant or closed for incompleteness.				

B.2.3.2. Construction Financing

Construction financing usually represents a small contribution to total housing costs. Financing costs for construction are affected partly by how early in the development process loans must be taken out and how long the loans must be carried. Project delays can increase total interest payments, as well as create greater financial risk for a project. Construction financing for higher-density in-fill projects is generally harder to obtain than for conventional single-family construction.

B.2.4. Identified Densities and Approval Time

Requests to develop housing at densities below those anticipated in the Housing Element may be a constraint to housing development. Over the last housing cycle no projects were approved below the permitted densities. Non-governmental constraints can also include timing between project approval and requests for building permits. In many cases, this has to do with securing construction financing. In

Petaluma, the typical time lapse between project entitlement and issuance of building permits is approximately 10 to 12 months for medium to larger projects.

Securing funding for affordable housing projects has been seen as a constraint due to the number of different sources that are often required to construct an approved project and the deadlines and processing for each different award. For instance, the MidPen project at 414 Petaluma North recently initiated construction after being awarded funding from 14 different sources.

B.2.5. Local Efforts

The City of Petaluma has remained committed to working with our affordable housing partners to facilitate development of affordable housing. The City has used a variety of means to address non-governmental constraints, including local funding, vacant land, grant partnerships/collaboration, recent exemption from development fees for affordable housing projects, and expedited permitting. Local funding sources include inclusionary housing in-lieu funds, commercial linkage funds, and housing trust fund.

B.3. Infrastructure and Environmental Constraints

Infrastructure and environmental constraints affect, in varying degrees, existing and future residential developments in Petaluma and are discussed below.

B.3.1. Infrastructure

The City of Petaluma, and its urban growth boundary, host a uniquely functioning system of transportation corridors, wet and dry utility distribution, stormwater drainage, potable water treatment and conveyance.¹⁰ Special consideration must be given to critical infrastructure and facilities, including emergency services, lifeline utility systems, high potential loss facilities, and transportation systems. The City has assessed the potential vulnerabilities to these systems as part of the Local Hazard Mitigation Plan (LHMP) efforts.¹¹

The City provides water and sewer services, and operates the storm drain system for city residents and businesses, as well as for some surrounding areas. Electricity, gas, telecom and waste services are provided by private utility companies..

B.3.1.1. Potable Water

The City of Petaluma receives potable water via two methods: 95 percent or more of the water supply is purchased from Sonoma Water and the remaining five percent is pumped groundwater from city-owned municipal wells. The City does not have a self-supplied surface water source. The City's potable water system consist of 225 miles of water mains, 9 pump stations, and 10 water tank sites. The average age of water mains is 51 years.

Since 2015 the City has recorded a general decrease in its groundwater usage and has only used groundwater during short-term scenarios such as local fires, aqueduct repair and water supply shortage.¹²

¹⁰ City of Petaluma General Plan Update Existing Conditions Reports for Land Use and Utilities; published October 22, 2021 and November 22, 2021, respectively).

¹¹ See note 10

¹² 2020 Petaluma Urban Water Management Plan page 6-7.

In the City's 2020 Urban Water Management Plan (UWMP), the City projects zero groundwater use through 2045 until a more robust understanding of long-term yield, water quality, and treatment requirements becomes available. Beginning July 1, 2021, the City began pumping local groundwater to augment a reduced Sonoma Water supply due to drought conditions. The City is evaluating the potential for expansion of the groundwater well system and currently working on the development of a new well at Oak Hill Park.¹³

B.3.1.1.1.2021 Drought Impacts

In response to the reduced Sonoma Water deliveries, the City of Petaluma implemented its Water Shortage Contingency Plan (WSCP) beginning May 3, 2021 to address water shortage conditions. The City is continuing to implement the WSCP to prepare water supply for likely drought conditions in 2022. Climate change potential impacts on Petaluma's water supply is a concern and was part of the 2020 UWMP analysis.

The City of Petaluma is a member agency of the Petaluma Valley Groundwater Sustainability Agency (GSA). As required by the 2014 Sustainable Groundwater Management Act (SGMA), the Petaluma Valley GSA developed a 20-year Groundwater Sustainability Plan (GSP) that was finalized in January 2022. The GSP establishes a standard for sustainability of groundwater use and management and outlines how the Petaluma Valley Basin will achieve sustainability by 2042.

B.3.1.1.2. Water Service Reliability Through 2045

As an urban water supplier, the city prepares an updated Urban Water Management Plan (UWMP) every five years which assesses the reliability of water sources over a 20-year planning horizon. Part of the UWMP is the Water Shortage Contingency Plan (WSCP) which is enacted during water shortage events. As part of the city development impact fees, the city charges water and sewer capacity fees for new connections. By December 2022, the city will conduct a water and sewer capacity fee study and revise its capacity fees to reflect the current cost of growth for future customers.

The 2020 UWMP outlines a Water Service Reliability and Drought Risk Assessment. Below is a summary:

- Normal Water Years: City projects meeting demands in normal years thru 2045.
- Singly Dry Water Years: City projects experiencing a shortfall in imported water from Sonoma Water by 2030 in a single dry year that is hydrologically equivalent to the driest water year on record (1977). The City does not project a shortfall in recycled water or groundwater supply in a single dry year, and may decide to reduce its potable water demand and supplement supply with local groundwater.
- 5 Consecutive Dry Year Periods: City projects having adequate water supplies for a period that matches the 5 driest years on record (1987-1991) to meet demands until 2045. From the UWMP "An update to the water supply reliability analysis will be included in Sonoma Water's 2020 UWMP. In the City's past UWMPs, the reliability analysis showed that no impact to the City's water supplies would occur during drought years. Sonoma Water's model results indicate up to 19 percent reduction in wholesale water supply during Single-Dry years by 2045."
- The City's Drought Risk Assessment (DRA) shows the City anticipates having adequate supplies to meet estimated demand if 2021-2025 are equivalent to the driest 5-year period on record. City

¹³ 2020 Petaluma Urban Water Management Plan pages 6-13 and 6-14.

staff have discussed the possible need to update the DRA and UWMP in response to the current drought.

B.3.1.2. Wastewater

The City's wastewater system plan was found to be mostly satisfactory with only few minor concerns identified in a 2020 audit. Sanitary Sewer Overflows (SSOs) within Petaluma are overall less severe in comparison to other areas in the region and state, though may become more frequent in the Flood Prone City of Petaluma. The Ellis Creek Water Recycling Facility (ECWRF), operating since 2009, provides water recycling that offsets potable demand for some landscape and agricultural irrigation and produced recycled natural gas. Few to no buildings, including recently built structures, are known to be dual plumbed for future use of recycled water as a non-potable supply. The analysis of hydraulic capacity should be completed to inform which areas are currently near or above capacity. The municipal waste treatment plant is currently operating under daily capacity.

B.3.1.3. Stormwater

Funding availability for maintenance of the City's stormwater drainage system is currently being investigated. Deferred maintenance costs continue to grow each year. There remain significant portions of the city which are underserved by existing stormwater infrastructure and are prone to flooding. Storm events will continue to become more intense with climate change, threatening to overwhelm the capacity of natural waterways and city storm drain network. The City is currently developing flood mapping which integrates rainfall flooding with Sea Level Rise predictions, and with the expected increased flood intensity due to higher precipitation and further land development in the future. The limited remaining greenspace in the city, particularly flood plains or channel-adjacent undeveloped parcels, provide significant stormwater management function and represent critical sites for future stormwater management and flood mitigation infrastructure projects. Additional measures related to water quality will be taken in order to address the Total Maximum Daily Loads (TMDL) goals defined by the City to protect the Petaluma River from pathogens, nutrients, sediment, trash, and other contaminants, as identified by the Clean Water Act.

B.3.1.4. Transportation and Transit Network

The following information is from the General Plan Update Existing Conditions Reports for Transportation (published September 23, 2021) and available on the City's website.

While most trips in Petaluma are made by private vehicle, reflecting the suburban nature of the city, several opportunities exist to encourage greater use of sustainable modes like walking, biking, and public transit in Petaluma to help achieve the City's climate goals. Petaluma is currently served by the Sonoma-Marín Area Rail Transit (SMART) commuter rail service at the Downtown Petaluma station, and will be served in the future at the planned Petaluma North/Corona Station. Petaluma is also served by Sonoma County Transit and Golden Gate Transit, which provide inter-city and regional connectivity, with a hub at the Copeland Street Transit Mall adjacent to the Downtown Petaluma station. Public transit use in Petaluma for commuting (3%) is slightly higher than the Sonoma County average (2%). However, residents of Petaluma tend to walk and bike slightly less compared to countywide averages (3% and 4%, respectively). While the transit and bicycle mode share in Petaluma is low compared to automobile mode share, low-income and underserved populations are a disproportionately large share of those modes. Approximately 54% of Petaluma Transit riders are K-12 students; 75 percent of riders earn a household income of less than \$35,000; and over half (54%) of riders are Hispanic.

While Petaluma does not currently have a formal Complete Streets policy, the 2025 General Plan and 2008 Bicycle and Pedestrian Master Plan (BPMP) encouraged a complete streets approach to planning. Recommendations from the General Plan Update will be coordinated with the ongoing Bicycle and Pedestrian Master Plan Update, which will also incorporate findings from Petaluma’s ongoing Local Roadway Safety Plan (LRSP). There are several planned and in progress bicycle facilities in downtown Petaluma, including a road diet and Class II bike lanes along Petaluma Boulevard, Class II bike lanes on Western Avenue, and Class I facilities along the Petaluma River. While being constructed as part of the upcoming Petaluma Boulevard South road diet and approved to be constructed as a component of a development project along a block of East D Street, Petaluma does not yet have any Class IV protected bicycle facilities.

The General Plan Update will incorporate ongoing efforts to identify and prioritize network gaps and barriers to walking and biking in Petaluma, including Sonoma County’s Vision Zero project, the City’s ongoing LRSP and BPMP update. Emerging trends and services, such as carsharing and autonomous vehicles will be considered through the General Plan Update process to help the City achieve its mobility goals.

B.3.1.4.1. Petaluma Municipal Airport

In accordance with federal law, specific height and construction regulations apply to parts of Petaluma. The Federal Aviation Administration (FAA) is authorized to review and discretionarily approve any project exceeding 200 feet above-ground – whether through building height or construction – in areas surrounding an airport. This regulation may therefore reduce the potential for intensification in the vicinity of the Petaluma Municipal Airport.

B.3.2. Environmental Hazards

Natural hazards that impact Petaluma are addressed below. The information is from the General Plan Update Existing Conditions Reports for Natural Hazards (published October, 2021) and available on the City’s website. The City’s 2020 Local Hazard Mitigation Plan (LHMP) includes mitigation measures to reduce the impacts from natural and man-made hazards. The Safety Element, being revised as part of the overall General Plan update, also includes policies and programs to address hazards in the City of Petaluma.

B.3.2.1. Seismic Activity, Liquefaction and Landslides

The City of Petaluma is situated in a highly active seismic area and, given recent quake activity and the proclivity of the region for seismic activity, earthquake hazards will continue to be a factor for the city. The Tolay Fault resides in the northwestern portion of the city and an additional unnamed fault runs somewhat parallel to the Tolay Fault. To the southeast of the city the Lakeville fault runs to the southeast parallel to the Tolay fault that continues in this area. To the south of the city, but not in the city limits, the Burdell Mountain fault runs from west to east along the hills along part of Highway 101. The Rodgers Creek fault and Bennet Valley fault zone resides northwest of the city. Other major fault lines are present in the region, such as the San Andreas Fault and the Rodgers Creek Fault, which could cause serious ground shaking, which is discussed in the next section.

Liquefaction can be defined as the loss of soil strength or stiffness due to a buildup of pore-water pressure during a seismic event, and is associated primarily with relatively loose, saturated fine to medium-grained unconsolidated soils. In the event of an earthquake the seismic ground shaking of loose, granular soils that are saturated or submerged can cause the soils to liquify and behave as a dense fluid temporarily. Most of

the city is in the moderate liquefaction risk zone, while parts of it in the center and close to Highway 101, near Washington Street and Western Avenue are higher risk zones. Approximately 1,851 acres are at high risk of liquefaction within Petaluma, and 559 acres are at very and high-risk of liquefaction, in the event of a significant earthquake. Most of the high-risk areas follow along the railroad corridor, which is similar to the Petaluma River's general location as it flows from the northwest of the city, though the center and downtown area, then out through the center-east.

The majority of Petaluma is in the lower risk categories of landslides, meaning that the local soils and geology are not very likely to lead to landslide activity. However, some higher landslide susceptibility areas fall inside the city boundary. Historically, landslides have occurred in the hills to the northeast and southeast of the city. During heavy rainfall events, added precipitation in soil can result in increased landslide potential and susceptibility in these higher-risk areas. Erosion along the Petaluma River will also become more of a threat as a result of sea level rise as a result of climate change, combined with storm surges.

B.3.2.2. Flooding

The City of Petaluma is situated in the Petaluma Valley, a fairly flat alluvial plain with elevation ranging from sea level along the Petaluma River, to over 400 feet in the nearby hills. The main waterways in the city include the Petaluma River, Adobe Creek, Lynch Creek, Lichau Creek, and smaller branches or tributaries such as Willow Brook.

A 146-square mile basin contributes to the 19 miles of the Petaluma River, emptying into San Pablo Bay. The city sits near the center of the river stretch. The Petaluma River floodplain overlays portions of the northwestern and southeastern parts of the city, as well as parts of central Petaluma and the western suburban neighborhoods. Over the years, multiple factors both natural and man-made have caused siltation of the streambed, which in turn has affected the water-carrying capacity and navigability of the waterway and has caused problems on surrounding communities.

Flooding caused by heavy rainfall, primarily associated with seasonal storms, can occur in the region during winter and spring months. In the more urbanized areas of Petaluma, localized flooding intensifies because of impervious surfaces such as roads and paved structures that prevent the natural absorption of rainfall and runoff. According to the latest FEMA National Flood Hazard data, the 100- and 500- year flood plains are located on the south-southeast and north-northwest of the city and along the Petaluma River. The most frequent flooding occurs along the Petaluma River, and the City has created the Petaluma River Flood Mitigation Plan to address the issues of reoccurring flooding during heavy rains.

As mentioned earlier in this chapter, the City Zoning Map includes a Flood Protection Overlay Zone; which is intended to protect life, health, property, and public facilities and utilities from damage resulting from floodwaters. Additionally, areas within the Floodway are identified in the General Plan and development is prohibited in such areas.

The City is currently undertaking revised flood plain modeling to update maps as well as to discuss policy about use and development within flood prone areas as part of the General Plan Update process.

B.3.2.3. Wildfires

Petaluma has experienced several notable wildfire events dating back to 1900 and earlier. The rugged terrain, dry vegetation and the rocky slopes of the surrounding lands all contribute to wildfire potential. In the Fall of 2017, the Santa Rosa fires spread and affected the Fountaingrove and Coffey Park areas extensively, with high winds and dry conditions fueling the flames. The fire seasons of 2017, 2019 and 2020

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were especially devastating to the region. The Kincade Fire in October 2019 burned 77,758 acres and over 90,000 structures. In 2020 the LNU Complex Fires became the biggest in Sonoma County history and burned for two months. While much of the city is in the Moderate Fire Hazard Severity Zone, the pattern in the overall region suggests that fires will increase everywhere, or that indirect impacts of fires such as community exposure to poor air quality and smoke will be more severe.

When urban development encroaches on wildlands and other natural areas, this is known as the Wildland Urban Interface (WUI). The most at risk areas exist along the perimeter of the city boundary where development is adjacent to or interspersed in areas with wildland vegetation present. Several areas with residential uses are adjacent to wildfire prone vegetation, including a portion of central Petaluma between Highway 101 and Petaluma Boulevard North, land to the south of Lakeville Highway near the Rocky Memorial Dog Park, land adjacent to the intersection of Casa Grande Road and Hidden Valley Drive, and a large stretch of the city boundary in southern and western Petaluma.

The Petaluma Building Code (Title 17) was updated to include regulations from the 2019 California Fire Code (Title 24, Part 9 of the California Building Standards). The City's updated code includes building safety guidelines to reduce fire risk and outlines the role of the Fire Department and Fire Chief in implementing regulations. The Petaluma Fire Department provides fire protection services to a total area of 184 square miles and a population of 70,000 people. There are three Fire Department Stations located within the city limits and two volunteer fire stations are located southwest of the city. The Department has 58 personnel, with 48 divided among three platoons that work in 24-hour rotating shifts. In response to wildfires, the Fire Department offers several resources to residents such as weed abatement and access to wildfire disaster loans. As of 2019, the Petaluma Fire Department has an Insurance Service Office (ISO) rating of 3 and adopted the most recent Emergency Operations Plan in 2007.

Appendix C: Sites Inventory 1

C.1. Credits towards RHNA **1**

C.2. Opportunities for New Housing **0**

C.3. Conclusion **13**

Appendix C: Sites Inventory

One of the key components of a Housing Element is the site inventory which demonstrates that the City has adequate capacity to meet the prescribed RHNA. The site inventory is a parcel-specific identification demonstrating that current land use designation and associated zoning are in place to allow residential development to meet not only the 1,910 units over the next eight years but also in each of the required income categories as identified in the Housing Element.

As part of the requirement to ensure that there is enough land with appropriate zoning to accommodate its RHNA allocation, HCD recommends including a 15-30% buffer of very low- and low-income units. Further, the City is required to maintain capacity for all units at each affordability identified under RHNA or permit the development of the assigned units. If the City has no buffer and a site identified as including affordable housing is developed with less affordable housing than anticipated the City would be required to immediately rezone other parcels. This rezoning is mandatory to comply with housing regulations and requirements for no net loss of capacity for the affordable housing development required under RHNA. Consistent with its focus on preparing a conservative sites inventory that identifies adequate capacity for feasible future housing development, the draft site inventory aimed for a 22% buffer in the very low and low income categories.

C.1. Credits towards RHNA

Since the RHNA uses June 30, 2022 as the baseline for growth projections for the Housing Element planning period, jurisdictions may count the number of new units issued building permits or certificates of occupancy since June 30, 2022 toward their RHNA. This section describes the applicability of the credits, while latter sections discuss the availability of land to address the remaining RHNA.

With the anticipated ADUs and approved projects, the City can accommodate 1,888 units (Table C-1). The City must accommodate the remaining RHNA of 567 units (in the lower and moderate income categories) with vacant and nonvacant sites that are appropriately zoned and have near-term development potential and sites that can be rezoned to allow residential uses, or allow greater residential densities.

Table C-1: Credits and Remaining RHNA

Credits	Units by Income Group				Total
	Very Low	Low	Moderate	Above Moderate	
Potential ADUs	38	38	38	14	128
Pipeline Projects	198	153	68	1,341	1,760
Total Credits	236	191	106	1,355	1,888
Remaining RHNA	263	97	207	(545)	567

C.1.1. Accessory Dwelling Units (ADUs)

Pursuant to State law, the City may credit potential ADUs to the RHNA requirements by using the trends in ADU construction to estimate new production. With the new changes in ADU law in 2018, the market had not fully responded to the new requirements. Therefore, only five ADU permits were issued. However, beginning in 2019, the ADU trend more than doubled. Between 2018 and 2022, the City issued 75 ADU/JADU building permits with an average of 16 ADUs per year over this period (Table C-2). Assuming this trend continues, the City expects to produce around 16 ADUs per year or 128 ADUs over the eight-year planning period. The City is actively working with the Napa-Sonoma ADU Center to promote and facilitate the development of ADUs and is developing other tools and mechanisms to enhance the affordability of ADUs (see Program 3).

ABAG has issued guidance on the anticipated affordability of ADUs in order to determine which RHNA income categories they could be counted toward. Based on the ADU rent survey conducted by ABAG, the affordability distribution of ADUs in the region is: 30 percent very low income; 30 percent low income; 30 percent moderate income; and 10 percent above moderate income.

Table C-2: ADU Trend

Year	Permits Issued
2016	5
2019	16
2020	10
2021	30
2022	19
Average	16

C.1.2. Pipeline Projects

While the 6th cycle Housing Element planning period covers from January 31, 2023 through January 31, 2031, the RHNA uses June 30, 2022 as the baseline for projection. The RHNA projection period covers from June 30, 2022 through December 15, 2030, an 8.5-year period. HCD’s Housing Element Sites Inventory Guidebook indicates that housing units that have been approved or entitled for construction but are not anticipated to issue building permits until after the start of the projection period can be credited against the 6th cycle RHNA. Units that are under construction but are not expected to be finalized before June 30, 2022 can also be credited toward the RHNA.

In total, the City has 1,760 units across 26 projects in the pipeline (198 very low, 153 low, 68 moderate, and 1,341 above moderate), that are expected to be constructed during the 6th cycle planning period. The affordability of the units was determined based on the affordability specified on the project proposal as approved by the City. The income distribution of the pipeline projects is determined based on project-specific information such as proposal (such as SB 35), development agreement, and funding sources (such as Project Homekey).

With the anticipated ADUs and pipeline projects, the City can accommodate 1,888 units across all income categories. On subtracting the anticipated ADUs and pipeline projects from the required RHNA, Petaluma needs to identify opportunity sites to accommodate the remaining RHNA of 567 units across low and

moderate income categories. Between the anticipated ADU and Pipeline Projects the City is already meeting the RHNA requirements for above moderate income units, so the remaining process focused on completing the site inventory prioritized meeting targets for affordable housing for low and moderate income levels.

Table C-3: Pipeline Projects

Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
Meridian at Corona Station	Approved	9/15/2021	33	48	49	1	131	MU1B	Apartments	The City has been actively working with Danco to secure the property and seek funding for this project. In December 2022 Danco acquired the site, including financial assistance from the City. The City is working collaboratively with Danco and SMART to apply for AHSC grant funding for the project.
Creekwood TPM & SPAR A and B	In Planning Process	Not yet approved	0	5	4	50	59	R4	Condos	This project is in process. The EIR scoping meeting was held in November 2022 and EIR is currently in production.
Casa Grande	In Plan Check	Final Map was approved September 13, 2021	0	3	2	31	36	R4	SF Homes	Project is moving forward. Payment of some impact fees through SCIP program. Plan check in process.
Riverview Apartments	Approved	3/23/2021	0	0	0	264	264	R5	Apartments	The applicant has been working with regulatory agencies to obtain applicable permits needed prior

Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
										to issuance of building permits
Foley-Omahony Mixed Use Building	In Plan Check	3/27/2018	0	0	0	10	10	MU2	Townhomes	The property was sold and an additional phase (Omahoney work/live) was processed to expand scope of project. Approvals still active. In January 2023 the Building Division approved six-month extension for building permit application in process.
Omahoney Work/Live	Approved	May 25, 2021 Extension approved May 25, 2022	0	0	0	3	3	MU2	Work/Live	See above.
Sepaheer Residential Building	In Plan Check	June 12, 2018	0	0	0	4	4	MU1A	Townhomes	Applicant working on final modifications to building permit application.
107 6th Street	Under Construction	June 14, 2020	0	0	1	0	1	R3	ADU	Approved and building permits issued
PEP Housing Senior Housing	Completed		26	27	0	1	54	T5	Apartments	This project was completed within the 6 th cycle Housing Element RHNA projection period and certificate of occupancy issued.

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Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
Burbank Affordable Housing	Approved	June 2020	32	17	0	1	50	MU1A	Apartments	Burbank Housing has actively been applying for funding and recently reported to City staff that funding had been secured and they were working on CDs for building permit application. Simultaneously, the City is processing land dedication component of this project to further progress to permits.
Quarry Heights	Under Construction	Original approvals in 2005	0	0	0	91	91	MU1A	Townhomes	204 of original 272 units have been constructed. Remaining 68 units are either in plan check or under construction.
Riverfront LLC	Under Construction	Original Master Plan approved. Individual SPAR review for each residential component.	0	0	0	228	228	T5/T6	SF Homes Townhomes Apartments	SF home component has all approvals and is under construction. The townhome component has all planning approvals. The apartment component is scheduled for PC study session on 1/23/23
Nobmann Residence	Under Construction		0	0	0	1	1	RL	SF Home	Under construction, minor items still being

Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
										worked out prior to final inspection and occupancy permit
Sunnyslope II	Under Construction	Tentative Map approved in 2010. Final Map and SPAR for individual lots issued in 2018 and 2019	0	0	0	7	7	PUD	SF Homes	Project approvals for 18 new SF homes. Twelve homes completed. Remaining 6 are approved and in plan review or issued.
Scott Ranch A	In Planning Process	Not yet approved	0	0	0	28	28	R1	SF Homes	Scheduled for City Council consideration on Feb 27, 2023
890 PBN Co-op Cooperative Housing	Approved	PC approval of SPAR on 4/12/2022 and CC approval of density bonus agreement in May 16, 2022	0	1	0	6	7	MU1A	Apartments	No building permit application to date.
MidPen Affordable Housing (SB-35)	Under Construction	June 30, 2020 Revised project approved June 22, 2021	22	22	0	0	44	T5	Apartments	Project is under construction
North River Apartments	Under Construction	Jan 23, 2018	0	0	0	184	184	T5	Apartments	Under construction with completion

PUBLIC REVIEW DRAFT
Appendix C Draft Sites Inventory

Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
										anticipated in July 2023
Riverbend PUD	Under Construction	Final Map approved by CC 3/21/22	0	2	2	23	27	MU1A	SF Homes	All approvals issued. Project under construction
Borsian Residence HSPAR	Under Construction	Approved 9/14/2021	0	0	0	1	1	R3	SF Home	
Sid Commons	In Planning Process	EIR Certified and Legislative Approvals issued 2/24/2020 SPAR approval in process	0	18	0	162	180	R4	Apartments	Project litigated. Applicant working with regulatory agencies for applicable permits.
Deer Creek Residential	Under Construction	10/22/2019	0	0	0	129	129	MU	Apartments	Building Permit Issued
Cherry Suites	In Planning Process		0	0	0	3	3	MU	Apartments	Application on hold by applicant due to loss in family
Homekey	Under Construction	No discretionary approvals required	60	0	0	1	61	MU	Apartments	Building Permit issued and construction under way
People's Village	Completed		25	0	0	0	25	MU	Apartments	Completed within 6 th cycle Housing Element RHNA projection period
Oyster Cove	In Planning Process		0	10	10	112	132	MU	Apartments	Working on resolving easement issues. Hearings anticipated later in 2023

Project	Status	Approval Date	VLI	LI	MI	AMI	Total Units	Zone	Type	Comments
Total			198	153	68	1,341	1,760			

C.2. Opportunities for New Housing

C.2.1. Overview

For the remaining RHNA, Government Code Section 65583.2(c) requires that local jurisdictions determine their realistic capacity for new housing growth by means of a parcel-level analysis of land resources with the potential to accommodate residential uses. The analysis of potential sites to accommodate new housing growth considered physical and regulatory constraints, including lot area and configuration, environmental factors (e.g., slope, sensitive habitat, flood risk), allowable density, existing density, building age, improvement to land ratio, and alignment to community goals of reducing Vehicle Miles Travelled (VMT) among others.

Based on the current General Plan and objective criteria and local knowledge used to identify available sites with near-term development potential pursuant to State adequate sites standards, the City’s additional opportunity sites offer capacity for 1,353 units (429 lower income, 358 moderate income, and 566 above moderate income). This capacity can fully accommodate the City’s remaining RHNA of 567 units for the 6th cycle without rezoning along with an additional buffer for low and moderate income. Prepared with the Infill-First strategy in mind, the housing sites inventory for the 2023-2031 planning period demonstrates that new housing growth in the City of Petaluma over this eight-year period will largely conform to these patterns.

Table C-4: Summary of Sites Capacity

	Units by Income Group				Total
	Very Low	Low	Moderate	Above Moderate	
Remaining RHNA	263	97	207	(545)	567
Opportunity Sites	214	215	358	566	1,353
	+69		+151	+1,111	
Buffer ¹	+19%		+73%	N/A ²	NA
1. Buffer percentage was calculated by dividing the surplus/deficit by the remaining need. 2 There is no remaining need for Above Moderate units (RHNA was met with pipeline projects and potential ADUs).					

C.2.2. Methodology and Guiding Assumptions for Selection of Sites

C.2.2.1. Methodology

To identify additional capacity for residential development, the City underwent a thorough review and analysis of the City’s vacant and underutilized sites zoned for housing. The site selection process adopted an objective approach by establishing a selection criterion determined by realistic parcel sizes, improvement to land ratio, age of building structure on the site, and existing density with respect to potential for redevelopment for different zoning designations. These assumptions were derived looking at city-specific trends for existing developments and projects in the pipeline in each zoning designation that allowed residential development. This methodology provides an objective evaluation of the feasibility of

sites for redevelopment based on their similarity to sites that have been recently redeveloped into housing, local knowledge regarding development interest, and other factors such as declining or obsolete existing uses. The selection was conducted using GIS and information from the County Assessor's database to determine all sites that fulfilled the established criteria. The selection criteria were revised and refined at different stages to arrive at a realistic selection of potential sites. The selection criteria are discussed in Section C.2.2.2.

This first step in the process resulted in a long list of eligible sites that were then further scrutinized parcel by parcel using aerial photography, site visits, and local knowledge of the neighborhoods. Each parcel was either included or excluded depending on its desirability given the feedback received from the community and decision-makers on the General Plan and Housing Element to date, and viability concerning the surrounding context and on-ground conditions like street access, existing land use, and lot dimensions.

C.2.2.1.1 General Plan Guiding Principles and Supporting Concepts

1. Achieve carbon neutrality by 2030 and equitably foster a sustainable and resilient community in which today's needs do not compromise the ability of the community to meet its future needs.
 - c. Recognize that urban development and nature must coexist and mutually support each other.
 - f. Recognize that infill development helps to achieve sustainability outcomes.
 - j. Make the city more resilient to natural and man-made disasters including sea level rise, fires, earthquakes, and flooding.
2. Preserve and enhance Petaluma's natural environment and surrounding open spaces.
 - a. Protect the natural environment, including wildlife corridors, as the foundation of ecological and human health.
3. Protect and restore the natural function of the Petaluma River and its tributaries while expanding complementary recreational, entertainment, and civic opportunities.
 - f. Maintain and expand setbacks from the river to enhance its natural function and provide wildlife corridors.
4. Promote social and economic justice to address structural social and economic inequities and racism.
 - g. Ensure equitable access to educational opportunities and city resources and services.
7. Create a welcoming, affordable, accessible, and age- and family-friendly city.
 - f. Establish a balanced mix of housing types and uses that allow all residents and businesses to prosper.
8. Promote more affordable housing and a diversity of housing options.
 - d. Increase housing affordability for residents at all income levels throughout the City.
9. Prioritize infill development in appropriate locations throughout the City.
 - a. Avoid locating new development in environmentally sensitive and high-hazard locations.
 - c. Support a diverse mix of uses and intensification around the existing and proposed SMART rail stations.

- e. Prioritize development that creates full-service neighborhoods that generate relatively fewer vehicle miles traveled per resident.

10. Enhance Petaluma's historic downtown by preserving its historic character, expanding pedestrian and bicycle access and safety, providing public gathering spaces, and promoting a diverse mix of uses.

- a. Reinforce Downtown's identity and role as the physical and symbolic center of the City.
- b. Preserve Downtown's historic buildings and features while allowing for infill development that harmoniously coexists with the historic character and expands the diversity of uses.

At multiple stages of the process, City staff reviewed and verified the selected sites through an interactive online web mapping platform, annotating existing use and providing additional justification for consideration which was integrated into the list of feasible sites that could be counted towards meeting the RHNA goals. Additional engagement with the community also reiterated the importance of reducing the City's VMT, which resulted in various sites being eliminated from the inventory.

This iterative process was repeated until the City arrived at a satisfactory final list of potential opportunity sites reflective of the ground reality and zoned to allow residential development. A full list of the Potential Opportunity Sites is listed as an appendix at the end of this section.

C.2.2.2. Selection Criteria

While sites not included in the sites inventory can also be developed for housing to meet RHNA targets, those sites identified in the inventory are considered optimal and most likely to develop and contribute to housing production in the 6th cycle.

Many sites included in the 6th cycle land inventory are recycled 5th cycle sites. These re-used sites were scrutinized in the same fashion as other sites, and only the sites likely to redevelop in the 6th cycle were included. It is important to note that many of the sites in the existing 5th cycle housing element that have not been developed over the past eight years are not proposed on the 6th cycle site inventory based on community feedback and current city priorities. Specifically, parcels along the upper reach of the Petaluma River, sites in the floodplain, greenfield sites at the edge of town away from services and transit, and hillside properties are excluded from the sites inventory. In selecting sites, the following considerations were evaluated:

C.2.2.2.1 Infrastructure Availability and Water/Sewer Capacity

As much of Petaluma already has readily available infrastructure, sites located close to transit stations were prioritized to reduce dependence on private modes of transport and create higher density, compact, and mixed-use neighborhoods.

As demonstrated in the sites inventory, the City has capacity to accommodate its 6th cycle RHNA without land use designation or zoning changes. The existing land use designations and the anticipated growth was analyzed in the General Plan 2025 and associated Environmental Impact Report which was certified in 2018. Part of that effort demonstrated that there is sufficient water and sewer capacity to accommodate buildout under that General Plan. To date the actual buildout has been less than anticipated in the General Plan. Additionally, as discussed in B.3.1.1.2 the City's most recent Urban Water Management Plan which was adopted in 2020 looks at a five-year horizon for development.

C.2.2.2.2 Environmental Constraints

The site inventory took into consideration environmental constraints and avoided steeply sloped areas, high VMT areas, floodplain, and natural resource areas where possible. All parcels were screened for environmental constraints and parcels located in the floodplain, on hill sides, and on the outskirts of the city were not included as part of the sites. Some parcels with environmental constraints that can be mitigated through building codes and other measures are included in the sites inventory.

C.2.2.2.3 Site Status and Capacity

All residentially zoned sites, whether vacant or underutilized, were considered as potential buildable residential sites and were evaluated for site adequacy and capacity.

Parcel-level data on existing conditions (such as building age, existing square footage, and existing use) that is available to the public was incomplete in some cases. Therefore, each parcel was evaluated based on multiple factors. A site evaluation was conducted on every parcel via Google Earth and in conversation with staff to confirm existing uses and conditions, underutilization status, and potential for redevelopment based on similar characteristics to areas nearby that have undergone redevelopment. Sites that did not initially allow residential uses, are occupied by historic resources, that support community-serving uses (parks, utilities, transportation, schools, hospitals), are occupied with structures that were recently built or modified, and sites generally built out to their allowed density were removed from the inventory.

Broadly, sites were reviewed and excluded from potential reuse if:

- Sites included community-serving uses,
- Sites were recently improved/ developed,

Sites were developed with condos and large apartments

Sites were considered for reuse if:

- Parcel is vacant or with minimal improvements **(1)**
OR
- Parcel is non-vacant and meets any of the following criteria:

2a. Applications for development or developer/owner interest: The City has received a recent application for residential development on the parcel or is aware of potential interest by owner or developer to redevelop the site.

2b. Parking lots: Some underutilized shopping centers in the City are zoned to allow residential and have large surface parking lots that can accommodate new housing. Only a portion of these sites (For C2 sites, 25 percent or 1/4th and for C1 sites, 33 percent or 1/3rd) was included in the capacity calculation to allow the City to retain the existing commercial uses in shopping centers. No existing uses would need to be displaced to accommodate residential units on site.

2c. Parcel is underutilized based on existing Floor Area Ratio (FAR): Parcels with FAR lower than 0.2.

2d. Buildings on the parcel are older: The team used a threshold of buildings older than 40 years for residential and non-residential properties. Buildings older than 40 years typically require significant systems upgrades and often do not meet ADA requirements. Any significant

improvements would require these buildings to become ADA-compliant, which could be cost and/or physically prohibitive.

2e. Parcel has a low improvement-to-land assessed value ratio (ILR): Low improvement to land ratio indicates improvements on site is worth less than the land, an indicator of underutilized land and lack of significant improvements in recent years. Projects developed or proposed between 2013 and 2021 (when data on pre-existing conditions is available) indicate that properties have with ILR of much higher (over 1.0) have been recycled in Petaluma. Buildings with declining uses may still be assessed at high ILR for property tax purposes. Such properties become a financial liability to owners when declining uses do not generate adequate revenues or incomes. An old building with a low base value would also show an ILR that appears artificially high.

2f. Parcels with common owners can be consolidated: Parcels with common owners can be consolidated to achieve the 0.5-acre minimum threshold and accommodate lower income units.

1= vacant

2a= Application for development or interest

2b= Parking lots

2c= Existing FAR \leq 0.2

2d= Building age \geq 40 years (built before 1982)

2e= Improvement to Land Ratio (ILR) \leq 1

2f = Lot Consolidation with common owners

(See Table C- for site criteria for each individual parcel selected.)

C.2.2.2.4 Site Size

Per State law, sites smaller than half an acre or larger than 10 acres are not considered adequate to accommodate lower income housing needs unless it can be demonstrated that sites of equivalent size were successfully developed during prior planning periods, or other evidence is provided that the site can be developed as lower income housing.

- Large Sites (>10 acres)

There are no sites greater than 10 acres in the sites inventory. For the three shopping center sites, only a quarter (25%) of the surface parking area is considered in calculating site capacity in the sites inventory.

- Small Sites

Parcels less than 0.5 acre were only counted towards above moderate income units and not counted towards lower income units. Some parcels smaller than 0.5 acre are also considered for lot consolidation if they have the same owner.

C.2.2.2.5 Alignment with VMT Reduction Efforts

Pursuant to Senate Bill 743 the City of Petaluma has transitioned to a VMT metric to assess environmental impacts for projects in accordance with the California Environmental Quality Act (CEQA). This shift to VMT focuses on regional traffic patterns and reducing greenhouse gas (GHG) emissions, rather than vehicle delays on local roadway networks.

On June 21, 2021, the Petaluma City Council approved the VMT Guidelines, identifying methods and modeling protocol, establishing VMT as the metric to evaluate transportation impacts, thresholds of significance, and procedures to follow when conducting transportation analyses for CEQA review.

Therefore, sites identified in the Sites Inventory were also review with the lens of VMT.

C.2.3. Development Trends and Realistic Capacity

C.2.3.1. Density Assumptions

As stated above, the City expects to augment its housing stock primarily through infill and redevelopment along major corridors/streets and where zoning allows for high-density housing in conjunction with mixed-use development. Government Code Section 65583.2 (c) requires the calculation of projected residential development capacity of the sites identified in the housing element that can realistically be achieved. Generally, capacity was calculated as 70% of maximum allowed density across all zones, except the T-5/T-6 zone that allows unlimited density. Based on past trends, housing projects in Petaluma have achieved a range of densities, based on product type, ranging from 50% to over 90% of the allowable density (Table C-6). Therefore, estimating development capacity at 70% represents a conservative assumption, accounting for product type and other site planning considerations. The density for T-5/T-6 zone was assumed by calculating the average density achieved for recently approved, under construction, or completed mixed-use and residential projects in the zoning district (Table C-7).

The Sites Inventory also includes some sites in the C1 and C2 zones of the city. According to the Petaluma Zoning Code, residential uses in a mixed-use building are permitted in the C1 and C2 zones above the ground floor. For the C1 zone, with a maximum FAR of 0.8 and maximum height of 30 feet, a one-acre parcel would yield a two-story building, with 0.4 FAR on the ground floor for commercial use and 0.4 FAR on the upper floor with residential use. This translates to about 15 du/ac. Similarly, for the C2 zone, with a maximum FAR of 1.2 and maximum height of 40 feet, a one-acre parcel would yield a three-story building with 0.4 FAR of commercial use on the ground floor and two stories of residential use (0.8 FAR) above it resulting in roughly 20 du/ac. The Sites Inventory assumes a portion of the parking lots in the C1 and C2 zones to be redeveloped in this cycle of the Housing Element at 70% of this maximum density.

Table C-5: Density Assumption

Zone	Maximum Density (DU/ac)	Capacity Assumption	Potential Density (DU/ac)
R2	8	70%	5.6
R4	18	70%	12.6
R5	30	70%	21.0
MU1A	30	70%	21.0
MU1B	30	70%	21.0
MU2	30	70%	21.0
C1	15	70%	10.5
C2	20	70%	14.0
T5/T6	45	70%	31.5

Table C-6 Trends to Determine Realistic Density

Zone	Max Density	Project Name	Address	Status	Area	Units	Density	% of Max Density
R-4	18	Addison Ranch Apartment	200 Greenbriar Circle	Built	17.92	322	17.96	100%
		Creekwood TPM & SPAR-A/B	270 & 280 Casa Grande Road	Pipeline	5.15	59	11.45	64%
		Casa Grande A and B	240 & 250 Casa Grande Road	Pipeline	4.57	36	7.87	44%
		Sid Commons	End of Graylawn	Pipeline	9.44	180	19.06	106%
		Project Application	109 Ellis St	Opportunity	0.7	13	18.57	103%
R-4 Average					37.78	610	16.15	90%
R-5	30	Kellgren Senior Apartments	855 Wood Sorrel Drive	Built	1.6	50	31.25	104%
		Riverview Apartments ¹	2592 Casa Grande Road	Pipeline	14.54	264	18.15	61%
R-5 Average					16.14	314	19.45	65%
MU1A	30	Sepaher Residential Building	315 Lakeville St	Pipeline	0.18	4	22.22	74%
		Burbank ²	1601 Petaluma Blvd. S	Pipeline	3.07	50	16.28	54%
		890 PBN Co-op Cooperative Housing	890 Petaluma Blvd. N	Pipeline	0.37	7	18.91	63%
		Cherry Suites	719 Petaluma Blvd N	Pipeline	0.09	3	33.33	111%
		Project Application	825 East Washington Street	Opportunity	0.75	28	37.33	124%
MU1A Average					4.46	92	20.63	69%
MU1B	30	North McDowell Commons A	North McDowell Blvd and Corona Road	Built	5.23	110	21.032	70%
		Meridian at Corona Station	890 N. Mcdowell Blvd.	Pipeline	7.02	131	18.66	62%
		Deer Creek Residential	435 N Mcdowell Blvd	Pipeline	4.71	129	27.39	91%
		Project Application	401 Kenilworth Dr Ste 310	Opportunity	2.9	140	48.27	161%
MU1B Average					19.86	510	25.68	86%

Zone	Max Density	Project Name	Address	Status	Area	Units	Density	% of Max Density
MU2	30	Foley-Omahony Mixed Use Building	131 Liberty Street	Pipeline	0.33	10	30.03	100%
		Omahoney Work/Live	136 Court Street	Pipeline	0.10	3	28.60	95%
MU2 Average					0.43	13	30.23	101%
C1	~ 15 du/ac	FAR: 0.8 Building height: 30 ft C1 sites can realistically accommodate one floor of residential above ground floor commercial, within the height limit i.e 0.4 FAR for residential use.						
C2	~ 20 du/ac	FAR: 1.2 Building height: 40 ft C2 sites can realistically accommodate two floors of residential above ground floor commercial, within the height limit i.e 0.8 FAR for residential use.						

Notes:

1. Riverview Apartments is a large high-density development that offers a range of housing types and sizes among 27 three-story buildings and including amenities such as a recreation center and common open spaces throughout the development. The net density is higher than presented in this table.
2. Burbank Housing is an affordable housing project with 49 units affordable to extremely low, very low, and low income households. Units are being accommodated in a 4-story building. The net density is higher than presented in this table.

Table C-7: T5/T6 Density Trend

APN	Address	Name	Status	Zone	5th Cycle	Total units	Parcel Size (acres)	Density (DU/ac)
6163049	414 Petaluma Blvd. N	MidPen Affordable Housing (SB-35)	Approved	T5		44	0.88	50
007143003 007143004 007143007 007143008 007143014 007143015	215 Weller Street	Haystack Pacifica	Approved	T5/T6	30	182	4.06	45
006163040 006163041	368 and 402 Petaluma Blvd. N	North River Apartments	Under Construction	T5	27	184	3.85	48
008530007	951 Petaluma Blvd S	PEP Housing Senior Housing	Under Construction	T5	33	54	1.31	41
136010025 136010027		Riverfront LLC A	Under Construction	T4/T5	26	284	35.68	8
007131003	315 D Street	Hines Downtown Station SMART	Inactive	T5/T6	31	402	4.71	85
007121009		River Apartments	Built	T6		81	1.85	44
	265 1st Street	Waterfront Apartment	Built	T6		90	2.66	34
Average:								46

C.2.3.2. Suitability of Nonvacant Sites

Available vacant land suitable for higher intensity development is limited in Petaluma. Most future development is likely to occur on properties where the existing sites are underutilized or outdated, or the uses on site are declining. To the extent feasible, information on the characteristics of existing uses on pipeline project properties is provided below. However, depending on the progress of a particular project, information on existing uses (such as age of structure, improvement to land value ratio, existing floor area ratio) may no longer be available. Change of ownership, demolition of existing structures, or other reasons would update the assessor database and erase information on existing uses.

Based on the pipeline project sites with existing uses, the average age of structure is 60 years but covers a range of more than 100 years. Buildings as old as from 1900 and as new as 2014 are being redeveloped. This sites inventory selection uses 1982 as a threshold, where buildings are beginning to require major systems upgrade, and substantive remodeling to accommodate current trends may be difficult due to the need to meet ADA requirements.

The average existing improvement to land ratio (ILR) is 1.35, meaning that on average, improvements that are worth 35 percent more than the land value are still considered financially feasible for redevelopment. This sites inventory selection uses a conservative threshold of 1.0.

The other factor used in site selection is the existing Floor Area Ratio (FAR). Existing uses on pipeline project sites average 0.18 FAR, generally representing significant underutilization of land. However, some uses may have high FAR due to nature of existing uses. For example, industrial/warehousing types of uses generally have higher FARs, whereas parking lots, auto related services, and retail generally have lower FARs. The sites inventory selection uses a threshold of 0.20.

Table C-8: Redevelopment Trends based on Pipeline Projects

Project	Existing use	I/L Ratio	Year Built	Existing FAR	Comments
Meridian at Corona Station	Storage/ Warehouse	0.03	-	0.02	The City has been actively working with Danco to secure the property and seek funding for this project. In December 2022 Danco acquired the site, including financial assistance from the City. The City is working collaboratively with Danco and SMART to apply for AHSC grant funding for the project.
Creekwood TPM & SPAR A and B	Single family	2.1	1951, 1965	0.03	This project is in process. The EIR scoping meeting was held in November 2022 and EIR is currently in production.
Casa Grande	Single family	1.64	1900, 1963	0.04	Project is moving forward. Payment of some impact fees through SCIP program. Plan check in process.
Riverview Apartments	Vacant commercial + Easement	0	-	0	The applicant has been working with regulatory agencies to obtain applicable permits needed prior to issuance of building permits

Project	Existing use	I/L Ratio	Year Built	Existing FAR	Comments
Foley-Omahony Mixed Use Building	Office	2.1	1972	0.28	The property was sold and an additional phase (Omahoney work/live) was processed to expand scope of project. Approvals still active. In January 2023 the Building Division approved six-month extension for building permit application in process.
Omahoney Work/Live	Vacant commercial lot	0	-	0	See above.
Sepaher Residential Building	Vacant commercial lot	0	-	0	Applicant working on final modifications to building permit application.
107 6th Street	Single family	1.5	1900	0.29	Approved and building permits issued
PEP Housing Senior Housing	Office	0	1980	0.18	This project was completed within the 6 th cycle Housing Element RHNA projection period and certificate of occupancy issued.
Burbank Affordable Housing	Vacant residential lot	0	-	0	Burbank Housing has actively been applying for funding and recently reported to City staff that funding had been secured and they wer working on CDs for building permit application. Simultaneously, the City is processing land dedication component of this project to further progress to permits.
Quarry Heights	Single family/ Common area	0	-	0	204 of original 272 units have been constructed. Remaining 68 units are either in plan check or under construction.
Riverfront LLC	Vacant	0	-	0	SF home component has all approvals and is under construction. The townhome component has all planning approvals. The apartment component is scheduled for PC study session on 1/23/23
Nobmann Residence	Vacant/ Single family	0	-	0	Under construction, minor items still being worked out prior to final inspection and occupancy permit
Sunnyslope II	Vacant residential lot	0	-	0	Project approvals for 18 new SF homes. Twelve homes completed. Remaining 6 are approved and in plan review or issued.
Scott Ranch A	Vacant residential	0	-	0	Scheduled for City Council consideration on Feb 27, 2023
890 PBN Co-op Cooperative Housing	Restaurant drive-in	1.3	1989	0.06	No building permit application to date.
MidPen Affordable Housing (SB-35)	Car wash	0.7	1971	0.04	Project is under construction
North River Apartments	Vacant/ retail	0	1938	0.16	Under construction with completion anticipated in July 2023

Project	Existing use	I/L Ratio	Year Built	Existing FAR	Comments
Riverbend PUD	Single family	1.5	-	0	All approvals issued. Project under construction
Borsian Residence HSPAR	Vacant residential lot	0	-	0	
Sid Commons	Vacant residential lot	0	-	0	Project litigated. Applicant working with regulatory agencies for applicable permits.
Deer Creek Residential	Shopping Center	1.3	2014	0.09	Building Permit Issued
Cherry Suites	Vacant commercial lot	0	-	0	Application on hold by applicant due to loss in family
Homekey	Motel	3.06	1973	0.39	Building Permit issued and construction under way
People's Village	Municipal property	0	1995	0.001	Completed within 6 th cycle Housing Element RHNA projection period
Oyster Cove	Light industrial	0.58	1965	3.02	Working on resolving easement issues. Hearings anticipated later in 2023
Average		1.35	1963	0.18	

C.2.3.3. Lot Consolidation

Recently there have been several projects that utilized lot consolidation for residential and mixed-use housing. For the Opportunity Sites, the site selection and review process took into consideration ownership information and only assumed lot consolidation where adjacent parcels belong to the same owner. This was done while filtering and while reviewing the sites using ownership data from the accessors parcel database, aerial photography, site visits, and local knowledge of the areas. Overall, 6 sites considered feasible for lot consolidation to form larger parcels were included in the final sites inventory and annotated with a letter (A, B, C, and so forth) for identification purposes. The full list of annotated sites considered for lot consolidation is listed at the end of this appendix.

C.2.3.4 Reuse 5th Cycle Sites

Ten sites included in the 6th cycle land inventory are “recycled” 5th cycle sites. Note that recent legislation (AB 1397) sets forth additional criteria for selecting sites that can accommodate the lower income RHNA category, defined as less than 80% of the Area Median Income (AMI). AB 1397 changed the conditions in which sites from previous Housing Element cycles can be re-used for lower income housing. Specifically, on sites that include low-income units in the site inventory, any project that includes 20% of the new housing units as affordable units must be approved ministerially (i.e., without discretionary review) and rely on Objective Design Standards to specify building and site design elements the City requires.

In the current draft of the Petaluma site inventory, this means that eligible projects would receive ministerial approval on the following sites:

Site Number	Site Capacity
O-2	230
O-4	400
O-5	93
O-9	147
O-11	106
TOTAL	976

While the City and community have historically depended on discretionary review to ensure that housing projects were appropriate for Petaluma, the advantage of identifying sites that could potentially be approved under ministerial review is that it significantly increases the feasibility of affordable housing projects because of increased certainty in the review process and shortened review timelines. The City and community are dedicated to supporting the development of affordable housing.

To ensure that proposed projects are desirable, the City will rely on Objective Design Standards, in addition to the Zoning and Building codes. The portion of the city inside the Central Petaluma Specific Plan area is currently subject to detailed standards included in the SmartCode. For parcels outside the Central Petaluma Specific Plan, the City will rely on the IZO and is in the process of drafting extensive Objective Design Standards for all housing denser than single-family homes. These Objective Design Standards are expected to be completed in 2022. The State of California is requiring increased reliance on Objective Design Standards through bills like SB 35, SB 330, and AB 2162, all housing bills that require the City to rely on objective standards during project review.

C.2.3.5. Density and Affordability Assumptions

State law (Assembly Bill 2342/Government Code 65583.2) uses density as a proxy for income/ affordability for the sites inventory. Table C- shows the site conditions used to determine affordability for the sites inventory. Generally, lower density zones are presumed to be affordable to moderate and above moderate income households. Under State law, the “default density” to facilitate lower income housing for cities similar to Petaluma in urban counties is 20 units/acre.

The sites inventory assumes that sites with densities of at least 20 du/acre are affordable to lower income households, as explained below (Table C-). However, to present a more realistic scenario, an additional site capacity factor is considered. Sites that can accommodate between 50 and 80 units are assumed to be feasible for 100 percent affordable housing based on the typical size of an affordable housing project funded by Low Income Housing Tax Credits (LIHTC). Sites with capacity below or above this optimum range are assigned only 15 percent of affordable units. This approach results in the inclusion of more market rate housing in the sites inventory, but it recognizes that the development of some affordable units will be financed by the development of above moderate, market rate units and identifies capacity for those above moderate units. Hence, it is a more realistic forecast of the actual affordable housing production in Petaluma.

Table C-8: Affordability by Density, Size, and Site Capacity

Income Level	Site Characteristics
Low	Density assumed is at least 20 du/ac AND If site capacity is between 30-49 units or >80 units <ul style="list-style-type: none"> • 15% lower income units on sites with developer interest OR 40% lower income units on sites with no developer interest OR If site capacity is 50-80 units, 100% lower income units
Moderate	Density assumed is at least 18 du/ac OR If site capacity is between 30-49 units, <ul style="list-style-type: none"> • 0% moderate income units on sites with developer interest • 30% moderate income units on sites with no developer interest
Above Moderate	Density assumed is less than 20 du/ac OR Site capacity is less than 30 units OR If site capacity is between 20-49 units <ul style="list-style-type: none"> • 85% units above moderate income units on sites with developer interest OR • 30% above moderate income units on sites with no developer interest OR If site capacity is >80 units, 85% above moderate income units

C.2.3.6. Vacant and Underutilized Sites to Accommodate Lower Income RHNA

Table C-9 summarizes the inventory of vacant and underutilized sites for lower income units. Approximately 22 percent of lower income units (95 units out of 429) are sited on vacant land. A parcel-specific listing of sites is provided at the end of this appendix.

Table C-9 Sites Inventory Summary to Accommodate RHNA with Buffers

	Units by Income Group				Total
	Very Low	Low	Moderate	Above Moderate	
RHNA	499	288	313	810	1,910
Likely Sites	236	191	106	1,355	1,888
Potential ADUs	38	38	38	14	128
Pipeline Projects	198	153	68	1,341	1,760
Remaining RHNA	263	97	207	(545)	567
Opportunity Sites	214	215	358	566	1,353
Vacant Sites	37	37	44	220	338
Parking Lots of Shopping Centers	10	11	-	221	242
Underutilized sites	167	167	314	125	773
Total Capacity	450	406	464	1,921	3,241
Buffer (Opportunity Sites over Remaining RHNA)	+19%		+73%	N/A ²	NA
1. Buffer percentage was calculated by dividing the surplus/deficit by the remaining need. 2 There is no remaining need for Above Moderate units (RHNA was met with pipeline projects and potential ADUs).					

C.3. Conclusion

Overall, the City has the ability to accommodate at least 1,353 units on vacant and underutilized sites across the City under the current General Plan and development regulations. Combined with the applications pending approval and the credits towards RHNA, the City can meet its RHNA needs. Detailed sites inventory is provided below.

Table C-10: Detailed Sites Inventory

Site Criteria

- 1. Vacant
- 2a. Application or interest
- 2b. Parking lot
- 2c. FAR < 0.2
- 2d. Age > 40yrs
- 2e. I/L <1
- 2f. Lot Consolidation

No.	Existing use	APN	GP	ZO	Max du/ac	5th Cycle Site?	Lot Consolidation	St Address	Area (acres)	Total Units	Low	Mod	Above Mod	I/L Ratio	Year built	Extg FAR	Site Criteria	Additional Description
O-1	Single-Family Detached	149413025	RL	R4	8	Y	A	557 SONOMA MOUNTAIN PKWY	1.92	11			11	3.19	1958	0.03	2c, 2d	Zoning in place, reasonably sized parcel, surrounded with residential development.
O-2*	Commercial Centers	007142026	MU	T-6	45	Y	B	2 E WASHINGTON ST	7.31	230	92	69	69	0.86	1974	0.22	2d, 2e	Zoning in place, unlimited density, central location near transit and services
O-3	Vacant	007153002	MU	T-5	45	Y	C	310 D ST	0.24	8			8	-	0	-	1	
O-4*	Transportation	007131003	MU	T-6	45	Y	D	315 E D ST	4.72	400	200	200		-	0	-	2a	Based on recent application
O-5*	Light Industrial	006163005	MU	T-5	45	Y	E	300 WATER ST	1.27	40	6		34	0.08	0	-	1, 2a, 2e, 2f	Applicant in regular contact with City about potential timing for residential project submittal
	Vacant	006163058	MU	T-5	45	Y	E		0.72	23	3		20	-	0	-		
	Vacant	006163052	MU	T-5	45	Y	E		0.68	22	3		19	-	0	-		
	Vacant	006163025	MU	T-5	45	Y	E	294 PETALUMA BLVD N	0.25	8	1		7	-	0	-		
O-6	vacant	007361031	RH	R5	30	Y	F	901 MARTIN CIR	0.44	9			9	-	0	-	1, 2a	Potential interest recently from prospective buyer
O-7	Single-Family Detached	006491001	RL	R2	8	Y	G	1825 PETALUMA BLVD N	1.47	8			8	0.78	1922	0.05	2c, 2d, 2e	At least four units already on property. Hillside may be challenge.
O-8	Single-Family Detached	007361003	RM	R4	18		H	109 ELLIS ST	0.70	13		13		1.50	1932	0.12	2a, 2c, 2d	Project was approved as 13 units
O-9*	Vacant	007143004	MU	T-6	45	Y	I	219 WELLER ST	0.24	9	4	3	3	-	0	-	1,2a, 2f	

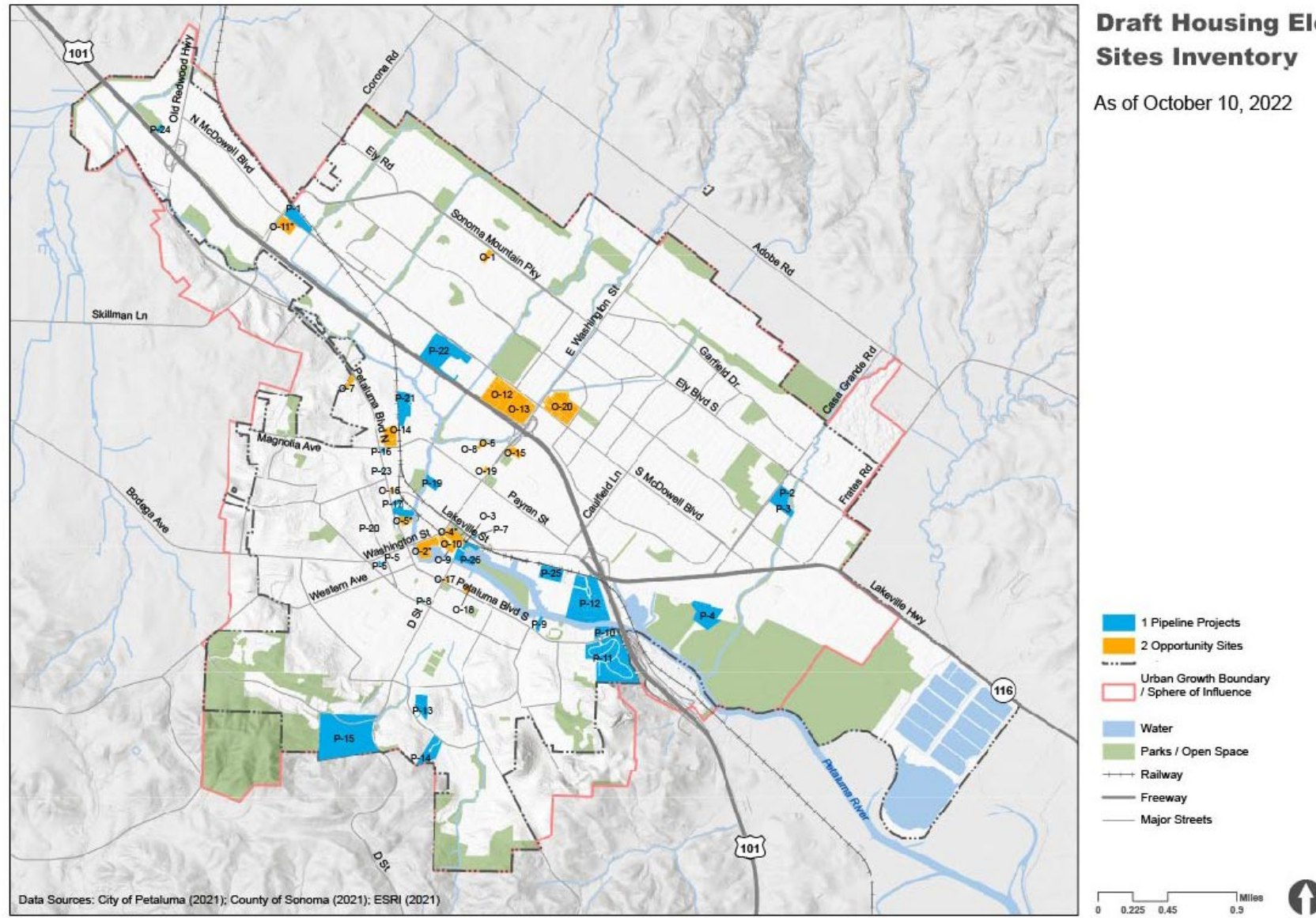
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Appendix C Draft Sites Inventory

No.	Existing use	APN	GP	ZO	Max du/ac	5th Cycle Site?	Lot Consolida-tion	St Address	Area (acres)	Total Units	Low	Mod	Above Mod	I/L Ratio	Year built	Extg FAR	Site Criteria	Additional Description
	Vacant	007143003	MU	T-5	45	Y	I	15 COPELAND ST	0.48	19	8	6	6	-	0	-		
	Vacant	007143014	MU	T-6	45	Y	I	217 WELLER ST	0.02	1	0	0	0	-	0	-		
	Vacant	007143015	MU	T-6	45	Y	I	215 WELLER ST	3.00	118	47	35	35	-	0			
O-10	Wholesale Warehousing	007143008	MU	T-6	45	Y	J	15 COPELAND ST	0.15	5			5	2.14	1949	0.59	2d	Existing FAR vs. allowable FAR and type of uses are conducive to redevelopment
O-11*	Commercial Centers	048080036	MU	MU1 B	30	Y	K	276 CORONA RD	5.04	106	42	32	32	0.01	1937	0.03	2c, 2d, 2e	Existing FAR vs. allowable FAR, existing lot coverage, and type of uses are conducive to redevelopment
O-12	Commercial Centers	007350008	CC	C2	20	N	L		8.81	31			31	2.65	0	-	2b	Site is currently zoned for housing, large parking lots provide opportunity for increasing site utilization
	Commercial Centers	007350009	CC	C2	20	N	L											
O-13	Commercial Centers	007340007	CC	C2	20	N	M	151 N MCDOWELL BLVD	6.40	22			22	3.04	2009	0.21	2b	Site is currently zoned for housing, large parking lots provide opportunity for increasing site utilization
	Commercial Centers	007340006	CC	C2	20	N	M											
	Commercial Centers	007340008	CC	C2	20	N	M											
O-14	Commercial Centers	150011019	NC	C1	15	N	N	1026 PETALUMA BLVD N	5.40	19			19	3.71	1970	0.08	2b, 2c, 2d	Existing FAR vs. allowable FAR and existing lot coverage are conducive to redevelopment
	Commercial Centers	150011014	NC	C1			N											
O-15	Commercial Centers	007031001	MU	MU1 B	30	N	O	401 KENILWORTH DR STE 310	2.90	140	21		119	0.59	2013	0.14	2a, 2b, 2c, 2e	Recent concept review of potential 140 unit proposal to add residential in unused portion of existing shopping center.
O-16	Vacant	006051032	MU	MU2	30	N	P	600 PETALUMA BLVD N	0.39	8			8	-	0	-	1	
O-17	Vacant	008123015	MU	T-6	45	N	Q	201 PETALUMA BLVD S	0.47	15			15	-	0	-	1	
O-18	Vacant	008127008	MU	T-5	45	N	R	409 PETALUMA BLVD S	0.96	30			30	1.58	1922	0.46	1, 2d	

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Appendix C Draft Sites Inventory

No.	Existing use	APN	GP	ZO	Max du/ac	5th Cycle Site?	Lot Consolida-tion	St Address	Area (acres)	Total Units	Low	Mod	Above Mod	I/L Ratio	Year built	Extg FAR	Site Criteria	Additional Description	
O-19	Vacant	0007022055	MU1A	T-5	45	N	S	825 EAST WASHINGTON STREET	0.75	28	2		26	0	0	0.03	1, 2c	Based on recent entitlement	
O-20	Commercial Centers	007280082	CC	C2	20	N	T		8.60	30			30						
	Commercial Centers	007280069	CC	C2	20	N	T												
	Commercial Centers	007280072	CC	C2	20	N	T												
	Commercial Centers	007280081	CC	C2	20	N	T												
	Commercial Centers	007280046	CC	C2	20	N	T												
	Commercial Centers	007280052	CC	C2	20	N	T												
	Commercial Centers	007280071	CC	C2	20	N	T												
	Commercial Centers	007280055	CC	C2	20	N	T												
	Commercial Centers	007280083	CC	C2	20	N	T												

Figure C1: Sites Inventory



Appendix D: Review of Past Accomplishments

D.1. Program-Specific Evaluation

Table D1 provides a summary of the City's progress in implementing the 2015-2023 Housing Element. In updating the programs for the 2023-2031 planning period, one goal is to streamline the existing programs for ease of implementation and reporting. Programs where the City does not have direct involvement, represent routine staff functions, or are expressed only as policy direction, are removed from the Housing Element as specific housing programs. Housing Element programs should have clear specific actions during the planning period, with outcomes and schedule for implementation.

D.2. Cumulative Impacts on Special Needs Populations

The City continues to address housing needs of special populations through various programs. These include:

- A total of 8 single-family homes leased to Community Based Organizations to provide housing opportunities for veterans/homeless community members
- Approval of AB 2162 policy for the Meridian at Corona Station Project which includes more than 50 units
- Completion of the People's Village project to add 25 non congregate units to existing homeless shelter services
- Successful Homekey Application funded by HCD in the amount of \$15,380 Million for purchase of 60-unit motel for permanent supportive housing
- Construction and/or rehabilitation of senior housing – 133 units since 2015
- Downtown Streets Team – Employment-based training program linked with housing services for unsheltered members of the community
- Initiated Specialized Assistance for Everyone (SAFE) program
- The City adopted an Urgency Ordinance and Shelter Crisis in September of 2021.
- City adopted Strategic Action Plan to End Homelessness in June of 2022.
- Award of local funding to several affordable housing projects, including MidPen, PEP, and Danco projects
- Streamlined ministerial processing for affordable housing projects consistent with SB 35 and AB 2162.

In addition, the City provides funding support to nonprofit organizations that address the supportive service needs of special populations. In 2021 Petaluma provided funding for homeless services, fair housing, and rental assistance.

As part of the 2023-2031 Housing Element update, the City will explore other actions to expand housing opportunities for special needs populations.

Table D1: Program-Specific Evaluation

Program/Policy	Objective	Progress and Continued Appropriateness
<p>Goal 1: Provide adequate residential development opportunities to accommodate projected residential growth and facilitate mobility within the ownership and rental markets.</p>		
<p>1.1 Utilize sites within the UGB to accommodate anticipated long-term residential growth</p>	<p>Promote Residential Development within the Urban Growth Boundary</p>	<p>According to the 2020 Annual Progress Report, since 2015, the City has approved 1,675 housing units. Between 2015 and 2020, 1,187 units were permitted:</p> <ul style="list-style-type: none"> • 36 Very Low Income • 48 Low Income • 121 Moderate Income • 982 Above Moderate Income <p>Continued Appropriateness: This program is updated in the 2023-2031 Housing Element to reflect the City’s strategy for meeting the Regional Housing Needs Assessment (RHNA) requirements.</p>
<p>1.2 Utilize the Central Petaluma Specific Plan to facilitate the development of vacant and underutilized land at the heart of the City.</p>	<p>Encourage the development of housing on underutilized land that is appropriately zoned</p>	<p>Since 2015, 980 housing units have been approved in the Central Petaluma Specific Plan area.</p> <p>The Central Petaluma Specific Plan area continues to be attractive to residential developers and staff is actively engaged in discussion with prospective developers.</p> <p>Continued Appropriateness: The Central Petaluma Specific Plan continues to be a component of the City’s RHNA strategy and a key location for housing based on its proximity to transit, alternative transportation opportunities, and services. However, this program is integrated with Program 1.1 to formulate the City’s overall RHNA strategy.</p>
<p>1.3 Allow more flexibility in parking requirements for mixed-use developments in order to promote the development of residential uses along mixed use corridors.</p>	<p>Encourage the development of housing on underutilized land that is appropriately zoned</p>	<p>The parking requirements within the SmartCode, which is the governing regulations for the downtown core, are lower than the rest of the City.</p> <p>Continued Appropriateness: The City will continue to offer flexible parking requirements to facilitate mixed use development and is working on a citywide update to parking</p>

Program/Policy	Objective	Progress and Continued Appropriateness
		regulations to better align with the City's housing and climate goals. Flexibility in parking standards are incorporated into the City's overall program to facilitate affordable housing development.
Goal 2: Promote a range of housing types to meet the housing needs of all Petalumans.		
2.1 Provide developers with an inventory of sites with a wide range of densities that allows a variety of product types	Encourage a mix of housing types	<p>Since 2015, staff has met with prospective developers and property owners and used the City's Development Review Committee to facilitate thoughtful concept discussions about housing development opportunities. The site inventory is available on the City's webpage and in the current Housing Element.</p> <p>Continued Appropriateness: The sites inventory is updated in the 2023-2031 Housing Element and will be provided on the City's website. The inventory will be updated at least every six months as part of the City's compliance with SB 166 (No Net Loss) requirements. This program is moved to Goal 1 as part of the City's RHNA strategy.</p>
2.2 Utilize the Central Petaluma Specific Plan to facilitate the development of rental and live/work units in the downtown, e.g., high density housing, relaxed parking requirements, requiring of on-site inclusionary units	Allow flexibility within the City's standards and regulations to encourage a variety of housing types.	<p>The CPSP was continually used to facilitate development of units in the downtown area.</p> <p>Continued Appropriateness: The Central Petaluma Specific Plan continues to be a component of the City's RHNA strategy. However, this program is integrated with Program 1.1 to formulate the City's overall RHNA strategy.</p>
2.3 Treat transitional and supportive housing as residential uses contained in each respective zone.	Review and adjust city residential development standards that are determined to be a constraint on the development of housing.	<p>In 2018 the City updated its Zoning Ordinance to allow transitional and supportive housing as a residential use in all zones.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program action to amend the City's Zoning Code to address new State law on Supportive Housing (AB 2162).</p>

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Appendix D Draft Review of Past Accomplishments

Program/Policy	Objective	Progress and Continued Appropriateness
<p>Goal 3: Minimize constraints on housing development to expedite construction and lower development costs.</p>		
<p>3.1 Review and identify development standards that may be a constraint on the development of housing and amend the Development Code accordingly.</p>	<p>Review and adjust city residential development standards that are determined to be a constraint on the development of housing.</p>	<p>During the planning period staff reviewed and identified regulatory challenges/barriers to the development of housing and brought zoning amendments forward for adoption as appropriate.</p> <p>Continued Appropriateness: As part of the 2023-2031 Housing Element update, the City re-evaluated development standards and the Housing Plan section includes recommended actions to address potential constraints.</p>
<p>3.2 Continue to permit emergency shelters without a Conditional Use Permit or other discretionary action on industrial zoned parcels.</p>	<p>Allow flexibility within the City’s standards and regulations to encourage a variety of housing types.</p>	<p>The Mary Issak Center and the Kids Homeless Shelter are the only shelters in the City and house 140 people nightly.</p> <p>The City adopted an urgency ordinance and shelter crisis on September 13, 2021. It has provided the City flexibility for the People's Village Project. Which focuses on shelter and housing for homeless community members.</p> <p>The City is actively working on the Studios at Montero project which is funded through the City’s Home Key funding award and will convert an existing motel into 60 units of permanent supportive housing with onsite services.</p> <p>Continued Appropriateness: This Housing Element update includes an assessment of the adequacy of its industrial properties where emergency shelters are permitted by right in accommodating its potential unsheltered homeless. Furthermore, the Housing Plan includes an action to address the new State law on parking standards for emergency shelters (AB 139). Through the upcoming triennial building code update, the City will decrease the minimum size of efficiency units to facilitate additional supportive housing conversion projects within the City.</p>

Program/Policy	Objective	Progress and Continued Appropriateness
<p>3.3 Ensure procedures and standards for Petaluma's Density Bonus ordinance to facilitate the review and approval of projects proposing affordable housing.</p>	<p>Improve the city review and approval process for residential projects.</p>	<p>In 2016, the City's Density Bonus Ordinance was updated to comply with State law. Since 2016, 3 projects requested a density bonus.</p> <p>Continued Appropriateness: The City will continue to utilize density bonus as an incentive for affordable housing development. A Zoning Code update to comply with new State law is underway (as of Spring 2022) and anticipated to be completed prior to the adoption of the 2023-2031 Housing Element. The City's density bonus incentives are incorporated as part of the City's program to facilitate affordable housing development. The City may consider removing the requirement for Council approval for the density bonus.</p>
<p>3.4 Continue to subsidize and defer application fees, development impact fees, and on-and off-site improvements for affordable housing sites.</p>	<p>Subsidize and defer fees.</p>	<p>In place of formerly available redevelopment housing funds, the City's In-Lieu Housing Fund has been utilized to subsidize affordable housing development. In 2019, the in-lieu fee was increased to \$10.12/sq ft. However, the fee update came hand-in-hand with the City's updated inclusionary ordinance which required onsite inclusionary as part of market-rate projects and states that the fee can be paid only if separately approved by City Council as alternative compliance. Therefore, the amount of fee collected since 2019 has decreased. Other examples of funding sources to support this program include City Commercial Linkage, HCD Permanent Local Housing Allocations Program and other HCD funding programs.</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development. Additionally, the City will reevaluate the overall development impact fee structure following the adoption of the General Plan update in order to consider reducing fees for affordable housing and incentivizing smaller</p>

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Appendix D Draft Review of Past Accomplishments

Program/Policy	Objective	Progress and Continued Appropriateness
		unit sizes through a square footage calculation or other tool.
3.5 Continue to give priority processing to affordable housing projects.	Priority processing for affordable housing.	<p>The City has a track record of facilitating and streamlining affordable housing projects whenever possible. In the last couple years the City has utilized state streamlining provisions to expedite review of affordable housing projects, including SB 35 and AB 2162.</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.</p>
3.6 Adopt residential design guidelines for single and multi-family development that provides clear guidance for applicants	Clear design guidelines	<p>The City received a state grant to develop objective design standards which are in process and anticipate adoption in 2022 to guide standards for streamlined housing projects.</p> <p>Continued Appropriateness: To be completed prior to the start of the 6th cycle Housing Element.</p>
3.7 Provide continuing professional education for public officials and decision makers to improve skills in such areas as project evaluation and the conduct of public hearings.	Provide continuing professional education.	<p>The City Attorney's office provides education regarding public conduct at hearings of the City Council and all of its committees.</p> <p>Continued Appropriateness: While this is an important ongoing staff function, it is not considered a Housing Element program and is removed from the 2023-2031 Housing Element.</p>
3.8 Actively participate in the Sonoma County Water Agency's project to increase the capacity of the City's water supply system in order to secure a safe, reliable imported water supply.	Provide safe, secure water supply.	<p>The Department of Public Works and Utilities participates with the Sonoma County Water Agency to secure the City's water.</p> <p>Continued Appropriateness: This City will continue to participate in regional efforts to increase water supply.</p>
3.9 Actively participate in the Sonoma county Water Agency's planning for a	Assure delivery of the City's water supply	<p>The Department of Public Works and Utilities participates with the Sonoma County Water Agency to secure the City's water.</p>

Program/Policy	Objective	Progress and Continued Appropriateness
second Petaluma Aqueduct to influence the aqueduct alignment, capacity and construction details to best reinforce the distribution system.		Continued Appropriateness: This is incorporated with Program 3.8 above in the 2023-2031 Housing Element.
Goal 4: Promote the development of housing affordable to extremely low, very low, low- and moderate-income households.		
4.1 Continue to work with other agencies to receive a reasonable share of federal, state and private funding for housing.	Communicate and work with agencies to share funding information for affordable housing.	<p>The City continues to pursue funding for affordable housing from Federal, State and County Agencies. Specifically, the City received State of California HOME funds in the amount of \$900,000 for a MidPen development. The City applied to HCD for Homekey funding and was awarded \$15,385 Million for a 60-unit supportive housing project. The County of Sonoma provided \$600,000 in funding to support the project. The County of Sonoma also provided \$750,000 for the Peoples Village project that provides 25 non-congregate interim housing units with on-site support services. .</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.</p>
4.2 Continue to work with non-profit housing organizations to benefit from their expertise in and resources for developing and supporting affordable housing.	Communicate and work with non-profit housing agencies to share funding information for affordable housing.	<p>The City continues to coordinate with nonprofit housing organizations to pursue affordable housing opportunities.</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.</p>
4.3 Continue to require residential projects of five or more units to contribute to the provision of below-market rate housing.	Projects of five or more units provide below-market rate housing.	<p>In 2018, this program was amended to require all residential developments of 5 or more units to build 15% affordable units onsite.</p> <p>Continued Appropriateness: Inclusionary housing is an important component of the City's affordable housing strategy and is included in the 2023-2021 Housing Element.</p>

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Appendix D Draft Review of Past Accomplishments

Program/Policy	Objective	Progress and Continued Appropriateness
		The City will review and revise, as appropriate, the inclusionary housing program to enhance its effectiveness in providing affordable housing in the community.
4.4 Administer the Housing-Commercial Linkage Fee Program	Implement the Commercial - Housing Linage Fee Program	<p>Since 2015, \$1,693,019 has been received from fees for the Housing Commercial Linkage fees and these funds have been used to support a variety of housing projects and programs, including funding award for the Meridian at Corona Station project</p> <p>Continued Appropriateness: Commercial Linkage Fee is an important component of the City's affordable housing strategy and is included in the 2023-2021 Housing Element.</p>
4.5 Continue to support the Mortgage Credit Certificate (MCC) program administered by the County Community Development Commission	Utilize the Mortgage Credit Certificate Program for Low-Income Homebuyer	<p>This program is no longer available through the County Community Development Commission but is applied through local lenders.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes other resources for homebuyer assistance. MCC is removed from the Housing Element.</p>
4.6 Continue the existing partnership with the Sonoma County Housing Land Trust to administer the Homebuyer's Assistance Program for low and moderate income households	Support the County of Sonoma Housing Land Trust	<p>The City has a contract and works in partnership with the Sonoma County Housing Land Trust to administer the Ownership Program. This includes administration when new properties enter the program as well as preservation of housing upon resale. Some recent and current projects include Brody Ranch, Casa Grande, and Creekwood.</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.</p>
Goal 5: Preserve the City's existing affordable housing and ensure the long-term affordability of new below-market rate units.		
5.1 Continue to administer the Mobile Home Rent Stabilization Ordinance.	Preserve the affordability of the City's existing affordable housing stock.	Since 2015, the City's number of mobile home spaces has increased to 368. The city will be reviewing/updating the current

Program/Policy	Objective	Progress and Continued Appropriateness
		<p>Ordinance based on the recent arbitration hearing.</p> <p>Continued Appropriateness: This program continues to maintain affordability for some of the more vulnerable households in the City and is included in the 2023-2031 Housing Element.</p>
<p>5.2 Deny conversions of rental apartments to condominiums if the proposed conversion significantly diminishes the existing supply of rental units or threatens to lower the rental vacancy rates within Petaluma</p>	<p>Preserve the affordability of the City's existing affordable housing stock.</p>	<p>Since 2015, Housing staff conducts a vacancy survey twice a year to determine vacancy rate in the City. No apartments were converted to condominiums during the planning period.</p> <p>Continued Appropriateness: The City continues to monitor rental vacancy rates in order to preserve its rental housing stock. This program is included in the 2023-2031 Housing Element.</p>
<p>5.3 Retain federal, state and locally subsidized affordable units that may be lost through contract termination</p>	<p>Preserve the affordability of the City's existing affordable housing stock.</p>	<p>Annual Compliance Monitoring is conducted by staff for all Deed Restricted Affordable Housing Communities. Staff works with non-profit partners to ensure units remain affordable.</p> <p>In 2016, Park Lane apartments renewed their HAP contract for another 20 years.</p> <p>Continued Appropriateness: The at-risk housing inventory is updated and this program is updated to reflect the new State requirements on notifications.</p>
<p>5.4 Impose resale controls or rent restrictions on all units that receive state housing density bonuses and other incentives for not less than 30 years.</p>	<p>Ensure the long-term affordability of units developed or provided with City assistance.</p>	<p>The City continues to comply with the State density bonus provisions for affordability requirements.</p> <p>Continued Appropriateness: This is part of the Density Bonus requirements and is not included in the 2023-2031 Housing Element as a separate program.</p>
<p>5.5 Continue to impose long-term resale controls or rent restrictions on affordable units provided through the inclusionary</p>	<p>Ensure the long-term affordability of units developed or provided with City assistance.</p>	<p>Since 2015, 3 affordable properties went through rehabilitation which also extended the affordability restrictions for 30 to 55 more years.</p>

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Program/Policy	Objective	Progress and Continued Appropriateness
housing program or city subsidies to ensure that they remain affordable to the targeted income groups.		Continued Appropriateness: This is part of the Inclusionary Housing requirements and is included in the 2023-2031 Housing Element as part of the inclusionary housing program.
Goal 6: Promote housing opportunities for special needs groups.		
6.1 Continue to support the Petaluma People Services Center (PPSC) Homeless Prevention Program, including the Mediated Assistance Program and the Renters Assistance Program.	Support efforts to prevent homelessness.	The City provides funding to partner agencies to support community services that prevent homelessness. The City also allocated \$450,000 of CDBG-CV funding to COTS (\$150,000) and PPSC (\$300,000) for a rental assistance program. On an ongoing basis, the City also provides about \$60,000 annually to PPSC for fair housing services and \$20,000 for rental assistance. Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.
6.2 Continue to support the Mary Isaak Center	Support efforts to provide housing and support services for the homeless.	Since 2015, the City has provided \$380,000 to MIC for operational support. Most recently the city worked in partnership with COTS to create the People’s Village, an expansion of the MIC to include 25 non-congregate units onsite. This effort was funded by the City and provides additional capacity, addresses Covid constraints, and responds to the needs of Petaluma’s unsheltered population. Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.
6.3 Continue to support the COTS Family Shelter	Support efforts to provide transitional and supportive housing to those moving from	A City owned building located at 1500 Petaluma Blvd South is provided to COTS at the rate of \$1 per year. COTS operates the Kids First Family Shelter at this location.

Program/Policy	Objective	Progress and Continued Appropriateness
	homelessness to independent living.	Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.
6.4 Continue to support the ongoing maintenance of COTS family transitional homes located throughout the community through a partnership with Rebuilding Together, Petaluma.	Support efforts to provide transitional and supportive housing to those moving from homelessness to independent living.	<p>In 2018, 2 transitional houses were rehabilitated. COTS has expanded the program to a total of 12 homes, of which 4 are city owned and 8 are market rate and leased by COTS. This provided housing for clients transitioning out of emergency shelter.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.</p>
6.5 Continue to support the ongoing maintenance of a City-owned four-bedroom house on Rocca Drive, leased and operated by America's Finest, formerly the Vietnam Veterans of California serving homeless male veterans who are enrolled in the Agency's Employment and Training Program.	Support efforts to provide transitional and supportive housing to those moving from homelessness to independent living.	<p>The City has provided funding for program operational support and leases the home for \$1 per year. Nations Finest operates the program at the Rocca Drive home.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.</p>
6.6 Continue to participate in the Countywide Continuum of Care planning process as a "lead agency" along with the City of Santa Rosa and the County of Sonoma.	Support efforts to provide transitional and supportive housing to those moving from homelessness to independent living.	The City continues to participate in the Continuum of Care. The County of Sonoma is the lead agency for the CofC. The County is in the process of changing the administrative framework and updating policies and programs. This includes developing a County-wide Strategic Plan, improving data tools and revising the process for funding recommendations. The City and service providers in Petaluma received ongoing

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Program/Policy	Objective	Progress and Continued Appropriateness
		<p>funding from the CofC for homeless services. This funding is used to leverage the city investment in providing services.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.</p>
<p>6.7 Continue to support the construction of senior housing.</p>	<p>Promote the construction and maintenance of housing for the elderly.</p>	<p>Since 2015, the City has provided rehabilitation assistance to 210 senior households through major rehabilitation (53 households) and minor rehabilitation (157 households) completed by Rebuilding Together. The City has also facilitated the construction of senior housing units (Kellegren and River City projects) with reduced fees and parking standards.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program to construct and maintain senior housing. The City will be working with non-profit developers and community agencies to implement these ongoing programs.</p>
<p>6.8 Continue to support the “Rebuilding Together – Petaluma” (RTP) program.</p>	<p>Promote the construction and maintenance of housing for the elderly.</p>	<p>Since 2015, the City has been able to complete 210 projects utilizing CDBG funding. Per the HUD definition of Major and Minor rehab projects, there were a total of 53 Major and 157 minor rehab projects completed.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes a program to provide support services. However, specific agencies or social service programs are not separately identified in the Housing Element as a housing program.</p>
<p>6.9 Continue to require the inclusion of disabled-accessible units in projects that receive city assistance.</p>	<p>Promote the provisions of disabled-accessible units and housing for developmentally,</p>	<p>The City adopted a visitability and universal design ordinance that requires new housing to be designed with accessibility requirements in addition to those required by the California Building Code. It is anticipated that the</p>

Program/Policy	Objective	Progress and Continued Appropriateness
	mentally and physically disabled.	<p>ordinance will be adopted and effective before summer 2022.</p> <p>Continued Appropriateness: This is a standard requirement and not included in the 2023-2031 Housing Element as a separate housing program.</p>
6.10 Support the construction of housing specifically designed for persons with a developmental, mental, or emotional disability.	Promote the provisions of disabled-accessible units and housing for developmentally, mentally and physically disabled.	<p>The City continues to support housing for persons with special needs.</p> <p>Continued Appropriateness: In the 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.</p>
6.11 Continue to require family apartment projects that receive city funding to include units with more than two bedrooms	Promote the construction of rental units for larger families.	<p>The City continues to encourage a variety of housing types and unit sizes to accommodate the diverse housing needs.</p> <p>Continued Appropriateness: The 2023-2031 Housing Program focuses on provide a range of unit sizes and types.</p>
<p>Goal 7: Promote a choice of housing types and locations available to all persons, regardless of race, color, religion, sex, sexual orientation, national origin, ancestry, familial status, source of income, age, marital status, medical condition or disability.</p>		
7.1 Continue to refer fair housing complaints to the Mediation Assistance Program administered by the Petaluma People Service Center.	Discourage discriminatory housing practices.	<p>Since 2015, \$190,175 has been allocated to support program operations.</p> <p>Continued Appropriateness: The 2023-2031 Housing Program includes a number of housing programs to affirmatively further fair housing, include fair housing outreach and enforcement.</p>
7.2 Initiate actions to address any fair housing issues or constraints on housing for the disabled identified by the 2012 Analysis of Impediments, including removing the constraints or providing reasonable accommodation for housing intended for persons with disabilities.	Discourage discriminatory housing practices.	<p>In 2015, the City's transit worked with regional partners to implement the Clipper regional transit fare card, deploy a free public Wi-Fi system, and a trip planning status for rider ease.</p> <p>The City is working in partnership with the County of Sonoma and City of Santa Rosa to update the Analysis of Impediments. The project was slightly delayed due to the impact of COVID.</p>

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Program/Policy	Objective	Progress and Continued Appropriateness
		<p>Continued Appropriateness: As part of the Housing Element update, the City conducted the affirmatively furthering fair housing assessment pursuant to Housing Element requirement. This assessment is included in the appendix. Actions to foster fair housing, mobility, access to resources, and anti-displacement are included in the 2023-2031 Housing Element.</p>
<p>7.3 Develop a reasonable accommodation procedure. A reasonable accommodation procedure will ensure persons with disabilities equal access to housing in accordance with fair housing laws.</p>	<p>Discourage discriminatory housing practices.</p>	<p>The City has not yet established a formal procedure for residents and property owners to make reasonable accommodation requests. The procedure should clearly outline eligible applicants, and criteria and timeline for review and approval. The city will work with PPSC who administers the Fair Housing Program for the City to develop a procedure.</p> <p>Continued Appropriateness: This 2023-2031 Housing Element includes a program action to establish a reasonable accommodation procedure.</p>
<p>Goal 8: Preserve and improve the city’s existing housing stock.</p>		
<p>8.1 Continue to support the the Low-Income Housing Rehab program.</p>	<p>Promote the maintenance of existing residential units.</p>	<p>The City works in partnership with a partner agency that provides rehabilitation services for housing and public facilities. To date the partner agency has completed a total of 210 jobs. This includes a total of 53 major and 157 minor rehabilitation jobs. The City has provided ongoing funding through the CDBG program.</p> <p>Continued Appropriateness: The 2023-2031 Housing Element includes program actions to preserve and improve the housing quality in Petaluma.</p>
<p>Goal 9: Promote the integration of affordable and special needs housing with existing neighborhoods.</p>		
<p>9.1 Continue to address community input of such projects on surrounding neighborhoods during the</p>	<p>Promote the integration of affordable and special needs housing</p>	<p>The City is in the process of developing objective design standards for residential development. Through the Inclusionary Housing on-site requirement, the City facilitates the integration of affordable</p>

Program/Policy	Objective	Progress and Continued Appropriateness
design review and approval process.	projects on existing neighborhoods.	<p>housing within existing neighborhoods. The City has a robust community engagement and public noticing policy to engage neighbors during the entitlement process and has a track record of working with affordable housing providers to engage neighbors and stakeholders early and often even when reviewing projects under streamlined provisions.</p> <p>Continued Appropriateness: This policy direction is implemented through various programs and is not separately identified in the 2023-2031 Housing Element as a separate housing program.</p>
9.2 Monitor and continue to work with the managers of affordable and special needs housing projects to minimize potential impacts on surrounding neighborhoods.	Promote the integration of affordable and special needs housing projects on existing neighborhoods.	<p>The City is in the process of developing objective design standards for residential development. The City has worked closely with affordable housing developers, including PEP, COTS, Danco, MidPen, and Burbank during the 5th cycle to ensure that projects engage neighbors and community stakeholders and minimize negative impacts to the surrounding area.</p> <p>Continued Appropriateness: This policy direction is implemented through various programs and is not separately identified in the 2023-2031 Housing Element as a separate housing program.</p>
Goal 10: Encourage energy conservation in housing and reduce the contribution to greenhouse gases from existing sources and minimize the contribution of greenhouse gases from new construction and sources.		
10.1 Continue to evaluate residential projects for consistency with Section 66473.1 (Energy Conservation) of the Subdivision Map Act during the development review process.	Promote the use of energy conservation features in the design of residential development.	<p>The City continues to comply with the Building Code requirements on energy conservation. In 2020 the City adopted a mandatory all-electric code for new construction and substantial remodels and additions that exceed base requirements of the California Building Code.</p> <p>Continued Appropriateness: This is a routine policy and is not separately identified in the Housing Element as a program.</p>

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Program/Policy	Objective	Progress and Continued Appropriateness
10.2 Continue to require the planting of street and parking lot trees as part of residential projects to provide cooling during the summer months.	Promote the use of energy conservation features in the design of residential development.	The City continues to require on- and off-site improvements, including installation of shade trees in parking lots as required by the Site Plan and Architectural Review guidelines. Continued Appropriateness: This is a routine requirement and is not separately identified in the Housing Element as a program.

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Appendix E: Affirmatively Furthering Fair Housing (AFFH)

Introduction and Overview of AB 686

Assembly Bill 686 passed in 2017 requires the inclusion in the Housing Element an analysis of barriers that restrict access to opportunity¹ and a commitment to specific meaningful actions to affirmatively further fair housing.² AB 686 also mandates that local governments identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected classes.³ In addition, it:

- Requires the state, cities, counties, and public housing authorities to administer their programs and activities related to housing and community development in a way that affirmatively furthers fair housing;
- Prohibits the state, cities, counties, and public housing authorities from taking actions materially inconsistent with their AFFH obligation;
- Requires that the AFFH obligation be interpreted consistent with HUD's 2015 regulation, regardless of federal action regarding the regulation;
- Adds an AFFH analysis to the Housing Element (an existing planning process that California cities and counties must complete) for plans that are due beginning in 2021;
- Includes in the Housing Element's AFFH analysis a required examination of issues such as segregation and resident displacement, as well as the required identification of fair housing goals

The Bill added an assessment of fair housing to the Housing Element which includes the following components: a summary of fair housing issues and assessment of the City's fair housing enforcement and outreach capacity; an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

Analysis Requirements

An assessment of fair housing must consider the elements and factors that cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and disproportionate housing needs.⁴ The analysis must address patterns at a regional and local level and trends in patterns over time. This analysis should compare the locality at a county level or even broader regional level such as a Council of Government, where appropriate, for the purposes of promoting more inclusive communities. For the purposes of this AFFH,

¹ While California's Department of Housing and Community Development (HCD) does not provide a definition of opportunity, opportunity usually related to the access to resources and improve quality of life. HCD and the California Tax Credit Allocation Committee (TCAC) have created Opportunity Maps to visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.

² "Affirmatively furthering fair housing" is defined to mean taking meaningful actions that "overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity" for communities of color, persons with disabilities, and others protected by California law.

³ A protected class is a group of people sharing a common trait who are legally protected from being discriminated against on the basis of that trait.

⁴ Gov. Code, §§ 65583, subds. (c)(10)(A), (c)(10)(B), 8899.50, subds. (a), (b), (c); see also AFFH Final Rule and Commentary (AFFH Rule), 80 Fed. Reg. 42271, 42274, 42282-42283, 42322, 42323, 42336, 42339, 42353-42360, esp. 42355-42356 (July 16, 2015). See also 24 C.F.R. §§ 5.150, 5.154(b)(2) (2016).

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“Regional Trends” describe trends in Sonoma County and “Local Trends” describe trends specific to the City of Petaluma.

Sources of Information

The City used a variety of data sources for the assessment of fair housing at the regional and local level. These include:

- Housing Needs 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 for most characteristics
 - Note: The ABAG Data Packets also referenced the U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) reports (based on the 2013-2017 ACS)
- U.S. Census Bureau’s Decennial Census (referred to as “Census”) and American Community Survey (ACS)
- Sonoma County 2012 Analysis of Impediments to Fair Housing Choice (2012 AI)
- Local knowledge from City staff

Assessment of Fair Housing

Fair Housing Enforcement and Outreach

Federal fair housing laws prohibit discrimination based on: race, color, religion, national origin, sex/gender, handicap/disability, and familial status. Specific federal legislation and court rulings include:

- The Civil Rights Act of 1866- covers only race and was the first legislation of its kind
- The Federal Fair Housing Act 1968- covers refusal to rent, sell, or finance
- The Fair Housing Amendment Act of 1988- added the protected classes of handicap and familial status
- The Americans with Disabilities Act (ADA)- covers public accommodations in both businesses and in multi-family housing developments
- Shelly v. Kramer 1948- made it unconstitutional to use deed restrictions to exclude individuals from housing
- Jones v. Mayer 1968- made restrictive covenants illegal and unenforceable

California state fair housing laws protect the same classes as the federal laws with the addition of marital status, ancestry, source of income, sexual orientation, and arbitrary discrimination. Specific State legislation and regulations include:

- Unruh Civil Rights Act- extends to businesses and covers age and arbitrary discrimination
- California Fair Employment and Housing Act (Rumford Act)- covers the area of employment and housing, with the exception of single-family houses with no more than one roomer/boarder
- California Civil Code Section 53- takes measures against restrictive covenants
- Department of Real Estate Commissioner’s Regulations 2780-2782- defines disciplinary actions for discrimination, prohibits panic selling and affirms the broker’s duty to supervise
- Business and Professions Code- covers people who hold licenses, including real estate agents, brokers, and loan officers.

The City has committed to complying with applicable federal and State fair housing laws to ensure that housing is available to all persons without regard to race, color, religion, national origin, disability, familial

status, or sex as outlined in the Sonoma County Regional Analysis of Impediments to Fair Housing Choice (2012 AI).

Fair Housing Enforcement

The City contracts with Petaluma People Services Center (PPSC) to provide fair housing assistance and landlord/tenant mediation for Petaluma residents. The PPSC also serves residents with rental assistance, COVID assistance, the Bridge the Gap program, and County CDBG-CV. The Bridge the Gap program assists low income seniors with rental costs. PPSC distributes information and educates residents and landlords by providing printed materials, as well as in-person training and educational events. The materials and trainings are provided in English and Spanish as needed fair housing information is also provided on the City's website.⁵

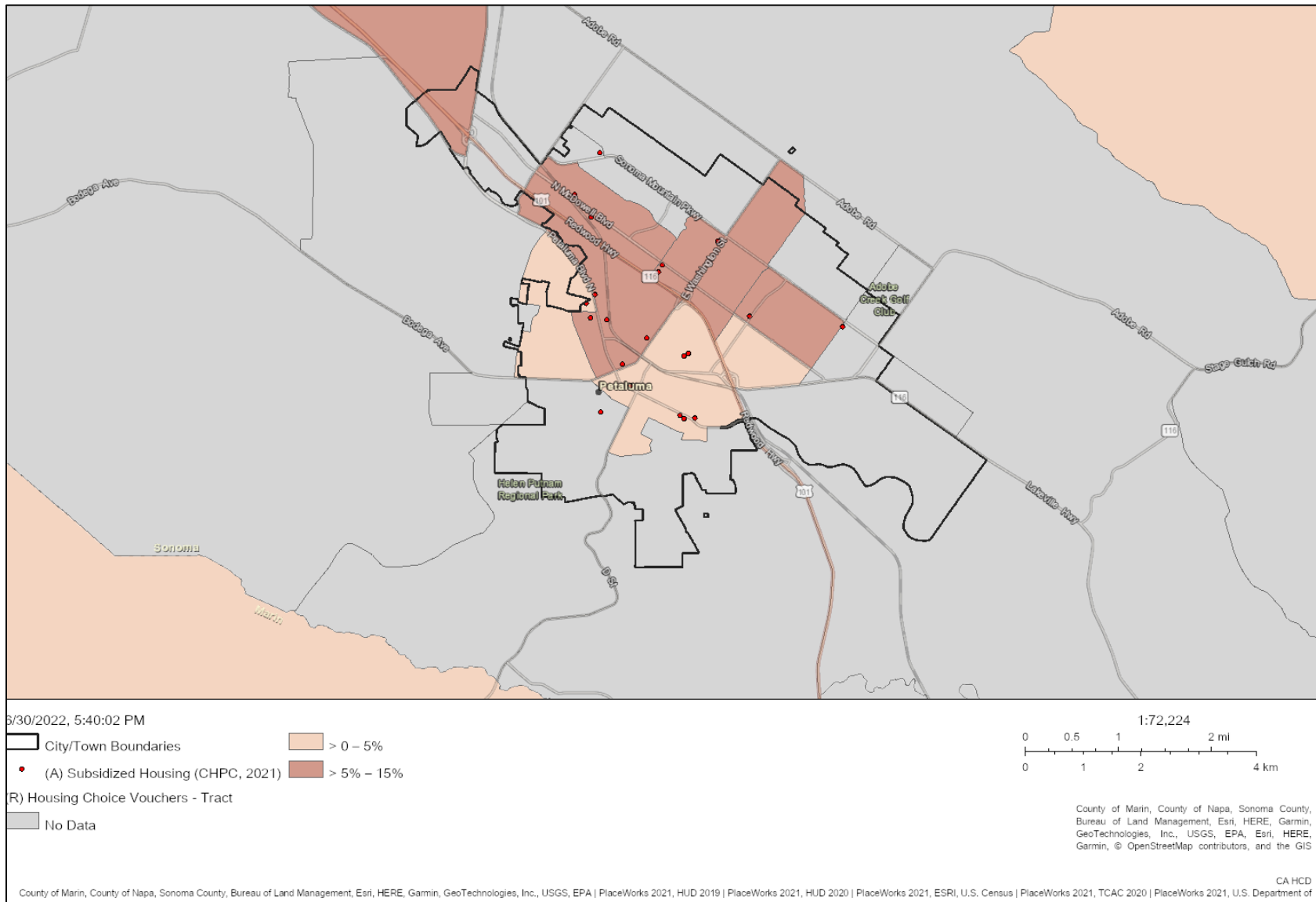
According to the HCD AFFH Data Viewer, between 2013 and 2021, HUD received 13 fair housing inquiries from Petaluma residents. Of the 13 inquiries, five were related to disability status, one to race, one to sex, and six unrelated to a specific issue. During this period, eight persons failed to respond, five inquiries were found to have to valid basis or issue, and one inquirer decided not to pursue the complaint.

In Sonoma County in 2020, only two Office of Fair Housing and Equal Opportunity (FHEO) cases were officially filed through HUD. One case was related to disability status. There were no cases filed in 2020 related to a racial bias.

Subsidized housing projects and Housing Choice Voucher (HCV) recipients by tract are shown in Figure E1. HCV recipients are most concentrated in tracts in the Midtown, Adobe, and College neighborhoods. Subsidized housing projects are located throughout the City but are most concentrated in this area.

⁵ See <https://cityofpetaluma.org/get-landlord-help/>

Figure E1: Subsidized Housing and HCVs by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 California Housing Partnership (CHPC) data), 2022.

Fair Housing Testing

According to the 2012 Sonoma County Analysis of Impediments to Fair Housing Choice (2012 AI), Fair Housing of Marin (FHOM) conducted a study called Race Discrimination in Rental Housing in Sonoma County Based on Voice Identification in 2010. The study was conducted throughout 40 properties in Marin County cities and unincorporated Sonoma County. The study found that 25 percent of tests showed a clear differential treatment favoring White testers compared to Black testers and another 43 percent showed some differential treatment favoring White testers compared to Black testers. The 2012 AI found that fair housing testing in the County was insufficient in measuring housing discrimination.

Fair Housing Education and Outreach

The PPSC hosts annual fair housing training workshops for landlords, property managers, and community members in Petaluma. Information on landlord/tenant assistance and PPSC services are provided on the City's website. The PPSC website, which is advertised on the City website, also includes information on rental assistance, COVID-19 assistance, the Bridge the Gap program, the County CDBG-CV program, and fair housing laws and protections. PPSC distributes information and educates residents and landlords by providing printed materials, as well as in-person training and educational events. PPSC also has a dedicated team that responds to phone calls and emails from the community to address questions and or fair housing complaints. PPSC also participates in state and regional events and presented at the State of California Landlord Association on the subject of state law around landlords asking about rental history anon tenant applications. An example of the outcome of the work PPSC is doing to serve the community, the State organization has agreed to eliminate that question on rental applications. The materials and trainings are provided in English and Spanish as needed.

Integration and Segregation

Race and Ethnicity

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences and mobility. For example, prior studies have identified socioeconomic status, generational care needs, and cultural preferences as factors associated with “doubling up”- households with extended family members and non-kin.⁶ These factors have also been associated with ethnicity and race. Other studies have also found minorities tend to congregate in metropolitan areas though their mobility trend predictions are complicated by economic status (minorities moving to the suburbs when they achieve middle class) or immigration status (recent immigrants tends to stay in metro areas/ports of entry).⁷

To measure segregation in a given jurisdiction, the US Department of Housing and Urban Development (HUD) provides racial or ethnic dissimilarity trends. ABAG also provided dissimilarity trends in for cities and counties in the 2022 AFFH Segregation Reports. Dissimilarity indices are used to measure the evenness with which two groups (frequently defined on racial or ethnic characteristics) are distributed across the geographic units, such as block groups within a community. The index ranges from 0 to 100, with 0 denoting no segregation and 100 indicating complete segregation between the two groups. The index score can be understood as the percentage of one of the two groups that would need to move to produce an even

⁶ Harvey, H., Dunifon, R., & Pilkauskas, N. (2021). Under Whose Roof? Understanding the living arrangements of children in doubled-up households. *Duke University Press*, 58 (3): 821–846. <https://doi.org/10.1215/00703370-9101102>

⁷ Sandefur, G.D., Martin, M., Eggerling-Boeck, J., Mannon, S.E., & Meier, A.M. (2001). An overview of racial and ethnic demographic trends. In N. J. Smelser, W.J. Wilson, & F. Mitchell (Eds.) *America becoming: Racial trends and their consequences*. (Vol I, pp. 40-102). National Academy Press Washington, D.C. .

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distribution of racial/ethnic groups within the specified area. For example, if an index score above 60, 60 percent of people in the specified area would need to move to eliminate segregation. The following shows how HUD views various levels of the index:

- <40: Low Segregation
- 40-54: Moderate Segregation
- >55: High Segregation

Regional Trends

The racial/ethnic compositions of Sonoma County, Petaluma, and neighboring jurisdictions are presented in Table E1. Sonoma County is characterized by a White majority population (63.2%) followed by a Hispanic/Latino population of 26.7 percent. Other non-White racial/ethnic groups make up a smaller proportion of the population including Asian (4%) and the population of two or more races (3.3%). Petaluma generally has a racial/ethnic composition comparable to the County with slightly more White (non-Hispanic) residents (4.9)% and less Hispanic/Latino residents (4.8 %). Of the selected jurisdictions, Cotati has the largest White population of 74.5 percent and Santa Rosa has the smallest White population of 54.6 percent. Santa Rosa has a larger Hispanic/Latino, Asian, and Black/African American population compared to the County as a whole.

Table E1: Racial/Ethnic Compositions (2019)

Race/Ethnicity	Sonoma County	Petaluma	Cotati	Novato	Rohnert Park	Santa Rosa	Sonoma (City)
White, non-Hispanic	63.2%	68.1%	74.5%	63.5%	61.0%	54.6%	73.4%
Black/African American, non-Hispanic	1.5%	1.1%	0.6%	3.4%	2.2%	2.4%	0.1%
American Indian/Alaska Native, non-Hispanic	0.5%	0.1%	0.0%	0.2%	0.0%	0.7%	0.1%
Asian, non-Hispanic	4.0%	4.4%	1.6%	7.7%	6.6%	5.4%	2.6%
Native Hawaiian/Other Pacific Islander, non-Hispanic	0.3%	0.0%	0.3%	0.1%	0.0%	0.5%	0.0%
Some other race	0.4%	0.8%	0.7%	2.3%	0.3%	0.2%	0.0%
Two or more races	3.3%	3.6%	3.8%	3.9%	3.0%	3.3%	3.0%
Hispanic/Latino	26.7%	21.9%	18.4%	18.9%	26.9%	32.8%	20.8%
Total	499,772	60,767	7,454	55,642	42,902	179,701	11,075
Source: 2015-2019 ACS (5-Year Estimates).							

Racial/ethnic dissimilarity indices for Sonoma County from 1990 to 2020 are presented in Table E2. Trends since 1990 reveal that segregation between all White and non-White groups has increased; however, all current dissimilarity indices still indicate segregation is low according to HUD’s definition of the index. Segregation between Black and White communities is the highest in the County, followed by Hispanic and White communities and Asian/Pacific Islander and White communities. Dissimilarity index scores have increased the most for Hispanic and White communities since 1990 compared to White and Black or Asian communities. As discussed above, the Hispanic/Latino population makes up the second largest population in the County following the White population. Segregation patterns in the City of Petaluma will be compared to dissimilarity indices outlined for Sonoma County in Table E2 in the following section. According to HUD’s definition for dissimilarity index scores, segregation between all racial/ethnic minority groups and White populations is low.

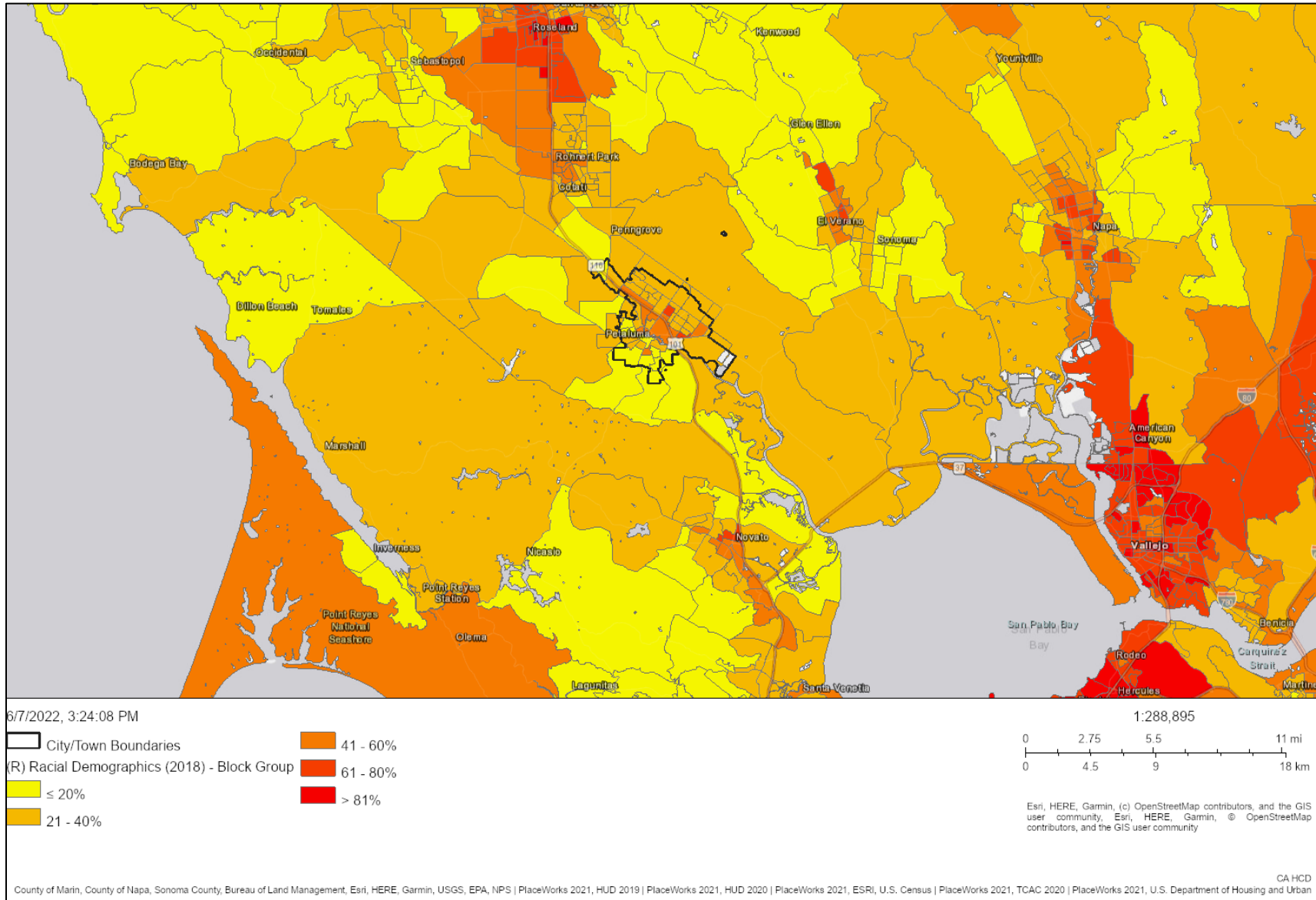
Table E2: Racial/Ethnic Dissimilarity Indices – Sonoma County (2020)

	1990	2000	2010	Current
Non-White/White	21.12	28.06	29.76	34.77
Black/White	33.46	31.11	30.66	39.52
Hispanic/White	24.78	34.54	34.81	38.16
Asian or Pacific Islander/White	25.03	26.06	24.30	32.28
Source: HUD AFFH-T Data, 2020.				

Racial/ethnic minority populations by block group for the region are shown in Figure E2. Non-White populations in Petaluma block groups are generally comparable to other jurisdictions in the region located along the 101 Highway including Novato to the south and Rohnert Park to the north. As discussed previously, there are a higher concentration of block groups in Santa Rosa, north of Petaluma, with larger populations of people of color. Compared to unincorporated Sonoma County areas east and west of the City, Petaluma has slightly higher concentrations of racial/ethnic minority groups. This is consistent with the trend Countywide, where racial/ethnic populations tend to be more concentrated in incorporated cities compared to the incorporated County areas.

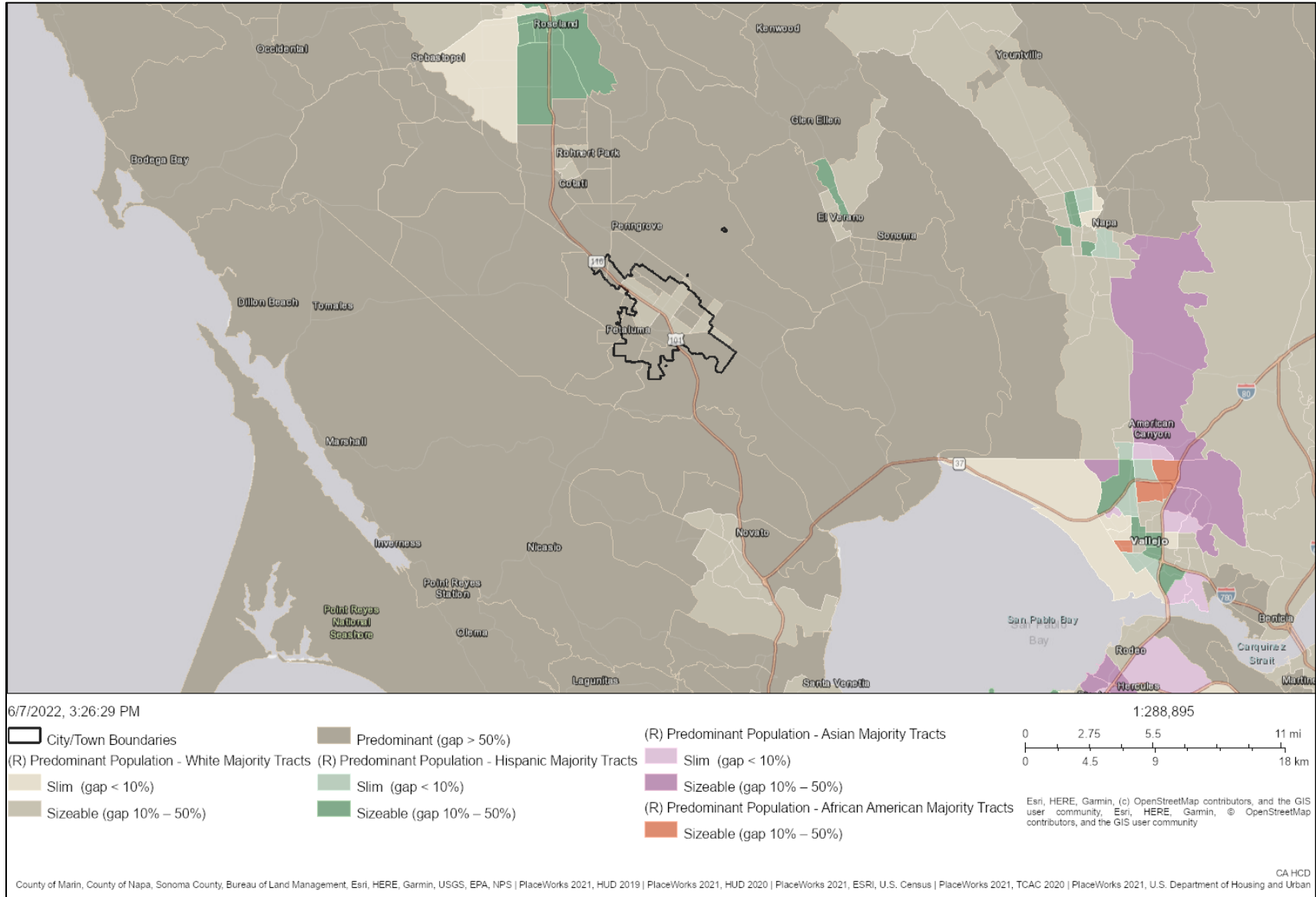
Regional racial/ethnic majority populations are shown at the tract-level in Figure E3. Most tracts in the region, including tracts in Petaluma, have majority White populations. This is consistent with the Countywide racial/ethnic composition, where Whites account for 63.2 percent of the total population. Tracts with Hispanic/Latino majority populations are located north of Petaluma in and adjacent to Santa Rosa and east of Petaluma adjacent to the City of Sonoma.

Figure E2: Regional Racial/Ethnic Minority Population by Block Group (2018)



Source: HCD AFFH Data Viewer (based on 2018 ESRI data), 2022.

Figure E3: Regional Racial/Ethnic Majority Population by Tract



Source: HCD AFFH Data Viewer (based on 2018 ESRI data), 2022.

Local Trends

As discussed above, Petaluma is characterized by a White majority population (68.1%). The Hispanic Latino population is the second largest population in the City, accounting for 21.9 percent of the total population. The change in racial/ethnic composition in the City is presented in Table E3. Since the 2006-2010 ACS, the White population has remained constant. During the same period, all racial/ethnic groups represent a smaller proportion other than the population of some other race and the population of persons of two or more races. In general, the City has not seen a substantial change in the overall racial/ethnic composition since 2010.

Table E3: Change in Racial/Ethnic Composition (2010-2019)

Race/Ethnicity	2010		2019	
	Persons	Percent	Persons	Percent
White, non-Hispanic	38,587	68.1%	41,357	68.1%
Black/African American, non-Hispanic	632	1.1%	646	1.1%
American Indian/Alaska Native, non-Hispanic	211	0.4%	72	0.1%
Asian, non-Hispanic	2,604	4.6%	2,688	4.4%
Native Hawaiian/Other Pacific Islander, non-Hispanic	140	0.2%	26	0.0%
Some other race	29	0.1%	490	0.8%
Two or more races	1,304	2.3%	2,183	3.6%
Hispanic/Latino	13,182	23.3%	13,305	21.9%
Total	56,689	100.0%	60,767	100.0%

Source: 2006-2010 and 2015-2019 ACS (5-Year Estimates).

Racial/ethnic dissimilarity indices from the 2022 ABAG/MTC AFFH Segregation Report are shown in Table E4 for Petaluma and the Bay Area region. It is important to note that the Asian/Pacific Islander and Black/African American populations in Petaluma are small, representing 4.4 percent and 1.1 percent of the total population respectively. Therefore, dissimilarity indices for these groups may be unreliable. Dissimilarity indices for all racial/ethnic groups and the White population are lower in Petaluma compared to the Bay Area. According to these dissimilarity indices, segregation between Latinx and White communities in Petaluma is the highest, followed by Asian/Pacific Islander and White communities, and Black/African American and White communities. Overall, segregation is less of an issue in the City compared to the Bay Area. Further, based on HUD’s definition of the index, segregation between all non-White and White communities in the City is low. Programs outlined in this Housing Element aim to ensure segregation levels in the City remain low.

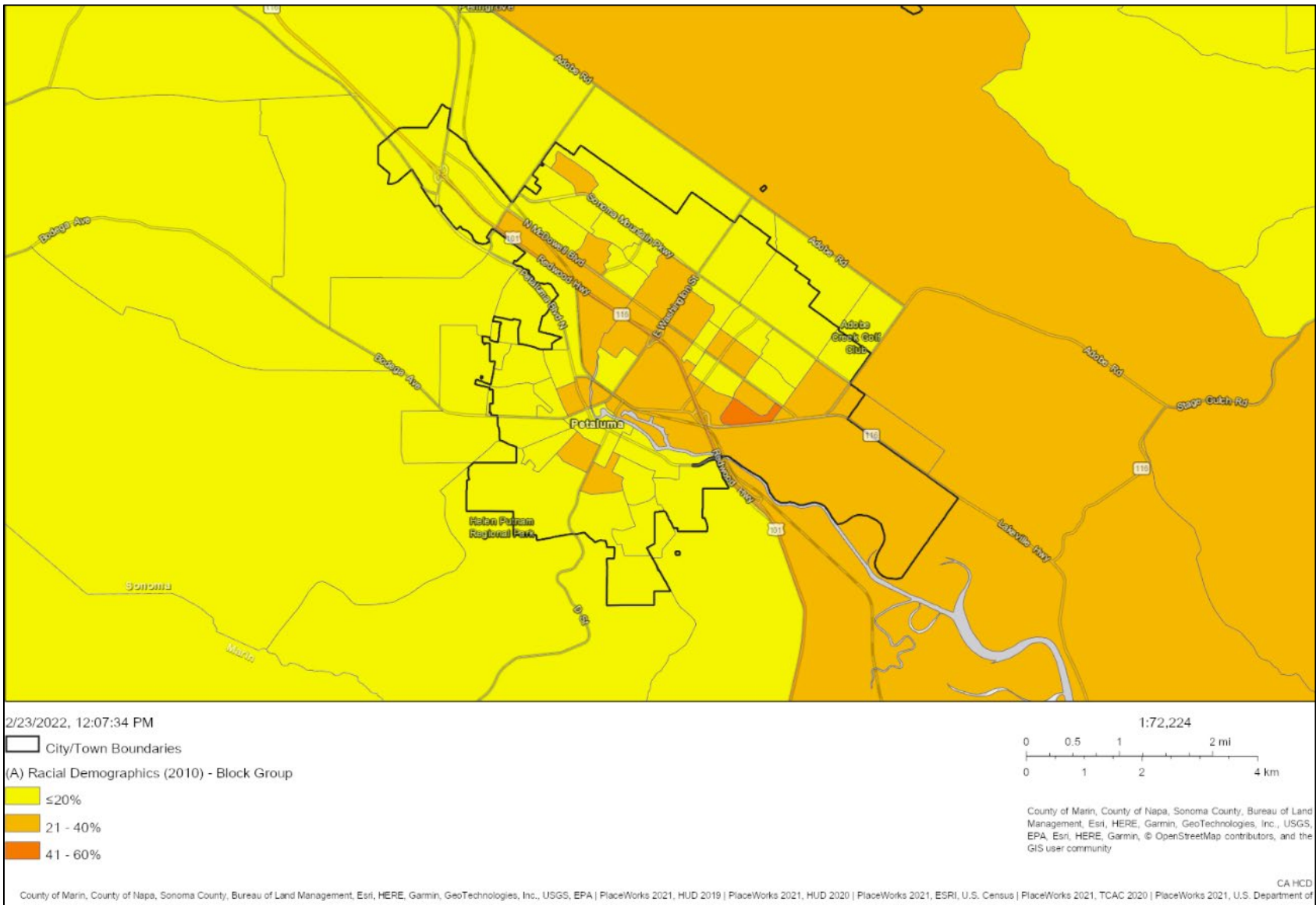
Table E4: Racial/Ethnic Dissimilarity Indices (2000-2020)

	Petaluma			Bay Area
	2000	2010	2020	2020
Asian/Pacific Islander vs. White	22.5*	22.4*	17.5*	18.5
Black/African American vs. White	20.6*	23.0*	17.2*	24.4
Latinx vs. White	17.5	23.4	20.6	20.7
People of Color vs. White	14.0	18.5	15.3	16.8

** Index based on racial group making up less than 5 percent of jurisdiction population. Estimates may be unreliable.
Source: ABAG/MTC AFFH Segregation Report, 2022.*

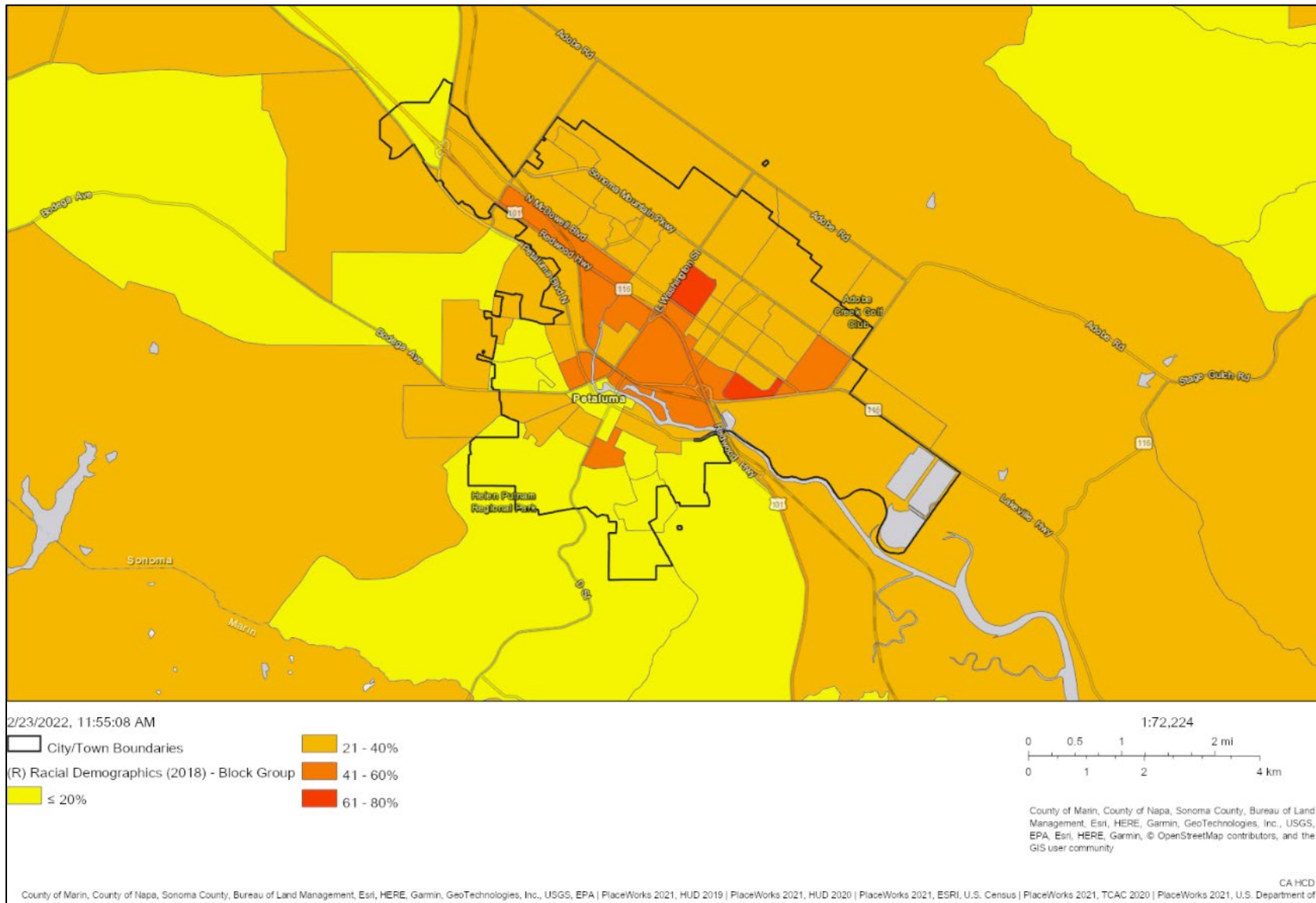
Figure E4 and Figure E5 compare the racial/ethnic composition by block group from 2010 to 2018. According to the HCD AFFH Data Viewer, the non-White population in most Petaluma block groups has increased during this period. Block groups in the central areas of the City along the 101 Highway tend to have larger population of people of color, specifically in the Midtown, Downtown, and Adobe neighborhoods. The Western neighborhood, located in the central southern area of the City, contains block groups with the largest White populations. Most block groups in the City have racial/ethnic minority populations ranging from 21 to 40 percent, while block groups in the central areas have racial/ethnic minority populations ranging from 41 to 80 percent.

Figure E4: Racial/Ethnic Minority Population by Block Group (2010)



Source: HCD AFFH Data Viewer (based on 2010 ESRI data), 2022.

Figure E5: Racial/Ethnic Minority Population by Block Group (2018)



Source: HCD AFFH Data Viewer (based on 2018 ESRI data), 2022.

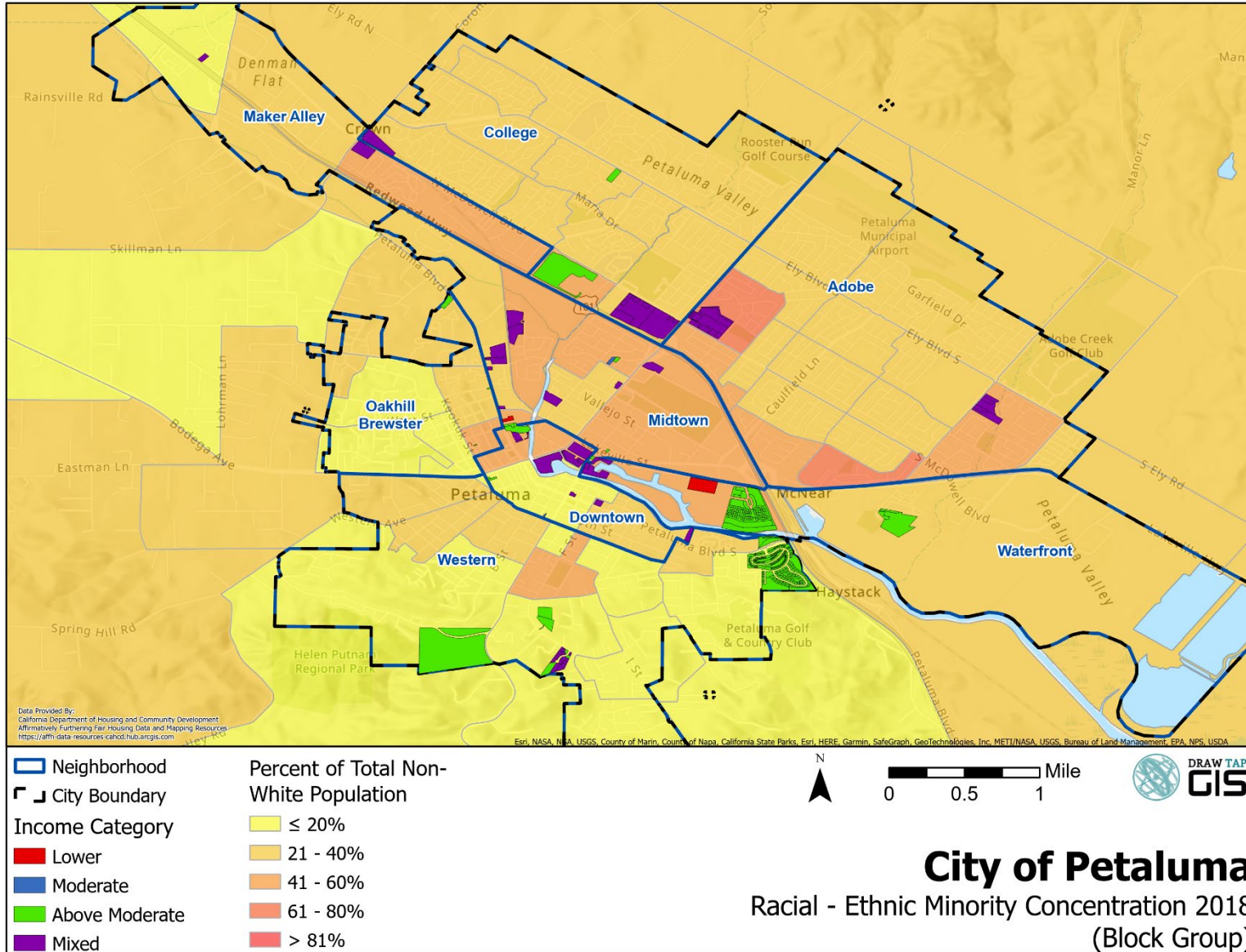
Sites Inventory

To ensure RHNA units are not concentrated in a single area of the City, specifically in areas where fair housing issues are more prevalent, this analysis shows the distribution of RHNA units by various AFFH variables. The distribution of RHNA units by population of racial/ethnic minority groups is shown in Figure E6 and Table E5. Of the 3,113 units selected to meet the RHNA, which includes pipeline projects and opportunity sites, more than half (56.6%) are in block groups where 41 to 60 percent of the population belongs to a racial or ethnic minority group. Approximately 71 percent of moderate income units are in block groups where 41 to 60 percent of the population belongs to a racial or ethnic minority group compared to 54.7 percent of lower income units and 54.3 percent of above moderate income units. More lower income units (45.3%) are in block groups where less than 40 percent of the population belongs to a racial or ethnic minority group compared to moderate income units (29.1%) and above moderate income units (44.1%). There are only two block groups in the City where more than 61 percent of the population is non-White; 30 above moderate income units have been allocated in block groups with racial/ethnic minority populations in this range. RHNA units are generally distributed throughout the City and are not concentrated in a single neighborhood. Mixed income sites have been identified in many different areas of Petaluma and will serve all existing populations regardless of racial/ethnic makeup. Further, the City’s RHNA strategy does not allocate lower income units in areas with larger racial/ethnic minority populations at a rate exceeding moderate and above moderate income units.

Table E5: Distribution of RHNA Units by Racial/Ethnic Minority Population

Racial/Ethnic Minority Population (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	170	21.5%	70	16.8%	387	20.3%	627	20.1%
21-40%	188	23.8%	51	12.3%	454	23.8%	693	22.3%
41-60%	432	54.7%	295	70.9%	1036	54.3%	1763	56.6%
61-80%	0	0.0%	0	0.0%	30	1.6%	30	1.0%
>81%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E6: Sites Inventory and Non-White Population by Block Group (2018)



Source: HCD AFFH Data Viewer (based on 2018 ESRI data) and Veronica Tam & Associates, 2022.

Persons with Disabilities

Persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limits their housing options. Persons with disabilities also tend to be more susceptible to housing discrimination due to their disability status and required accommodations associated with their disability.

Regional Trends

Sonoma County has a larger population of persons with disabilities (11.9%) compared to the Bay Area (9.6%) and City of Petaluma (9.1%) (Table E6). This trend may, in part, be due to the population of elderly persons in the County as persons aged 65 and older tend to have higher rates of disabilities. According to the 2015-2019 ACS, the County has a population of persons aged 65 and older of 19 percent compared to only 17.6 percent in Petaluma. Additional data about age characteristics for the Petaluma population is included in Appendix A, *Housing Needs Assessment*.

Table E6: Disability Status (2019)

	No Disability	With Disability	Percent with Disability
Petaluma	54,621	5,495	9.1%
Sonoma County	436,576	58,940	11.9%
Bay Area	6,919,762	735,533	9.6%
<i>Note: Data reflects civilian noninstitutionalized population.</i>			
<i>Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.</i>			

As shown in Table E7, the Black/African American population has the highest disability rate in the County (19.7%), followed by the American Indian/Alaska Native population (15%), and non-Hispanic White population (13.3%). The Native Hawaiian/Other Pacific Islander population and population of two or more races also have disability rates exceeding the Countywide average. The population of persons aged 75 and older have the highest rate of disabilities of 43.6 percent, followed by the population aged 65 to 74 (19.1%), and population aged 35 to 64 (11%).

Table E7: Disability Status by Race/Ethnicity and Age – Sonoma County (2019)

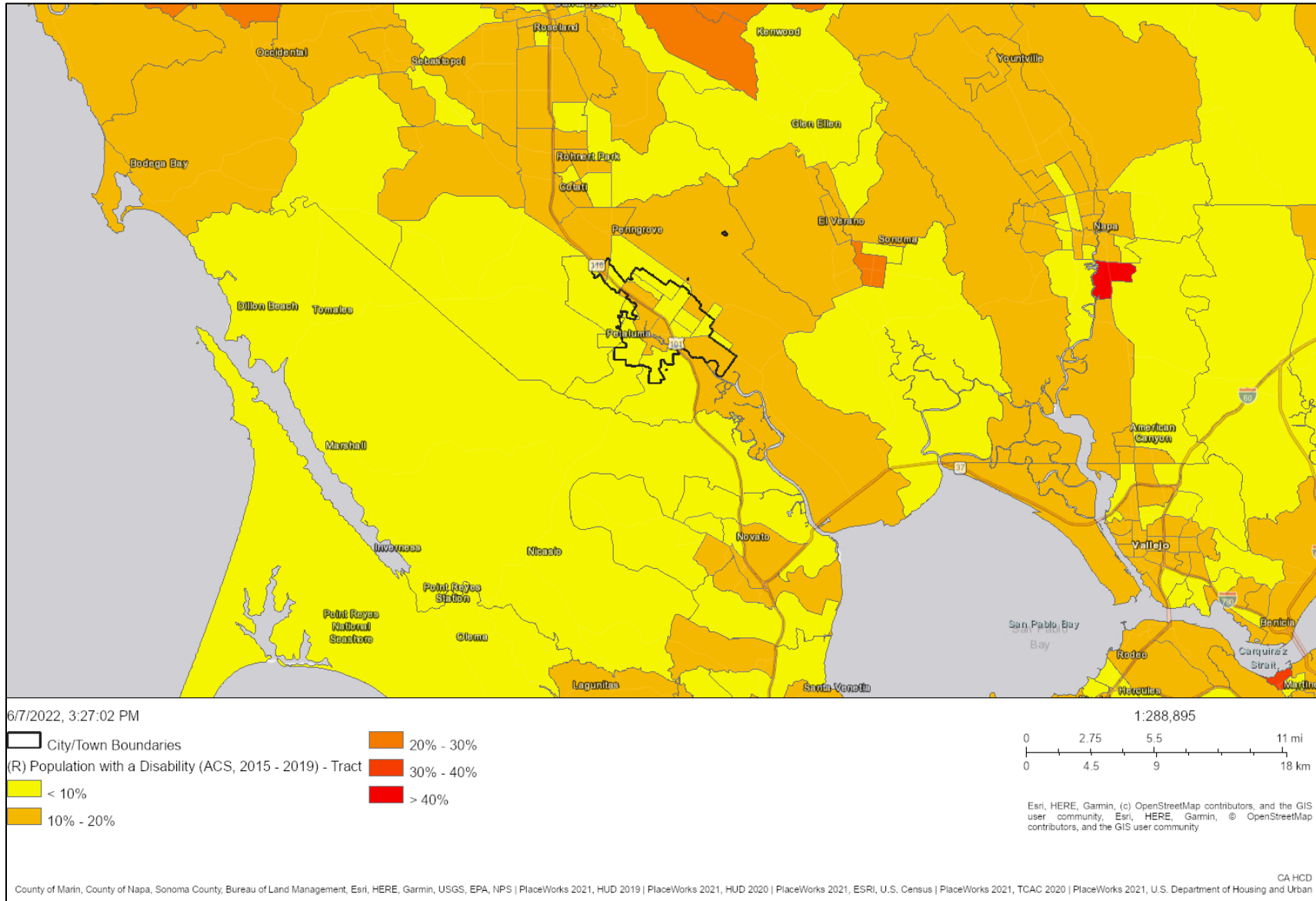
	Total Population	Percent with Disability
Race/Ethnicity		
Black or African American alone	8,007	19.7%
American Indian and Alaska Native alone	4,323	15.0%
Asian alone	20,386	9.1%
Native Hawaiian and Other Pacific Islander alone	1,585	12.0%
Some other race alone	63,998	7.1%
Two or more races	26,511	10.4%
White alone, not Hispanic or Latino	313,461	13.3%
Hispanic or Latino (of any race)	132,436	8.7%
Age		
Under 5 years	25,134	1.3%
5 to 17 years	73,733	4.6%
18 to 34 years	104,592	6.5%

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35 to 64 years	198,513	11.0%
65 to 74 years	57,644	19.1%
75 years and over	35,900	43.6%
Total civilian noninstitutionalized population	495,516	11.9%
Source: 2015-2019 ACS (5-Year Estimates).		

The population of persons with disabilities by tract in the region is shown in Figure E7. Most tracts in the region surrounding Petaluma have populations of persons with disabilities below 20 percent. Tracts with populations of persons with disabilities exceeding 20 percent are located east of the City in and around the cities of Sonoma and Napa, and north of the City near Santa Rosa.

Figure E7: Regional Population of Persons with Disabilities by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

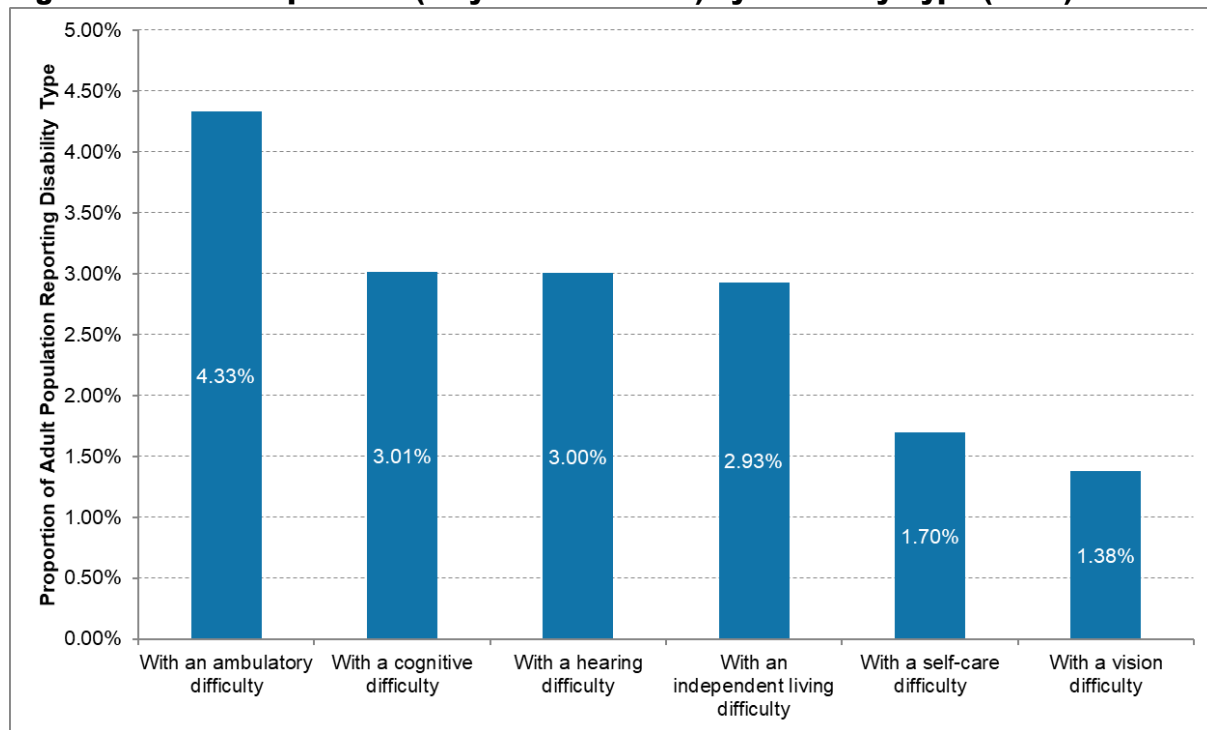
Local Trends

As mentioned previously, Petaluma has a population of persons who experience a disability of 9.1 percent, lower than the County (11.9%) and the Bay Area (9.6%). The ACS records disabilities by type. The following disability types are tallied in the ACS⁸:

- **Ambulatory difficulties:** Having serious difficulty walking or climbing stairs
- **Cognitive difficulties:** Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions
- **Hearing difficulties:** Deaf or having serious difficulty hearing
- **Independent living difficulties:** Because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor’s office or shopping
- **Self-care difficulties:** Having difficulty bathing or dressing
- **Vision difficulties:** Blind or having serious difficulty seeing, even when wearing glasses

Ambulatory difficulties are the most prevalent disability type in the City (4.3%), followed by cognitive difficulties (3%), hearing difficulties (3%), and independent living difficulties (2.9%) (Figure E8). Ambulatory and independent living difficulties are generally more common amongst the elderly population. The population of persons aged 65 years and older accounts for 17.6 percent of the Petaluma population.

Figure E8: Adult Population (65 years and older) by Disability Type (2019)



Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.

Disability type for the senior population is shown in Figure E9. Amongst persons aged 65 years and older, 14.5 percent experiences an ambulatory difficulty, 10.1 percent experiences an independent living difficulty, and 9.9 percent experiences a hearing difficulty. As discussed previously, the senior population has the largest proportion of persons who experience a disability compared to other age groups. As such, the three

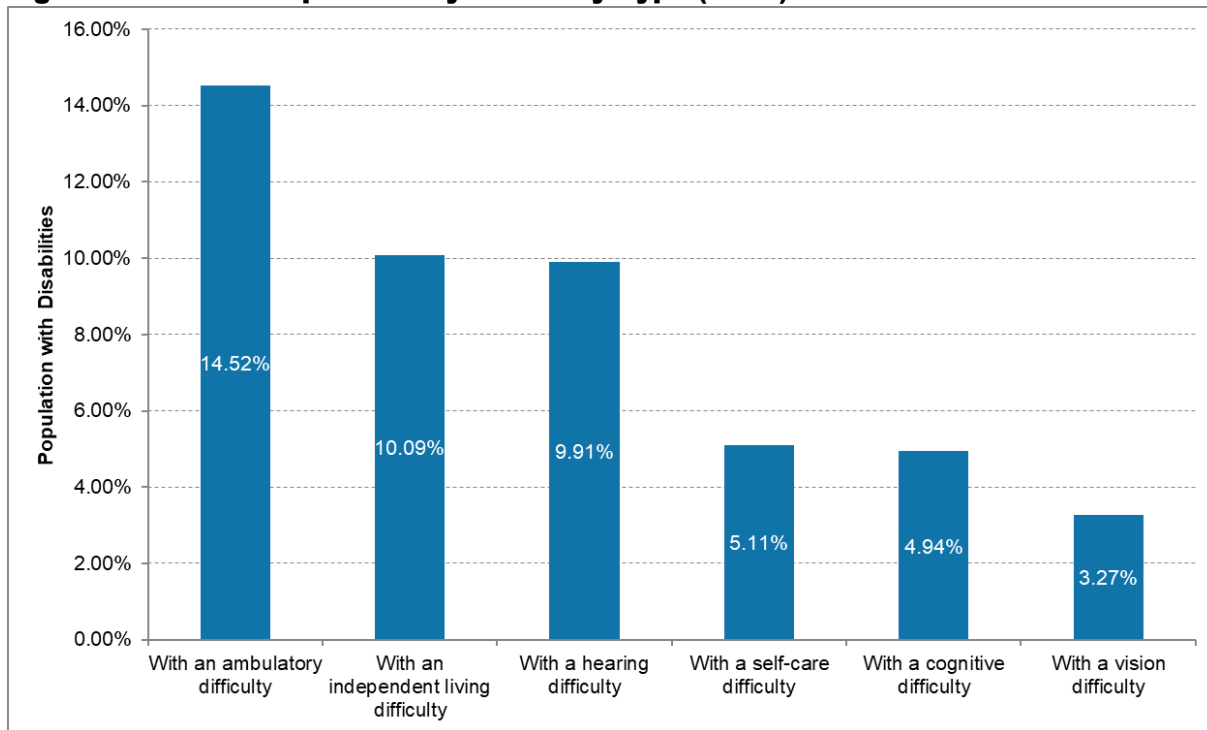
⁸ United States Census Bureau, How Disability Data are Collected from The American Community Survey. <https://www.census.gov/topics/health/disability/guidance/data-collection-acs.html>.

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most common disability types amongst the senior population are also the most common amongst the Petaluma population as a whole.

Figure E9: Senior Population by Disability Type (2019)



Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.

Disability status by race/ethnicity and age for the City of Petaluma is shown in Table E8. The American Indian/Alaska Native population has the highest rate of persons who experience disabilities at 44.1 percent, followed by the Native Hawaiian/Other Pacific Islander population (16.4%), and Black/African American population (13.8%). The non-Hispanic White population also has a rate of disabilities exceeding the Citywide average of 9.1 percent. Like the County, persons aged 75 and older are most likely to experience a disability (41.2%).

Table E8: Disability Status by Race/Ethnicity and Age – Petaluma (2019)

	Total Population	Percent with Disability
Race/Ethnicity		
Black or African American alone	715	13.8%
American Indian and Alaska Native alone	263	44.1%
Asian alone	2,738	7.0%
Native Hawaiian and Other Pacific Islander alone	67	16.4%
Some other race alone	6,607	7.0%
Two or more races	3,208	4.3%
White alone, not Hispanic or Latino	40,951	9.9%
Hispanic or Latino (of any race)	13,081	7.2%
Age		
Under 5 years	3,008	0.0%
5 to 17 years	9,774	3.5%
18 to 34 years	11,809	5.0%
35 to 64 years	25,167	8.1%
65 to 74 years	6,551	14.7%
75 years and over	3,807	41.2%
Total civilian noninstitutionalized population	60,116	9.1%
<i>Source: 2015-2019 ACS (5-Year Estimates).</i>		

The population of persons with disabilities by tract is presented in Figure E10. Less than 20 percent of the population in all Petaluma tracts experiences a disability. In general, a larger proportion of the population in tracts along the 101 Highway experience a disability. The areas south of the 101 Highway, in the Midtown and Downtown neighborhoods, also have higher concentrations of racial/ethnic minorities. As shown in Table E8 above, the American Indian/Alaska Native, Native Hawaiian/other Pacific Islander, and Black/African American populations have the largest proportions of persons with disabilities.

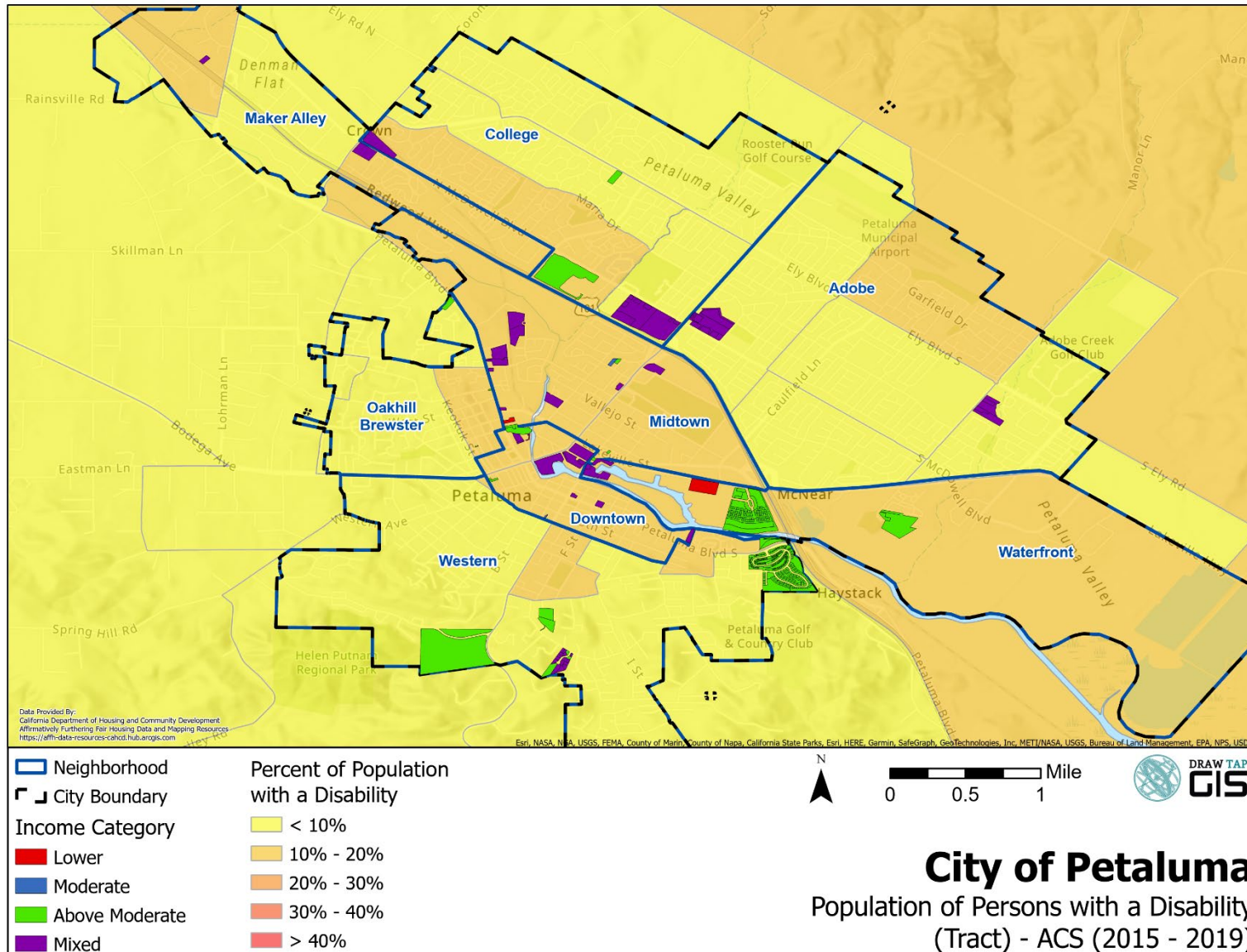
Sites Inventory

Figure E10 and Table E9 show the distribution of RHNA units, including pipeline projects and opportunity sites, by population of persons with disabilities at the tract level. A majority of units selected to meet the RHNA (84.1%) are in tracts where 10 to 20 percent of the population experiences a disability, including 96.7 percent of lower income units, 98.6 percent of moderate income units, and 75.7 percent of above moderate income units. It is important to note that tracts making up the City of Petaluma have populations of persons with disabilities ranging from 5 percent to 14 percent. There are no tracts where more than 20 percent of the population experiences a disability in Petaluma. While there are more RHNA units in tracts where more than 10 percent of persons experience a disability, sites selected to meet the RHNA are not concentrated in a single area of the City. Further, only 14 percent of the population experiences a disability in the tract with the largest disabled population. Sites selected to meet the RHNA will be available to existing residents regardless of disability status and will not exacerbate existing conditions related to populations of persons with disabilities.

Table E9: Distribution of RHNA Units by Population of Persons with Disabilities

Population of Persons with Disabilities (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<10%	26	3.3%	6	1.4%	464	24.3%	496	15.9%
10-20%	764	96.7%	410	98.6%	1443	75.7%	2617	84.1%
20-30%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
30-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E10: Sites Inventory and Population of Persons with Disabilities (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data) and Veronica Tam & Associates, 2022.

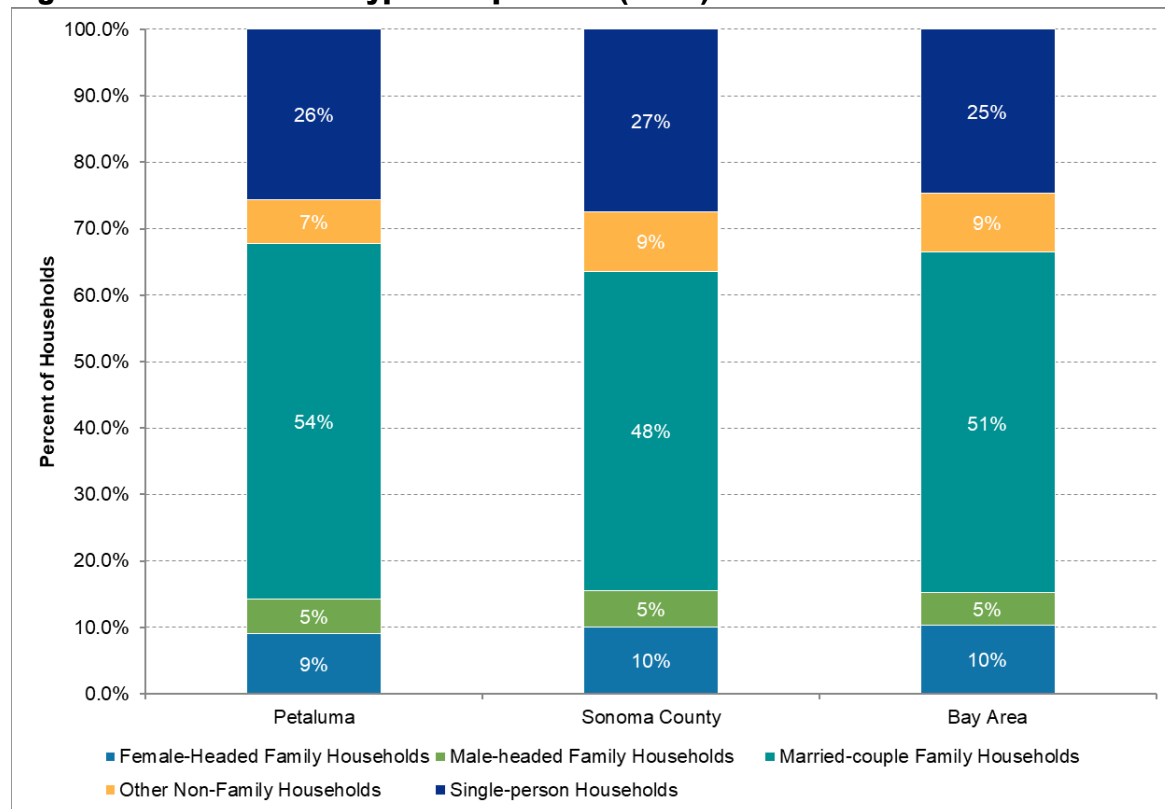
Familial Status

Under the Fair Housing Act, housing providers may not discriminate because of familial status. Familial status covers: the presence of children under the age of 18, pregnant persons, any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family through, e.g., birth, adoption, custody, or requiring families with children to live on specific floors or in specific buildings or areas. Single parent households are also protected by fair housing law.

Regional Trends

Figure E11 shows the household type composition for Petaluma, Sonoma County, and the Bay Area. Petaluma generally has a household type composition comparable to the County and Bay Area. A slightly larger proportion of Petaluma households are married couple family households (54%) compared to the County (48%) and Bay Area (51%). The City also has a slightly lower proportion of other non-family households and female-headed family households compared to the County and Bay Area.

Figure E11: Household Type Composition (2019)



Source: ABAG Housing Element Data Needs Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.

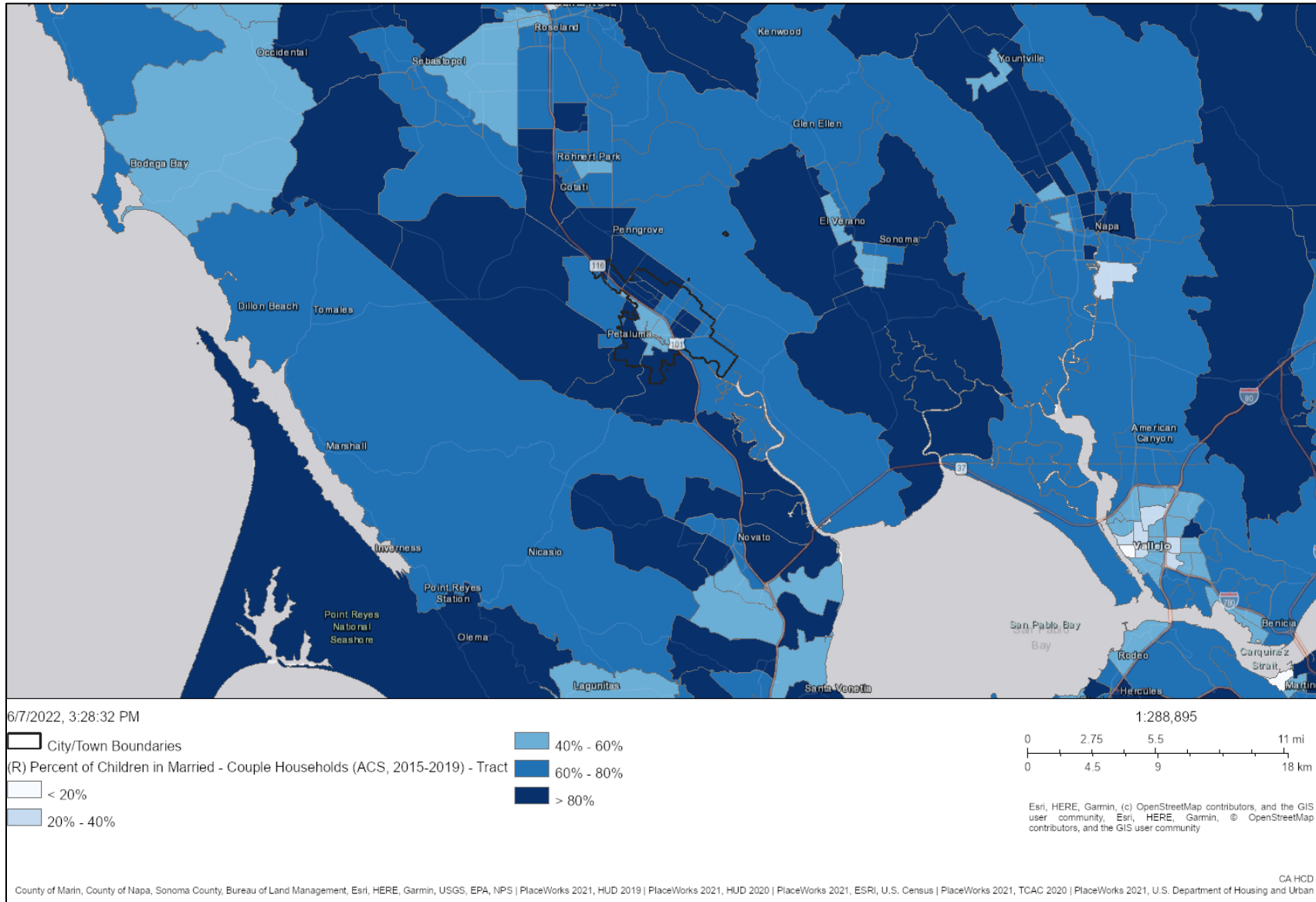
As shown in Table E10, 31.5 percent of Petaluma households has one or more child under the age of 18. The rate of households with children in the City is slightly higher than the County (28.3%) and comparable to the Bay Area (32%).

Table E10: Household Type by Presence of Children (2019)

	Petaluma	Sonoma County	Bay Area
With one or more children under 18	31.5%	28.3%	32.0%
With no children	68.5%	71.7%	68.0%
Total Households	22,655	189,374	2,731,434
<i>Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.</i>			

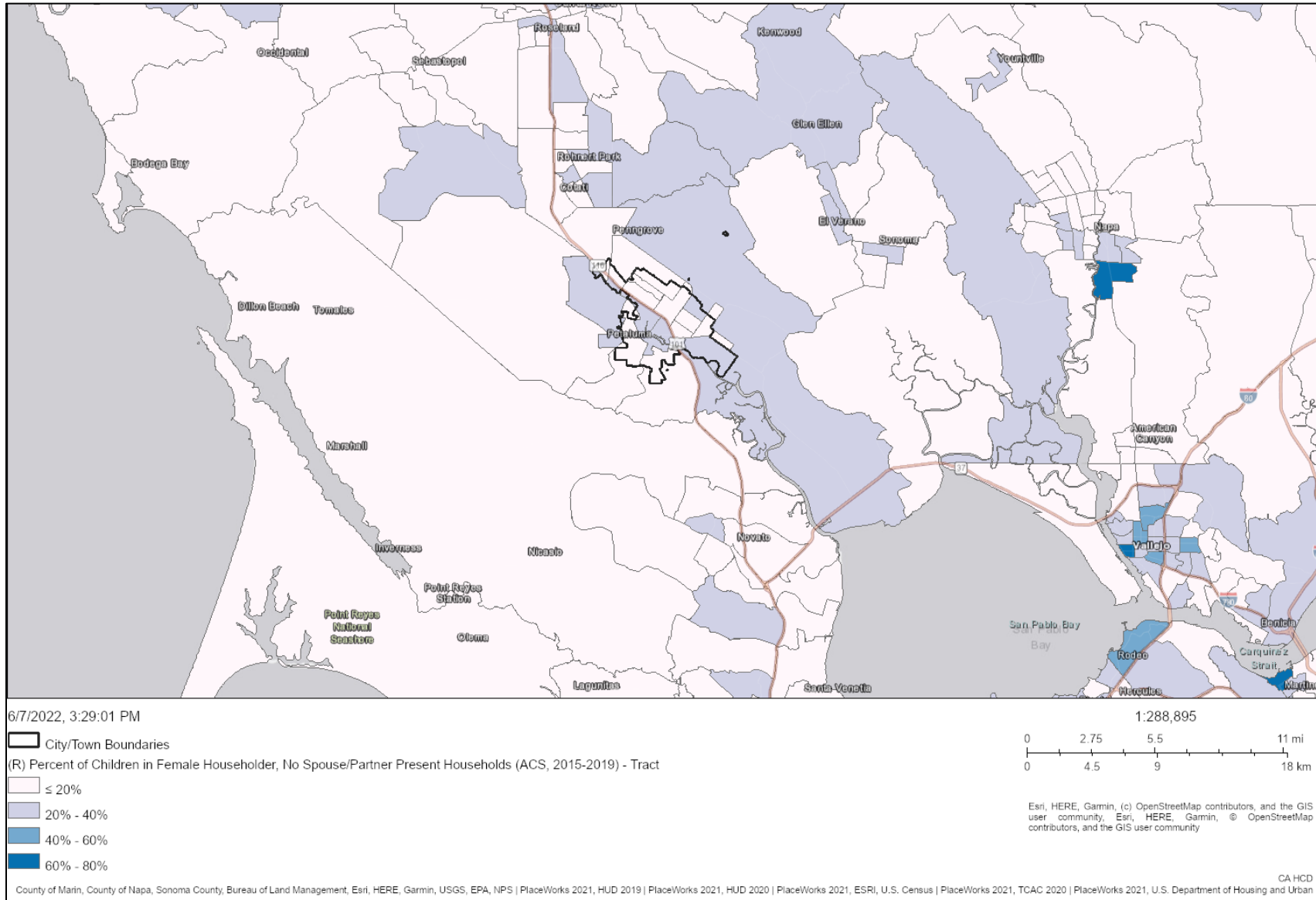
The regional population of children in married couple households at the tract-level is presented in Figure E12. In most of the region surrounding Petaluma, between 60 and 100 percent of children reside in married couple households. In some tracts, only 40 to 60 percent of children live in married couple households. These tracts are located in and around the cities of Petaluma, Sonoma, and Santa Rosa, as well as central Marin County. Figure E13 shows the population of children living in single-parent female-headed households by tract. Tracts with larger populations of children residing in female-headed households tend to be more concentrated in cities in Napa County and Solano County. In most areas surrounding Petaluma, less than 40 percent of children reside in single-parent female-headed households.

Figure E12: Regional Population of Children in Married Couple Households by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Figure E13: Regional Population of Children in Female-Headed Households by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Local Trends

As discussed above, more than half (53.6%) of Petaluma households are married couple families (Table E11). Over a quarter of households in the City are single-person households, 9.1 percent are female-headed families, and 5.1 percent are male-headed families. Since the 2006-2010 ACS, the number of male-headed families in the City has increased the most (+15.9%), followed by single-person households (+10.5%), and female-headed families (+10.3%). During this period, the number of other non-family households decreased by 5.3 percent. Non-family households, not including single-person households, are households where the householder shares the home exclusively with people to whom they are not related.

Table E11: Change in Household Type Composition (2010-2019)

Household Type	2010		2019		Percent Change
	Households	Percent	Households	Percent	
Female-Headed Family	1,878	8.8%	2,071	9.1%	+10.3%
Male-Headed Family	1,002	4.7%	1,161	5.1%	+15.9%
Married Couple Family	11,547	54.4%	12,135	53.6%	+5.1%
Other Non-Family	1,564	7.4%	1,481	6.5%	-5.3%
Single-person	5,254	24.7%	5,807	25.6%	+10.5%
Total Households	21,245	100.0%	22,655	100.0%	+6.6%

Source: 2006-2010 and 2015-2019 ACS (5-Year Estimates).

Figure E14 and Figure E15 show the populations of children living in married couple households and children living in female-headed households by tract in Petaluma. In most tracts, more than 60 percent of children reside in married couple households. There is a small concentration of two tracts in central Petaluma, Midtown and Downtown neighborhoods, where less than 60 percent of children reside in married couple households. All tracts along the southern side of the 101 Highway and one tract in the Adobe neighborhood also have concentrations of children residing in single-parent female-headed households exceeding 20 percent. In general, these areas also have larger populations of racial/ethnic minority groups and persons with disabilities.

Sites Inventory

Figure E14 and Table E12 show the distribution of RHNA units by population of children living in married couple households at the tract-level. A large proportion (61.6%) of RHNA units have been allocated in the Downtown/Midtown neighborhoods where a smaller proportion of children live in married couple households. Approximately 73.5 percent of lower income units, 79.1 percent of moderate income units, and 52.9 percent of above moderate income units are located in this area where 40 to 60 percent of children reside in married couple households. Only 24.1 percent of RHNA units, including 25.4 percent of lower income units, 19.5 percent of moderate income units, and 24.7 percent of above moderate income units, are in tracts where more than 80 percent of children live in married couple households. While a larger proportion of above moderate income units are in tracts where more than 60 percent of children live in married couple households, RHNA units are generally distributed throughout the City and are not concentrated in tracts of a single range. It is also important to note that there are more sites suitable for additional units located in the central areas of the City where fewer children reside in married couple households.

Table E12: Distribution of RHNA Units by Children in Married Couple Households

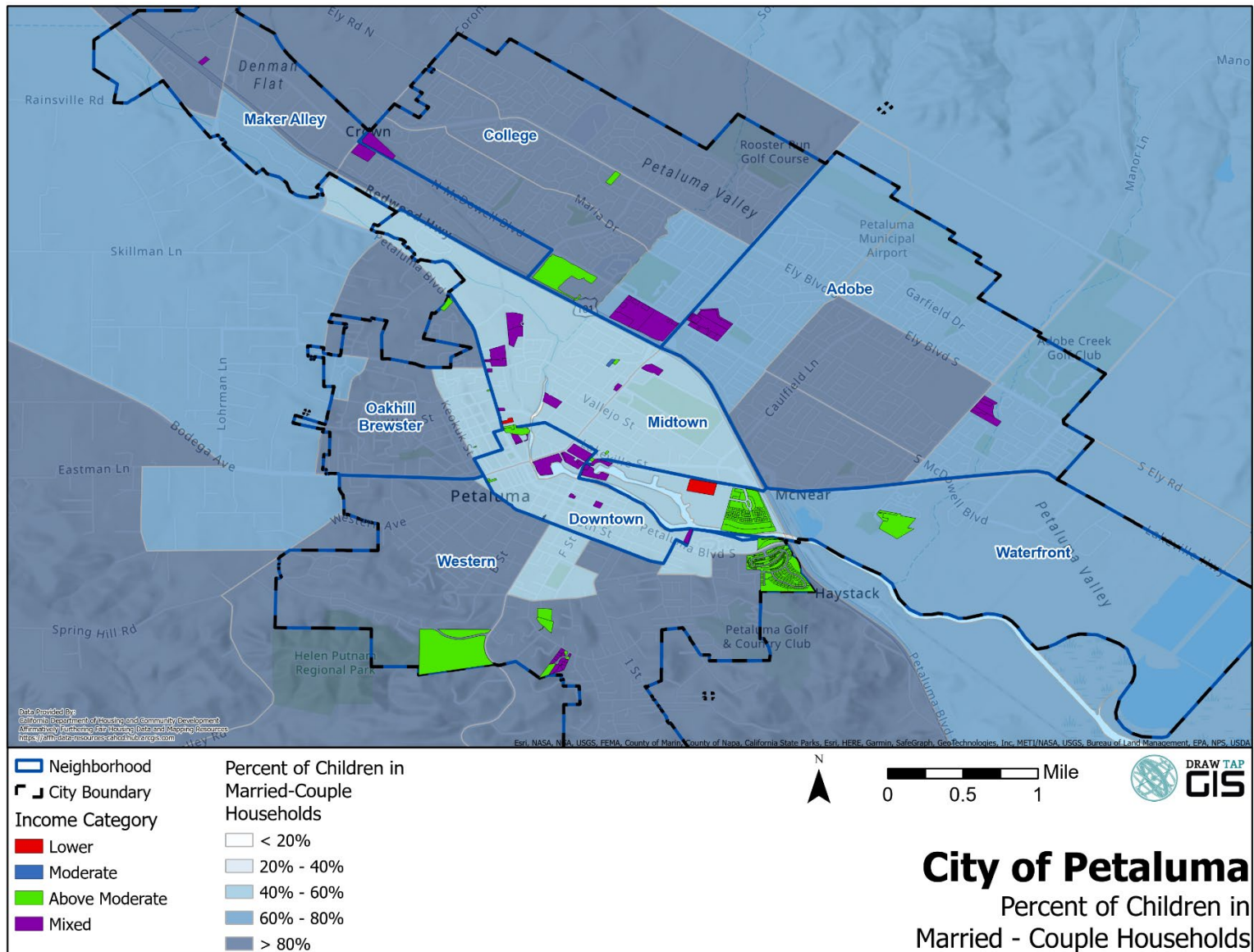
Children in Married Couple HHs (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40-60%	581	73.5%	329	79.1%	1008	52.9%	1918	61.6%
60-80%	8	1.0%	6	1.4%	428	22.4%	442	14.2%
>80%	201	25.4%	81	19.5%	471	24.7%	753	24.2%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E15 and Table E13 show the distribution of RHNA units by population of children residing in single-parent female-headed households. Consistent with the trend described above, most RHNA units are in tracts where 20 to 40 percent of children reside in female-headed households, including 73.5 percent of lower income units, 79.1 percent of moderate income units, and 66.7 percent of above moderate income units. There are no tracts in Petaluma where more than 40 percent of children reside in single-parent female-headed households. The area of the City where more children reside in single-parent female-headed households, Midtown, Downtown, Waterfront neighborhoods, also contains block groups with larger populations of racial/ethnic minority populations (see Figure E5). While there are more lower and moderate income RHNA units allocated in this area of the City compared to above moderate income units, the City will implement place-based strategies, outlined in the Program section of this Housing Element, to ensure existing and future populations in this area have adequate access to resources and facilities.

Table E13: Distribution of RHNA Units by Children in Female-Headed Households

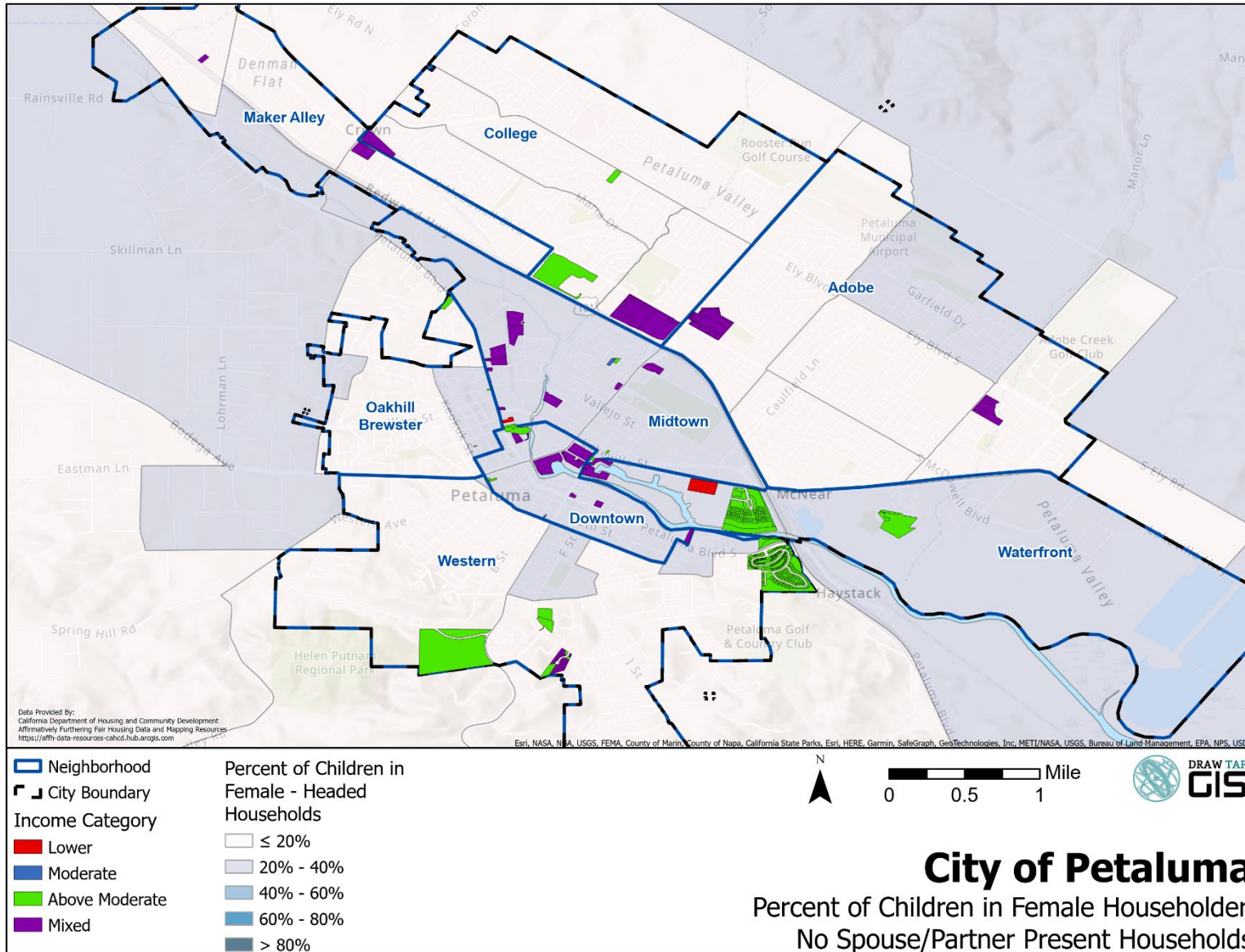
Children in Female-Headed HHs (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	209	26.5%	87	20.9%	635	33.3%	931	29.9%
20-40%	581	73.5%	329	79.1%	1272	66.7%	2182	70.1%
40-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
60-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E14: Sites Inventory and Children in Married Couple HHs by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data) and Veronica Tam & Associates, 2022.

Figure E15: Sites Inventory and Children in Female-Headed HHs by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data) and Veronica Tam & Associates, 2022.

Income Level

Identifying low or moderate income (LMI) geographies and individuals is important to overcome patterns of segregation. HUD defines a LMI area as a Census tract or block group where over 51 percent of the households are LMI (based on HUD income definition of up to 80 percent of the Area Median Income (AMI). The 2020 HUD median income for the Santa Rosa, California Metropolitan Statistical Area (MSA), or Sonoma County, is \$102,700.⁹

Regional Trends

Table E14 shows households by income level in Sonoma County. More than half of households in the County earn more than 100 percent of the AMI. Lower income households are considered households earning less than 80 percent of the AMI. In the County, 36.4 percent of households are lower income. Renter-occupied households are significantly more likely to be lower income compared to owner-occupied households. Approximately 53 percent of renter households in the County are lower income compared to only 25.5 percent of owner households.

Table E14: Household Income Level by Tenure – Sonoma County (2017)

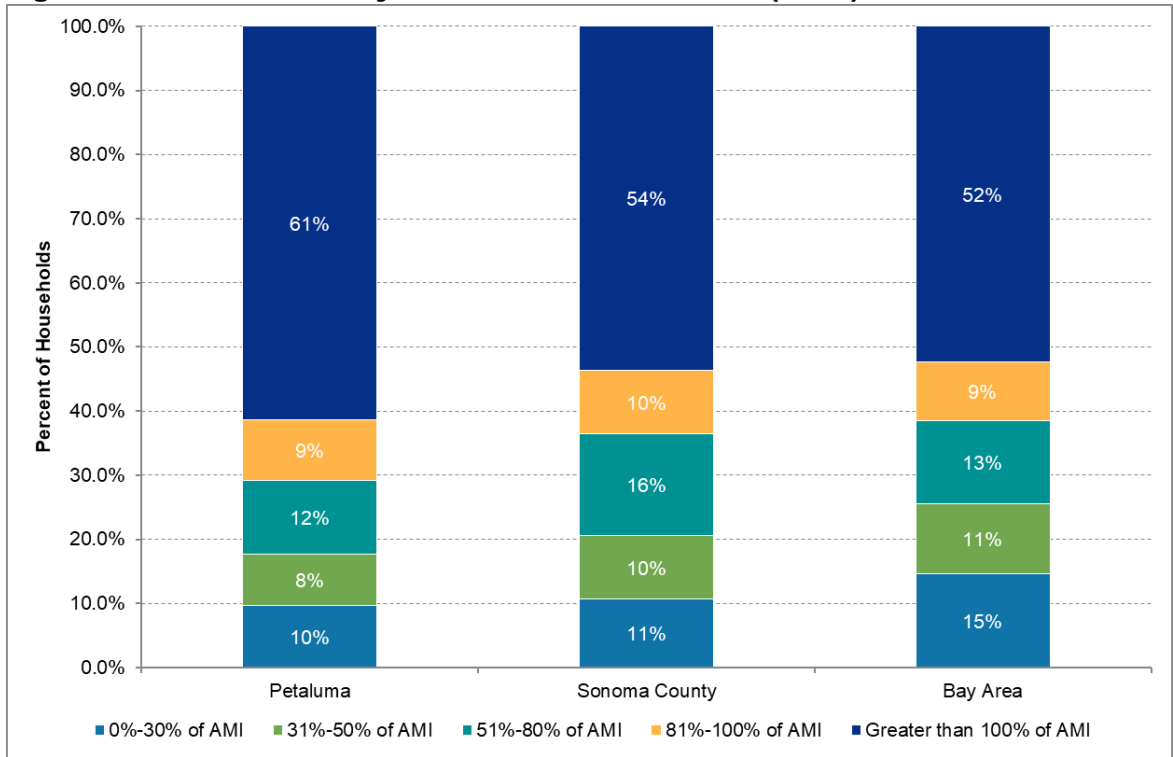
Income Category	Owner-Occupied		Renter-Occupied		All Households	
	Households	Percent	Households	Percent	Households	Percent
0%-30% of AMI	6,920	6.0%	13,380	17.7%	20,300	10.7%
31%-50% of AMI	8,080	7.0%	10,655	14.1%	18,735	9.9%
51%-80% of AMI	14,275	12.5%	15,920	21.1%	30,195	15.9%
81%-100% of AMI	9,995	8.7%	8,925	11.8%	18,920	10.0%
> 100% of AMI	75,335	65.7%	26,565	35.2%	101,900	53.6%
Totals	114,610	100.0%	75,450	100.0%	190,060	100.0%

Source: HUD CHAS Data (based on 2013-2017 ACS), 2020.

6 shows households by income level in Petaluma, Sonoma County, and the Bay Area. Petaluma has a larger proportion of households earning more than 100 percent of the AMI (61%) compared to both Sonoma County (54%) and the Bay Area (52%). Petaluma also has a smaller proportion of lower income households compared to the County and Bay Area. Approximately 30 percent of Petaluma households are lower income compared to 37 percent in the County and 39 percent in the Bay Area.

⁹ HUD, FY 2020 Income Limits Documentation System.
<https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>.

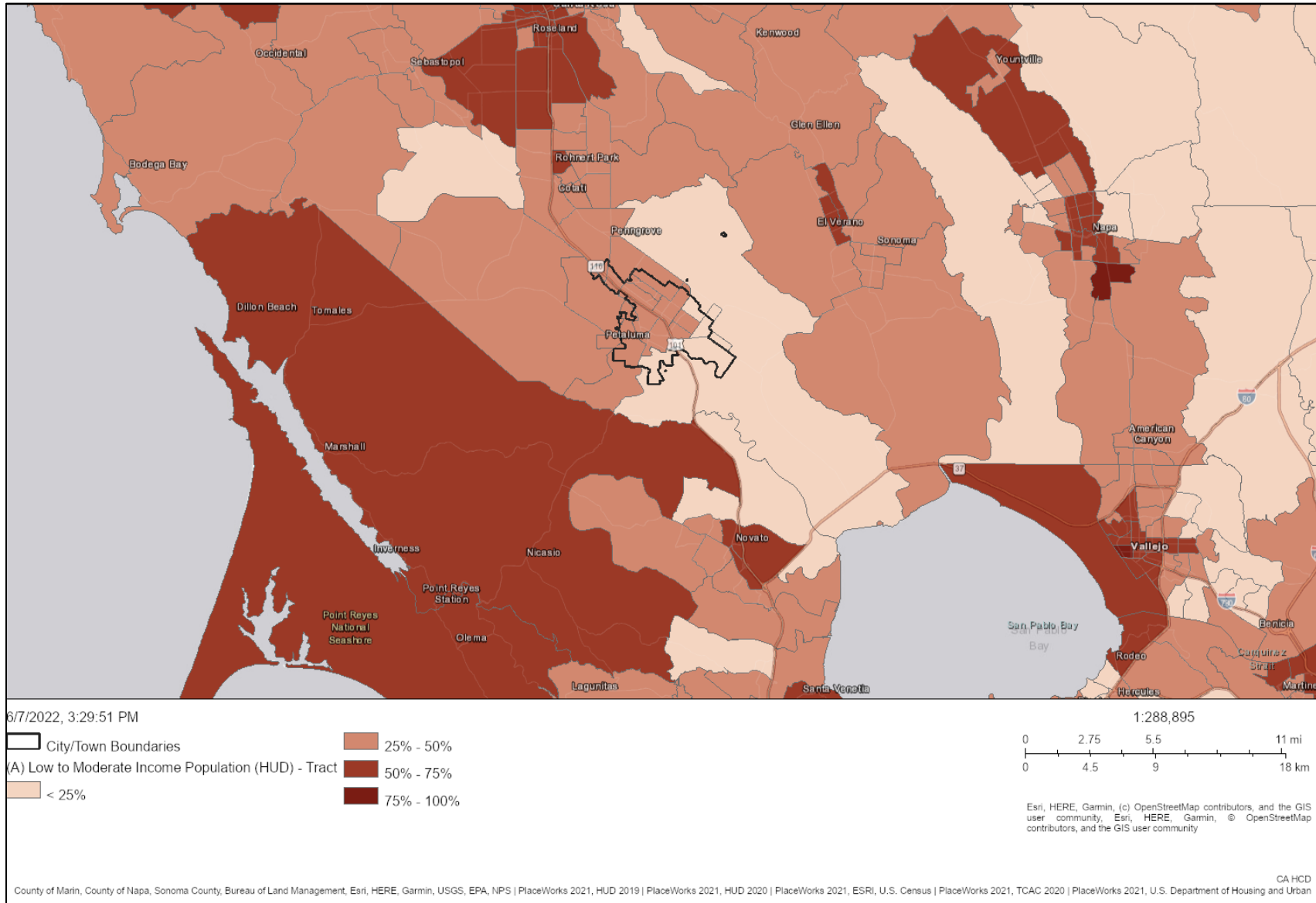
Figure E16: Households by Household Income Level (2019)



Source: ABAG Housing Element Data Package (based on 2020 HUD CHAS Data (2013-2017 ACS)), 2021.

In Figure , populations of low to moderate income (LMI) households are shown for the region at the tract-level. Tracts are considered LMI areas if more than half of households residing in that tract are low or moderate income. In the areas surrounding Petaluma, LMI areas are concentrated north of the City around the City of Santa Rosa and south and west of the City in Marin County. There are no Petaluma tracts that are considered LMI areas. An analysis of LMI populations at the block group-level for the City of Petaluma is included in the Local subsection. This trend is generally consistent with tracts directly adjacent to the City.

Figure E6: Regional Population of LMI Households by Tract



Source: HCD AFFH Data Viewer (based on 2020 HUD data), 2022.

Local Trends

As discussed above, Petaluma is characterized by a smaller population of lower income households compared to the County and Bay Area. Only 29.2 percent of households in Petaluma are lower income, including 21.8 percent of owner-occupied households and 43.7 percent of renter-occupied households. Nearly 70 percent of owner-occupied households and 44.5 percent of renter-occupied households earn more than 100 percent of the AMI, a larger proportion compared to the County.

Table E15: Household Income Level by Tenure in Petaluma (2017)

Income Category	Owner-Occupied		Renter-Occupied		All Households	
	Households	Percent	Households	Percent	Households	Percent
0%-30% of AMI	714	4.9%	1,435	19.0%	2,149	9.7%
31%-50% of AMI	975	6.6%	794	10.5%	1,769	8.0%
51%-80% of AMI	1,505	10.3%	1,069	14.2%	2,574	11.6%
81%-100% of AMI	1,215	8.3%	885	11.7%	2,100	9.5%
> 100% of AMI	10,259	69.9%	3,359	44.5%	13,618	61.3%
Totals	14,668	100.0%	7,542	100.0%	22,210	100.0%

Source: ABAG Housing Element Data Package (based on HUD CHAS Data (2013-2017 ACS)), 2021.

Figure E17 shows the population of LMI households by Petaluma block group. There are seven block groups in the City that are considered LMI areas where more than 50 percent of households are low or moderate income. Most block groups have LMI populations below 50 percent. Of the LMI areas identified, two are located in the Midtown neighborhood, one is located in the Downtown neighborhood but also includes small sections of the Oakhill Brewster and Midtown neighborhoods, one is in the Western neighborhood, one is in the Adobe neighborhood, one is in the Maker Alley neighborhood, and one is in both the Maker Alley and College neighborhoods. The LMI block group in the Maker Alley neighborhood alone also encompasses a large proportion of the unincorporated Sonoma County area north of the City and is not a reflection of Petaluma residents alone.

The block group in the Maker Alley/College neighborhood, bound by N. McDowell Boulevard and Redwood Highway, has the largest LMI population of 76 percent. According to the HCD AFFH Data Viewer, there are seven mobile home parks in Petaluma. Four of the seven mobile home parks, Youngstown Mobile Home Park (102 units), Petaluma Estates (215 units), Capri Mobile Villa (69 units), and Sandalwood Mobile Home Park (178 units), are located in this block group. Lower income households are typically more likely to reside in mobile homes. As discussed previously, the Downtown/Midtown area has higher concentrations of other populations of interest including racial/ethnic minority groups and children residing in female-headed households. While there are subsidized housing units located throughout the City, subsidized housing units are prevalent in this section of Petaluma (see Figure E1). The location of these housing types, mobile homes and subsidized units, likely contributes to the distribution of LMI households in the City.

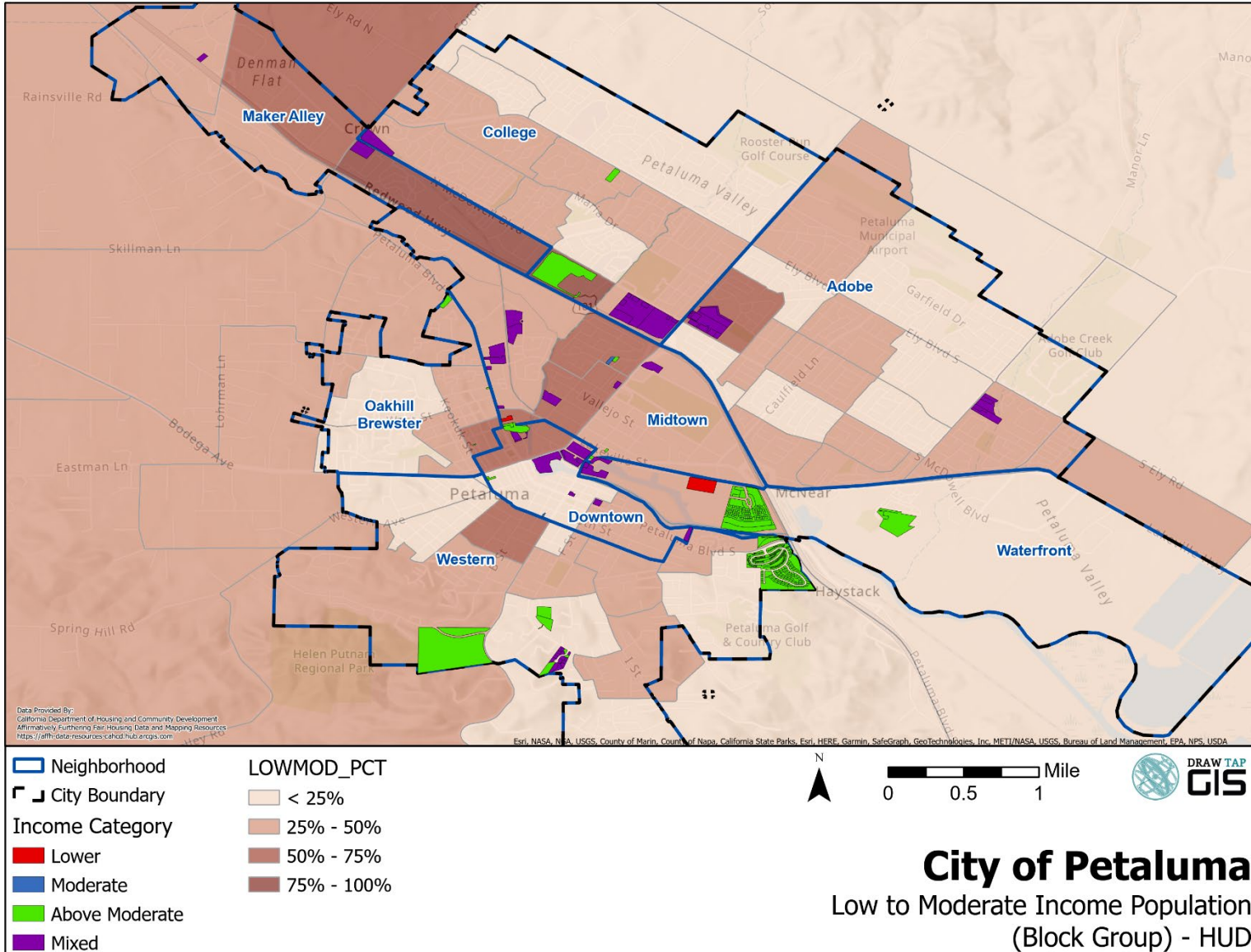
Sites Inventory

Figure E17 and Table E16 show the distribution of RHNA units by LMI household population at the block group-level. Consistent with the Citywide trend, most RHNA units (78.7%) are in block groups where fewer than 50 percent of households are low or moderate income, including 87 percent of lower income units, 88.7 percent of moderate income units, and 73 percent of above moderate income units. Only 13 percent of lower income units and 11.3 percent of moderate income units are in LMI areas compared to 27 percent of above moderate income units. The City's RHNA strategy ensures lower and moderate income units are not concentrated in areas where LMI households are more prevalent. Further, the sites inventory promotes mixed income communities by placing sites that can accommodate a variety of unit types throughout the City, including over a quarter of above moderate income units in LMI areas.

Table E16: Distribution of RHNA Units by Population of LMI Households

LMI Households (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<25%	110	13.9%	70	16.8%	622	32.6%	802	25.8%
25-50%	577	73.0%	299	71.9%	771	40.4%	1647	52.9%
50-75%	61	7.7%	15	3.6%	353	18.5%	429	13.8%
75-100%	42	5.3%	32	7.7%	161	8.4%	235	7.5%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E17: Sites Inventory and LMI Households by Block Group



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Racially or Ethnically Concentrated Areas

Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)

In an effort to identify racially/ethnically-concentrated areas of poverty (R/ECAPs), HUD has identified census tracts with a majority non-White population (greater than 50 percent) and a poverty rate that exceeds 40 percent or is three times the average tract poverty rate for the metro/micro area, whichever threshold is lower. Areas of High Segregation and Poverty are also identified by HCD and the California Tax Credit Allocation Committee (TCAC), jointly known as the Fair Housing Task Force. Areas of High Segregation and Poverty are defined as tracts where at least 30 percent of the population is living below the poverty line and relies on the location quotient of residential segregation (LQ).¹⁰

Regional Trends

Poverty status by race/ethnicity for Sonoma County is presented in Table E17. The County has a poverty rate of 9.2 percent according to 2015-2019 ACS estimates. The Black/African American population has the highest poverty rate of 17.7 percent, followed by the Native Hawaiian/other Pacific Islander population (14.8%), population of some other race (14.8%), and Hispanic/Latino population (12.1%). The American Indian/Alaska Native population and population of two or more races also have poverty rates exceeding the Countywide average.

Table E17: Poverty Status by Race/Ethnicity – Sonoma County (2019)

Race/Ethnicity	Total Population	Percent Below Poverty Level
White alone	368,826	7.9%
Black or African American alone	7,890	17.7%
American Indian and Alaska Native alone	4,282	11.9%
Asian alone	20,126	9.0%
Native Hawaiian and Other Pacific Islander alone	1,505	14.8%
Some other race alone	63,517	14.8%
Two or more races	26,344	10.3%
Hispanic or Latino origin (of any race)	131,019	12.1%
White alone, not Hispanic or Latino	312,348	7.7%
Population for whom poverty status is determined	492,490	9.2%
<i>Source: 2015-2019 ACS (5-Year Estimates).</i>		

R/ECAPs and TCAC areas of high segregation and poverty throughout the region are shown in Figure E18. There are very few R/ECAPs or TCAC areas of high segregation and poverty in the areas surrounding Petaluma. The closest R/ECAPs or areas of high segregation and poverty are in Solano County east of the City and in Marin County south of the City. There are no R/ECAPs or areas of high segregation and poverty in Sonoma County.

¹⁰ The LQ is a small-area measure of relative segregation calculated at the residential census tract level that represents how much more segregated an area (e.g., a census tract or block group) is relative to the larger area (in this case, the county). For the filter, tracts that have a LQ higher than 1.25 for Blacks, Hispanics, Asians, or all people of color are flagged as being racially segregated in comparison to the county.

Local Trends

Petaluma has a lower poverty rate of 6.7 percent compared to 9.2 percent Countywide (Table E18). Like the County, the Black/African American population has the highest poverty rate (16.4%). The population of a race not listed (“some other race”) (14.1%) and the Hispanic/Latino population (9.3%) also have poverty rates exceeding the Citywide average.

Table E18: Poverty Status by Race/Ethnicity (2019)

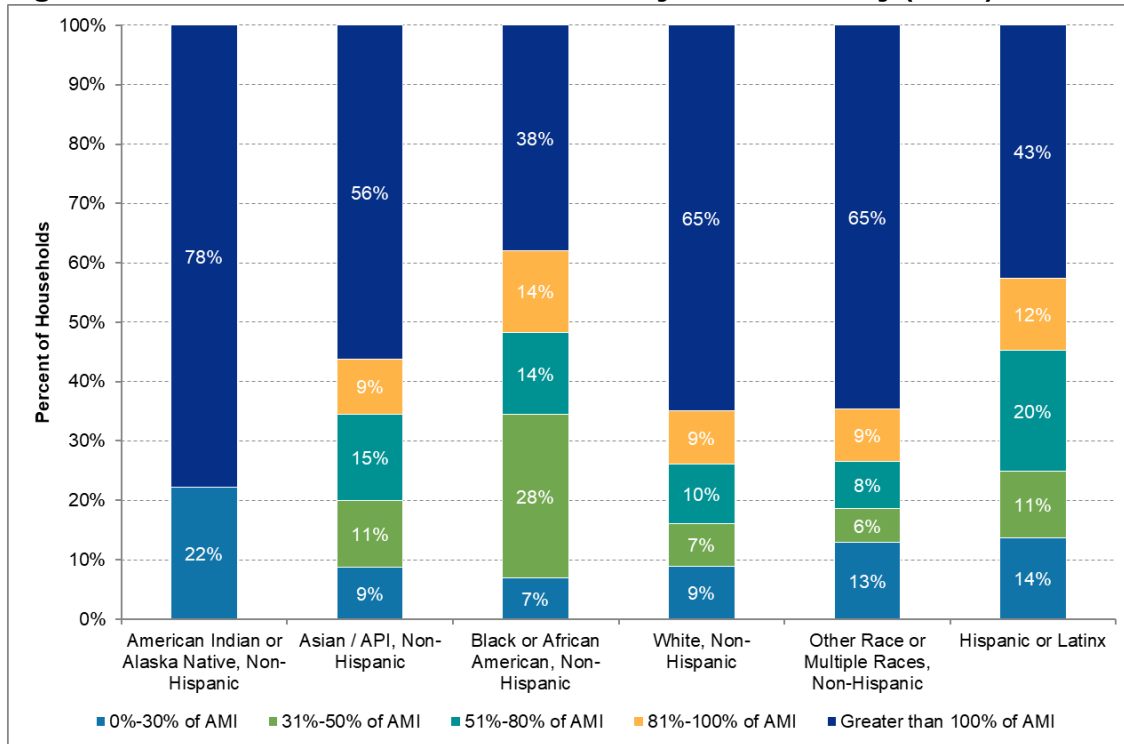
Race/Ethnicity	Total Population	Percent Below Poverty Level
White alone	46,657	5.7%
Black or African American alone	715	16.4%
American Indian and Alaska Native alone	263	4.6%
Asian alone	2,738	6.0%
Native Hawaiian and Other Pacific Islander alone	67	0.0%
Some other race alone	6,654	14.1%
Two or more races	3,208	5.5%
Hispanic or Latino origin (of any race)	13,253	9.3%
White alone, not Hispanic or Latino	40,965	5.6%
Population for whom poverty status is determined	492,490	6.7%
<i>Source: 2015-2019 ACS (5-Year Estimates).</i>		

Figure E19 shows the household income distribution by race/ethnicity of the householder. Black/African American households are most likely to earn less than 80 percent of the AMI and be considered lower income. Nearly half of Black/African American households and 45 percent of Hispanic/Latino households are considered lower income. In comparison, only 35 percent of Asian household and 26 percent of non-Hispanic White households are lower income. While most (78%) American Indian/Alaska Native households earn 100 percent of more of the AMI, it is important to note that 22 percent are considered extremely low income, earning less than 30 percent of the AMI.

Poverty status by Petaluma tract is presented in Figure E20. There are two tracts in the City where the population of persons below the poverty level exceeds 10 percent; one is in the center of the City in the Midtown/Downtown neighborhood, and one is in the northwestern corner. It is important to note that the tract in the northwestern corner of the City extends into the northern unincorporated County areas and the cities of Rohnert Park and Cotati. Therefore, the population residing in this tract is not a reflection of Petaluma residents alone. As discussed previously, the tract south of the 101 Highway in the Midtown/Downtown neighborhood also has a larger population of persons with disabilities, a smaller population of children residing in married couple households, and contains block groups with larger racial/ethnic minority populations compared to a majority of the City (see Figure E5, Figure E10, and Figure E14).

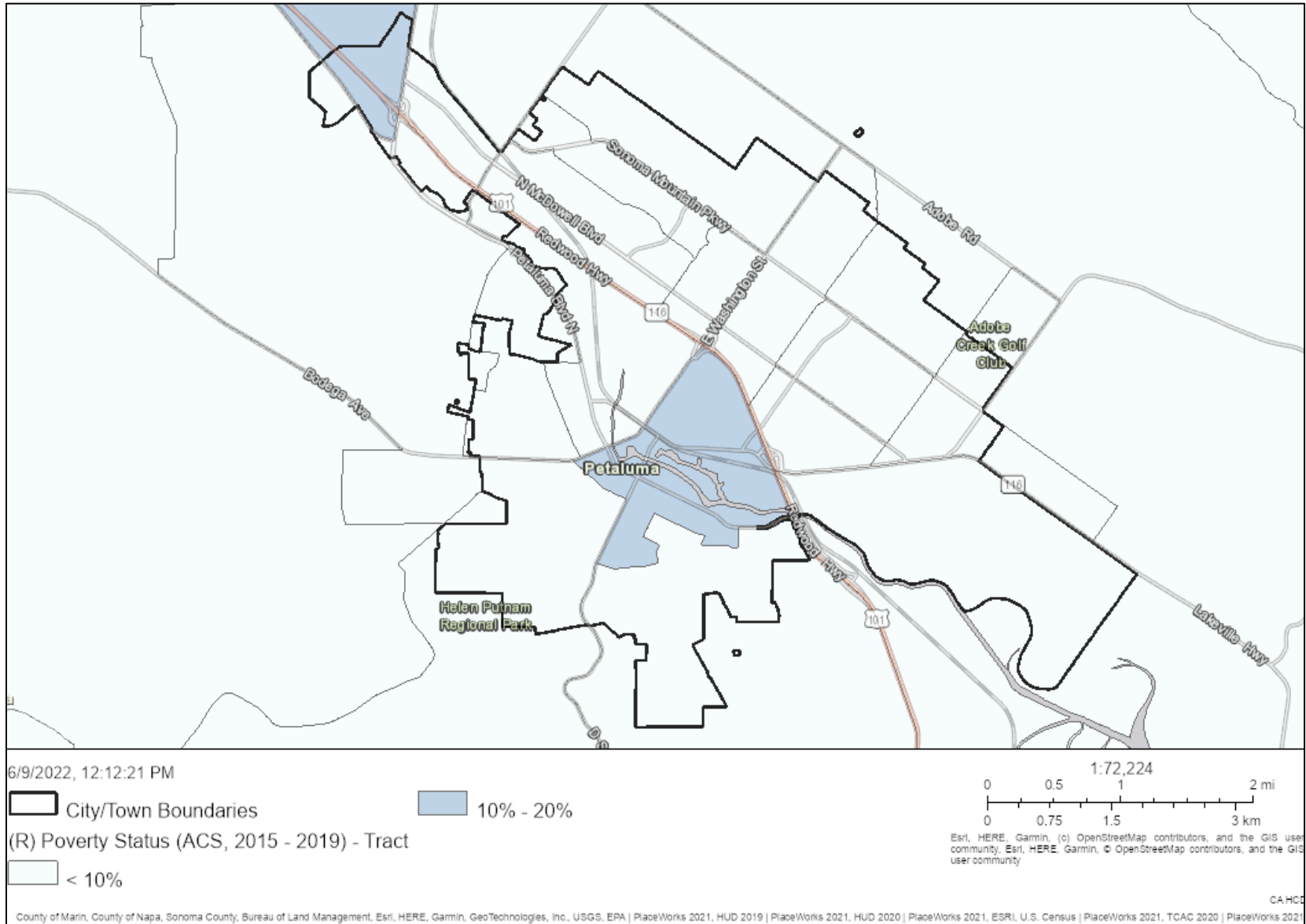
There are no R/ECAPs or TCAC areas of high segregation and poverty identified in Petaluma. Therefore, no RHNA units will be located within tracts with this characterization.

Figure E19: Household Income Distribution by Race/Ethnicity (2019)



Source: ABAG Housing Element Data Package (based on 2020 HUD CHAS Data (2013-2017 ACS)), 2021.

Figure E20: Poverty Status by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Racially or Ethnically Concentrated Areas of Affluence (RCAAs)

While racially concentrated areas of poverty and segregation (R/ECAPs) have long been the focus of fair housing policies, racially concentrated areas of affluence (RCAAs) must also be analyzed to ensure housing is integrated - a key to fair housing choice. Identifying RCAAs is also important for underserved populations to be able to participate in resources experienced by populations living in areas of influence. According to a policy paper published by HUD, RCAAs are defined as communities with a large proportion of affluent and non-Hispanic White residents. According to HUD's policy paper, non-Hispanic Whites are the most racially segregated group in the United States. In the same way neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color, conversely, distinct advantages are associated with residence in affluent, White communities.

As of June 2022, HCD has created and released a new version of the RCAA metric to better reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis of racially concentrated areas of poverty and affluence pursuant to AB 686 and AB 1304. To develop the RCAA layer, staff first calculated a Location Quotient (LQ) for each California census tract using data from the 2015-2019 ACS. This LQ represents the percentage of total white population (White Alone, Not Hispanic or Latino) for each census tract compared to the average percentage of total white population for all census tracts in a given COG region. For example, a census tract with a LQ of 1.5 has a percentage of total white population that is 1.5 times higher than the average percentage of total white population in the given COG region. To determine the RCAAs, census tracts with a LQ of more than 1.25 and a median income 1.5 times higher than the COG AMI (or 1.5x the State AMI, whichever is lower) were assigned a numeric score of 1 (Is a RCAA). Census tracts that did not meet this criterion were assigned a score of 0 (Not a RCAA).

Regional Trends

The median household income in Sonoma County is \$81,018 (Table E19). Asian households have the highest median income of \$85,992, followed by non-Hispanic White households (\$85,314), and Native Hawaiian/other Pacific Islander households (\$84,394). In comparison, the population of households of some other race (\$62,027), Hispanic/Latino households (\$67,701), and Black/African American households (\$68,975) have the lowest median incomes. Median income trends for racial groups in the County are consistent with poverty status trends presented in Table E17.

Table E19: Median Household Income by Race/Ethnicity – Sonoma County (2019)

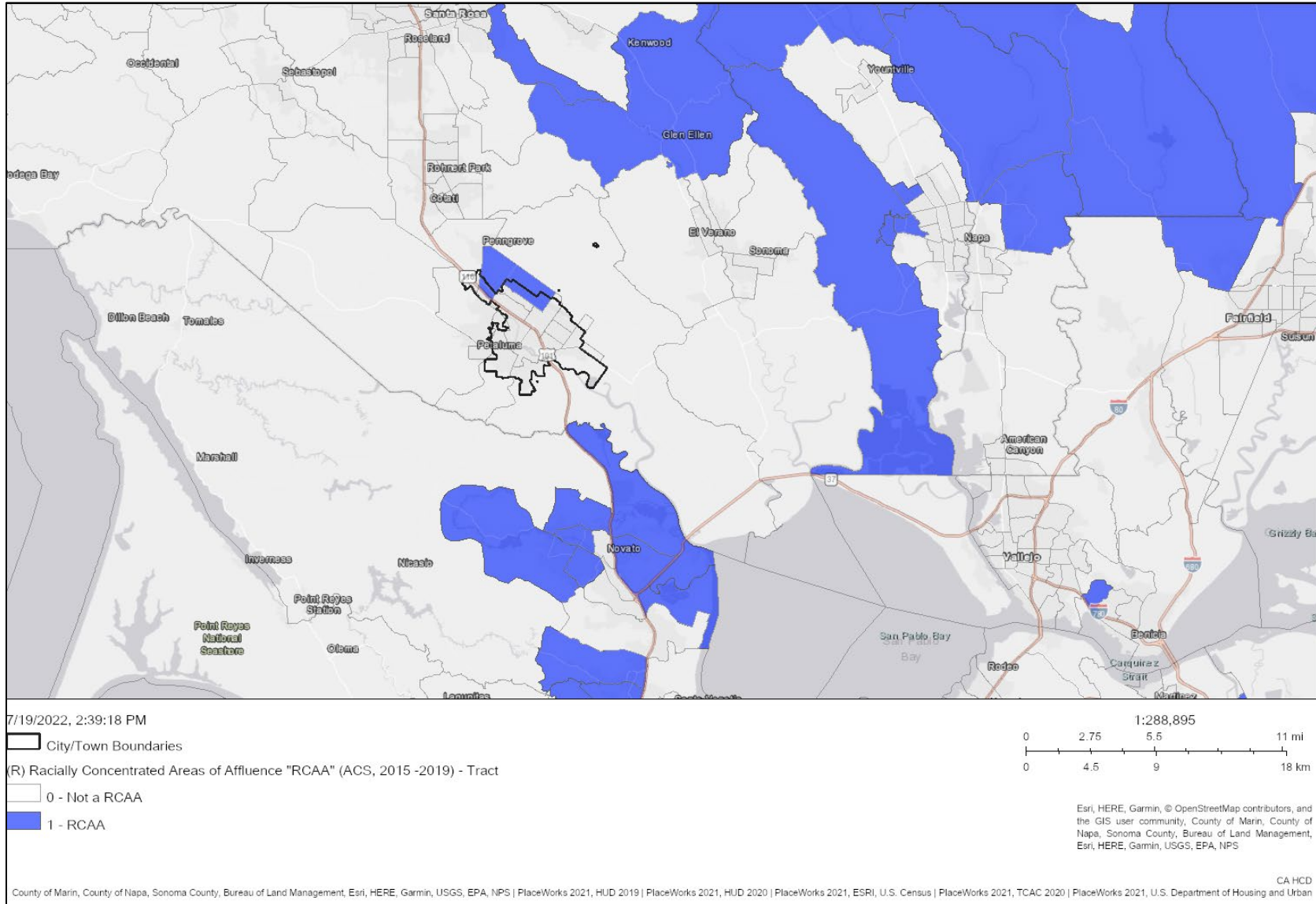
Race/Ethnicity	Percent of Population	Median Income
White alone	82.9%	\$84,212
Black or African American alone	1.2%	\$68,975
American Indian and Alaska Native alone	0.8%	\$81,567
Asian alone	3.5%	\$85,992
Native Hawaiian and Other Pacific Islander alone	0.2%	\$84,394
Some other race alone	8.0%	\$62,027
Two or more races	3.4%	\$79,671
Hispanic or Latino origin (of any race)	17.6%	\$67,701
White alone, not Hispanic or Latino	74.8%	\$85,314
All Households	189,374	\$81,018
<i>Source: 2015-2019 ACS (5-Year Estimates).</i>		

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Figure E21 shows HCD-identified RCAAs in the region by tract. HCD's methodology for identifying RCAAs was described previously. Several tracts in the region have been identified as RCAAs, including in the counties of Sonoma, Marin, Napa, and Solano. In Sonoma County, RCAAs are most concentrated in the area surrounding the City of Santa Rosa. Napa County and Marin County have higher concentrations of RCAAs compared to Sonoma County and Solano County. One RCAA has been identified in Petaluma. The RCAA located in the City is described further below.

Figure E21: Regional RCAAs by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS), 2022.

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Local Trends

The median household income in Petaluma is \$91,825, higher than \$81,018 Countywide (Table E20). Households of a race not listed (“some other race”) have the lowest median income of \$68,654, followed by American Indian/Alaska Native households (\$71,736), Black/African American households (\$77,708), and Hispanic/Latino households (\$79,314). The White and Asian household populations are the only racial/ethnic groups with median incomes exceeding the Citywide average.

Table E20: Median Household Income by Race/Ethnicity (2019)

Race/Ethnicity	Percent of Population	Median Income
White alone	84.6%	\$95,630
Black or African American alone	1.2%	\$77,708
American Indian and Alaska Native alone	0.4%	\$71,736
Asian alone	4.0%	\$81,897
Native Hawaiian and Other Pacific Islander alone	0.2%	-
Some other race alone	6.2%	\$68,654
Two or more races	3.3%	\$87,384
Hispanic or Latino origin (of any race)	14.3%	\$79,314
White alone, not Hispanic or Latino	77.9%	\$96,745
Population for whom poverty status is determined	22,655	\$91,528
<i>Source: 2015-2019 ACS (5-Year Estimates).</i>		

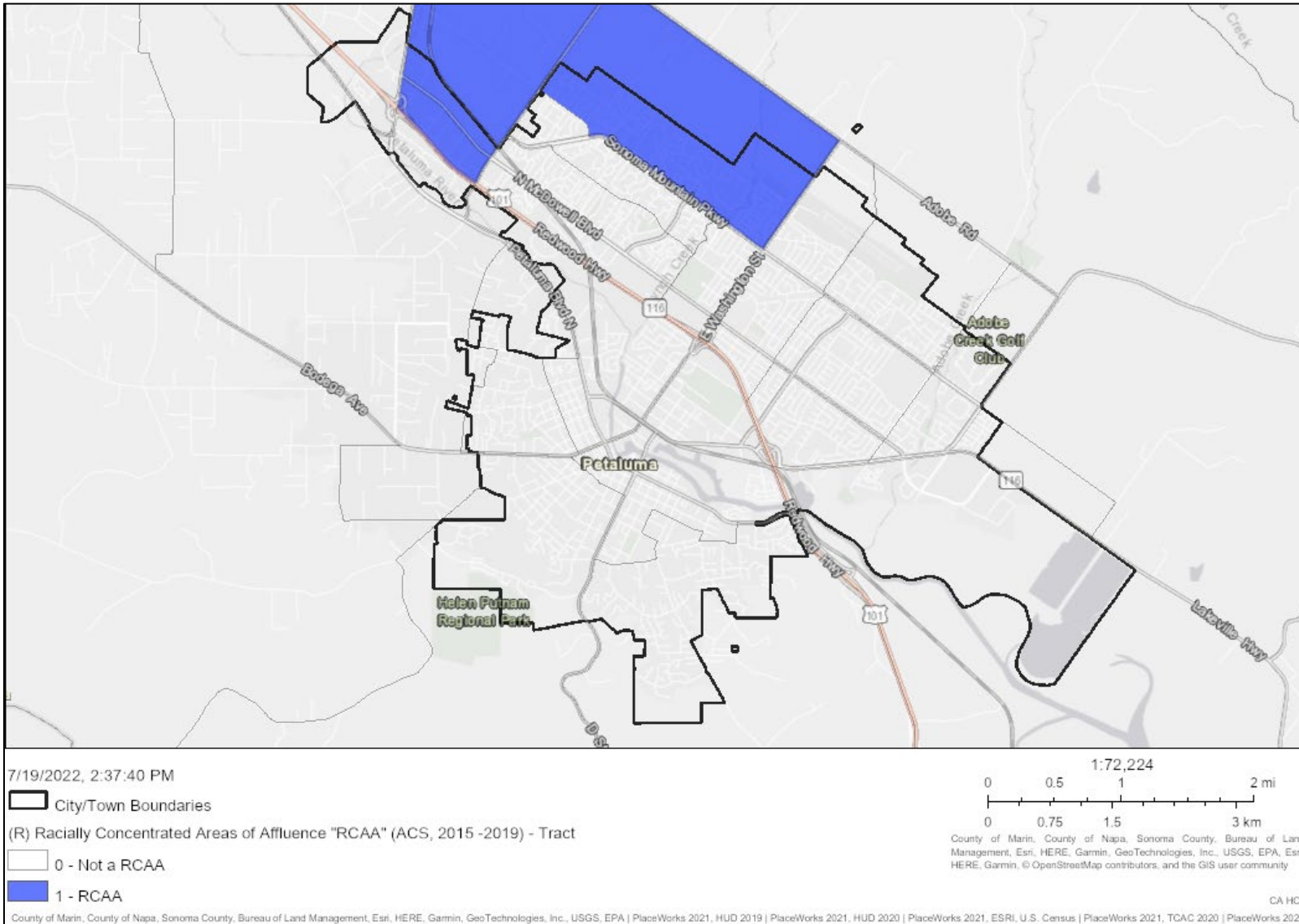
RCAAs by Petaluma tract are presented in Figure E22. As shown in Figure E5 previously, most block groups in the City have non-White populations exceeding 20 percent. A tract encompassing the parts of the northernmost area of the City in the College and Maker Alley neighborhoods is considered an RCAA. It is important to note that this tract also encompasses some of the unincorporated County areas north of the City and is not a reflection of Petaluma residents alone. As shown in Figure E23, the block group in the College neighborhood with the identified RCAA has the highest median income exceeding \$125,000.

The Maker Alley neighborhood (identified in Figure 17, as are other areas described below) RCAA city limits are Corona Rd to the south, Redwood Hwy and 101 Fwy to the west, Old Redwood Hwy to the north and the Smartrail trainline to the east. The following zoning districts are located in the RCAA in the Maker Alley neighborhood: Business Park (BP), Civic Facility (CF), Commercial 1 (C1), Industrial (I), Planned Community (PCD), Planned Unit (PUD) and a small strip of Agriculture (AG). PCD zoning districts are more prevalent in this area compared to most other areas of the Petaluma. The College area RCAA city limits are E. Washington Boulevard to the south, Sonoma Mountain parkway to the west, Corona Rd to the north and Rooster Run golf Club and farmland on the eastern border (west of Adobe Road). Zoning districts in this section of the City are as follows: Open Space and Park (OSP), PUD, PCD, Residential 1 (R1), and Residential 2 (R2). According to the 2015-2019 ACS, 1,738 households reside in this RCAA tract, or 7.7 percent of households citywide. This tract has a larger proportion of married couple families and smaller proportion of single male-headed and single female-headed households compared to Petaluma as a whole. Approximately 37 percent of households in this tract have one or more child under the age of 18 compared to 31.5 percent citywide. Conversely, only 28.8 percent of households in this tract have one or more elderly person aged 65 or older compared to 34.6 percent citywide. Elderly households are more likely to be in the lower or moderate income categories due to low or fixed incomes.

There are no RHNA units in the city RCAA limits of Maker Alley and the College Area. Maker Alley median income less than \$87,100. Median income for College area is greater than \$125,000, The homes are newer, built between 1987 and 1995. Maker Alley and College area RCAA is identified by HUD as opportunity area

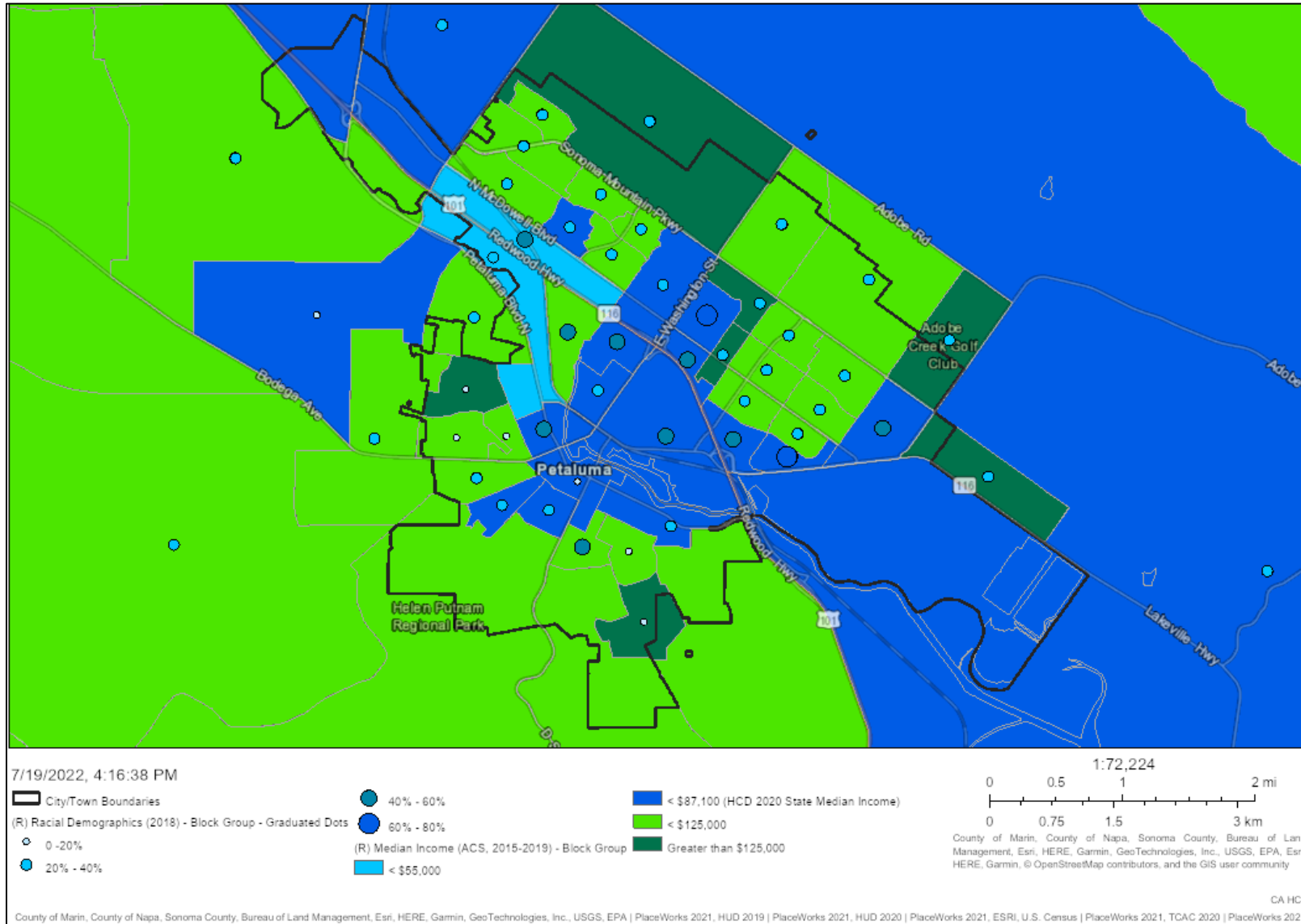
with high resources. The land immediately adjacent to the RCAA site off Corona Road has been purchased and will be 131 low-income housing (DANCO). Other strategies are to encourage SB9 and targeted outreach for ADU's on large lots in the Maker Alley and College areas.

Figure E22: RCAAs by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS), 2022.

Figure E23: Racial/Ethnic Minority Population and Median Income by Block Group (2018, 2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS and 2018 ESRI data), 2022.

Access to Opportunities

Significant disparities in access to opportunity are defined by the AFFH Final Rule as “substantial and measurable differences in access to educational, transportation, economic, and other opportunities in a community based on protected class related to housing.” This section utilizes Opportunity Indices used in HUD’s Assessment of Fair Housing (AFH) and Opportunity Maps developed by the Department of Housing and Community Development (HCD) to analyze access to opportunities at the regional and local levels.

While the Federal Affirmatively Furthering Fair Housing (AFFH) Rule has been repealed, the data and mapping developed by HUD for the purpose of preparing the Assessment of Fair Housing (AFH) can still be useful in informing communities about segregation in their jurisdiction and region, as well as disparities in access to opportunity. This section presents the HUD-developed index scores based on nationally available data sources to assess Sonoma County and Petaluma residents’ access to key opportunity assets by race/ethnicity and poverty level. Table E22 provides index scores or values (the values range from 0 to 100) for the following opportunity indicator indices:

- **Low Poverty Index:** The low poverty Index captures the depth and intensity of poverty in a given neighborhood through poverty rate calculations and percentile rankings. The higher the score, the less exposure to poverty in a neighborhood.
- **School Proficiency Index:** The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. The higher the index value, the higher the school system quality is in a neighborhood.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region/CBSA, with larger employment centers weighted more heavily. The higher the index value, the better the access to employment opportunities for residents in a neighborhood.
- **Labor Market Engagement Index:** The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract. The higher the index value, the higher the labor force participation and human capital in a neighborhood.
- **Transit Trips Index:** This index is based on estimates of transit trips taken by a family that meets the following description: a 3-person single-parent family with income at 50 percent of the median income for renters for the region (i.e., the Core-Based Statistical Area (CBSA)). The higher the transit trips index value, the more likely residents in that neighborhood utilize public transit.
- **Low Transportation Cost Index:** This index is based on estimates of transportation costs for a family that meets the following description: a 3-person single-parent family with income at 50 percent of the median income for renters for the region/CBSA. The higher the index value, the lower the cost of transportation in that neighborhood.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to harmful toxins at a neighborhood level. The higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the index value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group.

The Department of Housing and Community Development (HCD) and California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task force to “provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/ departments to further the fair housing goals (as defined by HCD).” The Task Force has created Opportunity Maps to identify resources levels across the state “to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with nine percent Low Income Housing Tax Credits (LIHTCs)”. These opportunity maps are made from composite scores of three different

domains made up of a set of indicators. Table E21 shows the full list of indicators. The opportunity maps include a measure or “filter” to identify areas with poverty and racial segregation. To identify these areas, census tracts were first filtered by poverty and then by a measure of racial segregation. The criteria for these filters are:

- **Poverty:** Tracts with at least 30 percent of population under federal poverty line;
- **Racial Segregation:** Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County

Table E21: Domains and List of Indicators for Opportunity Maps (2020)

Domain	Indicator
Economic	Poverty Adult education Employment Job proximity Median home value
Environmental	CalEnviroScreen 3.0 pollution indicators and values
Education	Math proficiency Reading proficiency High School graduation rates Student poverty rates
<i>Source: California Fair Housing Task Force, Methodology for the 2021 TCAC/HCD Opportunity Maps, December 2020</i>	

TCAC/HCD assigns “scores” for each of the domains in Table E21 by census tract and computes “composite” scores that are a combination of the three domains. Scores from each individual domain range from 0-1, where higher scores indicate higher “access” to the domain or higher “outcomes.” Composite scores do not have a numerical value but rather rank census tracts by the level of resources (low, moderate, high, highest, and high poverty and segregation).

The TCAC/HCD Opportunity Maps offer a tool to visualize show areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource, and high segregation and poverty and can help to identify areas within the community that provide good access to opportunity for residents or, conversely, provide low access to opportunity. They can also help to highlight areas where there are high levels of segregation and poverty.

The information from the opportunity mapping can help to highlight the need for housing element policies and programs that would help to remediate conditions in low resource areas and areas of high segregation and poverty and to encourage better access for low and moderate income and racial/ethnic minority households to housing in high resource areas.

Regional Trend

HUD opportunity indices for Sonoma County are shown in Table E22. The White population has the highest index scores for low poverty, school proficiency, labor market engagement, and environmental health, indicating the White population Countywide is generally exposed to the most positive social and health conditions. The White population below the federal poverty line also received the highest index scores for low poverty, school proficiency, labor market engagement, and environmental health. The Black population scored the highest in transit trips and low transportation cost. The Hispanic/Latino population in Sonoma County received the lowest scores for the following indices: low poverty, school proficiency, labor market engagement. Similarly, the Black population received the lowest index score for environmental health. These index scores reveal Black and Hispanic communities in the County are more likely to experience poverty, have reduced school system quality, have lower labor market engagement, and be exposed to poorer environmental conditions.

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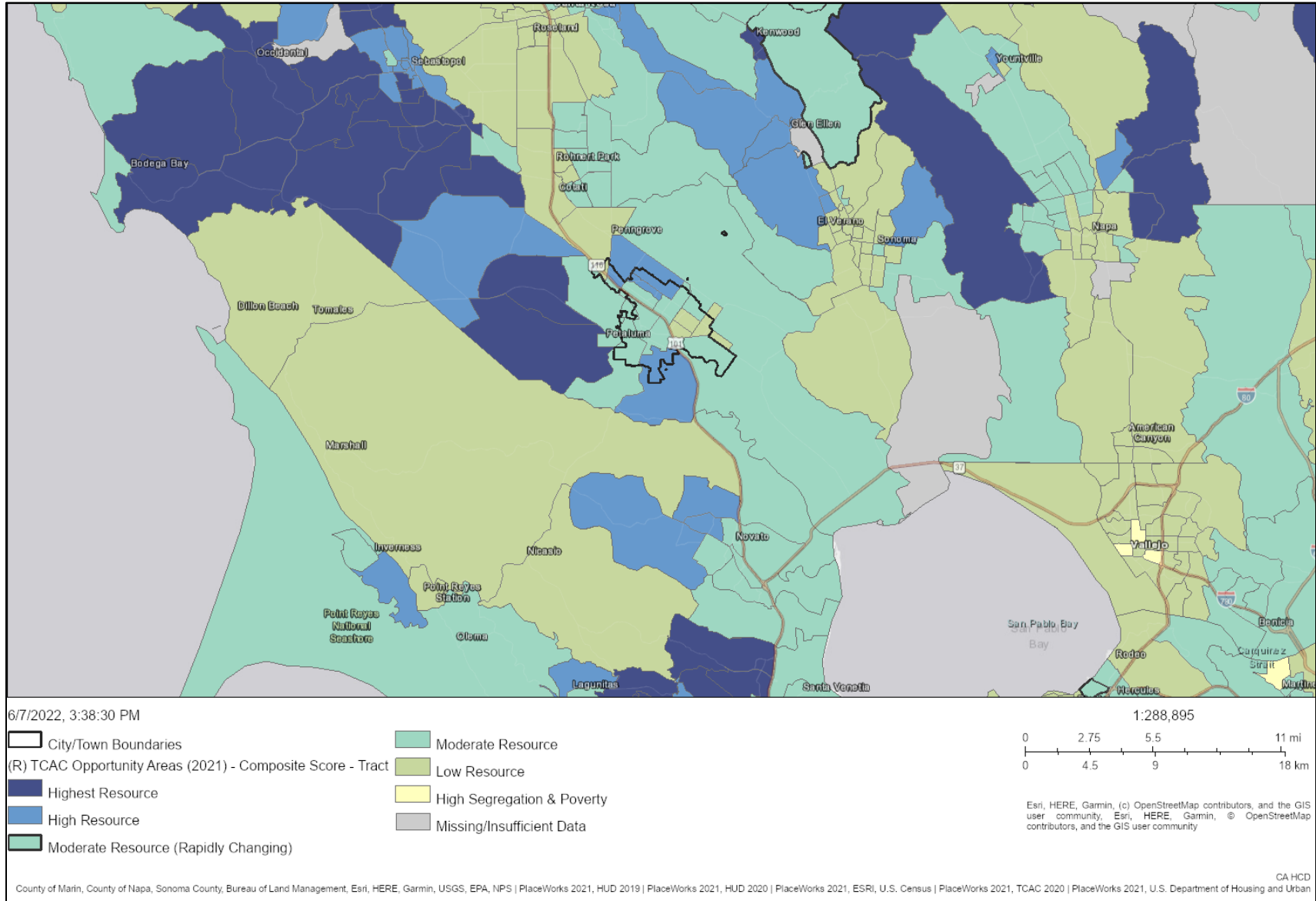
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TCAC opportunity scores by tract for the region surrounding Petaluma are shown in Figure E24. TCAC opportunity map criteria were outlined previously in Table E21. The region is comprised of a mix of tract types, including low resource, moderate resource, high resource, and highest resource areas. There are few areas of high segregation and poverty identified in the region. There are a few areas of high segregation and poverty in Napa County east of the City.

Table E22: HUD Opportunity Indicators by Race/Ethnicity and Poverty Status – Sonoma County and Petaluma (2020)

	Low Poverty	School Proficiency	Jobs Proximity	Labor Market	Transit Trips	Low Transp. Cost	Env. Health
Sonoma County							
Total Population							
White, non-Hispanic	62.07	47.64	47.34	59.91	42.18	66.17	70.22
Black, non-Hispanic	54.57	40.88	51.27	51.20	51.27	71.40	65.20
Hispanic	52.54	36.48	51.41	49.55	48.18	70.28	65.40
Asian or Pacific Islander, non-Hispanic	59.02	43.67	47.78	55.29	46.96	68.65	67.03
Native American, non-Hispanic	55.79	42.10	52.82	51.40	47.88	68.93	64.58
Population below federal poverty line							
White, non-Hispanic	55.14	42.55	50.02	54.00	46.59	69.09	68.40
Black, non-Hispanic	42.70	30.75	59.11	42.02	61.61	77.20	63.43
Hispanic	50.03	35.89	53.29	47.60	50.04	72.06	64.91
Asian or Pacific Islander, non-Hispanic	51.83	40.03	45.42	48.36	49.84	70.79	67.97
Native American, non-Hispanic	46.77	37.37	63.53	45.26	53.92	73.62	62.25
Petaluma							
Total Population							
White, non-Hispanic	65.23	56.84	38.54	68.26	22.40	66.99	84.19
Black, non-Hispanic	63.06	55.58	34.74	66.45	24.83	68.66	83.86
Hispanic	61.73	50.86	35.89	65.39	24.32	69.54	83.75
Asian or Pacific Islander, non-Hispanic	66.87	58.10	31.99	67.10	23.41	66.59	83.86
Native American, non-Hispanic	61.94	53.58	36.86	68.33	23.38	68.58	83.86
Population below federal poverty line							
White, non-Hispanic	59.76	49.60	38.28	64.71	22.32	69.05	84.02
Black, non-Hispanic	67.92	47.87	35.17	54.17	27.39	73.70	83.57
Hispanic	64.13	51.99	36.74	63.17	26.70	71.21	83.55
Asian or Pacific Islander, non-Hispanic	64.52	47.48	33.39	57.48	26.37	71.68	83.58
Native American, non-Hispanic	73.47	62.12	45.87	52.99	28.69	74.08	84.07
Source: HUD AFFH-T Data, 2020.							

Figure E24: Regional TCAC Opportunity Area Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

Local Trend

HUD opportunity index scores for Petaluma are presented alongside the County scores in Table E22. Unlike the County, the Asian/Pacific Islander population in Petaluma scored the highest in including low poverty and school proficiency. The White population received the highest index scores for school proficiency, jobs proximity, and environmental health. Like the County, the Black and Hispanic populations in the City tended to score lower in most HUD opportunity indices including low poverty, school proficiency, labor market engagement, and environmental health. In general, all racial/ethnic populations in Petaluma have higher scores across the opportunity indicators compared to the populations Countywide.

TCAC Opportunity Map scores for Petaluma tracts are shown in Table E23 and Figure E26. A majority of tracts in the City are categorized as moderate resource areas. Two tracts in the northwestern corner of the City located in the College neighborhood, and one tract in the southern area of the City, Western neighborhood, are considered high resource tracts. There are three low resource tracts on the eastern side of the City in the Adobe neighborhood. The northernmost corner of the City is also considered a low resource area; however, this tract is mostly a reflection of the population north of Petaluma, not of Petaluma residents alone. As discussed previously, the Adobe neighborhood contains block groups with higher concentrations of racial/ethnic minority populations compared to the rest of the City (see Figure E5). The distribution of racial/ethnic groups by TCAC opportunity area are further described below.

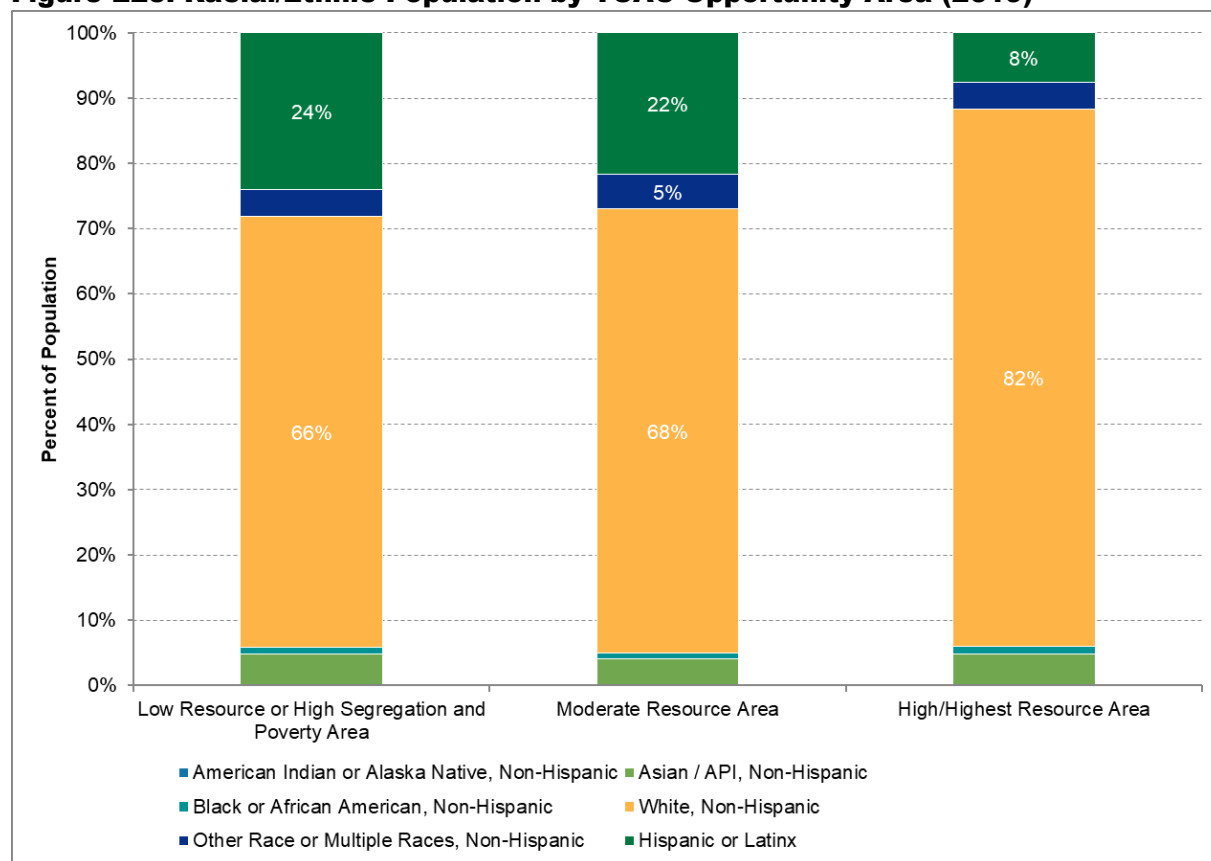
Table E23: TCAC Opportunity Area Scores by Tract (2021)

Census Tract	Economic Score	Environmental Score	Education Score	Composite Score	Final Category
6097150601	0.221	0.051	0.356	-0.508	Low Resource
6097150602	0.38	0.111	0.356	-0.303	Low Resource
6097150603	0.228	0.514	0.436	-0.212	Moderate Resource
6097150607	0.370	0.852	0.777	0.284	High Resource
6097150609	0.175	0.682	0.777	0.090	Moderate Resource
6097150610	0.249	0.869	0.777	0.197	High Resource
6097150611	0.521	0.001	0.421	-0.928	Low Resource
6097150612	0.390	0.072	0.458	-0.249	Moderate Resource
6097150701	0.185	0.206	0.738	-0.059	Moderate Resource
6097150702	0.472	0.39	0.738	0.227	High Resource
6097150800	0.284	0.859	0.621	0.090	Moderate Resource
6097150901	0.210	0.444	0.658	-0.034	Moderate Resource
6097150902	0.366	0.684	0.554	0.047	Moderate Resource
6097151000	0.254	0.840	0.48	-0.070	Moderate Resource
6097151201	0.098	0.428	0.33	-0.466	Low Resource

Source: UC Berkeley – TCAC Opportunity Area Scores by Tract. 2021

A larger proportion of White residents reside in high resource tracts (Figure E25). Approximately 82 percent of persons residing in high resource tracts are White, while only 66 percent of persons in low resource tracts and 68 percent of persons in moderate resource tracts are White. Conversely, a significantly larger proportion of persons residing in low resource (24%) and moderate resource (22%) are Hispanic. Only 8 percent of the population residing in high resource areas are Hispanic.

Figure E25: Racial/Ethnic Population by TCAC Opportunity Area (2019)



Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates) and TCAC/HCD Opportunity Maps, 2020), 2021.

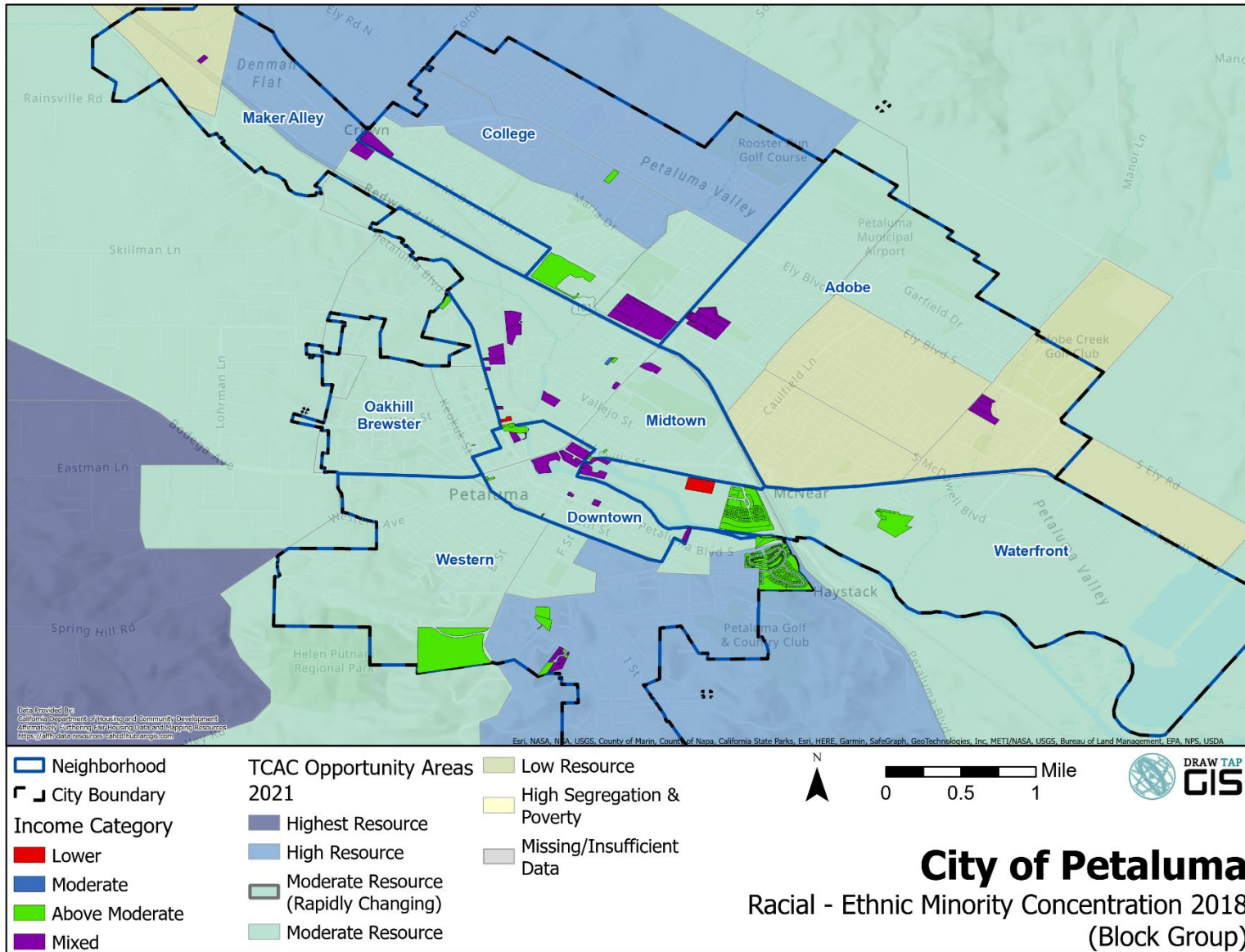
Sites Inventory

Sites selected to meet the RHNA and TCAC Opportunity Map scores by tract are presented in Figure E26. Table E24 shows the distribution of RHNA units by income allocation and TCAC Opportunity Area score. Consistent with the citywide trend, most RHNA units (85.7%) are located in moderate resource tracts. Of the remaining units, 5 percent are in low resource tracts and 9.3 percent are in high resource tracts. The City’s RHNA strategy places a larger proportion of lower income units in low resource tracts (8.6%) compared to moderate (1.4%) and above moderate income units (4.3%). It is important to note that there are 82 above moderate income units, 6 moderate income units, and 68 lower income units allocated in low resource tracts. Lower income units alone are not allocated in tracts with this designation. The distribution of RHNA units is generally consistent with the trend Citywide, where a majority of tracts are considered moderate resource areas.

Table E24: Distribution of RHNA Units by TCAC Opportunity Area

TCAC Opportunity Area Category (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
High Resource	18	2.3%	0	0.0%	272	14.3%	290	9.3%
Moderate Resource	704	89.1%	410	98.6%	1553	81.4%	2667	85.7%
Low Resource	68	8.6%	6	1.4%	82	4.3%	156	5.0%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E26: Sites Inventory and TCAC Opportunity Area Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data) and Veronica Tam & Associates, 2022.

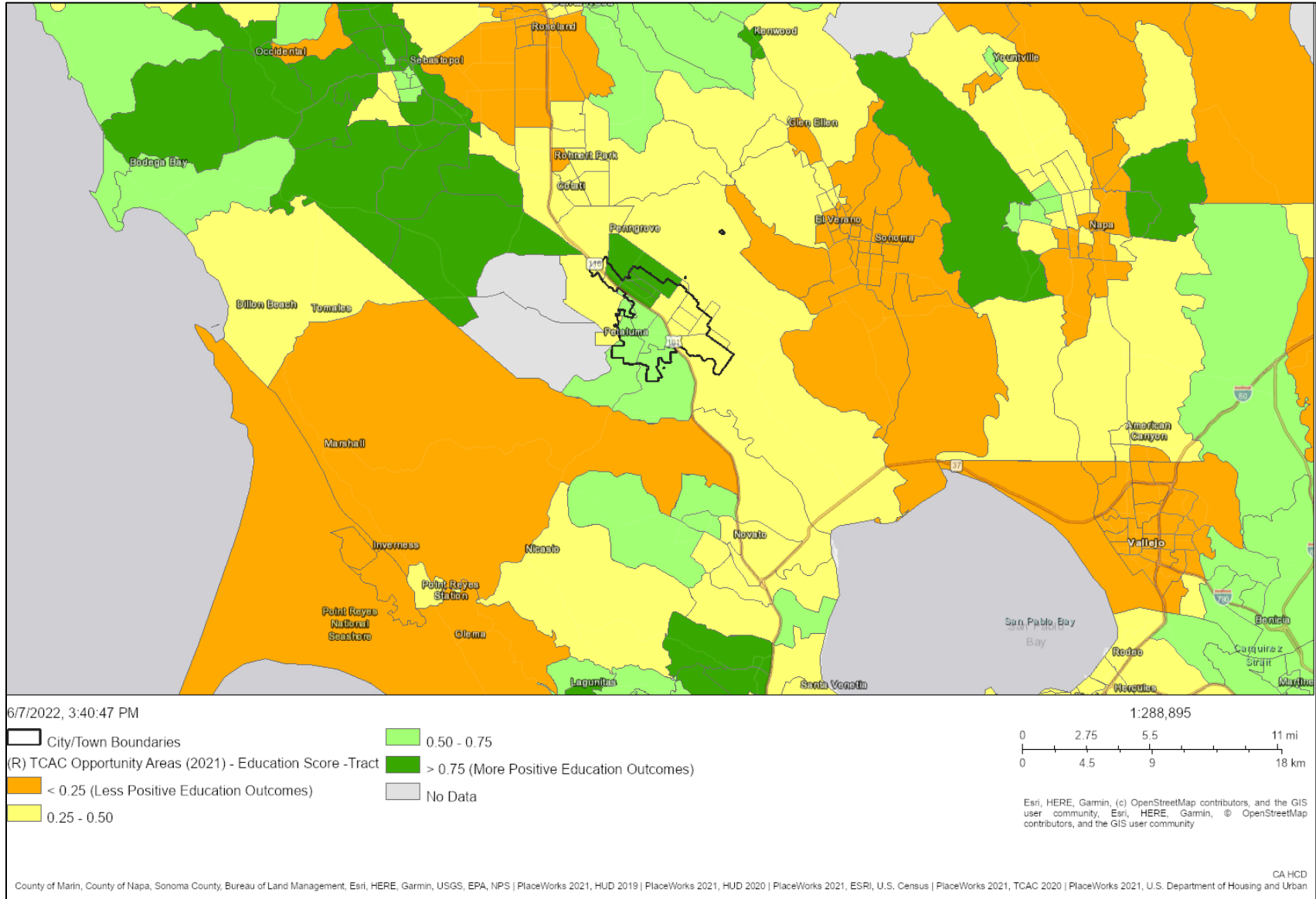
Education

Regional Trend

The Sonoma County Office of Education (SCOE) oversees 40 school districts Countywide. Petaluma City Schools is the school district overseeing the Petaluma Joint Union High District and the Petaluma City Elementary district. As discussed previously, HUD opportunity indicator scores for Sonoma County show that White populations Countywide have the best access to higher quality schools, followed by the Asian/Pacific Islander population, and Native American population. The Black and Hispanic populations have the worst school system quality compared to other racial/ethnic groups.

TCAC education scores are determined using the following variables: math proficiency, reading proficiency, high school graduation rates, and student poverty rates. TCAC education scores for the region are shown in Figure E27. Most tracts in the region have education scores of 0.50 or below. There are smaller areas with tracts scoring in the highest quartile in Petaluma, Sonoma County northwest of the City, Sonoma and Napa counties east of the City, and Marin County south of the City. TCAC education scores for the City are generally higher compared to adjacent jurisdictions.

Figure E27: Regional TCAC Education Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

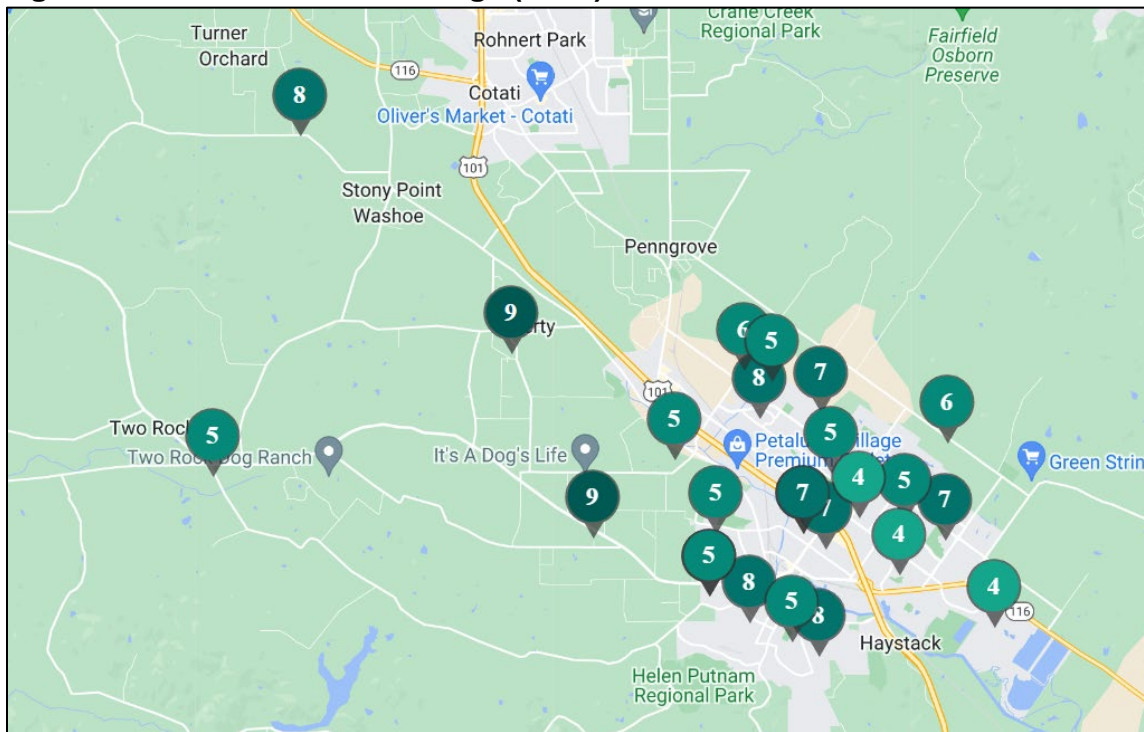
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Local Trend

GreatSchools.org is a non-profit organization that rates schools across the States. The Great Schools Summary Rating calculation is based on four ratings: the Student Progress Rating or Academic Progress Rating, College Readiness Rating, Equity Rating, and Test Score Rating. Ratings at the lower end of the scale (1-4) signal that the school is “below average,” 5-6 “average,” and 7-10 “above average.” Figure E28 shows that Petaluma schools have Great School Ratings ranging from 4 to 9. A majority of schools fall into the 5 to 6 range, indicating most schools in the City are considered average.

Figure E28: Great Schools Ratings (2022)

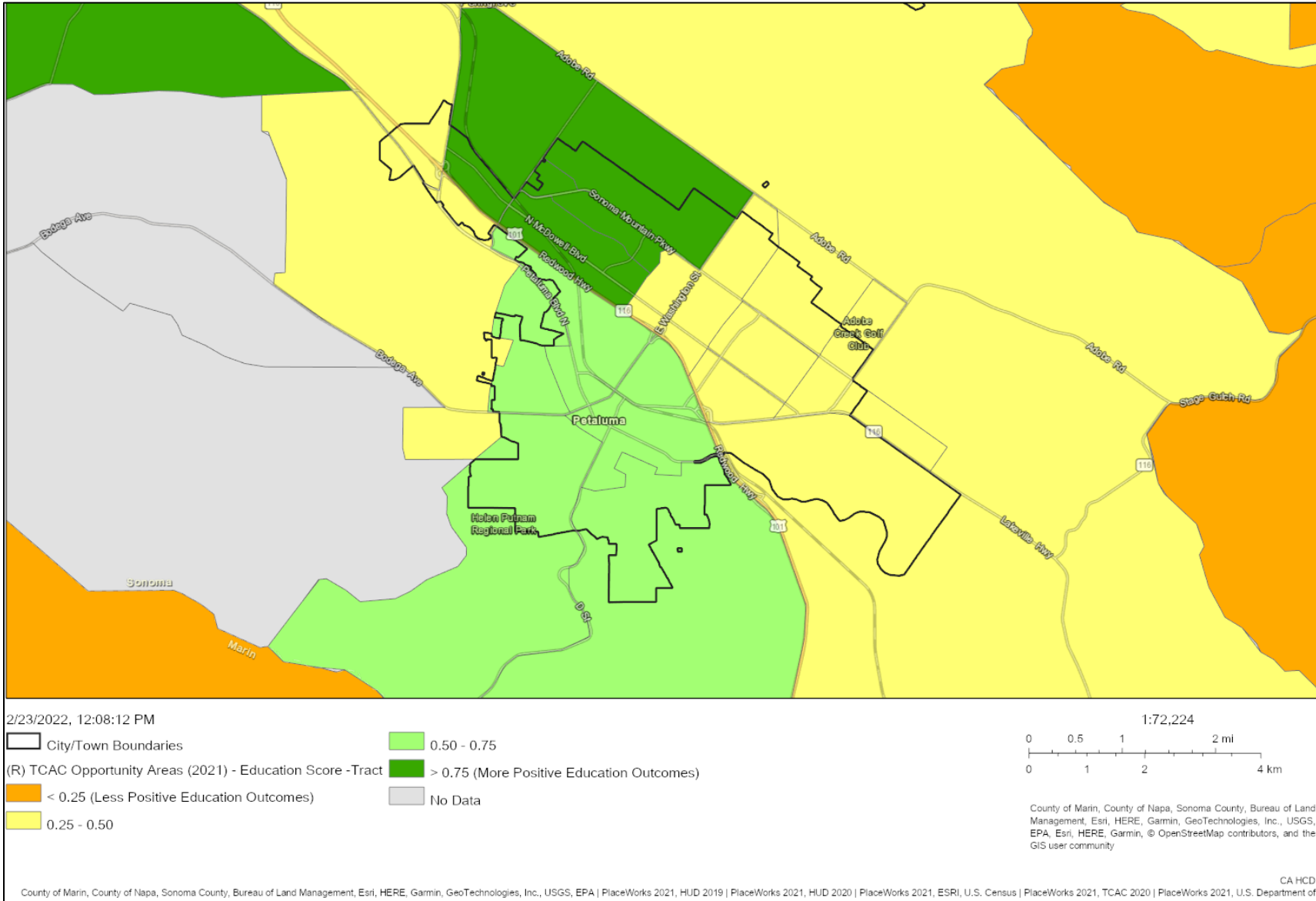


Source: GreatSchools.org, GreatSchools Rating – Petaluma, CA, 2022.

HUD Opportunity Indicators for Petaluma were shown previously in Table E22. School proficiency index scores for all Petaluma populations regardless of race or ethnicity are higher than for populations Countywide. Unlike the County, the Asian/Pacific Islander population in Petaluma received the highest school proficiency index score, followed by the White population, and Black population. The Hispanic and Native American populations scored the lowest in school proficiency.

Figure E29 shows TCAC education scores by tract for the City of Petaluma. The northernmost areas, Maker Alley and College neighborhoods, received TCAC education scores in the highest quartile. The southern areas, Midtown, Downtown, Oakhill Brewster, and Western neighborhoods, received scores between 0.50 and 0.75, and the eastern side of the City, Adobe and Waterfront neighborhoods, received the lowest scores in the City between 0.25 and 0.50.

Figure E29: TCAC Education Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

Transportation

Regional Trend

This section uses the following HUD Opportunity Indicator scores to analyze regional transportation opportunities: jobs proximity index, transit trips index, and transportation cost index. HUD's opportunity indicators can provide a picture of transit use and access in Sonoma County through the transit index¹¹ and low transportation cost index.¹² Index values can range from zero to 100 and are reported by race so that differences in access to transportation can be evaluated based on racial or ethnic background. Index values for the County were shown previously in Table E22. As presented in Table E22 previously, in the County, the Black population was most likely to utilize public transit and have the lowest transportation costs. Conversely, the White population is the least likely to use public transportation and have the highest transportation costs.

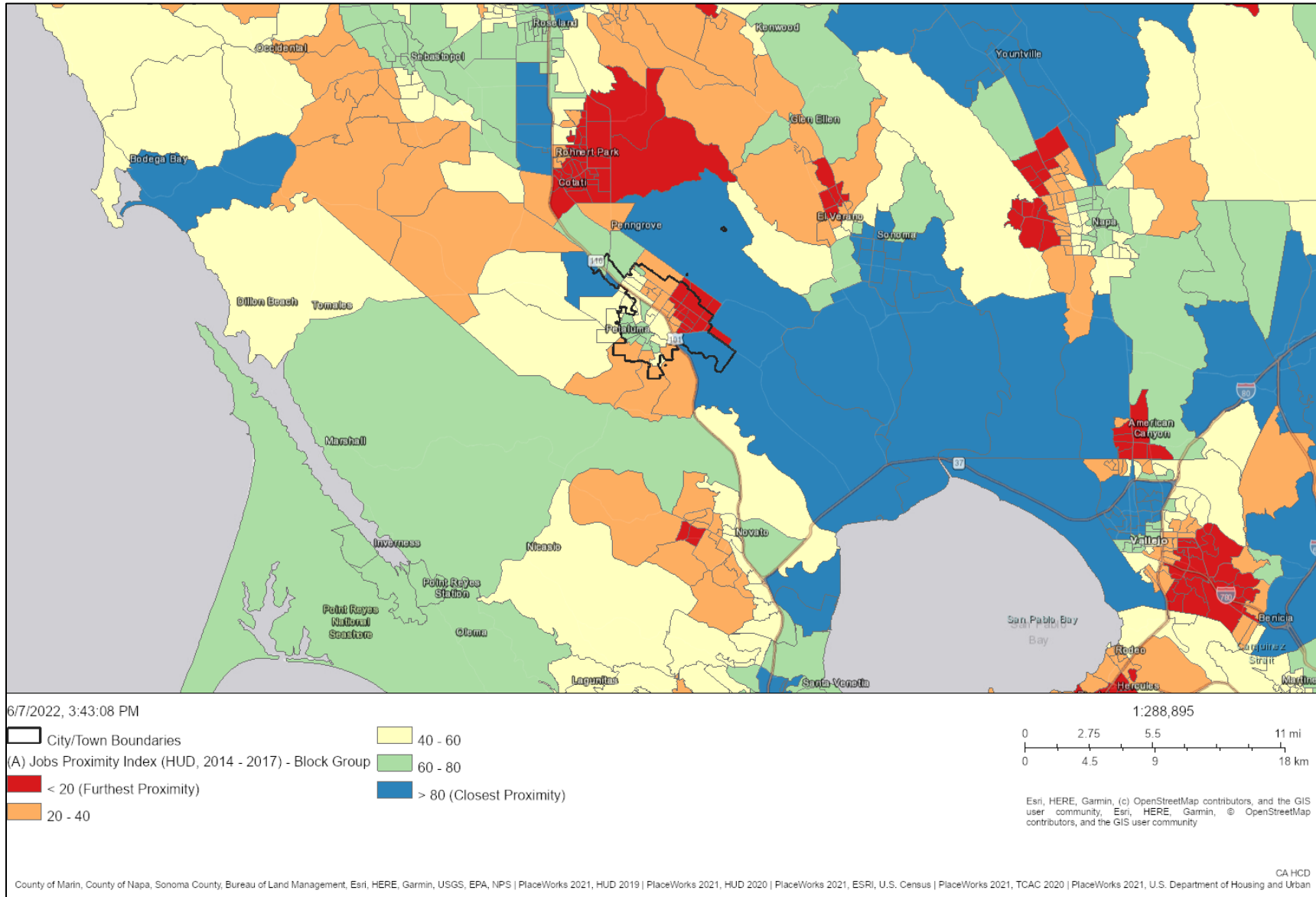
The jobs proximity index can also be used to analyze transportation accessibility, as well as economic opportunity. Access to economic opportunities are discussed further in the following section of this Assessment of Fair Housing. In the County, the Native American population has the highest jobs proximity index of 52.8, followed by the Hispanic population (51.4), and Black population (51.3). The White (47.3) and Asian/Pacific Islander (47.8) populations received the lowest jobs proximity index scores. Jobs proximity index scores are also shown by block group for the region in Figure E30. Generally, areas east of the City tend to have higher jobs proximity index scores. West of Petaluma, most block groups have jobs proximity index scores ranging from 20 to 60. Jobs proximity scores for Petaluma block groups are generally consistent with the region; however, there is one group of block groups in the City with jobs proximity index scores below 20 (worst scores).

AllTransit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the most recent data posted (2019), Sonoma County has an AllTransit Performance Score of 3.4 (out of 10). The map in Figure E31 shows that only the areas directly adjacent to major highways have high transit scores. According to AllTransit, in the County, 74.4 percent of jobs are located within ½ mile of transit and 75.4 percent workers live within ½ mile of transit. Further, 72.3 percent of households are within a ½ mile of transit including 100 percent of Low Income Housing Tax Credit (LIHTC) buildings totaling 5,588 units.

¹¹ Transit Trips Index: This index is based on estimates of transit trips taken by a family that meets the following description: a 3-person single-parent family with income at 50 percent of the median income for renters for the region (i.e., the Core-Based Statistical Area (CBSA)). The higher the transit trips index, the more likely residents in that neighborhood utilize public transit.

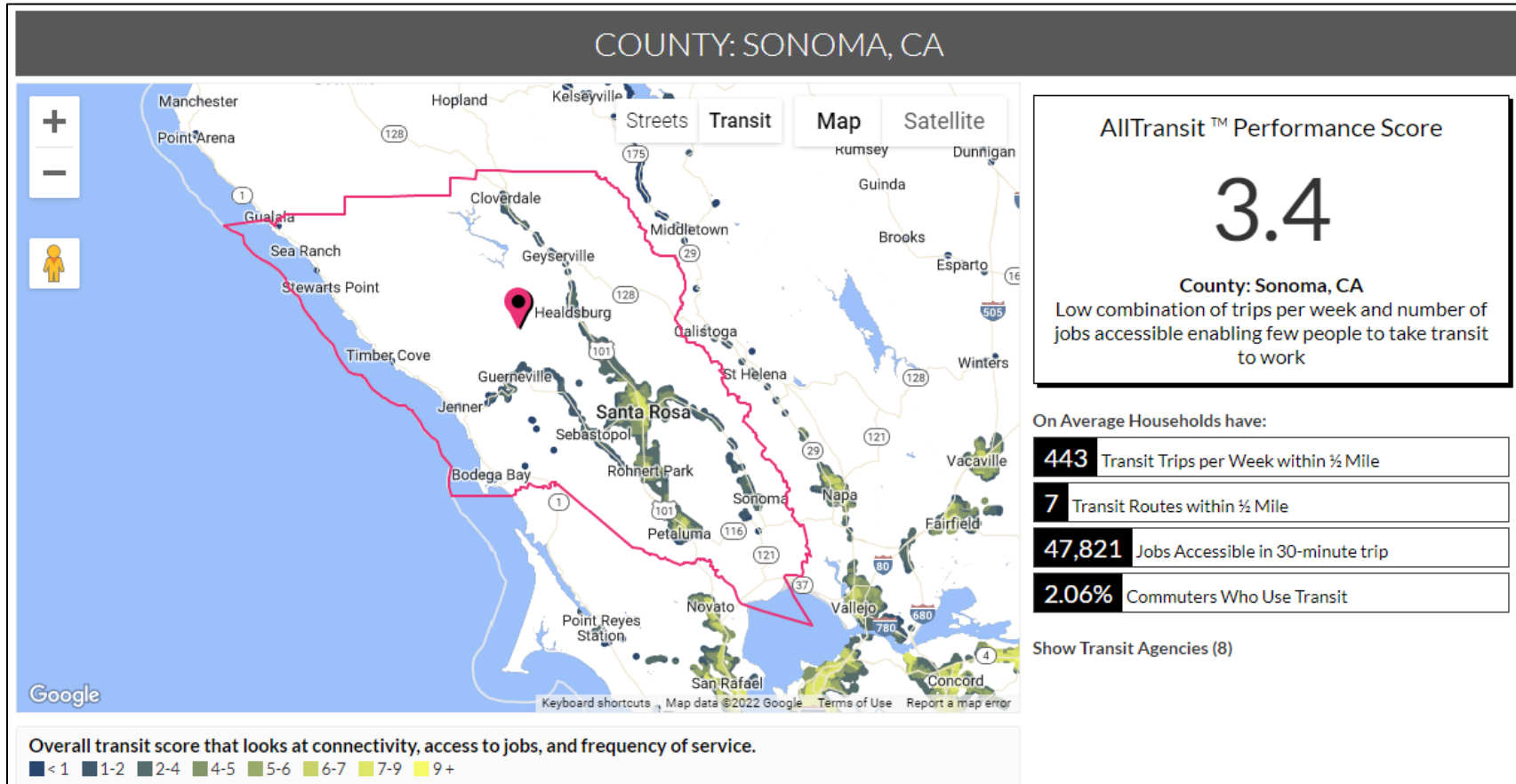
¹² Low Transportation Cost Index: This index is based on estimates of transportation costs for a family that meets the following description: A 3-person single-parent family with income at 50 percent of the median income for renters for the region/CBSA. The higher the index, the lower the cost of transportation in that neighborhood.

Figure E30: Regional HUD Jobs Proximity Score by Block Group (2017)



Source: HCD AFFH Data Viewer (based on 2014-2017 HUD data), 2022.

Figure E31: Sonoma County All Transit Performance Score and Map (2019)



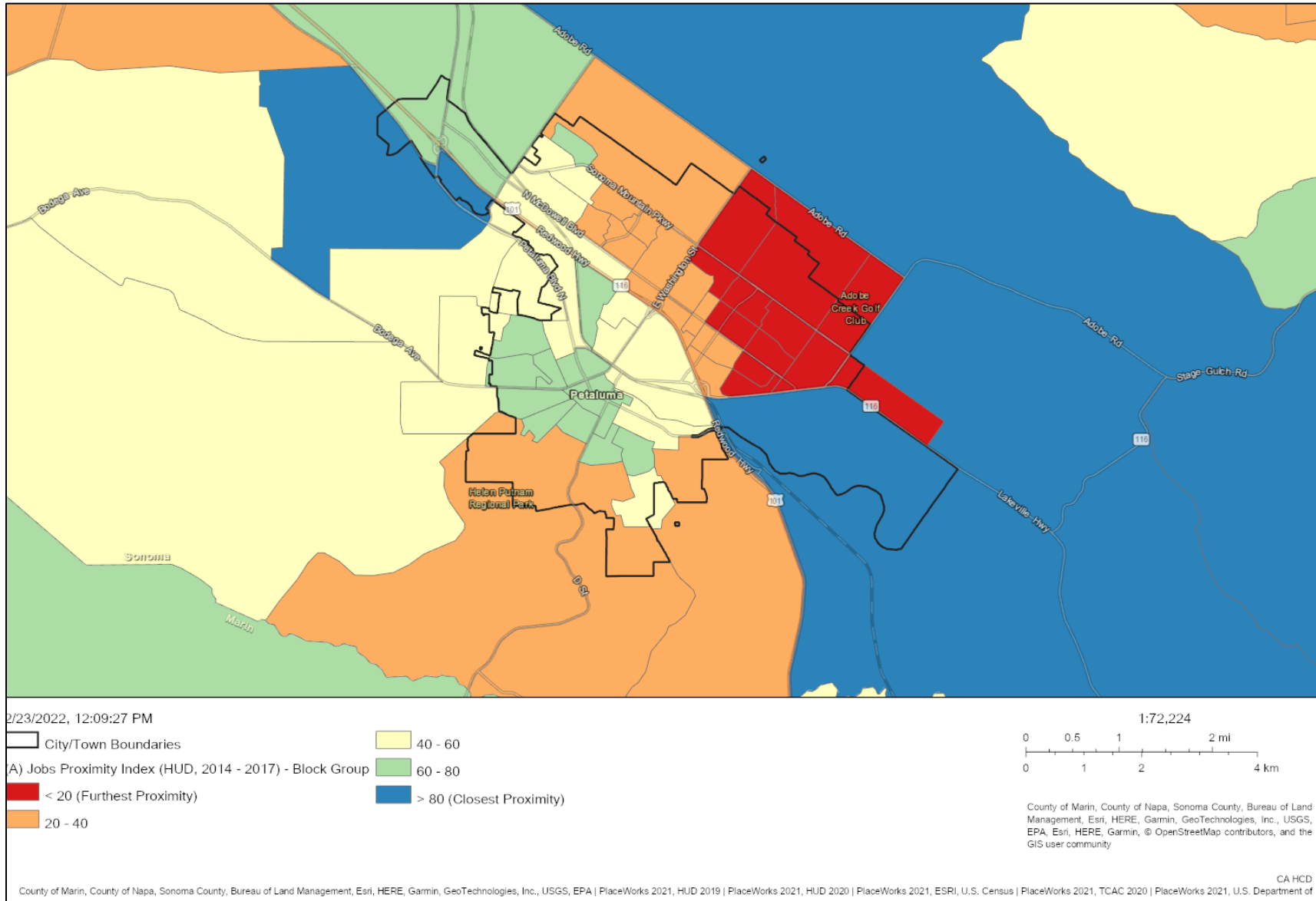
Source: AllTransit Performance Score – Sonoma County, CA 2019, 2022.

Local Trend

HUD Opportunity Indicator scores for Petaluma are presented in Table E22 above. Compared to the County, Petaluma residents regardless of race or ethnicity are less likely to utilize public transportation and more likely to have high transportation costs. Black residents in Petaluma are most likely to utilize public transit, while White residents are least likely. Hispanic residents have the lowest transportation costs.

Jobs proximity index scores for Petaluma residents are also lower than populations Countywide. In the City, the White population received the highest jobs proximity index score while the Asia/Pacific Islander population was least likely to be located close to employment opportunities. Jobs proximity index scores by block group are shown for the City in Figure E32. Block groups in the City have variable jobs proximity index scores. The northeastern area of the City, Adobe neighborhood, has the lowest scores (<20), while the Waterfront neighborhood has the highest scores (>80). Parts of the Adobe neighborhood, College neighborhood, and Western neighborhood also have lower scores ranging from 20 to 40. The central and northern areas of the City, Midtown, Downtown, Oakhill Brewster Maker Alley neighborhoods, contain block groups with moderate jobs proximity index scores ranging from 40 to 80.

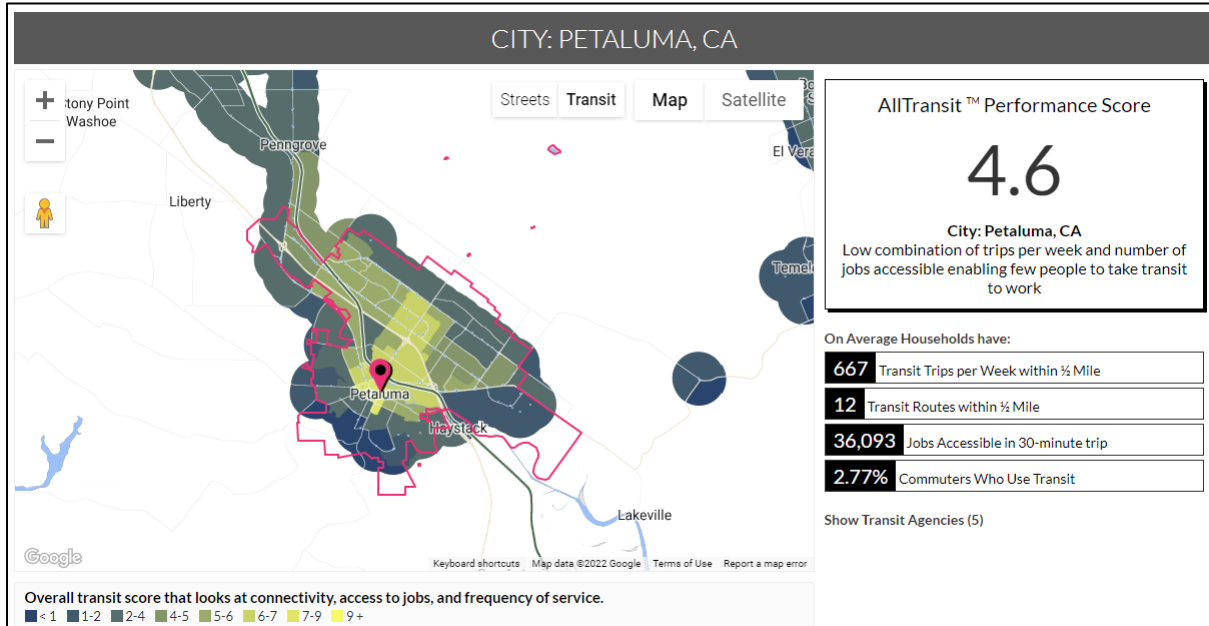
Figure E32: HUD Jobs Proximity Score by Block Group (2017)



Source: HCD AFFH Data Viewer (based on 2014-2017 HUD data), 2022.

Petaluma received an AllTransit Performance Score of 4.6, higher than 3.4 Countywide. As shown in Figure E33, the central areas of the City have better access to transit compared to the areas along the City boundaries. According to AllTransit, 94.6 percent of jobs are located within a ½ mile of transit and 93.9 percent of workers live within a ½ mile of transit, a significantly larger proportion than throughout Sonoma County. Approximately 94 percent of households live within a ½ mile of transit including 100 percent of LIHTC buildings.

Figure E33: Petaluma All Transit Performance Score and Map (2019)



Source: AllTransit Performance Score – Petaluma, CA 2019, 2022.

Economic

Regional Trend

HUD provides values for labor market index¹³ and jobs proximity index¹⁴ that can be used to measure for economic development in Sonoma County. Like other HUD opportunity indicators, scores range from 0 to 100 and are published by race and poverty level to identify differences in the relevant “opportunity” (in this case economic opportunity). The labor market index value is based on the level of employment, labor force participation, and educational attainment in a census tract- a higher score means higher labor force participation and human capital in a neighborhood. The jobs proximity index for Sonoma County is described in detail in the previous section, *Transportation*.

¹³ Labor Market Engagement Index: The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract. The higher the score, the higher the labor force participation and human capital in a neighborhood.

¹⁴ Jobs Proximity Index: The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region/CBSA, with larger employment centers weighted more heavily. The higher the index value, the better the access to employment opportunities for residents in a neighborhood.

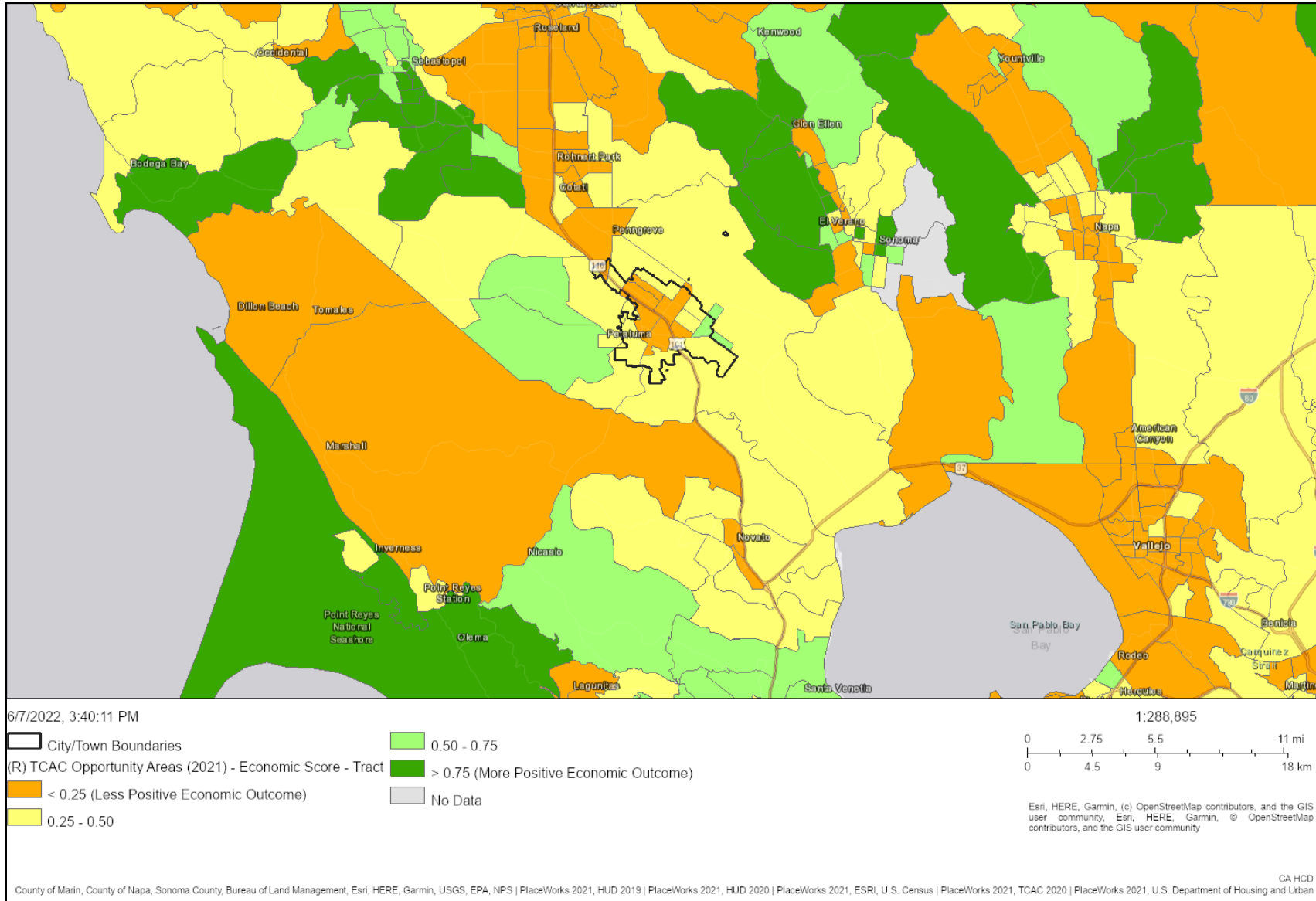
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In the County, the White population received the highest labor market engagement index score (59.9), followed by the Asian/Pacific Islander population (55.3), and Native American population (51.4) (see Table E22). The Black (51.2) and Hispanic (49.6) populations scored the lowest in labor market engagement.

TCAC economic scores are determined using the following variables: poverty, adult education, employment, job proximity, and median home value. TCAC economic scores are shown by tract in the region in Figure E34. Most tracts in Petaluma and the areas surrounding the City scored below 0.50 for economic opportunities. There are some tracts, north of the City in Sonoma and Napa County and south of the City in Marin County, that scored in the highest quartile. TCAC economic scores for Petaluma tracts are generally consistent with the surrounding areas.

Figure E34: Regional TCAC Economic Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

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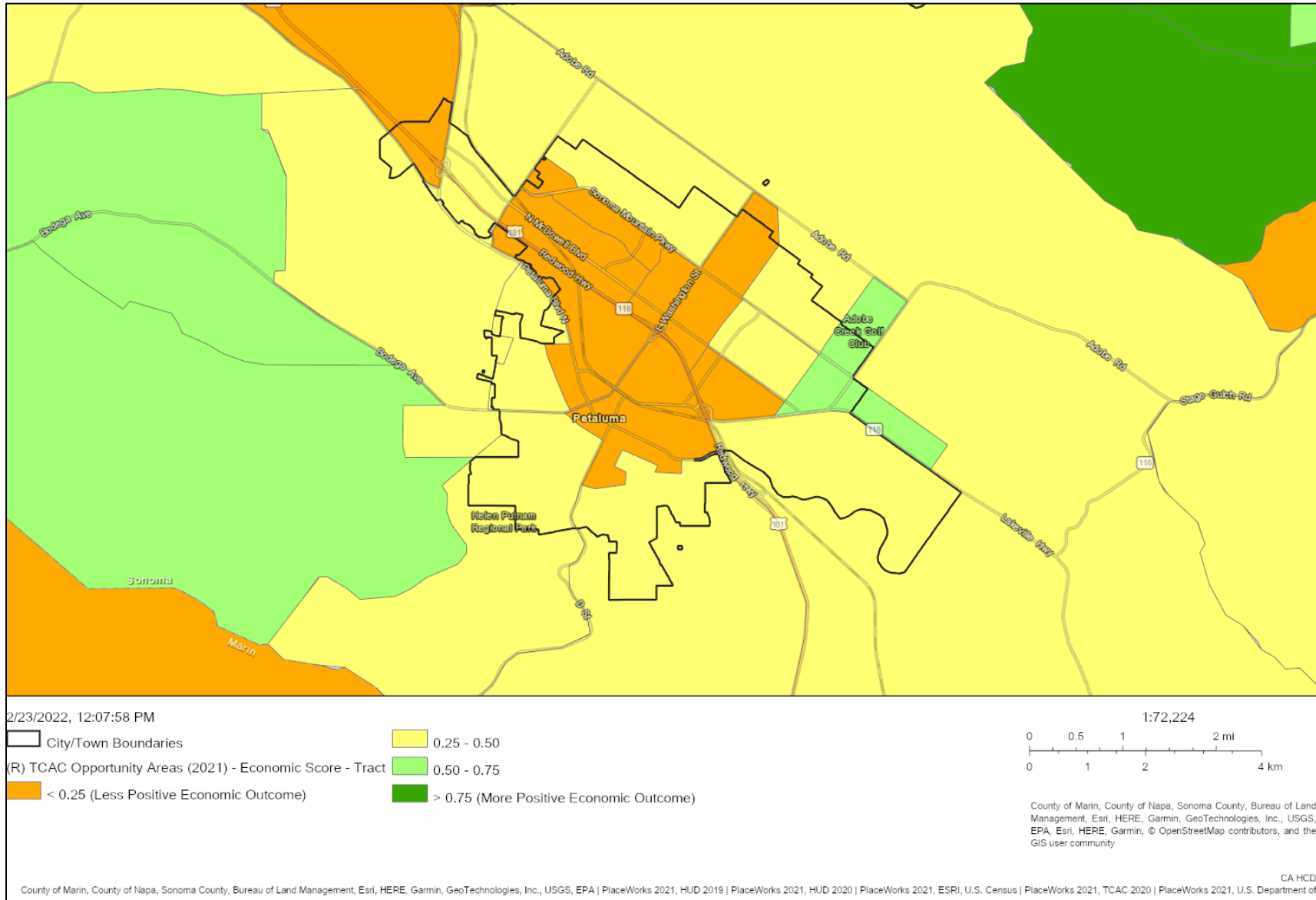
Appendix E Draft Affirmatively Furthering Fair Housing

Local Trend

HUD Opportunity Indicator scores for Petaluma show that populations in the City have higher labor market engagement compared to the County, regardless of race (see Table E22). In the City, the Native American (68.3), White (68.3), and Asian/Pacific Islander (67.1) populations have the most labor market engagement. Like the County, the Black (66.5) and Hispanic (65.4) populations scored the lowest in labor market engagement.

TCAC economic scores are determined using the following variables: poverty, adult education, employment, job proximity, and median home value. TCAC economic scores by tract are shown for Petaluma in Figure E35; most tracts in the City scored below 0.50. There is one area in southeast corner of the City in the Adobe neighborhood where the TCAC economic score exceeds 0.50. The central areas of the City (Downtown, Midtown, College, and Adobe neighborhoods) tend to have lower TCAC economic scores compared to tracts along the City boundaries. In general, this area of the City also has higher concentrations of racial/ethnic minority groups, persons with disabilities, and children residing in single-parent female-headed households (see Figure E5, Figure E10, and Figure E15). As shown in Figure E32 previously, block groups in the central area of the City received moderate jobs proximity index scores; however, block groups in the center of the City generally scored better in employment access compared to the tracts along the perimeter.

Figure E35: TCAC Economic Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

Environmental

Regional Trend

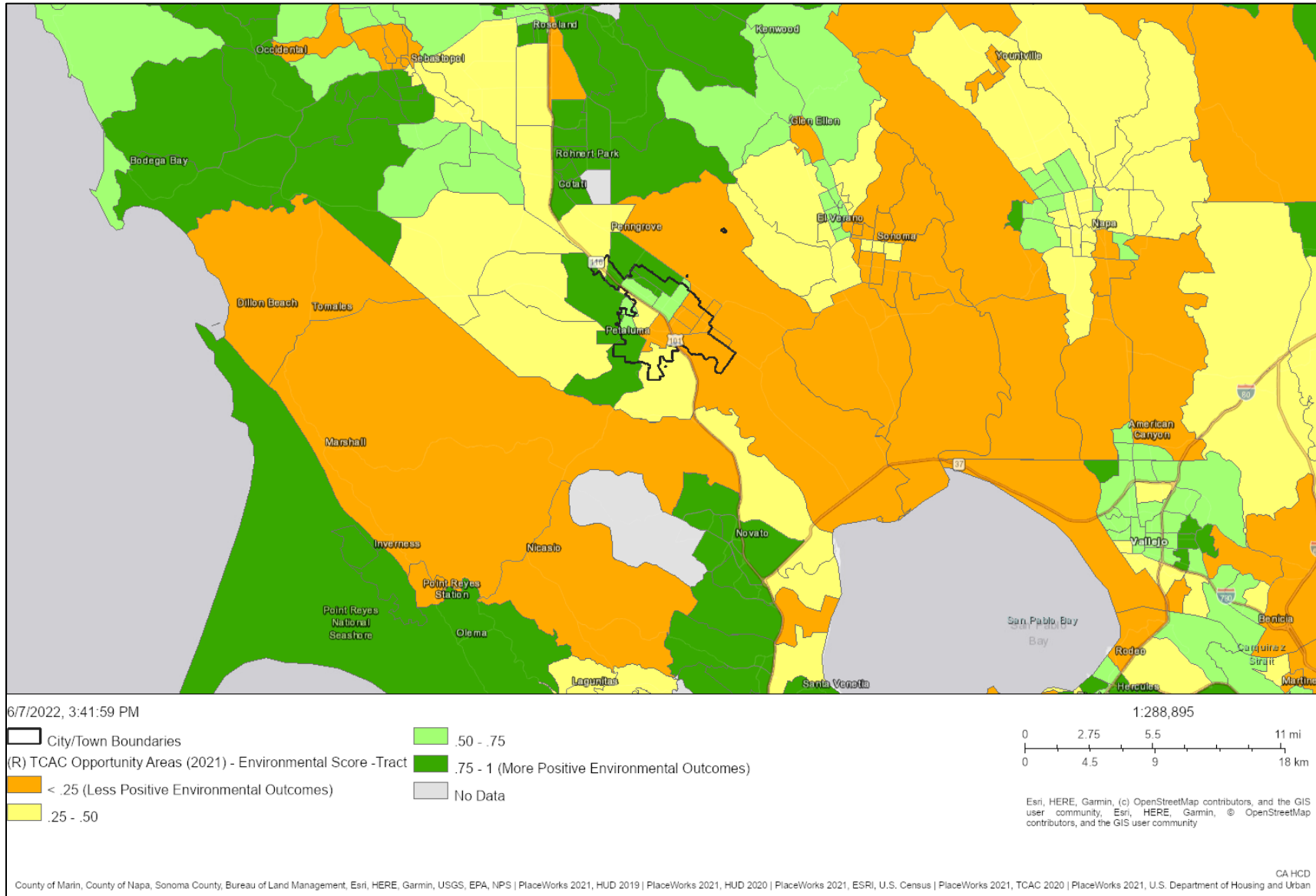
Environmental conditions residents live in can be affected by past and current land uses like landfills or proximity to highways. The TCAC Environmental Score shown in Figure E36 is based on CalEnviroScreen 3.0 pollution indicators and values. The California Office of Environmental Health Hazard Assessment (OEHHA) compiles these scores to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. TCAC Environmental Scores range from 0 to 1, where higher scores indicate a more positive environmental outcome (better environmental quality).

Tracts scoring in the lowest quartile for environmental quality are prevalent throughout the region, specifically in Marin County west of the City and unincorporated Sonoma County east of the City. Tracts with scores of 0.50 and above are generally concentrated in northern Sonoma County, however environmental scores in this region are variable. TCAC environmental scores for Petaluma tracts are also variable and are generally consistent with surrounding jurisdictions.

Figure E36 shows the TCAC Environmental Score based on CalEnviroScreen 3.0. However, the Office of Environmental Health Hazard Assessment released updated scores in October 2021 (CalEnviroScreen 4.0). The CalEnviroScreen 4.0 scores in Figure E37 are based on percentiles and show environmental conditions are above average (30th percentile or lower). Tracts along the 101 Highway from Petaluma to Santa Rosa have worse environmental conditions. Tracts east of the City in Napa Valley and surrounding Vallejo also have lower CalEnviroScreen 4.0 percentile scores. Petaluma tracts have worse environmental conditions compared to the unincorporated County areas directly east and west. However, scores in Petaluma are generally consistent with jurisdictions to the north along the 101 Highway.

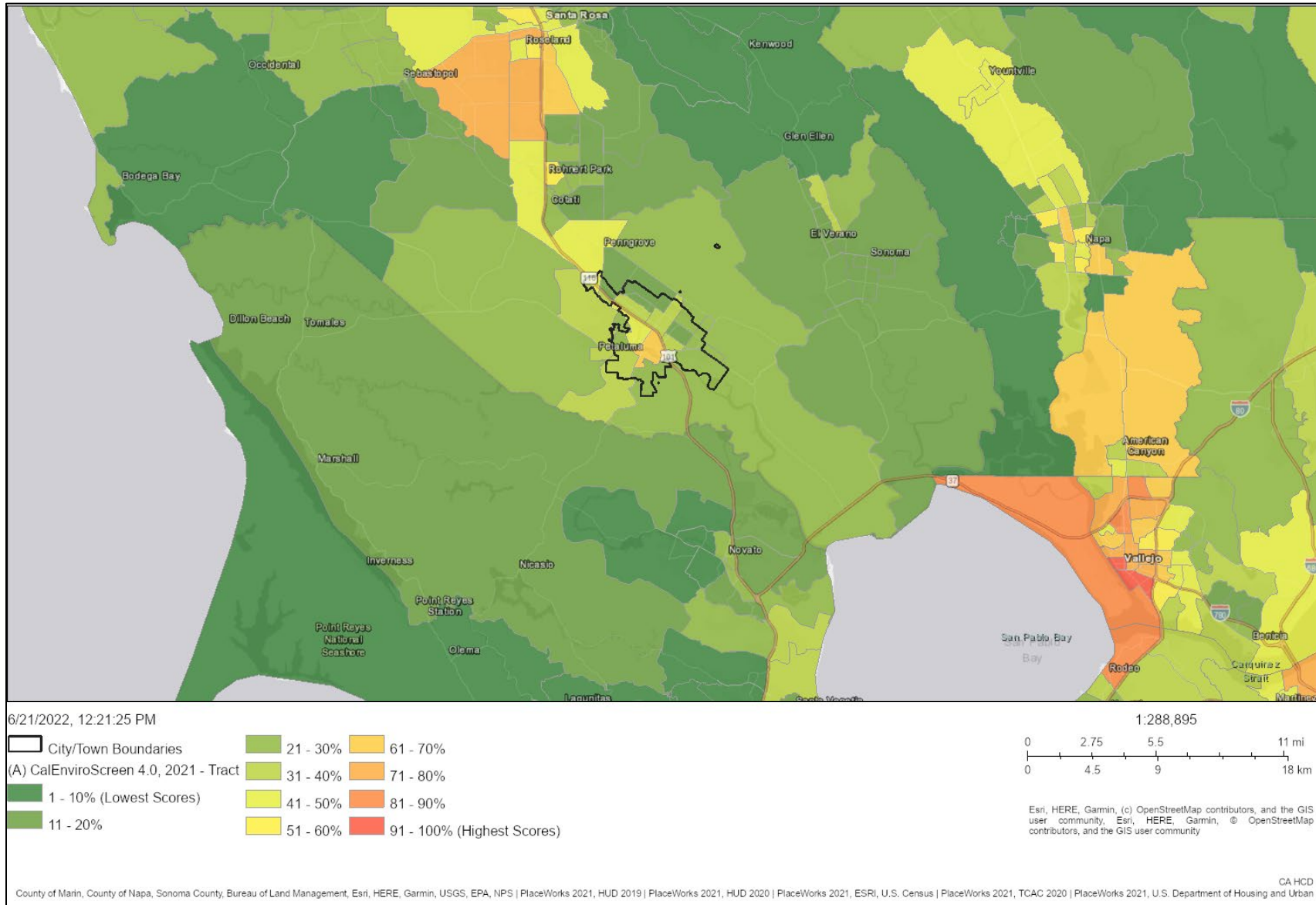
HUD's opportunity index for "environmental health" summarizes potential exposure to harmful toxins at a neighborhood level. Index values range from 0 to 100 and the higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group. In Sonoma County, environmental health index values range from 64.6 for the Native American population to 70.2 for the White population (see Table E22). For the population below the poverty level, index scores range from 63.4 for the Black population to 68.4 for the White population. Environmental scores for all populations below the poverty line are lower compared to the respective racial/ethnic populations as a whole, except for the Asian/Pacific Islander population.

Figure E36: Regional TCAC Environmental Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

Figure E37:Regional CalEnviroScreen 4.0 Percentile Scores by Tract (2021)

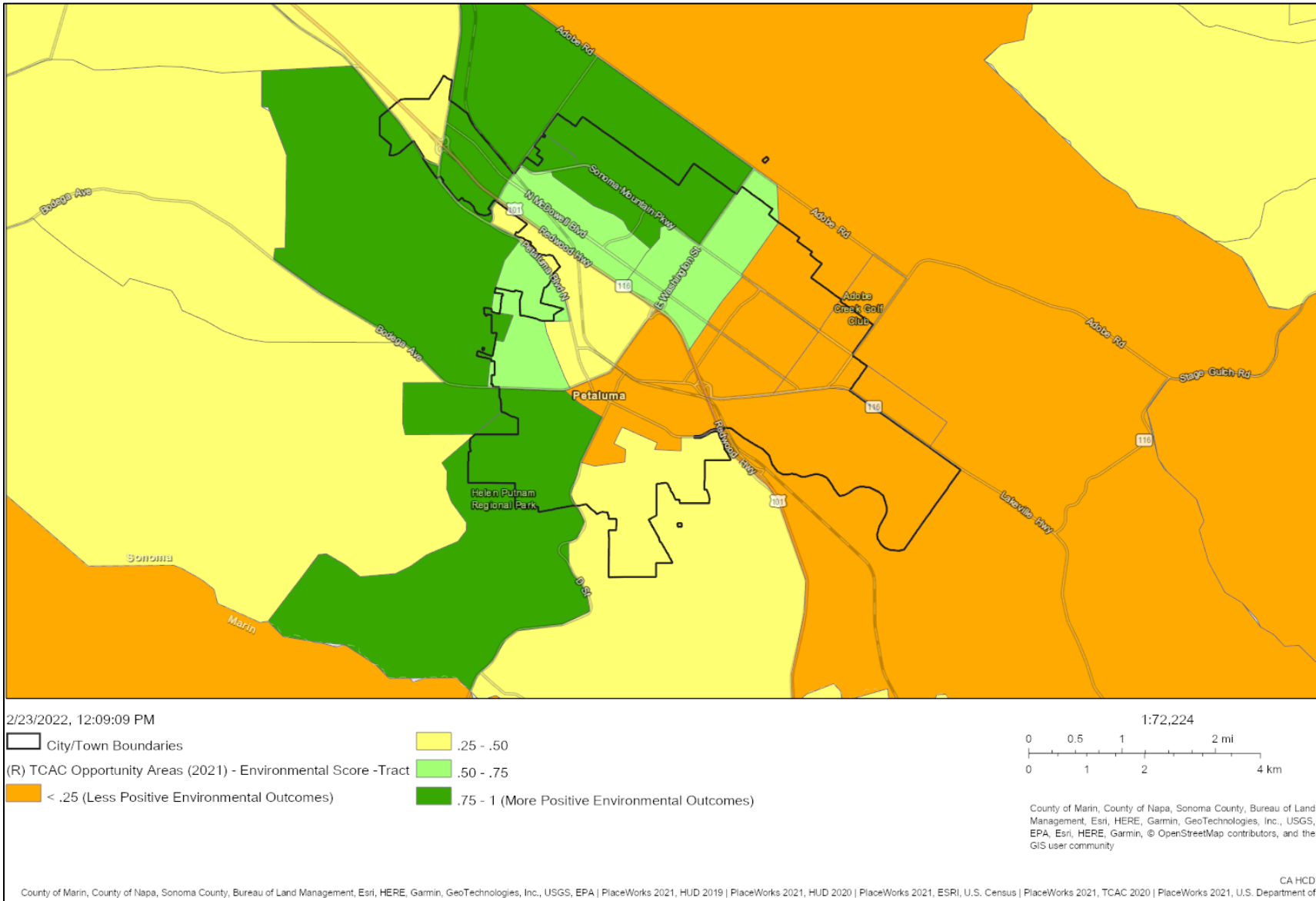


Source: HCD AFFH Data Viewer (based on 2021 OEHA CalEnviroScreen 4.0 data), 2022.

Local Trend

TCAC environmental scores based on OEHHA's CalEnviroScreen 3.0 show that the southern areas of the City, including Waterfront neighborhood and parts of the Adobe, Midtown, Downtown, and Western neighborhoods, scored the in the lowest quartile for environmental conditions (Figure E38). Conversely, the northern section of the City, College, Maker Alley, Oakhill Brewster neighborhoods, and part of the Western neighborhood, scored above 0.50. TCAC environmental scores in this area are higher than adjacent tracts in unincorporated Sonoma County. Three tracts scoring in the lowest quartile are considered low resource areas (see Figure E26).

Figure E38: TCAC Environmental Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 TCAC data), 2022.

CalEnviroScreen 4.0 percentile scores differ from TCAC environmental scores in Petaluma (Figure E39). The updated CalEnviroScreen 4.0 map shows that tracts in the center of the City, Downtown/Midtown area, have the worst environmental conditions. Most tracts in the City scored within the 30th percentile, indicating environmental conditions in these areas are adequate. The Midtown and Downtown neighborhoods also have higher concentrations of non-White populations and children residing in single-parent female-headed households (see Figure E5 and Figure E15).

HUD Opportunity Indicators for Petaluma populations are presented in Table E22 above. Environmental health scores for all racial/ethnic groups in the City are higher than the Countywide scores. Environmental health scores range from 83.8 for the Hispanic population to 84.2 for the White population. For the population below the federal poverty level, environmental health indices range from 83.6 for the Hispanic population to 84.1 for the Native American population. Environmental health index scores for the total population and population below the poverty level are comparable in Petaluma.

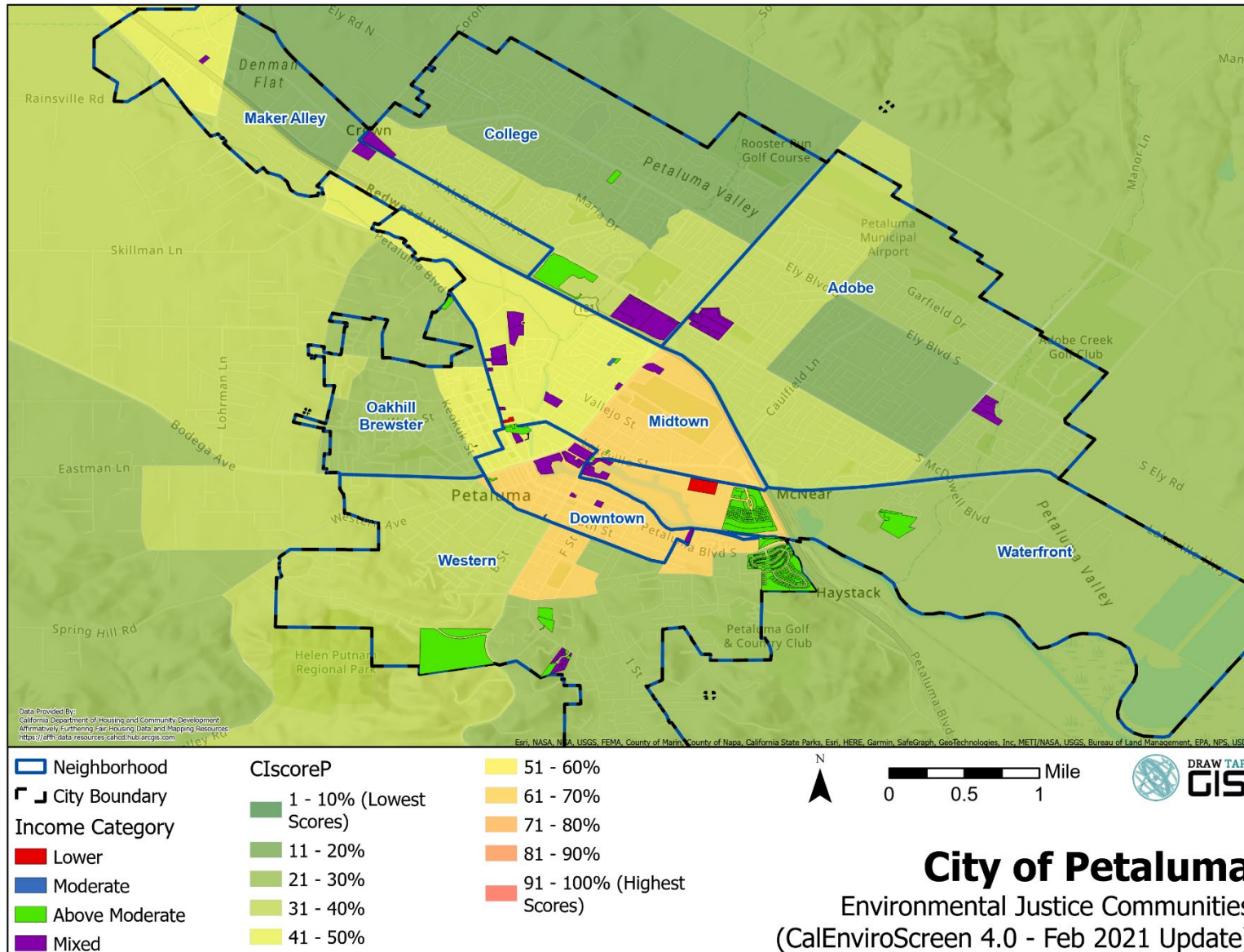
Sites Inventory

The distribution of units selected to meet the RHNA by CalEnviroScreen 4.0 percentile score are presented in Table E25 and Figure E39. Nealy 48 percent of units are in the tract with the lowest CalEnviroScreen 4.0 score. It is important to note that this tract received a score of 60.6 and is not at the higher end of the range presented. Three percent of lower income units, 1.4 percent of moderate income units, and 33 percent of above moderate income units are in tracts scoring within the 30th percentile (best scores). Although 65.7 percent of lower income units are in the lowest scoring tract, the City also allocates 75.5 percent of moderate income units and 34 percent of above moderate income units in this section of the City. The City’s RHNA strategy includes a mix of unit types located throughout the City and does not concentrate units of a single income level in any area. There are also several mixed income sites that include both lower and above moderate income units in areas with better CalEnviroScreen 4.0 scores, ensuring units of all income levels are allocated in tracts with variable scores.

Table E25: Distribution of RHNA Units by CalEnviroScreen 4.0 Percentile Score

CalEnviroScreen 4.0 Score (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
11-20%	0	0.0%	0	0.0%	11	0.6%	11	0.4%
21-30%	26	3.3%	6	1.4%	614	32.2%	646	20.8%
31-40%	123	15.6%	81	19.5%	273	14.3%	477	15.3%
41-50%	122	15.4%	15	3.6%	360	18.9%	497	16.0%
51-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61-70%	519	65.7%	314	75.5%	649	34.0%	1482	47.6%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E39: Sites Inventory and CalEnviroScreen 4.0 Score by Tract (2021)



Source: HCD AFFH Data Viewer (based on 2021 OEHHA CalEnviroScreen 4.0 data) and Veronica Tam & Associates, 2022.

Disproportionate Housing Needs

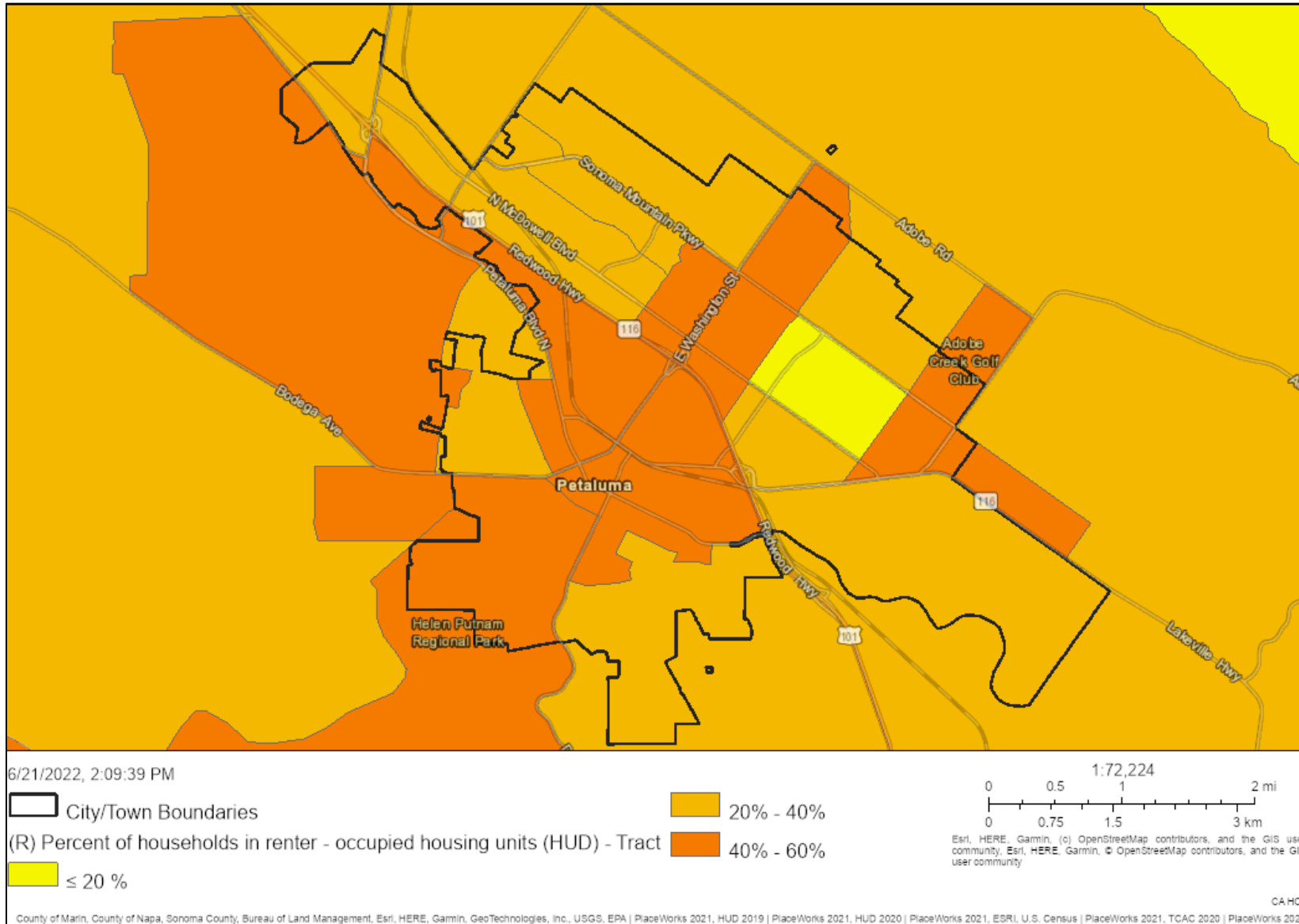
The AFFH Rule Guidebook defines disproportionate housing needs as a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing needs when compared to the proportion of a member of any other relevant groups or the total population experiencing the category of housing need in the applicable geographic area (24 C.F.R. § 5.152). The analysis is completed by assessing cost burden, overcrowding, and substandard housing.

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. Housing problems considered by CHAS include:

- Housing cost burden, including utilities, exceeding 30 percent of gross income;
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income;
- Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom)

According to CHAS data based on the 2013-2017 ACS, 41.7 percent of Sonoma County households experience housing problems, compared to only 36 percent of households in Petaluma. In both the County and City, renters are more likely to be affected by housing problems than owners. Tracts with higher concentrations of renter-occupied households are generally concentrated in the center of the City, in and around the Downtown and Midtown neighborhoods (Figure E40).

Figure E40: Percent of Renter-Occupied Households by Tract (2020)



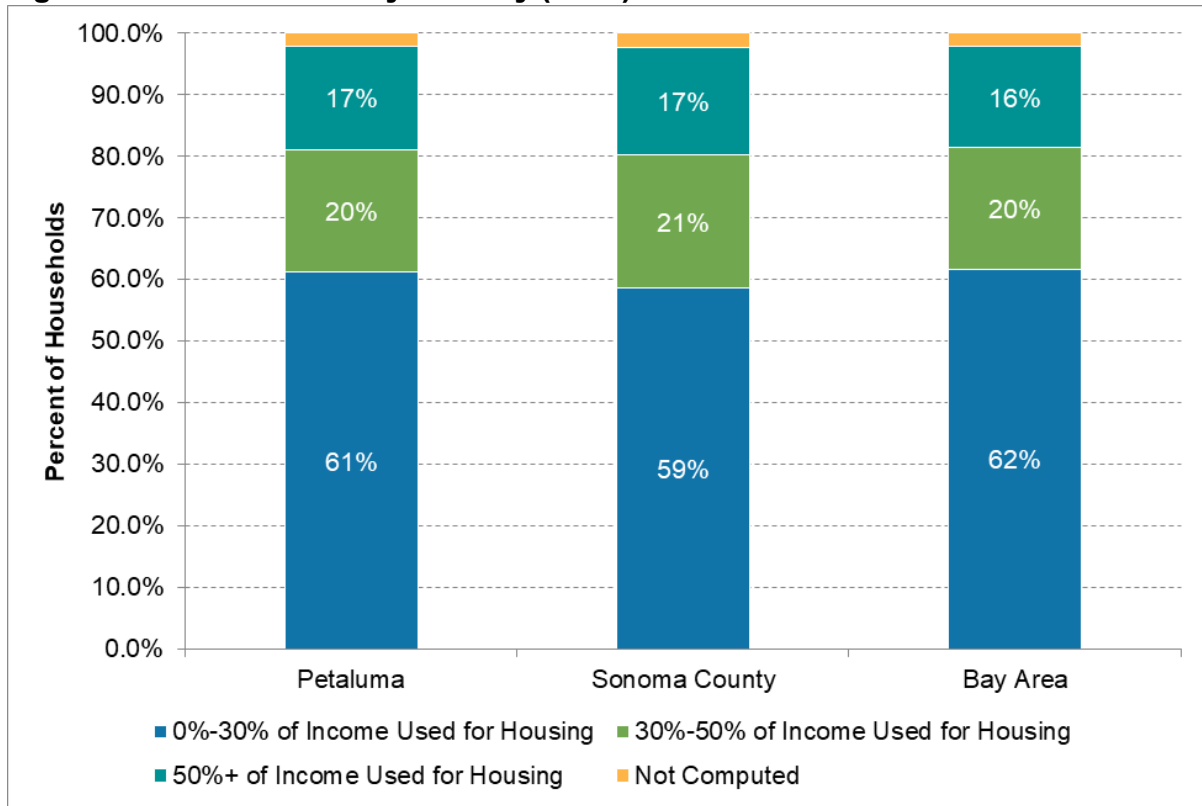
Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Cost Burden

Regional Trend

Households paying 30 percent or more of their income in housing costs are considered cost burdened and households paying 50 percent or more on their income are considered severely cost burdened. As discussed previously, 41.7 percent of households in Sonoma County experience one or more housing problem, including 37.3 percent that are cost burdened. According to more recent 2015-2019 ACS data included in the ABAG Housing Element Data Package, 38.9 percent of Sonoma County households are cost burdened including 17.4 percent severely cost burdened households (Figure E41). Cost burden is slightly more prevalent in the County compared to the Bay Area. Only 36 percent of households in the Bay Area are cost burdened including 16 percent severely cost burdened. Rates of cost burden in the City are comparable to the County and the Bay Area.

Figure E41: Cost Burden by Severity (2019)



Source: ABAG Housing Element Data Package (based on 2015-2019 ACS (5-Year Estimates)), 2021.

Housing problems and cost burden by race and ethnicity for Sonoma County is shown in Table E26. Estimates may differ slightly from Figure E41 as this dataset utilizes the 2020 HUD CHAS data based on the 2013-2017 ACS. As mentioned above, renter-occupied households are more likely to experience housing problems and cost burden. Over half of renter-occupied households in the City experience a housing problem compared to only 32.3 percent of owner-occupied households. In the County, Black renters are cost burdened at the highest rate (56%), followed by Hispanic renters (54.3%), and White renters (49.7%). The Asian, American Indian, and Pacific Islander renter household populations are not cost burdened at a rate exceeding the Countywide average.

Table E26: Housing Problems & Cost Burden by Race – Sonoma County (2017)

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
With Housing Problem							
Owner-Occupied	30.3%	42.3%	39.6%	28.6%	66.7%	43.4%	32.3%
Renter-Occupied	51.9%	57.8%	49.2%	47.0%	75.6%	66.3%	56.0%
All Households	37.6%	51.9%	42.9%	38.9%	74.5%	57.6%	41.7%
With Cost Burden							
Owner-Occupied	29.3%	41.1%	36.7%	24.3%	66.7%	32.8%	29.4%
Renter-Occupied	49.7%	56.0%	38.7%	47.0%	48.9%	54.3%	49.1%
All Households	36.2%	50.3%	37.4%	36.3%	51.0%	46.1%	37.3%

Source: HUD CHAS Data (based on 2013-2017 ACS), 2020.

Housing problems and cost burden often affect special needs populations, such as elderly households and large households, disproportionately.¹⁵ Only 29.4 percent of owner-occupied households in the County are cost burdened, compared to 31.2 percent of owner-occupied elderly households. Fewer owner-occupied large households are cost burdened compared to the County average, however significantly more experience one or more housing problem. Housing problems tallied include cost burden, overcrowding, and substandard housing conditions such as lack of complete kitchen or plumbing facilities. The high proportion of large owner-occupied households experiencing a housing problem (49.9 percent) is likely due to overcrowding as large households are more likely to be overcrowded. Similarly, only 49.1 percent of all renters in the City are cost burdened while 55.3 percent of elderly renters and 53.8 percent of large renter households are cost burdened. Both elderly and large renter-occupied households experience housing problems at rates exceeding the Citywide average. As discussed above, housing problems other than cost burden include lack of complete facilities (kitchen or bathroom) and overcrowding.

Table E27: Housing Problems, Elderly and Large Households – Sonoma County (2017)

	Owner-Occupied			Renter-Occupied			All HHs
	Elderly	Large HH	All Owner	Elderly	Large HH	All Renter	
Any housing problem	31.5%	49.9%	32.3%	57.8%	79.2%	56.0%	41.7%
Cost burden >30%	31.2%	28.6%	29.4%	55.3%	53.8%	49.1%	37.3%

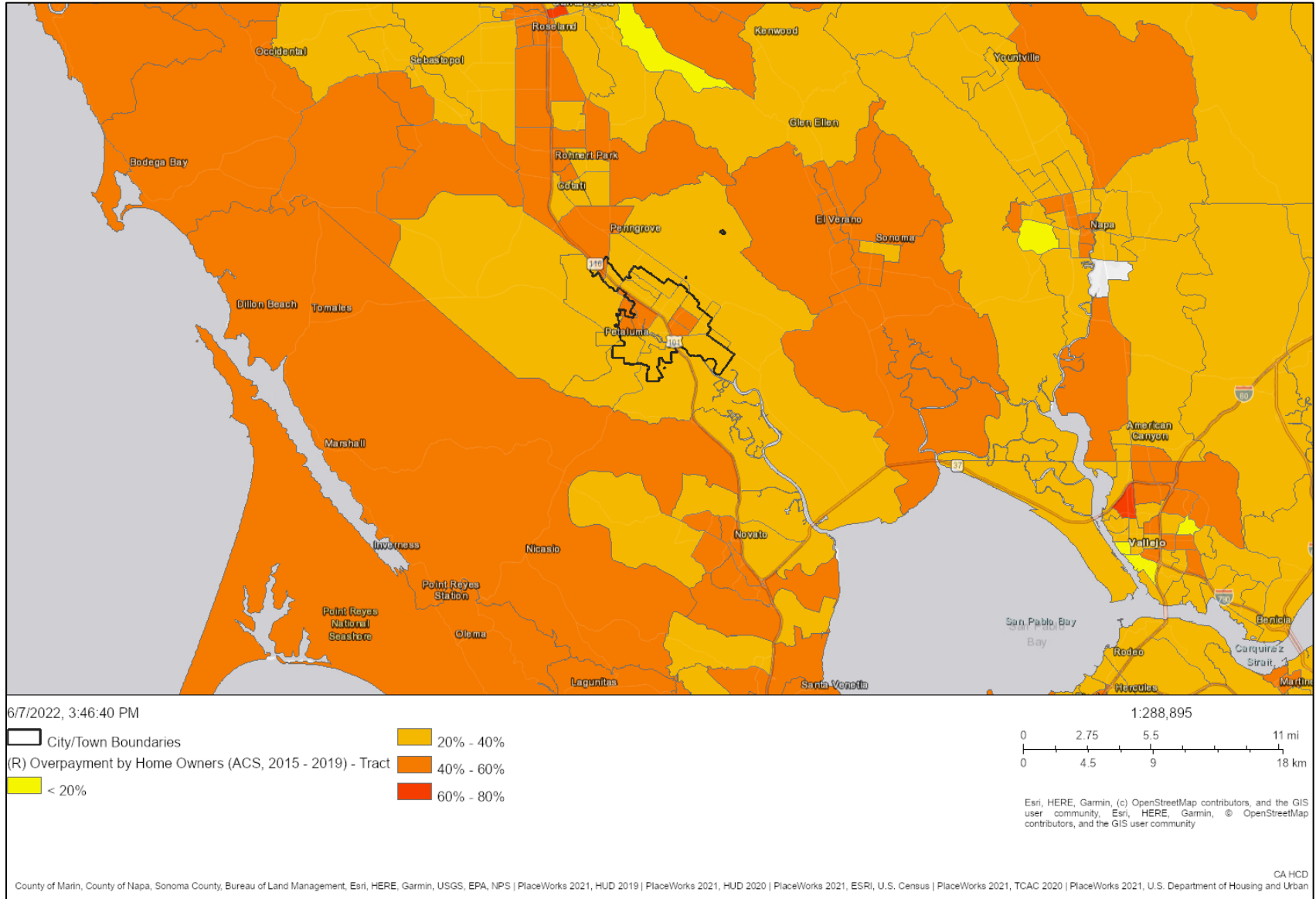
Source: HUD CHAS Data (based on 2013-2017 ACS), 2020.

Figure E42 and Figure E43 show cost burden by tenure geographically for the region. While there are some tracts throughout the region surrounding Petaluma where fewer than 20 percent of owners overpay for housing, between 20 and 60 percent of owners are cost burdened in a large majority of tracts. Coastal areas west of Petaluma tend to have higher concentrations of cost burdened owners compared to the inland areas. Owner cost burden amongst Petaluma tracts is consistent with the surrounding areas.

Cost burden amongst renter-occupied households is more prevalent in the region. There is a larger proportion of tracts where more than 60 percent of renters overpay for housing. Tracts along the 101 Highway throughout Sonoma County, in Napa County/Vallejo area, and along coastal Sonoma County have larger proportions of cost burdened renters.

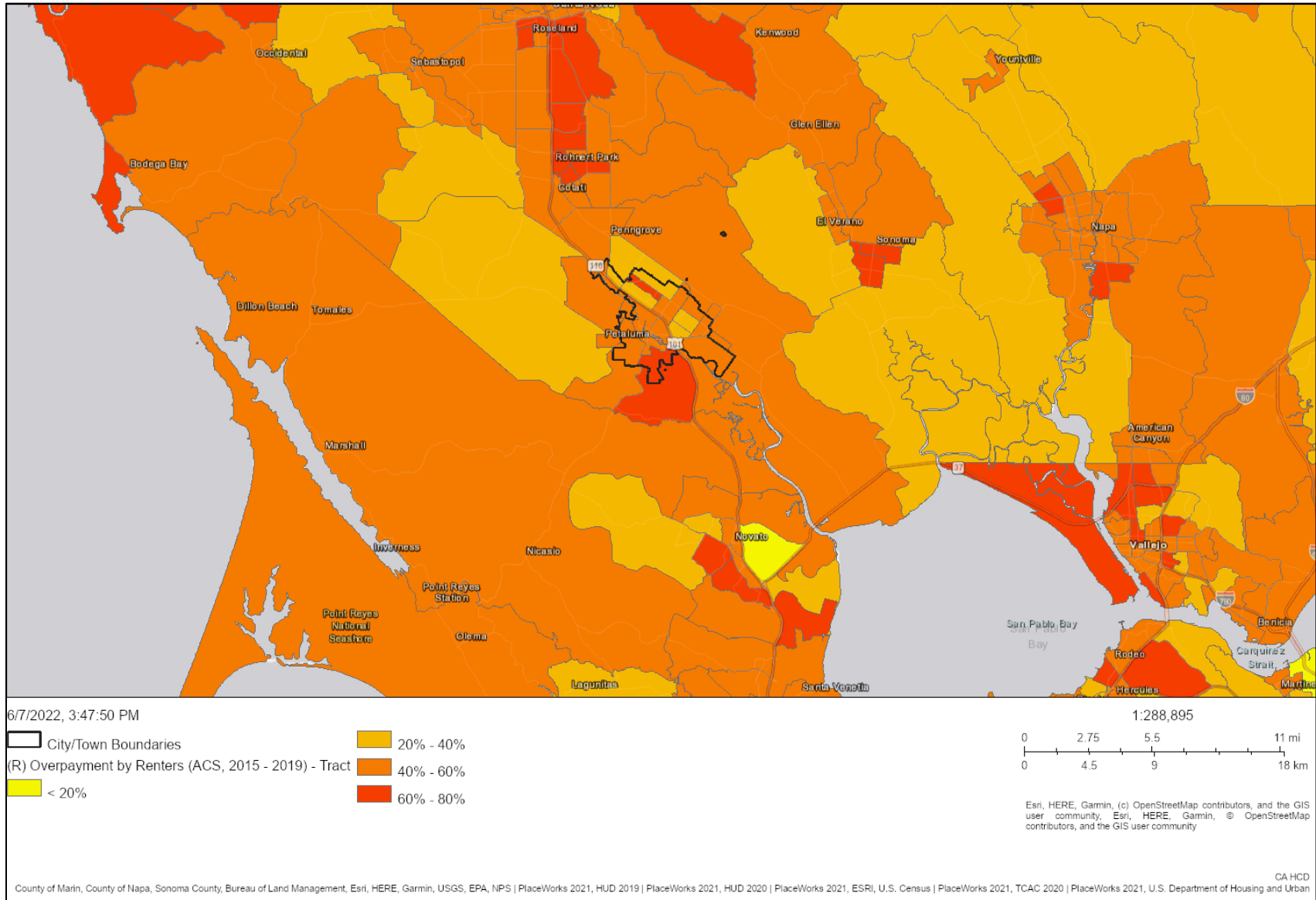
¹⁵ Elderly households include elderly families, two persons with either or both age 62 or older, and elderly non-families (i.e., single-person elderly households). Large households are considered households with five or more related persons.

Figure E42: Regional Cost Burdened Owners by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Figure E43: Regional Cost Burdened Renters by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Local Trend

A slightly smaller proportion of owners in the City are cost burdened compared to the County (33.1% vs. 37.3%, respectively) (Table E28). The proportion of cost burdened owners in the City is comparable to the County (29.2% vs. 29.4%); however, a significantly smaller proportion of renters are cost burdened in Petaluma (40.6% vs. 49.1%). All racial/ethnic groups except the White and American Indian populations are cost burdened at a rate exceeding the average in the City. Pacific Islander households are cost burdened at the highest rate (100%), followed by Black households (60.7%), Hispanic households (47%), and Asian households (33.7%). All Black and Pacific Islander owner-occupied households are cost burdened.

Table E28: Housing Problems and Cost Burden by Race – Petaluma (2017)

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
With Housing Problem							
Owner-Occupied	29.1%	100.0%	35.0%	40.0%	100.0%	48.8%	31.7%
Renter-Occupied	39.7%	58.3%	30.7%	0.0%	--	63.0%	44.3%
All Households	32.4%	64.3%	34.0%	20.0%	100.0%	56.3%	36.0%
With Cost Burden							
Owner-Occupied	28.6%	100.0%	34.3%	40.0%	100.0%	38.6%	29.2%
Renter-Occupied	38.2%	54.2%	31.7%	0.0%	--	54.3%	40.6%
All Households	31.6%	60.7%	33.7%	20.0%	100.0%	47.0%	33.1%

-- = No households.

Source: HUD CHAS Data (based on 2013-2017 ACS), 2020.

According to 2015-2019 ACS estimates, Petaluma has a slightly smaller elderly population than the County. Countywide, 19 percent of the population is aged 65 or older compared to 17.6 percent in the City. Petaluma also has a smaller proportion of large households of five or more people compared to the County (9% vs. 9.3%). As presented in Table E29, owner-occupied elderly households have housing problems and cost burden at a rate exceeding the citywide average. Cost burden is less prevalent amongst owner-occupied large households, but housing problems are more prevalent, likely due to overcrowding. Similarly, renter-occupied elderly and large households experience housing problems at a rate exceeding the City average. Nearly 72 percent of large renter households experience one or more housing problem.

Table E29: Housing Problems, Elderly and Large Households – Petaluma (2017)

	Owner-Occupied			Renter-Occupied			All HHs
	Elderly	Large HH	All Owner	Elderly	Large HH	All Renter	
Any housing problem	35.0%	44.8%	31.7%	49.0%	71.5%	44.3%	36.0%
Cost burden >30%	35.0%	28.8%	29.2%	46.6%	63.3%	40.6%	33.1%

Source: HUD CHAS Data (based on 2013-2017 ACS), 2020.

Figure E45 and Figure E46 show the proportion of cost burdened household by tenure at the tract-level in Petaluma. Between 20 and 40 percent of owners overpay for housing in most Petaluma tracts. Between 40 and 60 percent of owners are cost burdened in five tracts: two in the Adobe neighborhood, two in the Oakhill Brewster/Western neighborhoods, and one in the northernmost corner of the City (Maker Alley neighborhood). As discussed previously, the tract in the northernmost corner of the City encompasses much of the area north of the City in the unincorporated County and City of Cotati; therefore, data in this tract is not representative of Petaluma residents alone.

A significantly larger proportion of renters overpay for housing in nearly all Petaluma tracts. Between 40 and 60 percent of renters overpay in most tracts. There are two tracts where 60 to 80 percent of renters

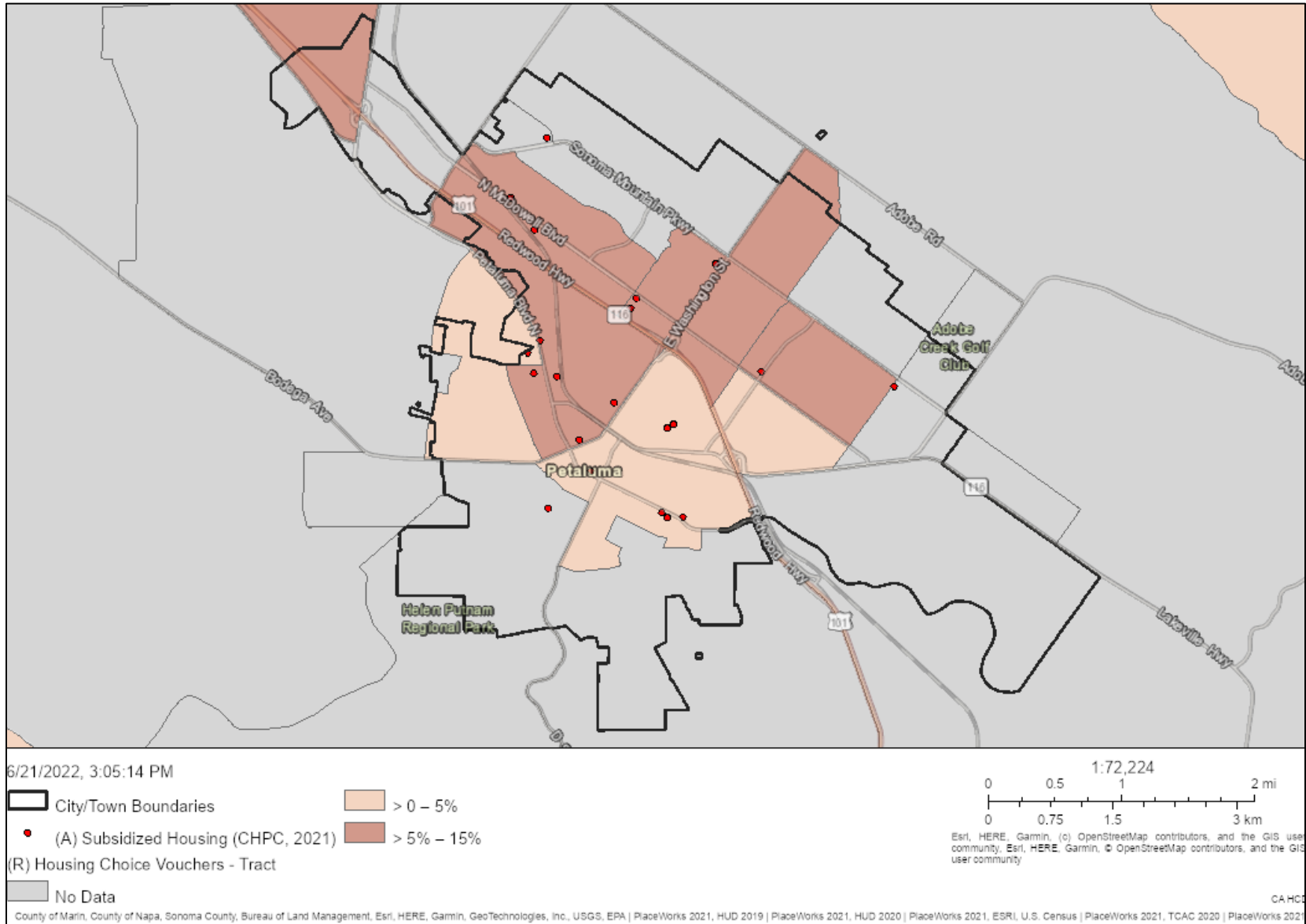
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are cost burdened: one in the College neighborhood and one in the Western neighborhood. It is relevant to note that the tract in the Western neighborhood encompasses a large area that is not part of the incorporated City.

HCV recipients by tract are presented in Figure E44. There is no data for either of the tracts where more than 60 percent of renters are cost burdened. To protect the confidentiality of those receiving Housing Choice Voucher Program assistance, tracts containing 10 or fewer voucher holders have been omitted from this dataset. Between 1 and 15 percent of renters in several tracts in the center of the City receive HCVs. Subsidized housing projects are generally located in the same areas of the City.

Figure E44: HCV Recipients by Tract and Subsidized Housing



Source: HCD AFFH Data Viewer (based on 2021 CHPC data), 2022.

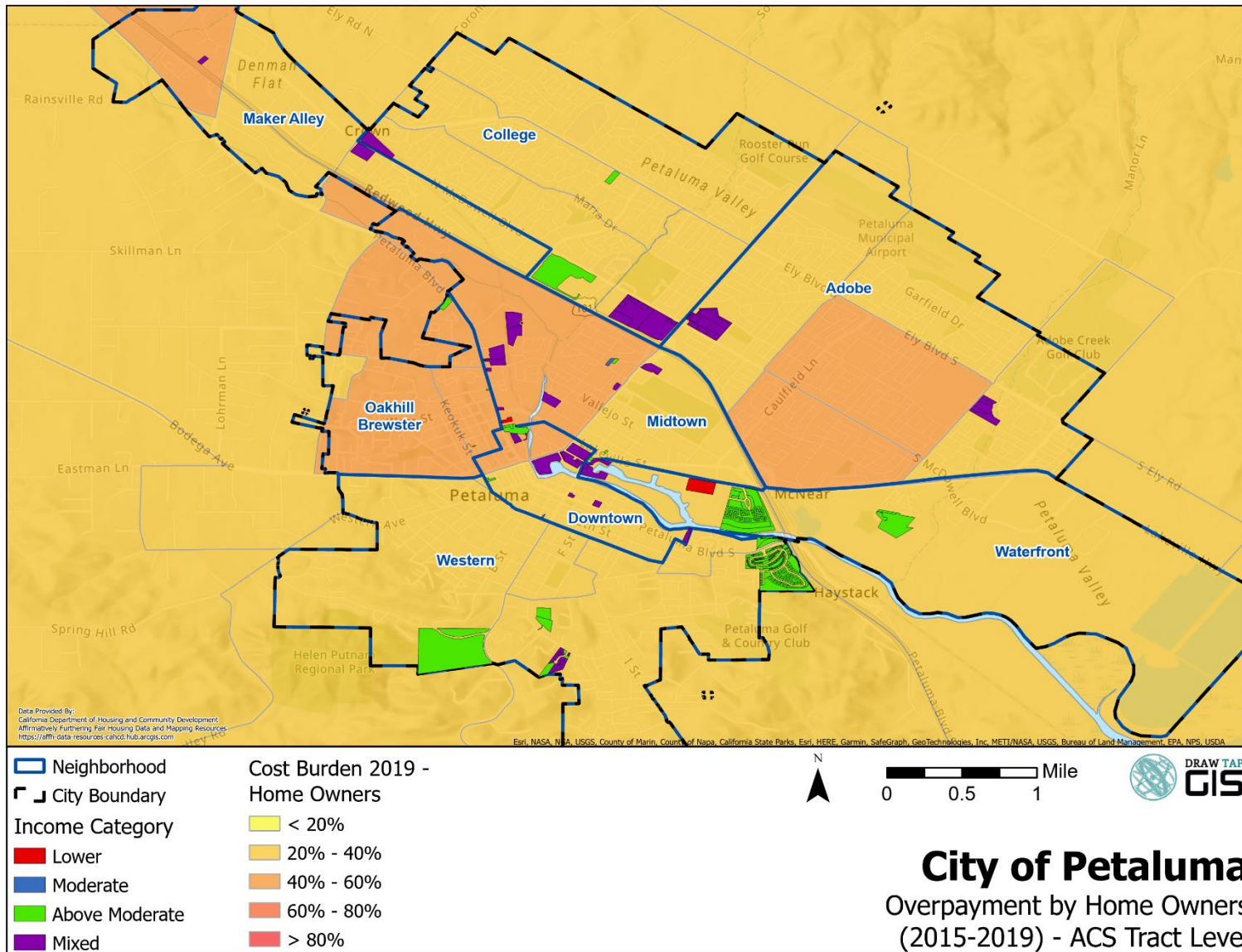
Sites Inventory

The distribution of RHNA units by cost burdened owners at the tract-level is shown in Figure E45 and Table E30. Consistent with the Citywide trend, 83.8 percent of RHNA units are in tracts where 20 to 40 percent of owners overpay for housing, including 84.6 percent of lower income units, 96.4 percent of moderate income units, and 80.7 percent of above moderate income units. Though a larger proportion of above moderate income units are in tracts where fewer owners are cost burdened, sites are generally distributed throughout the City. Further, the City’s RHNA strategy does not concentrate units of a single income level in one area of the City.

Table E30: Distribution of RHNA Units by Cost Burdened Owner Population

Cost Burdened Owners (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
20-40%	668	84.6%	401	96.4%	1539	80.7%	2608	83.8%
40-60%	122	15.4%	15	3.6%	368	19.3%	505	16.2%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E45: Sites Inventory and Cost Burdened Owners by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data) and Veronica Tam & Associates, 2022.

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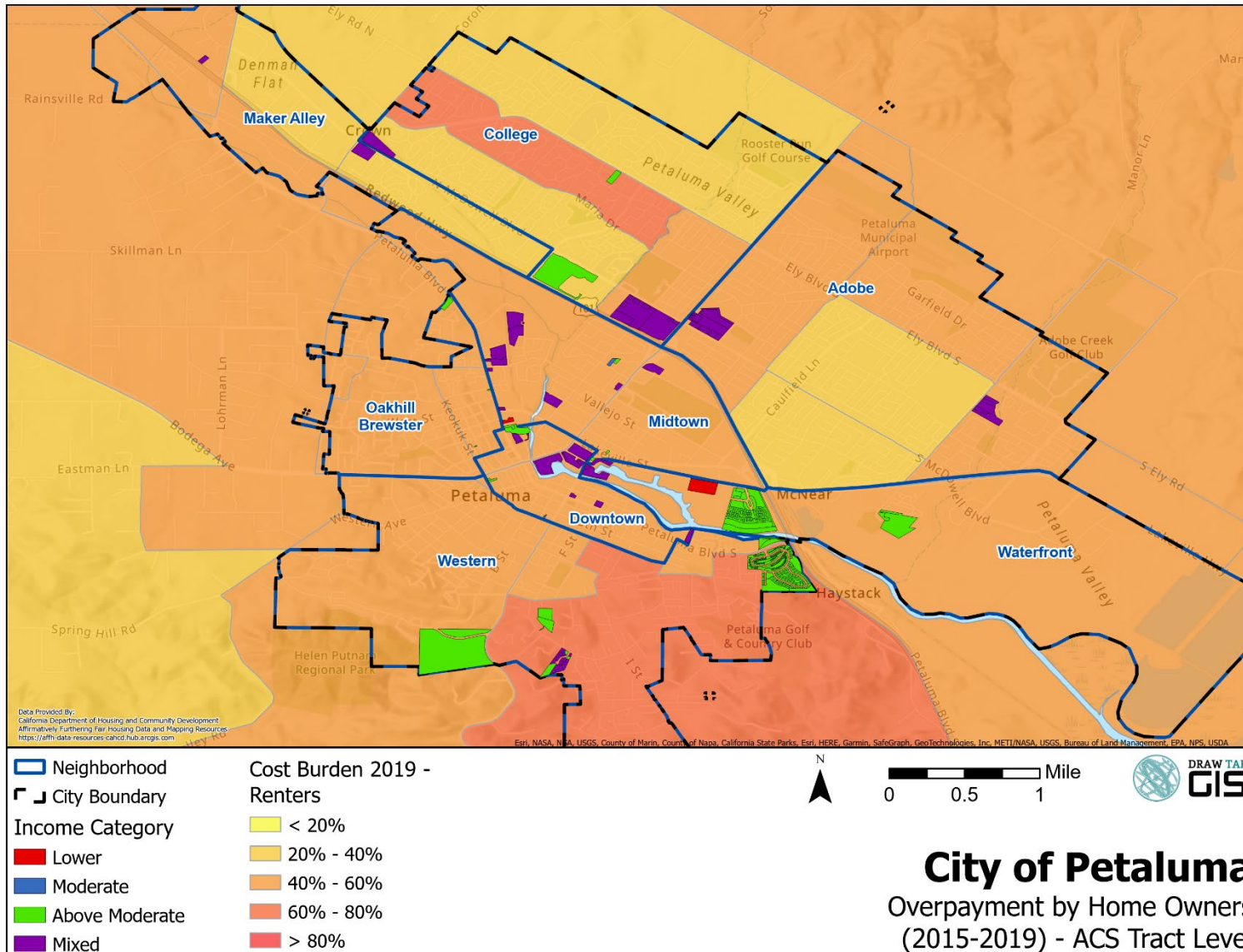
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Figure E46 and Table E31 show the distribution of RHNA units by population of cost burdened renter-occupied households. As discussed previously, most tracts in Petaluma have populations of cost burdened renters ranging from 40 to 60 percent. The distribution of RHNA units is consistent with this trend. Approximately 79 percent of units, including 82.2 percent of lower income units, 80.5 percent of moderate income units, and 77.2 percent of above moderate income units are in tracts with proportions of overpaying renters in this range. Only 2.3 percent of lower income units, or 18 units, are in tracts where more than 60 percent of renters are cost burdened compared to 14.3 percent of above moderate income units. A larger proportion of lower income units and moderate income units are in tracts where less than 40 percent of renters are cost burdened compared to above moderate income units. As mentioned previously, the City’s RHNA strategy does not concentrate units of any income level in a single area of the City. The sites inventory ensures a variety of housing types are distributed throughout the City, encouraging mixed income communities.

Table E31: Distribution of RHNA Units by Cost Burdened Renter Population

Cost Burdened Renters (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total Units	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
20-40%	123	15.6%	81	19.5%	162	8.5%	366	11.8%
40-60%	649	82.2%	335	80.5%	1473	77.2%	2457	78.9%
60-80%	18	2.3%	0	0.0%	272	14.3%	290	9.3%
Total	790	100.0%	416	100.0%	1,907	100.0%	3,113	100.0%

Figure E46: Sites Inventory and Cost Burdened Renters by Tract (2019)



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data) and Veronica Tam & Associates, 2022.

Overcrowding

Regional Trend

Households with more than one person per room are considered overcrowded and households with more than 1.5 persons per room are considered severely overcrowded. Overcrowding may indicate an insufficient supply of affordable housing suitable for larger households. Overcrowding is significantly more prevalent amongst renter-occupied households. As shown in Table E32, 10 percent of renter-occupied households in the County are overcrowded compared to only 2.2 percent of owner-occupied households. According to 2013-2017 ACS estimates, slightly older than the estimates provided for Sonoma County below, 6.5 percent of households in the Bay Area are overcrowded including three percent of owner-occupied households and 10.9 percent of renter-occupied households. Based on this data, overcrowding is more common in the Bay Area compared to the Sonoma County.

Table E32: Overcrowding by Tenure – Sonoma County (2017)

	Overcrowded (>1.0 person per room)	Severely Overcrowded (>1.5 persons per room)	Total Households
Owner-Occupied	2.2%	0.5%	116,393
Renter-Occupied	10.0%	3.0%	72,981
All Households	5.1%	1.4%	189,374

Source: 2015-2019 ACS (5-Year Estimates).

Nearly 67 percent of housing units in Sonoma County are single-family detached homes and 8.4 percent are single-family attached units. Of multi-family housing units in the County, 6.6 percent are two to four units, 4 percent are 5 to 9 units, 5.6 percent are 10 to 49 units, and 3.7 percent are 50 units or more. Table E33 shows housing units in Sonoma County by number of bedrooms. Most housing units in the City have two to four bedrooms, 14.4 percent are studio- or one-bedroom units, and 2.5 percent have five or more bedrooms.

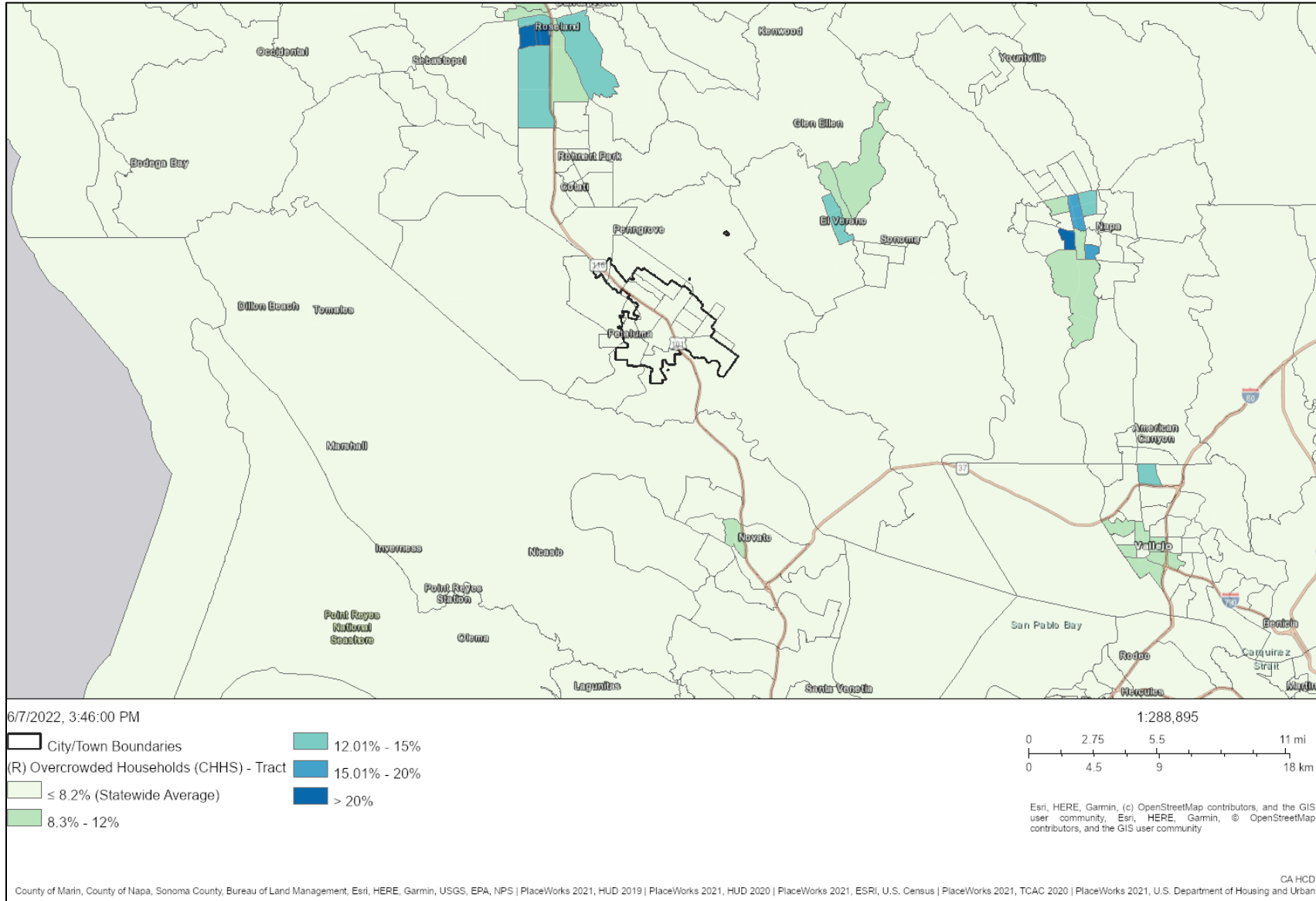
Table E33: Housing Units by Bedrooms – Sonoma County (2019)

	Housing Units	Percent
No bedroom	5,925	2.9%
1 bedroom	24,049	11.6%
2 bedrooms	61,566	29.6%
3 bedrooms	79,383	38.2%
4 bedrooms	31,642	15.2%
5 or more bedrooms	5,148	2.5%
Total housing units	207,713	100.0%

Source: 2015-2019 ACS (5-Year Estimates).

Figure E47 shows overcrowded households by tract in the region. The HCD Data Viewer shows tracts where the proportion of overcrowded households exceeds the Statewide average of 8.2 percent. There are few tracts in or adjacent to Petaluma with proportions of overcrowded households exceeding the Statewide average. Tracts where overcrowding is more prominent are most concentrated in and around the cities of Santa Rosa, Sonoma, and Napa. There are no tracts in Petaluma where more than 8.2 percent of households are overcrowded, indicating that overcrowding is less prevalent in the City compared to nearby jurisdictions to the north and east.

Figure E47: Regional Overcrowded Households by Tract



Source: HCD AFFH Data Viewer (based on 2015-2019 ACS data), 2022.

Local Trend

Overcrowding by tenure and severity for the City of Petaluma is included in Table E34. Overcrowding is less prevalent in the City compared to the County. Only 3.7 percent of households have more than one person per bedroom including 1.5 percent of owner-occupied households and 7.8 percent of renter-occupied households. Like the County, overcrowding disproportionately affects renter households compared to owners. However, compared to the County and the Bay Area, fewer households are overcrowded in Petaluma.

Table E34: Overcrowding by Tenure – Petaluma (2017)

	Overcrowded (>1.0 person per room)	Severely Overcrowded (>1.5 persons per room)	Total Households
Owner-Occupied	1.5%	0.2%	14,931
Renter-Occupied	7.8%	0.9%	7,724
All Households	3.7%	0.5%	22,655

Source: 2015-2019 ACS (5-Year Estimates).

Like the County, the largest proportion of units in Petaluma have three bedrooms (38.9%), followed by four bedrooms (23.6%), and two bedrooms (22.2%). The City has a smaller proportion of studio and one-bedroom units and a larger proportion of 5+ bedroom units compared to the County.

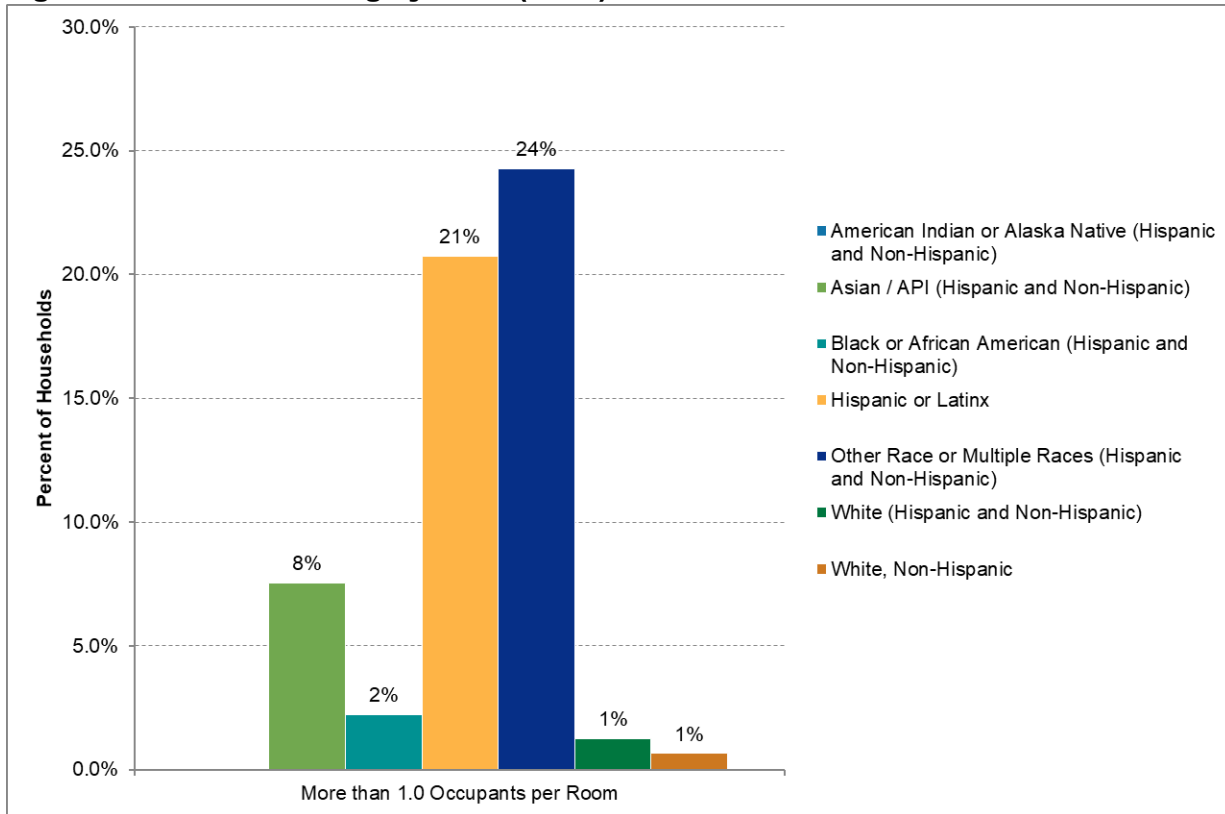
Table E35: Housing Units by Bedrooms – Petaluma (2019)

	Housing Units	Percent
No bedroom	435	1.9%
1 bedroom	2,127	9.1%
2 bedrooms	5,160	22.2%
3 bedrooms	9,060	38.9%
4 bedrooms	5,505	23.6%
5 or more bedrooms	1,004	4.3%
Total housing units	23,291	100.0%

Source: 2015-2019 ACS (5-Year Estimates).

Overcrowding may affect various racial/ethnic groups differently due to cultural influences. Some cultures may be more likely to live with extended family members, increasing the need for larger housing units to avoid overcrowding. As shown in Figure E48, in Petaluma, households of a race not listed/households of multiple races and Hispanic/Latinx households are significantly more likely to be overcrowded compared to other racial/ethnic groups (24% and 21%, respectively). A significant proportion of Asian/API households are also overcrowded (8%). Comparatively, only two percent of Black/African American households and one percent of White households are overcrowded.

Figure E48: Overcrowding by Race (2019)



Source: ABAG Housing Element Data Package (2015-2019 ACS), 2021.

There are no tracts in the City where more than 8.2 percent, the Statewide average, of households are overcrowded.

Substandard Housing Conditions

Regional Trend

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. Incomplete facilities and housing age are estimated using the 2015-2019 ACS. In general, residential structures over 30 years of age require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs.

Of housing units in Sonoma County, less than one percent lack complete kitchen facilities and 0.3 percent lack complete plumbing facilities. Incomplete kitchen facilities are more common amongst renter-occupied households. Approximately 1.6 percent of renter-occupied households lack complete kitchen facilities compared to only 0.2 percent of owner-occupied households (Table E36).

Table E36: Housing Units Lacking Complete Facilities – Sonoma County (2019)

	Lacking complete kitchen facilities	Lacking complete plumbing facilities	Total Households
Owner-Occupied	0.2%	0.2%	116,393
Renter-Occupied	1.6%	0.3%	72,981
All Households	0.8%	0.3%	18,9374

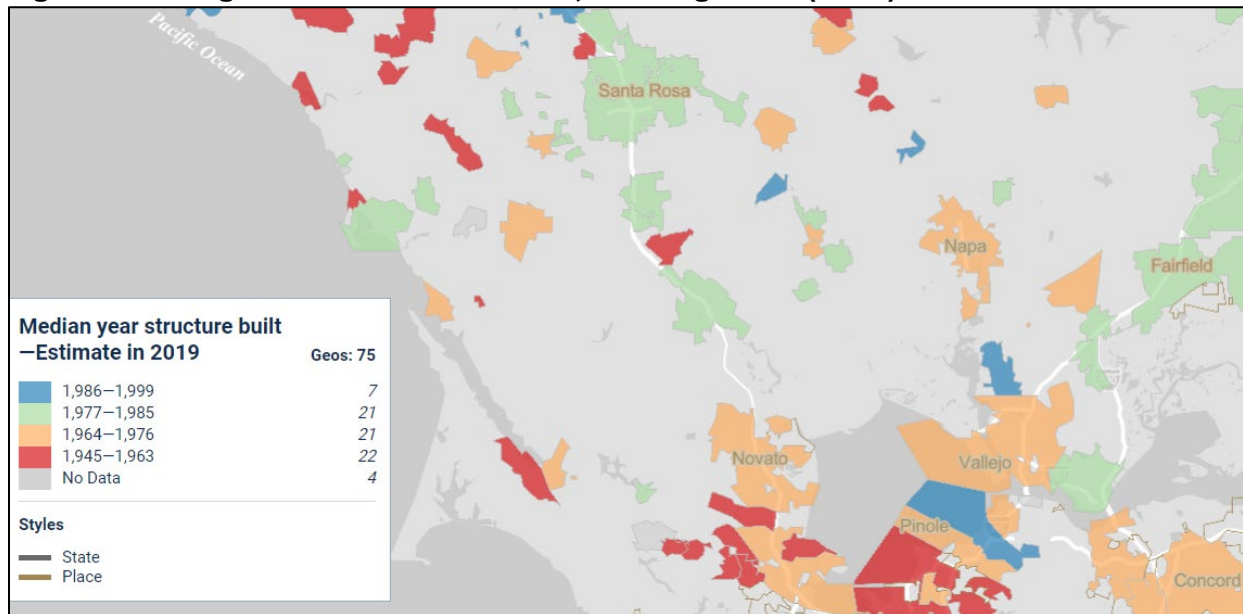
Source: 2015-2019 ACS (5-Year Estimates).

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Housing age can also be used as an indicator for substandard housing and rehabilitation needs. As stated above, structures over 30 years of age require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation. In the County, 73.2 percent of the housing stock was built prior to 1990, including 33.5 percent built prior to 1970 (Table E38). Figure E49 shows median housing age for cities and Census-designated places (CDPs) in the region. Jurisdictions with aging housing units are not generally concentrated in a single area of the region. Petaluma, Santa Rosa, and Fairfield tend to have younger median housing ages compared to other jurisdictions.

Figure E49: Regional Median Year Built, Housing Units (2019)



Source: 2015-2019 ACS (5-Year Estimates).

Local Trend

Housing units lacking complete kitchen or plumbing facilities are slightly less common in Petaluma than the County. Approximately 0.7 percent of the housing stock lacks complete kitchen facilities and less than 0.1 percent lacks complete plumbing facilities. However, a larger proportion of renters lack complete kitchen facilities in Petaluma (2 percent) compared to the County (1.6 percent). As shown in Table E37, like the County, incomplete facilities are more common amongst renter-occupied households than owner-occupied households. However, there are no renter-occupied households lacking complete plumbing facilities in the City.

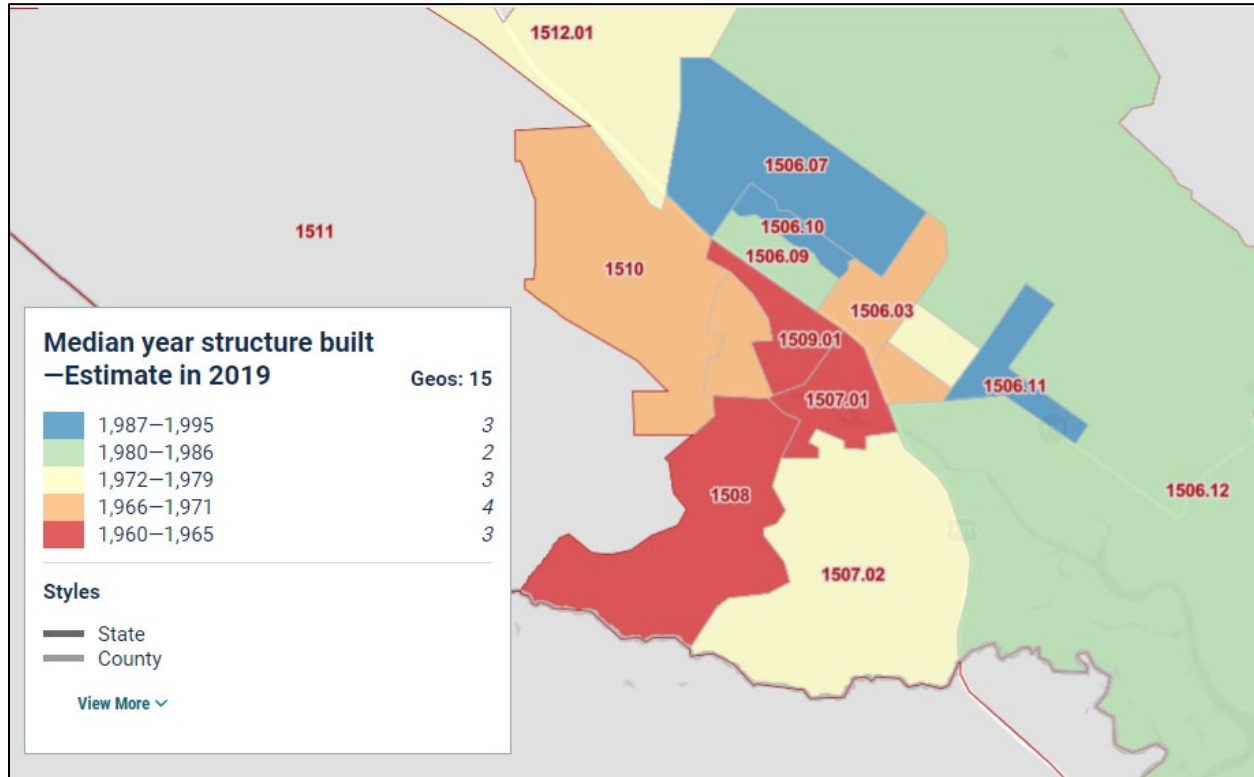
Table E37: Housing Units Lacking Complete Facilities – Petaluma (2019)

	Lacking complete kitchen facilities	Lacking complete plumbing facilities	Total Households
Owner-Occupied	0.1%	0.1%	14,931
Renter-Occupied	2.0%	0.0%	7,724
All Households	0.7%	<0.1%	22,655

Source: 2015-2019 ACS (5-Year Estimates).

Table E38 and Figure E50 show the housing stock age in Petaluma by tract. Older housing units tend to be more concentrated in the Midtown, Downtown, and Western neighborhoods. More than 90 percent of housing units in tracts 1506.01 and 1506.02 were built prior to 1990. However, more than half of housing units are aged 50 or older in tracts 1507.01, 1508, 1509.01, 1509.02, and 1510. In general, the eastern side of the City has a larger proportion of new housing units. Petaluma has a larger proportion of new housing units compared to the County.

Figure E50: Median Year Built by Tract, Housing Units (2019)



Source: 2015-2019 ACS (5-Year Estimates).

Table E38: Year Housing Units Built by Tract (2019)

Tract/Jurisdiction	1969 or earlier (50+ Years)	1970-1989 (30-50 Years)	1990 or later (<30 Years)	Total
1506.01	44.7%	48.8%	6.5%	1,411
1506.02	23.4%	72.1%	4.5%	1,550
1506.03	48.3%	29.8%	21.9%	3,017
1506.07	9.1%	11.1%	79.8%	1,829
1506.09	9.8%	52.2%	38.0%	2,016
1506.1	0.9%	42.7%	56.3%	1,369
1506.11	4.4%	36.9%	58.8%	1,487
1506.12	15.8%	54.3%	29.9%	1,700
1507.01	54.0%	22.1%	23.9%	2,133
1507.02	40.0%	32.0%	28.0%	2,030
1508	54.8%	16.7%	28.6%	2,078
1509.01	59.5%	13.7%	26.9%	2,080
1509.02	51.2%	33.2%	15.6%	1,471
1510	52.8%	28.5%	18.7%	1,521
1512.01	32.1%	33.5%	34.4%	3,101
Petaluma	33.3%	34.3%	32.4%	23,291
Sonoma County	33.5%	39.6%	26.8%	207,713

Source: 2015-2019 ACS (5-Year Estimates).

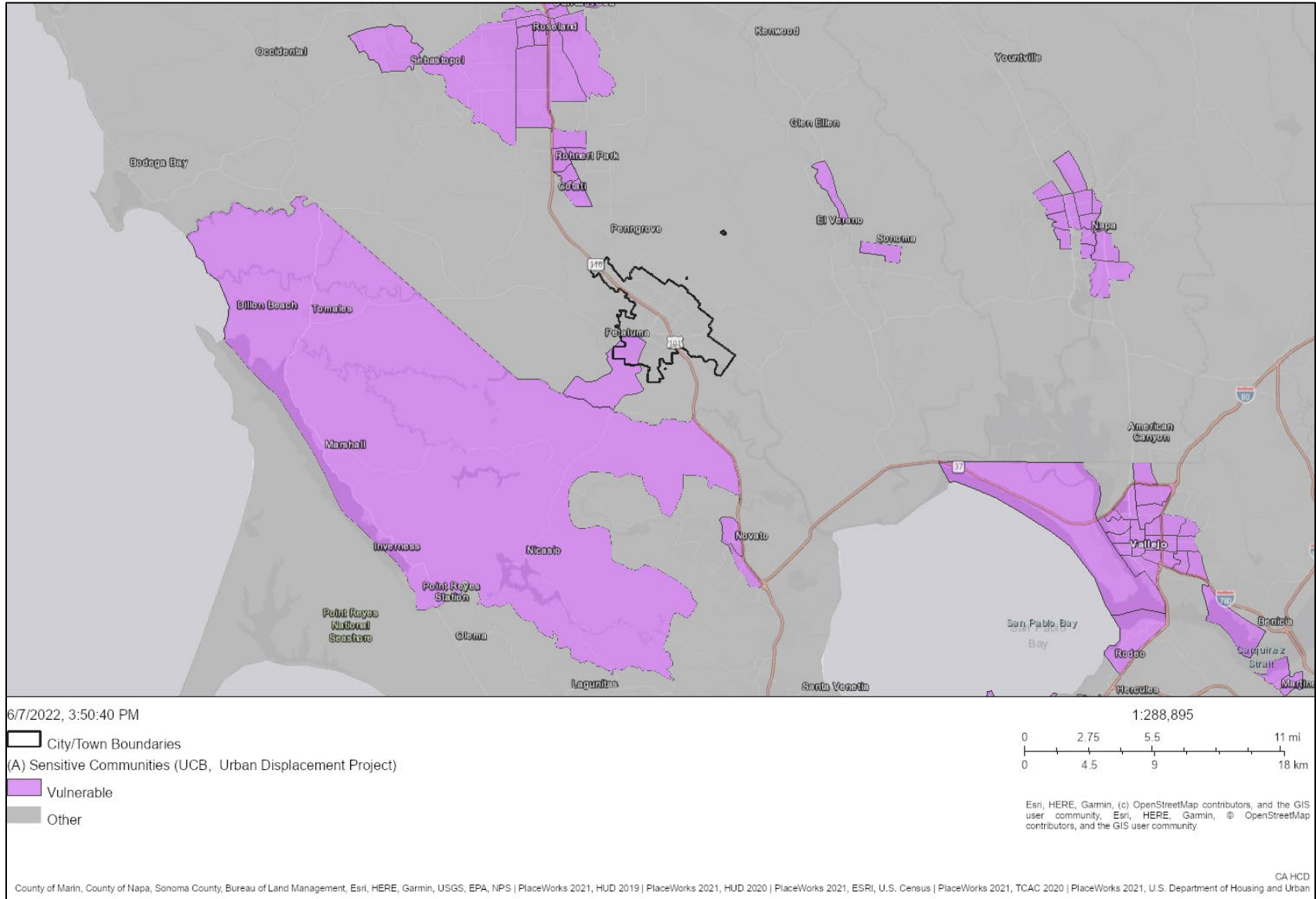
Displacement Risk

UC Berkley’s Urban Displacement project defines residential displacement as “the process by which a household is forced to move from its residence- or is prevented from moving into a neighborhood that was previously accessible to them because of conditions beyond their control.” As part of this project, the research has identified populations vulnerable to displacement (named “sensitive communities”) in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability was defined using the share of low income residents per tract and other criteria including: share of renters is above 40 percent, share of people of color is more than 50 percent, share of low income households severely rent burdened, and proximity to displacement pressures. Displacement pressures were defined based on median rent increases and rent gaps.

Regional Trend

Using this methodology, sensitive communities in the region are most concentrated in Marin County, around Santa Rosa, and around Vallejo in Solano County (Figure E51). There is one tract that encompasses part of Petaluma that is considered a sensitive community. The trend in the City is consistent with the trend in neighboring jurisdictions including the unincorporated County areas directly adjacent to the City.

Figure E51: Regional Communities At Risk of Displacement (2020)



Source: HCD AFFH Data Viewer (based on 2021 UC Berkeley Urban Displacement Project data), 2022.

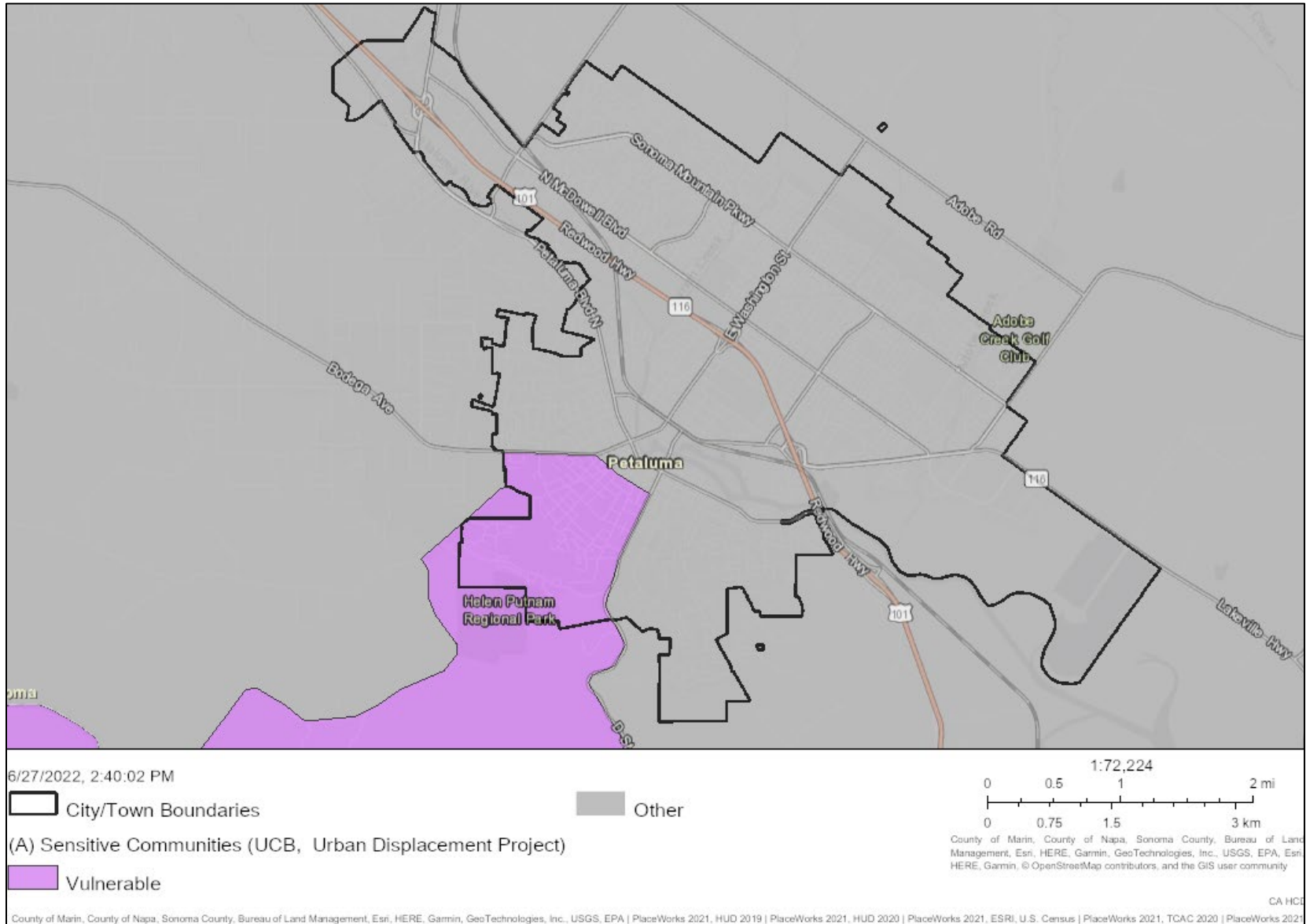
Local Trend

The Urban Displacement Project identified one sensitive community at risk of displacement in Petaluma (Figure E52). The tract is located in the Western neighborhood (identified in Figure 17). It is important to note that this tract encompasses a larger proportion of the unincorporated area than the City and is not a reflection of Petaluma residents alone. This tract is classified as a moderate resource area.

This section of Petaluma is primarily zoned for residential uses (R1, R2, R3, R4, and R5). Other zoning designations in this section of the City include Planned Unit Districts (PUD), Open Space and Parks (OSP), Civic Facility (CF), Industrial (I), Commercial (C1), and Mixed Use (MU1C). Households in this tract are primarily Petaluma households. While there are some households in this tract outside the City limits, most of this unincorporated County area is open space, agriculture, and the Helen Putnam Regional Park. According to the 2015-2019 ACS, there are 2,012 households residing in the sensitive community tract, representing 8.9 percent of households citywide. This tract has a smaller proportion of households with children under the age of 18 and households with seniors 65 or older compared to the share citywide. This tract does contain a larger population of persons living alone (30.4 percent) compared to the City as a whole (25.6 percent). (The unemployment rate in this tract is also higher (5.1 percent) compared to Petaluma as a whole (4 percent).

According to the 2015-2019 ACS, 48.4 percent of households in this tract are renter-occupied compared to only 34.1 percent in Petaluma. As discussed above, 40.6 percent of renters citywide are cost burdened, whereas 51.1 percent of renters in this tract overpay for housing. Renters, especially cost burdened renters, generally have a higher risk of displacement. There is also one subsidized housing project in this tract, RS Lieb Senior Apartments, with 22 affordable units.

Figure E52: Communities At Risk of Displacement (2021)



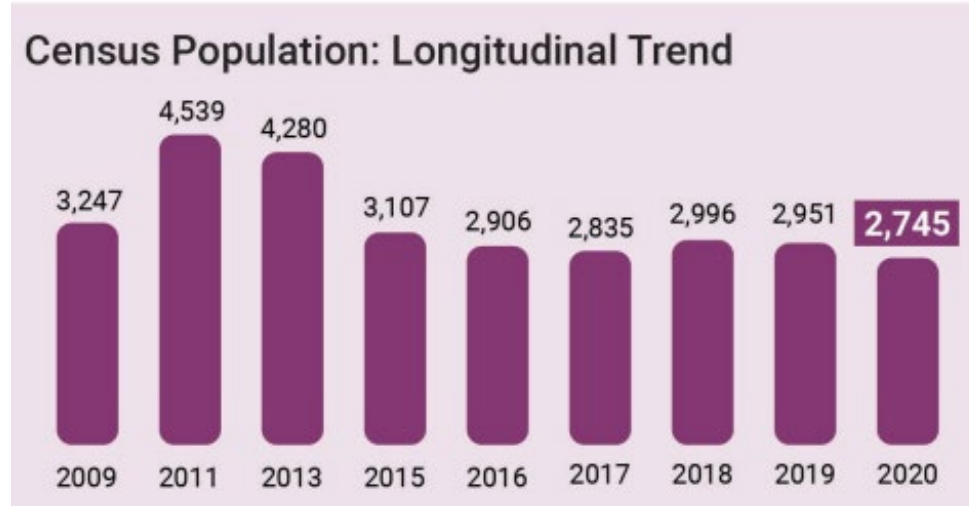
Source: HCD AFFH Data Viewer (based on 2021 UC Berkeley Urban Displacement Project data), 2022.

Homelessness

Regional Trend

According to data from the 2020 Sonoma County Homeless Census Comprehensive Report, there were 2,745 persons experiencing homelessness in the County in 2020. Since 2009, the population of persons experiencing homelessness has decreased from 3,247 (-15.5 percent). Of the total population experiencing homelessness, 38 percent were sheltered, and 62 percent were unsheltered. There are several emergency shelters located in the County and region surrounding Petaluma, including two in the City.

Figure E53: Homeless Population Trend – Sonoma County (2020)



Source: 2020 Sonoma County Homeless Census Comprehensive Report.

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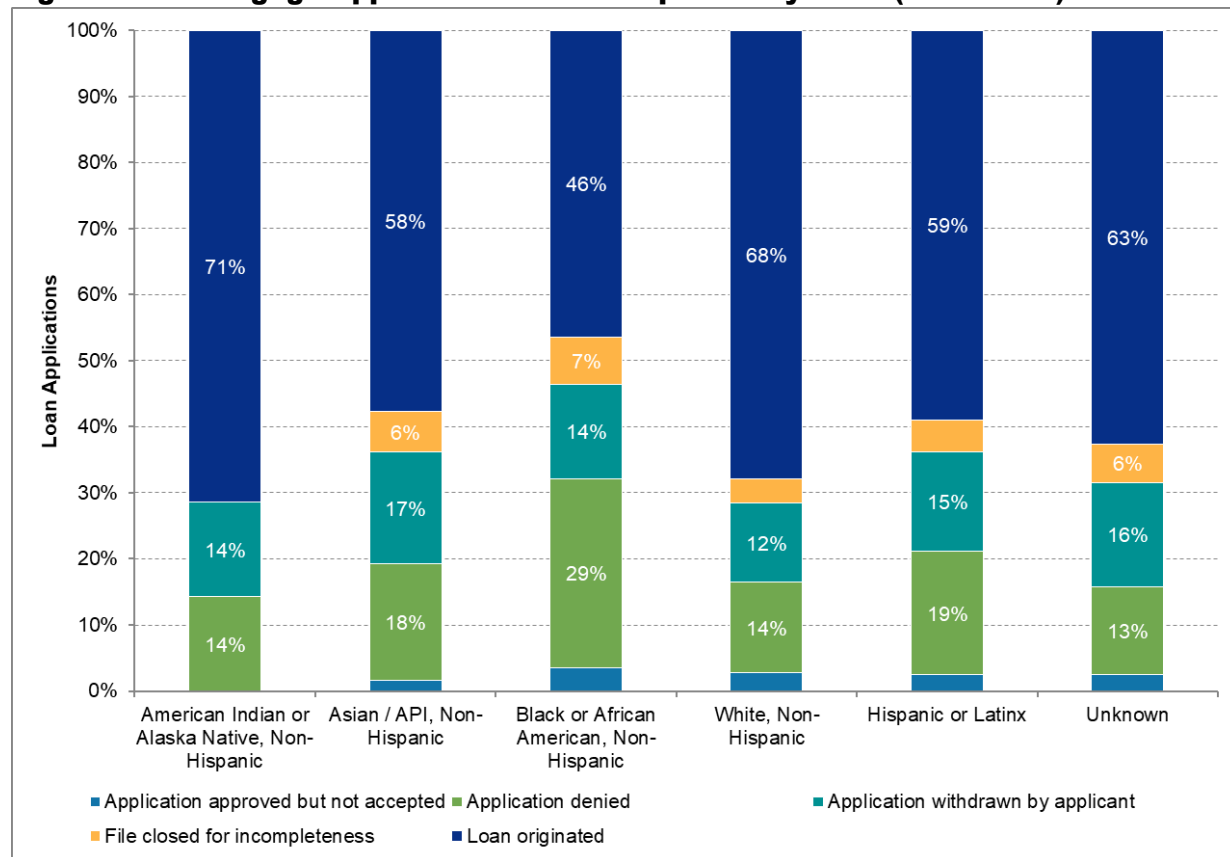
homelessness residing in the City, more than half (55.1 percent) are sheltered, a significantly larger proportion compared to the County.

In September 2021, the City of Petaluma declared a Shelter Crisis in response to the confluence of issues affecting communities who are unsheltered and the surrounding community in the context of the pandemic. This resolution allowed the City, through the City Manager, to exercise sole discretion to suspend compliance with local building approval procedures or state or local housing, health, habitability, planning and zoning, or safety standards and procedures, for projects of the City of Petaluma to provide emergency housing on City owned or leased property. This allowed the City to implement innovative housing measures in the form of the People’s Village at the COTS.

Home Loans

Home loan applications and acceptance rates by race and ethnicity are presented in Figure E55. Of the applications submitted from 2018 to 2019, 62.9 percent of applicants were White, 23.5 percent were of an unknown race or ethnicity, 8.1 percent were Hispanic or Latinx, and 4.3 percent were Asian/API. All races appear to be underrepresented compared to the overall racial/ethnic composition in the City, likely due to the large population of applicants with an unknown race. The Hispanic/Latino population is the most dramatically underrepresented. While they represent 21.9 percent of the total population, they only make up 8.1 percent of the home loan applicant pool. Black/African American applicants had the highest denial rate of 29 percent, followed by the Hispanic/Latinx population (19%), and Asian/API population (18%). In comparison, only 14 percent of both the American Indian/Alaska Native and White populations were denied.

Figure E55: Mortgage Applications and Acceptance by Race (2018-2019)



Source: ABAG Housing Element Data Needs Package, 2021.

Sites Inventory

The distribution of RHNA units is further detailed in Figure E56 and Table E40 below. Sites selected to meet the RHNA are distributed throughout eight neighborhoods in the City including the Adobe, College, Downtown, Maker Alley, Midtown, Oakhill Brewster, Waterfront, and Western neighborhoods, and 11 tracts. The distribution of RHNA sites throughout different neighborhoods ensures new housing is accessible throughout the City. Most of the tracts are moderate resource areas. There are also two low resource tracts and two high resource tracts containing RHNA units. There is a total of 156 RHNA units allocated in low resource tracts including 68 lower income units, 6 moderate income units, and 82 above moderate income units, ensuring lower income units alone are not allocated in areas with this designation. In high resource tracts, there are 261 above moderate income units and 18 lower income units. The sites selected to meet the RHNA are discussed by neighborhood below.

Adobe Neighborhood

A total of 125 units, 8 lower income, 6 moderate income, and 111 above moderate income, have been allocated in the Adobe neighborhood. RHNA units are allocated in tracts 1506.03 and 1506.11 in this neighborhood. Neither are considered sensitive communities at risk of displacement. Tract 1506.03 is categorized as a moderate resource area and has a larger non-White population (72.6%). This tract is also considered an LMI area where 67 percent of households are low or moderate income. However, the City's RHNA strategy only allocates 30 above moderate income units in this tract, ensuring lower and moderate income units are not concentrated in an LMI area. Tract 1506.11 is a low resource area with smaller non-White (56.2%) and LMI (46%) populations. A variety of RHNA units of various income levels are allocated in this tract. The City's RHNA strategy in this neighborhood does not exacerbate fair housing conditions.

College Neighborhood

The College Neighborhood is made up of two moderate resource tracts and one high resource tract. The City's RHNA strategy allocates a mix of units of various income levels in this neighborhood, including 81 lower income units, 49 moderate income units, and 194 above moderate income units. Lower and moderate income units are allocated in tract 1506.09 where some block groups have larger non-White and LMI populations. The variety of unit-types allocated in this area ensure lower income units are not concentrated in this section of the City. Populations of interest and fair housing issues in this area of the City are generally consistent with the Citywide trend. RHNA sites in the College Neighborhood will promote mixed income communities and will not exacerbate conditions related to fair housing.

Downtown Neighborhood

As discussed previously, the Downtown and Midtown neighborhoods have the most overlapping fair housing issues including larger populations of racial/ethnic minorities, children living in female-headed households, and LMI households. Despite this trend, only 13 lower income units are located in in LMI area in this neighborhood. An additional 264 above moderate income units are located in this LMI area. Both tracts containing RHNA units in the Downtown Neighborhood are moderate resource tracts with non-White populations ranging from 16.9 to 43.7 percent. The Downtown Neighborhood contains the largest proportion of RHNA units compared to other neighborhoods in the City. However, units are evenly distributed between the lower, moderate, and above moderate income RHNA, promoting mixed income communities and ensuring units of a single income category are not concentrated in this section of the City. A total of 1,172 RHNA units, including 417 lower income units, 314 moderate income units, and 441 above moderate income units are located in the Downtown Neighborhood, The City's RHNA strategy, in tandem with the actions outlined in this Housing Element, does not exacerbate conditions related to fair housing.

Maker Alley Neighborhood

The Maker Alley Neighborhood is comprised of one moderate resource tract and one low resource tract. A total of 167 RHNA units (102 lower income units, 32 moderate income units, and 33 above moderate income units) are allocated in this neighborhood. Like all neighborhoods discussed previously, variety of units of different income levels allocated in this neighborhood ensures lower and moderate income units are not concentrated in one neighborhood alone. It is important to note that 60 lower income units and only one above moderate income unit are located in the low resource tract. However, this tract has smaller populations of racial/ethnic minorities (16.4%) and LMI households (34%). The moderate resource tract is an LMI area where 76 percent of households are low or moderate income. There are 42 lower income units, 32 moderate income units, and 32 above moderate income units allocated in this area. The City's RHNA strategy, in tandem with the actions outlined in this Housing Element, does not exacerbate conditions related to fair housing.

Midtown Neighborhood

Sites selected to meet the RHNA in the Midtown Neighborhood are also allocated towards all income levels; there are 70 lower income units, 15 moderate income units, and 222 above moderate income units located in this neighborhood. Both tracts in this area are moderate resource tracts with racial/ethnic minority populations and LMI household populations consistent with Citywide trends. The RHNA strategy in the Midtown Neighborhood will not exacerbate conditions related to fair housing.

Oakhill Brewster Neighborhood

Only 12 above moderate income units have been allocated in the Oakhill Brewster Neighborhood. This neighborhood has non-White populations and LMI household populations consistent with the Citywide trend. Both tracts in this area are moderate resource areas. The addition of 12 above moderate income units in this section of the City will not exacerbate fair housing conditions.

Waterfront Neighborhood

The Waterfront Neighborhood contains the second largest proportion of RHNA units after the Downtown Neighborhood. Of the 649 units allocated in the Waterfront neighborhood, 604 are above moderate income units and 45 are lower income units. There are no block groups in this neighborhood that are considered LMI areas and non-White populations range from 33 to 44 percent in this area. Both tracts are characterized as moderate resource tracts. While there is a high concentration of above moderate income units in this neighborhood where few fair housing issues are present, the combination of units allocated in the Waterfront neighborhood and other Petaluma neighborhoods ensures above moderate income units are not concentrated in this area alone. The allocation of 45 lower income units in this neighborhood also promotes affordable housing in areas of Petaluma where fair housing conditions are less prevalent. The allocation of lower income units throughout the City, in areas where fair housing conditions are variable, promotes mobility and guards against concentrations of lower income housing in a single area of Petaluma. The City's RHNA strategy in the Waterfront Neighborhood does not exacerbate conditions related to fair housing.

Western Neighborhood

There is a total of 357 units in the Western Neighborhood (67 lower income units and 290 above moderate income units). There are three tracts in the Western Neighborhood, two are moderate resource areas and one is a low resource area. Tract 1508 is also considered a sensitive community at risk of displacement.

As discussed previously, it is relevant to note that this tract encompasses a large proportion of the unincorporated County area south of the City and is not a reflection of Petaluma residents alone. There are no lower or moderate income units allocated in the sensitive community. The Western neighborhood generally has smaller populations of racial/ethnic minorities (14.6% to 22.9%) and LMI households (15% to 27%). RHNA units allocated in this neighborhood will not be exposed to fair housing conditions in excess of Citywide trends. Further, lower income units in this section of the City and in other neighborhoods where fair housing conditions are more prevalent, ensure lower income households are not concentrated in a single area.

The City's RHNA strategy distributed RHNA units of various income levels throughout the City, promoting mixed income communities and ensuring units of a single income level are concentrated in one area of the City. The City's RHNA strategy, along with the actions outlined in this Housing Element, does not exacerbate conditions related to fair housing.

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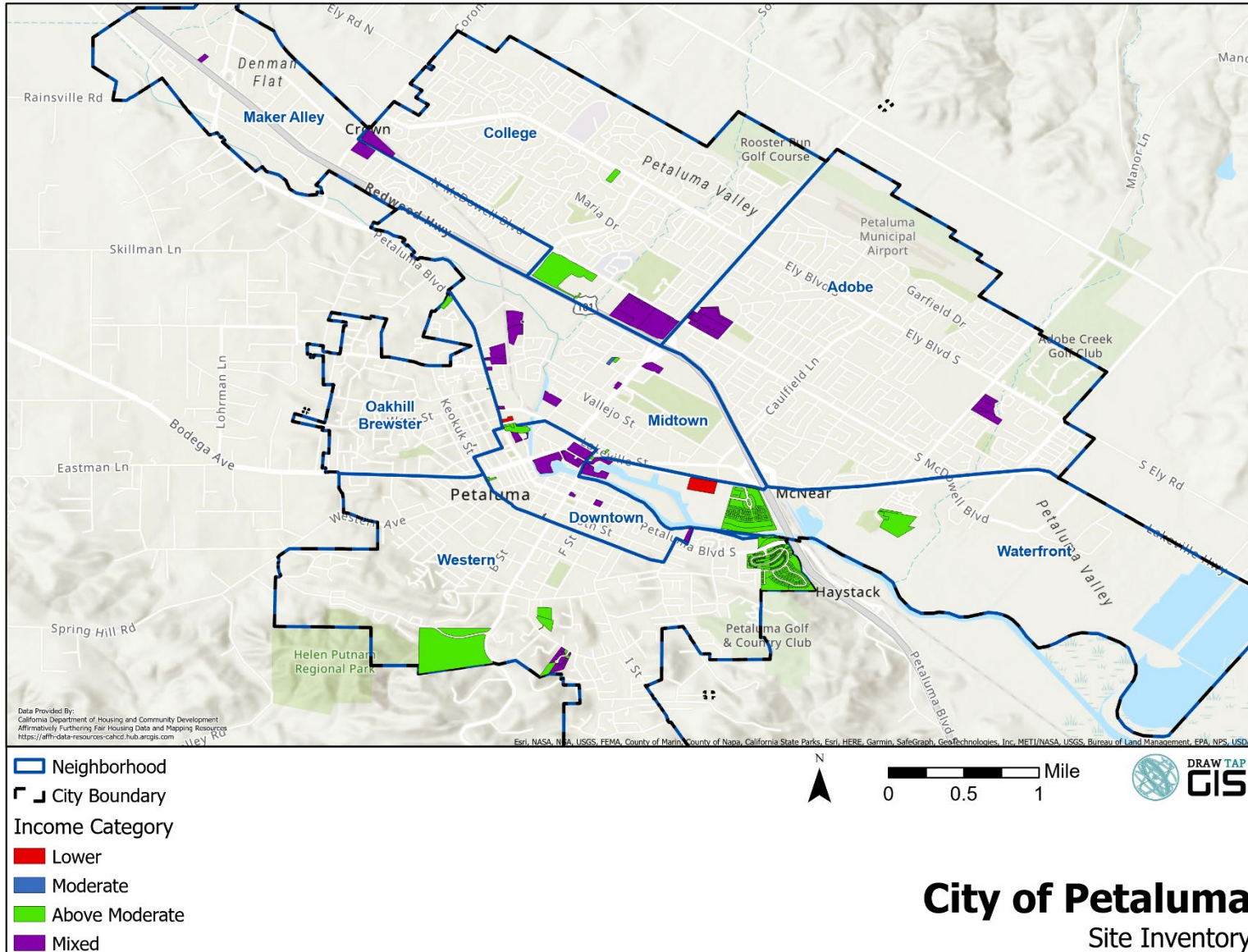
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Table E40: Distribution of RHNA Units by Neighborhood and AFFH Variable

Tract	HHs in Tract	Total Capacity	Income Distribution			% Non-White*	% LMI*	TCAC Opp. Cat.	At Risk of Displacement
			Lower	Moderate	Above Moderate				
Adobe Neighborhood									
1506.03	2,866	30	0	0	30	72.6%	67.0%	Moderate	No
1506.11	1,430	95	8	6	81	56.2%	46.0%	Low	No
College Neighborhood									
1506.03	2,866	53	0	0	53	39.9%	30.0%	Moderate	No
1506.09	2,008	260	81	49	130	27.1 – 55.4%	32.0 – 76.0%	Moderate	No
1506.10	1,346	11	0	0	11	24.2%	27.0%	High	No
Downtown Neighborhood									
1507.01	2,059	895	404	314	177	16.9 - 43.7%	13.0 – 38.0%	Moderate	No
1509.01	2,041	277	13	0	264	41.5%	57.0%	Moderate	No
Maker Alley Neighborhood									
1506.09	2,008	106	42	32	32	55.4%	76.0%	Moderate	No
1512.01	2,920	61	60	0	1	16.4%	34.0%	Low	No
Midtown Neighborhood									
1507.01	2,059	152	21	0	131	43.7%	38.0%	Moderate	No
1509.01	2,041	155	49	15	91	30.1 – 49.6%	37.0 - 57.0%	Moderate	No
Oakhill Brewster Neighborhood									
1509.01	2,041	4	0	0	4	35.6 – 41.5%	50.0 – 57.0%	Moderate	No
1509.02	1,409	8	0	0	8	21.2%	46.0%	Moderate	No
Waterfront Neighborhood									
1506.12	1,666	264	0	0	264	33.0%	24.0%	Moderate	No
1507.01	2,059	385	45	0	340	43.7%	38.0%	Moderate	No
Western Neighborhood									
1507.01	2,059	50	49	0	1	22.9%	27.0%	Moderate	No
1507.02	1,939	279	18	0	261	14.6 – 16.2%	14.0 – 15.0%	High	No
1508	2,012	28	0	0	28	18.0%	26.0%	Moderate	Yes

* Some tracts contain multiple block groups; therefore, data that is provided at the block group level (racial/ethnic minority population and LMI household population) will be shown as a range of the block group population where RHNA units are located.

Figure E56: Sites Inventory and Neighborhoods



Source: Veronica Tam & Associates, 2022.

Contributing Factors

Lack of Fair Housing Testing, Education, and Outreach

As mentioned in the Assessment of Fair Housing Section, the City currently collaborates with Petaluma People Services Center (PPSC) to provide fair housing assistance and landlord/tenant mediation for Petaluma residents. The City does have fair housing information accessible on the City website; however, fair housing outreach may be insufficient. Current outreach practices may not provide sufficient information related to fair housing, including federal and state fair housing law, and affordable housing opportunities. Cost burdened renters, specifically in the Western and College neighborhoods, may be unaware of affordable housing opportunities. Most discrimination inquiries filed through HUD by Petaluma residents were related to disability status. The City may lack sufficient education and outreach related to reasonable accommodations and ADA laws based on the proportion of complaints related to disability status. Further, while fair housing testing was conducted in the County, fair housing tests in Petaluma may be insufficient for monitoring housing discrimination.

Contributing Factors

- Lack of fair housing testing
- Lack of monitoring
- Lack of targeted outreach
- **Priority: High**

Substandard Housing Conditions

While the City does not have a large proportion of households lacking complete kitchen or plumbing facilities, approximately 68 percent of housing units are aged 30 years or older, including 33 percent aged 50 years or older, and may require minor or major rehabilitation. Aging housing units are most concentrated in the central areas of the City where there are concentrations of protected populations (non-White, persons with disabilities, persons below the poverty level). This area also has higher concentrations of HCV recipients compared to the remainder of the City.

Contributing Factors

- Age of housing stock
- Cost of repairs or rehabilitation
- **Priority: Medium**

Discrimination in Home Sales Market and Disparities in Homeownership Rates

The Hispanic/Latino population appears to be underrepresented in the home loan application pool; however, the race or ethnicity of 21 percent of loan applicants is unknown. The Black/African American population was denied home loans at the highest rate (29 percent), followed by the Hispanic/Latinx population (19 percent), higher than the White population (14 percent). The Hispanic/Latino population makes up the second largest population in the City after the White population.

Contributing Factors

- Lack of fair housing testing/monitoring
- Availability of affordable housing
- Lack of opportunities for residents to obtain housing in higher opportunity areas
- **Priority: High**

Concentration of Protected Populations

The central areas of the City, specifically in and around the Downtown and Midtown neighborhoods, have concentrations of overlapping populations of interest as outlined in this Assessment of Fair Housing. Concentrated populations in this area include racial/ethnic minorities, persons with disabilities, children in female-headed households, and persons below the poverty line. This area of the City also has the largest proportion of aging housing units that may be in need of rehabilitation. This part of the City is considered a moderate resource area. Tracts in the Downtown/Midtown neighborhoods have larger proportions of renter-occupied households (46.2% to 55.4%) compared to other areas of the City. More than 40 percent of renters in these tracts are cost burdened. It is also important to note that a substantial proportion of RHNA units are also located in this section of the City.

Contributing Factors

- Location and type of affordable housing
- Lack of private investment
- Lack of public investments in specific neighborhoods, including services or amenities
- **Priority: Medium**

Inequities in Access to Opportunities

A majority of Petaluma is considered a moderate resource area. There are three high resource areas in Petaluma, one of which is also an RCAA. Two of the high resource areas and the RCAA are located in the northernmost area of the City in the Maker Alley and College neighborhoods. Conversely, low resource tracts are concentrated in the Adobe neighborhood on the eastern side of Petaluma. This area of the City also received lower TCAC education scores, TCAC environmental scores, and HUD jobs proximity scores compared to the remainder of the City.

Contributing Factors

- Lack of private investment
- Lack of public investments in specific neighborhoods, including services or amenities
- **Priority: High**

Public Participation

Appendix F

January 2023

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Public Participation

Community input on housing issues is critical to developing policies and programs that reflect Petaluma's specific housing needs. This Chapter describes the various events, activities, and outreach methods used to ensure community members and other stakeholders could share their opinions and participate in the Housing Element process. Because the Housing Element was updated as part of a comprehensive General Plan Update, the Chapter includes all outreach and engagement that informed the Housing Element. The feedback received throughout the planning process to date has shaped the development and refinement of the Housing Site Inventory and the Housing Programs and Policies.

Addressing State Requirements

Since the last Housing Element cycle, changes in legislation require the deliberate consideration of populations who have historically been excluded from the planning processes and ways to encourage participation. Government Code 65583(c)(7) requires: "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element." Likewise, HCD's AFFH guidance specifies that engagement must be "proactively and broadly conducted through a variety of methods to assure access and participation."

The ongoing Covid-19 pandemic has placed additional stressors on community members and presented new challenges for engagement. To ensure engagement was held in a safe and accessible way, to honor State guidance, and to achieve the greatest level of participation across populations and economic segments, the City of Petaluma:

- Leveraged digital communications channels such as social media, email, electronic newsletters, and the City website as well as a dedicated General Plan and Housing Element website to inform residents throughout the process
- Publicized events and information in the local newspaper, the Argus-Courier
- Offered closed-captioning and on-call technical support at virtual public meetings
- Staffed in-person and online engagement events with Native Spanish speaking personnel
- Met people where they already were, for example, with "pop-ups" at farmers' markets and the public library
- Provided self-guided information and interactive activities for residents to complete at their own pace, including online or in-person at the library
- Held individualized conversations and followed up with community organizations and community members to increase engagement and build good relationships. This included specialized engagement with non-profits, faith-based organizations, active transportation groups, environmental / climate action groups, BIPOC & LGBTQIA2S+ groups, business groups, families / youth/ age-friendly / recreation groups, healthcare/ housing / human service non-profit agencies, and schools/education-focused groups.
- Made special efforts to strengthen relationships with the Latinx community and community leaders by creating specialized engagement opportunities tailored to community needs identified in the City's Latinx Outreach study. To increase access for members of the Petaluma community

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who prefer or only speak Spanish throughout the process, the City implemented the following four strategies:

- Worked closely with community partners across Petaluma’s Latinx and Spanish Speaking to community to shape messaging and share outreach materials and events through preferred channels including WhatsApp
- Provided live interpretation from English to Spanish and facilitation directly in Spanish during all GPAC meetings and presentations and public meetings, such as community workshops
- Hosted Spanish-only activities designed and facilitated by native speakers who have been active in related Latinx outreach
- Provided translated documentation and resources on the Plan Petaluma website (<https://es.planpetaluma.org/>).

Demographic information of planning process participants has been monitored (see Figure 1: Participation by Demographic Group). As is often the case in planning projects, Hispanic/Latinx and Youth participation were initially proportionally much lower compared to the City’s overall demographics. As a result, the City made a special effort to organize a Latinx Focus Group and Youth Survey to engage more of these population groups and to hear feedback on how they could be more involved going forward.

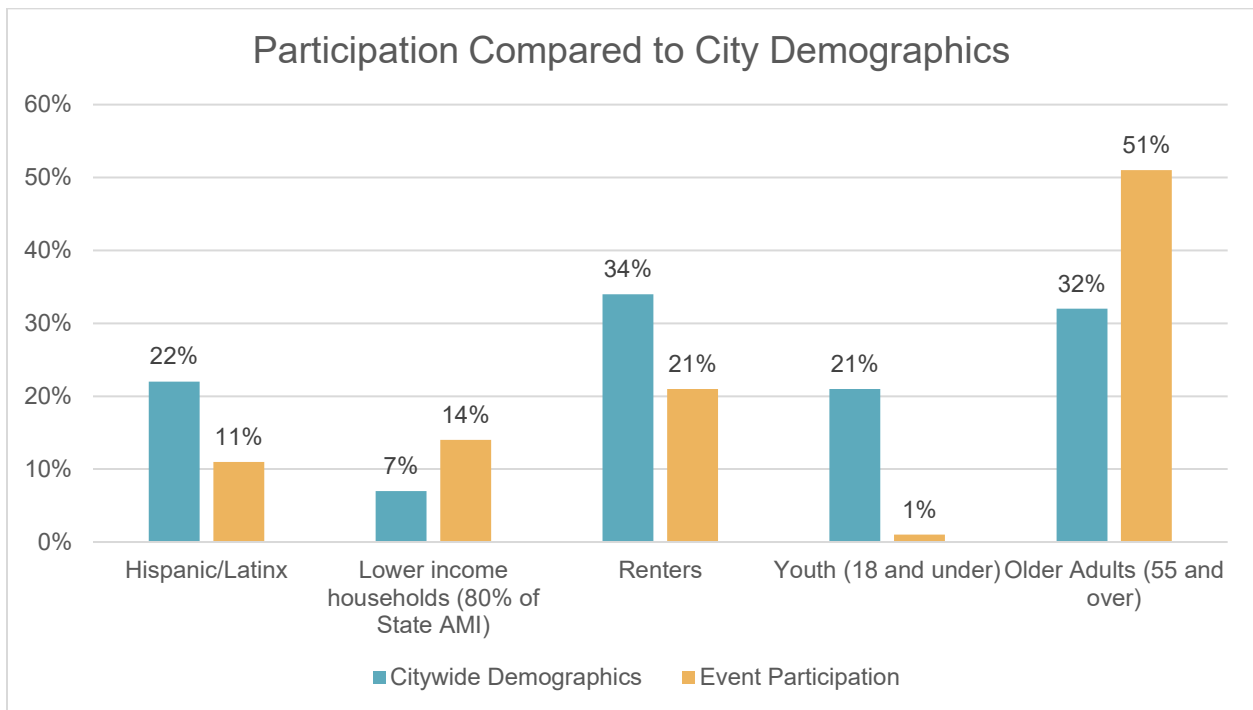


Figure 1: Participation by Demographic Group

Sources: 2019 American Community Survey and event polling data

Note: Chart shows information for four Area Meetings, a Visioning Workshop and Open House, and Housing Element Workshop (Demographic information was not captured at other events).

Summary of Outreach and Engagement Activities

The table below concisely summarizes the outreach and engagement related to the Housing Element. More details about specific promotion strategies and engagement activities are explained in the sections that follow.

Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
-	Ongoing	General Plan Webpage	Tool to publicize events and post related materials	Spanish translation	Efficient and centralized location for all information	10,000 visitors since 2021
-	Ongoing	General Plan Update Email Updates	Way to reach those who have previously been involved or have elected to learn more	Partial/ Spanish translation	Participants receive regular notifications	1200+ subscribers
-	Ongoing	Weekly City Email Updates	Tool to contact large number of people interested in issues in Petaluma	Spanish translation	Residents and stakeholders received weekly notifications	18,000+ subscribers
-	Ongoing	City Social Media	Tool to connect with followers on Facebook, NextDoor, and Instagram	Spanish translation	Mirrored content shared in weekly City email updates	10,500 followers

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
2020 General Plan Public Survey	September 29 - November 29, 2020	<ul style="list-style-type: none"> • Press release • City newsletter • General Plan newsletter • General Plan website • City website front page • Project email list • City social media • Petaluma Argus Courier ads • School newsletters, classes • Alert to Council, boards, committees, commissions • Utility bill mailer • Presentations to community groups and City Council 	City-wide online survey gathered early insights from the community to shape the planning process	Spanish translation	Identified where participants would like to see housing and prioritized housing as priority issue	1,088 responses from people who lived and/or worked in Petaluma

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Pop-ups	Walnut Park Farmers Market – August 28 & September 11, 2021 Eastside Farmers Market – August 31, 2021 Petaluma Evening Market – September 9, 2021 Self-guided Pop-up at Petaluma Library – September 22-October 7, 2021 Petaluma Library – October 7, 2021	<ul style="list-style-type: none"> • GPU website • City social media (Facebook, Instagram, Nextdoor) • City of Petaluma Community Update • Sonoma Public Library – Petaluma Branch Newsletter • General Plan Advisory Committee (GPAC) community led outreach 	Seven pop-ups were held at high-traffic locations and well-attended events in Petaluma.	Spanish translation	Participants identified locations for new housing by type and stated other housing related comments.	Approximately 450 participants

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Area Meetings	<p>Northeast Quadrant – August 23, 2021</p> <p>Northwest Quadrant – August 25, 2021</p> <p>Southwest Quadrant – August 30, 2021</p> <p>Southeast Quadrant – September 1, 2021</p>	<ul style="list-style-type: none"> • City newsletter • General Plan newsletter • GPU website • GPU email list • City website front page • City social media • General Plan Advisory Committee (GPAC) community led outreach 	<p>Series of four community meetings to discuss issues and opportunities by area. Each meeting focused on one of four areas or quadrants.</p>	Spanish interpretation	Received feedback on housing strengths and issues. Also gathered locations for new housing.	Approximately 120 participants

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Visioning Open House	On Zoom September 29 th , 2021. Interactive activities available through October 22, 2021	<ul style="list-style-type: none"> • City Newsletter • General Plan newsletter • GPU Website • GPU email list • City website front page • City social media • One-on-one community leader outreach meetings • General Plan Advisory Committee (GPAC) community led outreach 	Open house style workshop where participants could move between six breakout rooms. Brainstormed ideas for a long-term vision for the future of Petaluma. Provided feedback on the draft Pillars and Guiding Principle. Provided input on the level and types of land use change in different areas of the city.	Spanish translation of materials and interpretation in Spanish-only breakout room. All activities in English breakout rooms completed in Spanish.	Input on where participants preferred housing (1-4 units) vs housing (apartments and condos) relative to each other and other land-uses. Discussion also captured a range of additional comments related to housing specific to 16 different areas across the City.	Approximately 95 people provided input through online activities

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Latinx Focus Group	Educational outreach in Spanish through WhatsApp prior to focus group on December 6, 2021	<ul style="list-style-type: none"> • One-on-one outreach with Latinx Community Leaders • General Plan Advisory Committee (GPAC) community led outreach • Built on work of City's Latinx Outreach • Study and Latinx WhatsApp channel 	<p>Focus group provided a space for participants to discuss what they value about Petaluma, identify their priorities, and describe issues and opportunities across the city.</p> <p>In addition to the 2-hour live session, 14 Latinx Community Leaders in the WhatsApp group received informational texts about the General Plan and Housing Element.</p>	Spanish-only	Input that Latinx families are consistently struggling to find accessible housing options. A concern for communities who are unsheltered and facing harsh conditions was also expressed.	3

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Youth Visioning Survey	December 2, 2021 - January 16, 2022	<ul style="list-style-type: none"> • Outreach packet shared with Petaluma School District • Publicized at Petaluma High School • Outreach to Petaluma Youth Commission • GPU Website • General Plan Advisory Committee (GPAC) community led outreach 	Survey aimed to capture youth perspectives on what is working in Petaluma, what needs to change, and what priorities to focus on for the future.	N/A	Housing ranked among the top five of topics important to youth. Equitable access to necessities – including housing opportunities – was a key theme when asked about opportunities for change.	71 Responses from Youth aged 14-20

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
General Plan Advisory Committee (GPAC) Meetings	Ongoing - March 17, 2022, April 21, 2022, June 16, 2022, and September 15, 2022 meetings focused on the Housing Element.	<ul style="list-style-type: none"> • City newsletter • General Plan newsletter • GPU website • GPU email list • City website front page • City social media • General Plan Advisory Committee (GPAC) community led outreach 	The Planning Team conducted engagement related specifically to the Housing Element through four presentations and discussions with the GPAC.	Spanish Interpretation	<p>Received feedback on what characterizes sites where future housing should be developed and policies or programs the City should prioritize to make sure future housing reflects community priorities.</p> <p>Gathered input on constraints of future development patterns that relate to housing.</p> <p>Got input on the draft sites inventory and programs.</p> <p>Received feedback on the Public Draft Housing Element.</p>	<p>Respective to 4 Sessions focused specifically on the Housing Element</p> <p>14 GPAC members and 7 public comments</p> <p>15 GPAC members and 2 public comments</p> <p>12 GPAC members and 2 public comments</p> <p>10 GPAC members and 1 public comment</p>

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
GPAC Housing Working Group	Ongoing	<ul style="list-style-type: none"> • City newsletter • General Plan newsletter • GPU website • GPU email list • General Plan Advisory Committee (GPAC) community led outreach 	Collaborated with City agencies, boards, and commissions as well as community-based groups to inform the Housing Element with related initiatives.	N/A	<p>Prepared a platform of proposed housing goals and policies.</p> <p>Collaborated with the City on the sites inventory and housing program identification.</p>	4 GPAC Members

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<p>Planning Commission</p>	<p>March 22, 2022, June 21, 2022, and September 13, 2022</p>	<ul style="list-style-type: none"> • City Newsletter • General Plan newsletter • GPU Website • GPU email list • City Website front page • City social media 	<p>Presentation on methodology, requirements, and timing for 6th cycle Housing Element to inform General Plan update process.</p> <p>Presentation on the draft sites inventory and programs.</p> <p>Presentation of the public draft of the Housing Element.</p>	<p>N/A</p>	<p>Feedback from commissioners on Housing element process, sites, and programs.</p>	<p>March 3, 2022: Five Commissioners provided 90 comments Two public comments received prior to the session</p> <p>4 public comments received live June 21, 2022: Five commissioners provided 90 comments</p> <p>2 public comments received prior</p> <p>3 public comments received live</p> <p>September 13, 2022: 6 Planning Commissioners provided 52 comments</p> <p>1 public comment received prior</p>
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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
						3 Public Comments received live
Stakeholder Interviews	March 22, 23, 25, and 30, 2022	<ul style="list-style-type: none"> Targeted outreach to developers and real estate professionals who work in Petaluma 	Consultants interviewed developers on the process of building housing in Petaluma and types of housing most in need.	N/A	Gathered input on current market conditions and development barriers. Received feedback on changes that could encourage development of additional housing.	Nine developers/ real estate professional from seven organizations/ companies

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Housing Element Community Workshop	April 7, 2022	<ul style="list-style-type: none"> • Flyer sent to over 100 community partners • Follow-up conversations with several community organizations and actors • GPU email list • City social media and Updates • GPU website 	This workshop was meant to provide an overview of the Housing Element purpose, components, and process; explain the Housing Element’s relationship to the General Plan Update; educate the community about housing issues and programs; and provide an update on the sites inventory.	Spanish Interpretation	Received input on Petaluma’s housing strengths and challenges, appropriate heights for future housing development, and policies, programs, and actions needed to achieve community housing priorities.	13 participants

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Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
City Council	July 18, 2022 and October 3, 2022	<ul style="list-style-type: none"> • City newsletter • General Plan newsletter • GPU website • GPU email list • City website front page • City social media 	<p>Informational presentation on the draft sites inventory and goals, policy, and programs was made to City Council.</p> <p>Presentation was made on the Housing Element process to date and Public Draft, including community input and changes made to the sites for the Public Draft.</p>	Spanish Interpretation	<p>Input for changes to sites inventory and Policy and Programs section of the Housing Element</p> <p>Feedback from City Council on and the Public Draft Housing Element.</p>	<p>July 18, 2022:</p> <p>6 City Council members and mayor provided 30 comments</p> <p>4 public comments received prior</p> <p>7 public comments provided live</p> <p>October 3, 2022:</p> <p>6 City Council members and mayor provided 75 comments</p> <p>8 public comments received prior</p> <p>6 public comments provided live</p>

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Appendix F Draft Public Participation

Activity	Time-Period	Outreach method	Summary	Translation/ Interpretation Provided	Results/ Feedback	Participation
Online Public Input Form for the Public Draft Housing Element	August 29 – October 3	<ul style="list-style-type: none"> • City newsletter • GPU website • GPU email list • City social media • Direct email to Approx. 50 housing-focused stakeholders 	Online input form designed to solicit feedback on the Public Draft Housing Element during the review period.	N/A	Input from the public on sites identified for potential housing development; goals, polices, and programs; and general comments on the entire Public Draft Housing Element.	23 respondents Provided over 113 individual comments on sites, programs, and general feedback
Public Draft Housing Element Workshop	September 20, 2022	<ul style="list-style-type: none"> • City newsletter • GPU email list • City social media and Updates • GPU website • Direct email to Approx. 50 housing-focused stakeholders 	The Planning Team presented on the process and development of the Housing Element to date. Changes in the sites inventory and housing programs since drafts were discussed. A question-and-answer period followed the presentation.	Spanish Interpretation	Answered questions about the sites inventory and housing goals, policies, and programs. Received input from community members on the Public Draft Housing Element.	12 participants

Summary of Key Themes of Comments Received

From all the above engagement, the following housing priorities emerged:

- Eliminate homelessness
- Provide more affordable housing
- Avoid high-hazard areas like flood zones
- Avoid environmentally sensitive areas
- Prioritize infill housing near transit, retail, parks, and services
- Increase the diversity of housing types and choices, including higher density options
- Be part of mixed-use development, including the incorporation of housing into some existing commercial centers
- Preserve community character and sense of place
- Be family- and age-friendly
- Contribute toward carbon neutrality and be resilient
- Advance equity

Promotion and Outreach

General Plan Update Website

The City maintains a dedicated General Plan website that includes updates on the planning process, ways to be involved in upcoming engagement events, and past presentations and materials. The website can be enabled to be translated into Spanish. Additionally, there is a space to share comments and contact information.

Regular City Email and Social Media Updates

An email list of about 18,000 subscribers is maintained and used to alert residents and stakeholders of upcoming events and distribute information on important planning process milestones. Facebook, NextDoor, and Instagram are used to share easily understood amounts of information and quick updates to over 10,000 followers.

General Plan Email and Social Media Updates

The GPU email list has over 1,200+ subscribers and allows the planning team to reach those who have had a touch point with the process or have indicated they would like to receive information.

Housing-Related Community Engagement

The City's Housing Element outreach was integrated into the General Plan Update (GPU) process that began in 2020 and is ongoing. Key activities and events are described in more detail below. During these engagement activities, community members provided detailed input on the preferred housing

characteristics across neighborhoods and guidance on the goals, policies, and programs that should be included in the Housing Element.

2020 Petaluma General Plan Public Survey

This initial General Plan Survey was open from September 29 - November 29, 2020. Housing was ranked the fourth highest priority to address in the General Plan Update. Survey respondents identified where they wanted to see more housing

Where would you like to see more housing? Why/how could housing be improved?

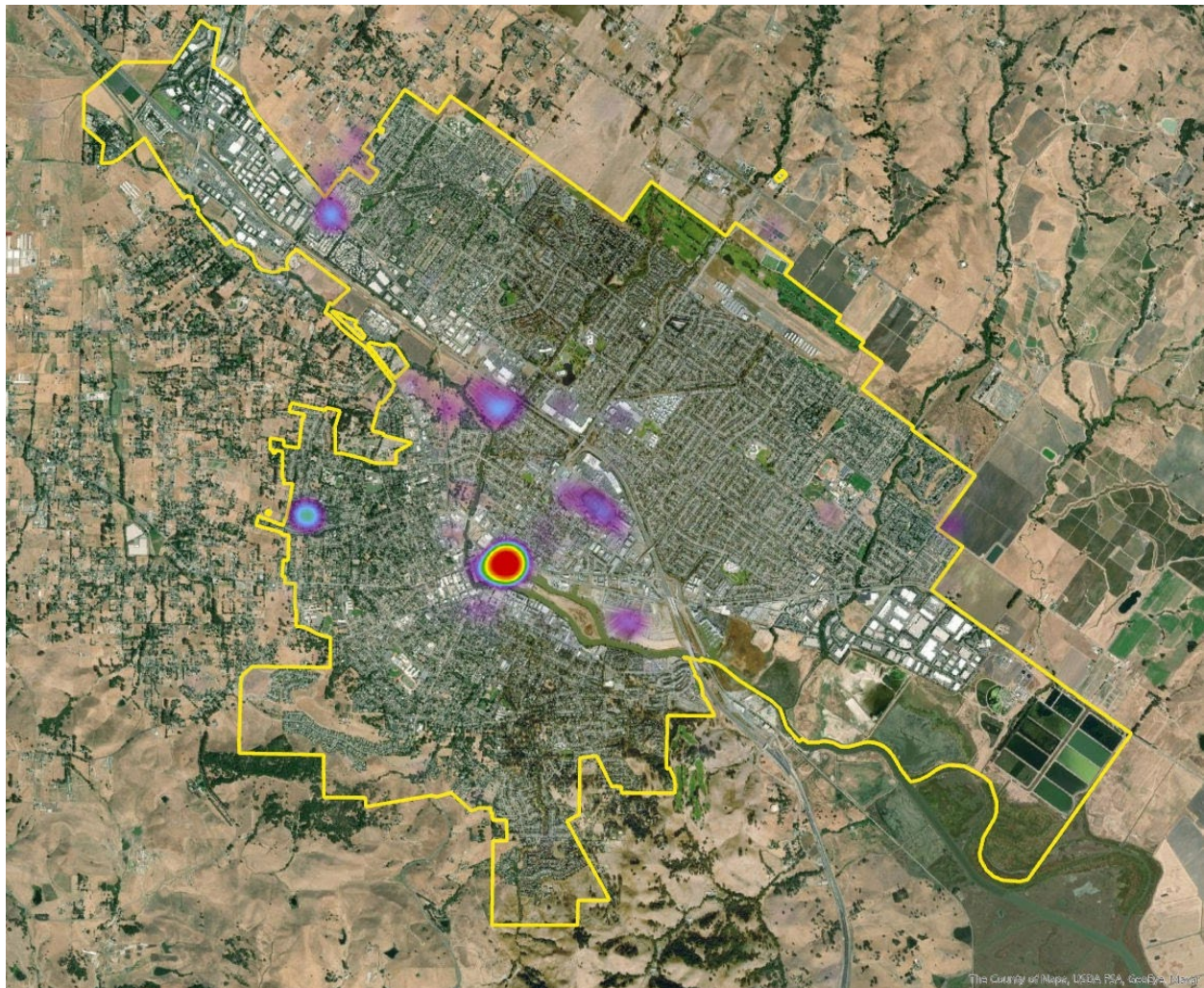


Figure 2: Heat map of responses to housing location question – 2020 Petaluma General Plan Public Survey

Priority housing areas identified as:

- Downtown

- Corona Road SMART Station
- Undeveloped Johnson property along Petaluma River and Lynch Creek Trail
- Fairground
- Scannell property

Other comments:

- Locate housing around Downtown and within walking distance to the SMART stations
- More affordable housing, particularly low-income
- Green buildings
- Increase housing density and infill

Full survey results:

<https://static1.squarespace.com/static/5ea880f6d9a2075c7b7f54af/t/60144104195c10356a5e477f/1611940116851/Petaluma+GP+Survey+Summary.pdf>

Pop-ups

During August, September, and October 2021, the Petaluma General Plan Update consultant team and City staff members facilitated seven pop-up workshops, or intercept meetings, at popular locations and well-attended events in Petaluma. They were designed to complement more formal workshops and surveys of the Visioning planning phase. They provided an accessible introduction to General Plan concepts and activities for residents of all ages to provide input.

Interactive poster boards in English and Spanish asked participants about their General Plan priorities, values, locations for new development and mobility improvements, and the issues and opportunities shaping Petaluma's future. City staff members were on hand to share background information, answer questions, and orient community members in both English and Spanish. One interactive board specifically asked, "where should new development be?" Participants could choose from various stickers, including four housing types, to place at desired locations.

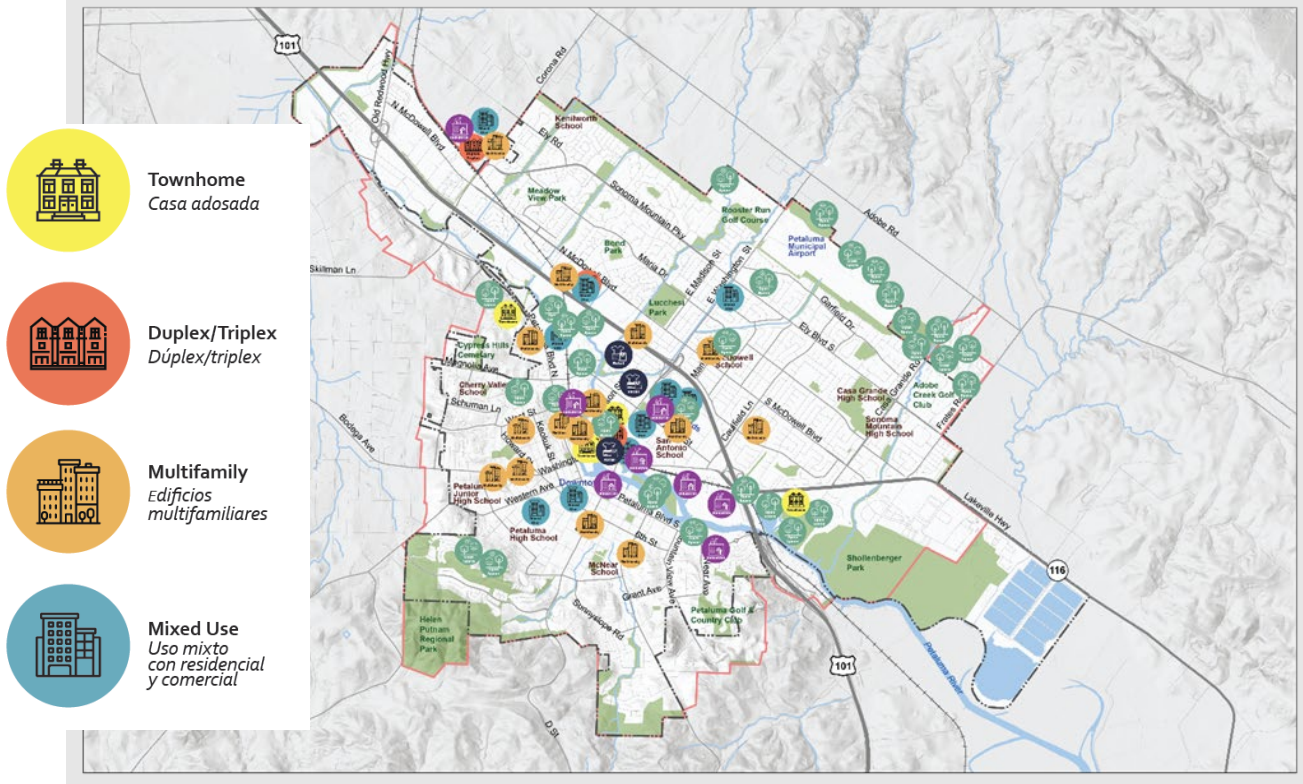


Figure 3: Composite image of where participants placed new development stickers—Pop-ups

The main themes related to housing from the Pop-up boards feedback include:

- Corona SMART station should include infill development and housing for people who are commuters and frequent users of the train.
- There are concerns about the impacts of new developments on its surroundings and about the scale and scale of development may have with its surroundings.
- Petaluma Blvd South should have more mixed-use buildings with high density housing and small business retail.
- Future affordable housing should be created for the younger generations, lower income people, and seniors.

Full summary: https://www.planpetaluma.org/s/PGPU_Pop-Ups_Summary_v3.pdf

Area Meetings

In August and early September 2021, the City of Petaluma’s General Plan Update team hosted four community meetings to discuss issues and opportunities in the City. Each meeting focused on one of four areas or quadrants.

After a brief presentation and survey to capture demographic information, participants were divided into small groups of approximately six to 12 participants. Each small group included a facilitator and a recorder (who was responsible for taking meeting notes). Participants were asked the following questions:

- What makes the area unique and special?
- What are the primary issues facing the area?
- Where should the mix of housing, shopping, and jobs be changed?
- What areas should remain the same?
- What other improvements are needed?

Housing was a theme of responses every question, and preferred locations for new housing were captured on a virtual map. Summarized locations from participants are shown on the maps below.

Key issues and suggestions for new housing include:

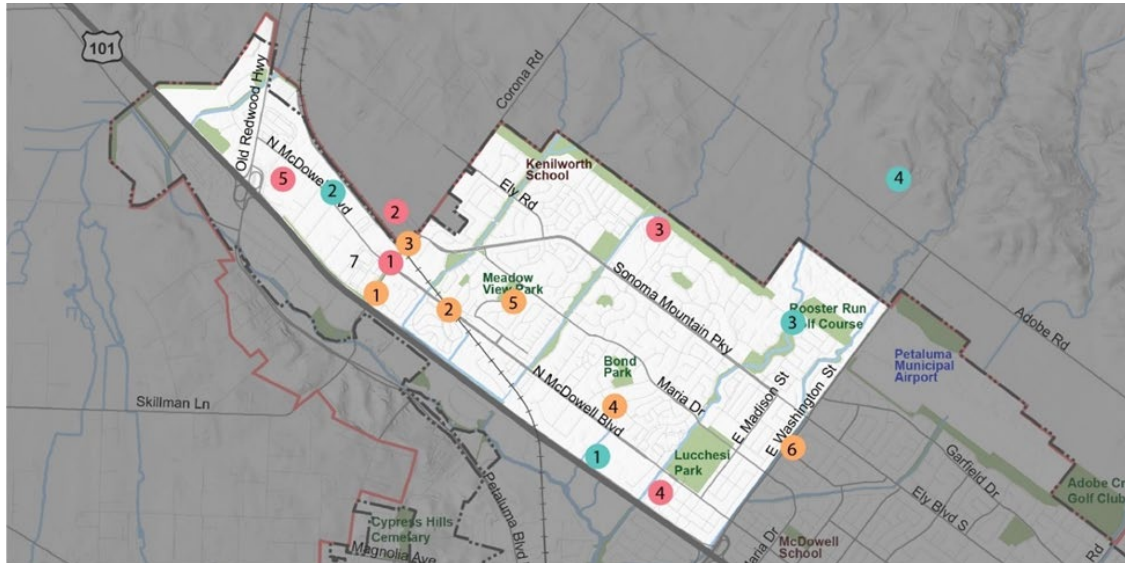
- Inadequate housing supply
- New housing should contribute to the neighborhood feel
- Scarcity of housing for low and moderate incomes
- Shortage of affordable multifamily housing
- Insufficient safe camping sites and resources for unhoused residents
- Do not build housing or the flood zones

Northeast Area

Issues:

- Inadequate housing supply
- Add affordable housing at second SMART station at Corona Rd
- New housing should contribute to the neighborhood feel

Where should the mix of housing, shopping, and jobs be changed?



Comment Summary

- Where should mix of housing, shopping, jobs be changed?
- What areas should stay the same?
- What other improvements are needed?

Figure 4: Responses to where housing should be changed – Northeast Area Meeting

1. Proposed SMART Station (McDowell & Corona Rd).
 - Build affordable housing and mixed-use development
 - Develop new housing that is family-friendly to balance with existing area
2. Outside UGB on Corona Rd.
3. Area Near Santa Rosa Junior College
 - Add mixed use development

Northwest Area

Issues:

- Scarcity of housing for low and moderate incomes

Where should the mix of housing, shopping, and jobs be changed?

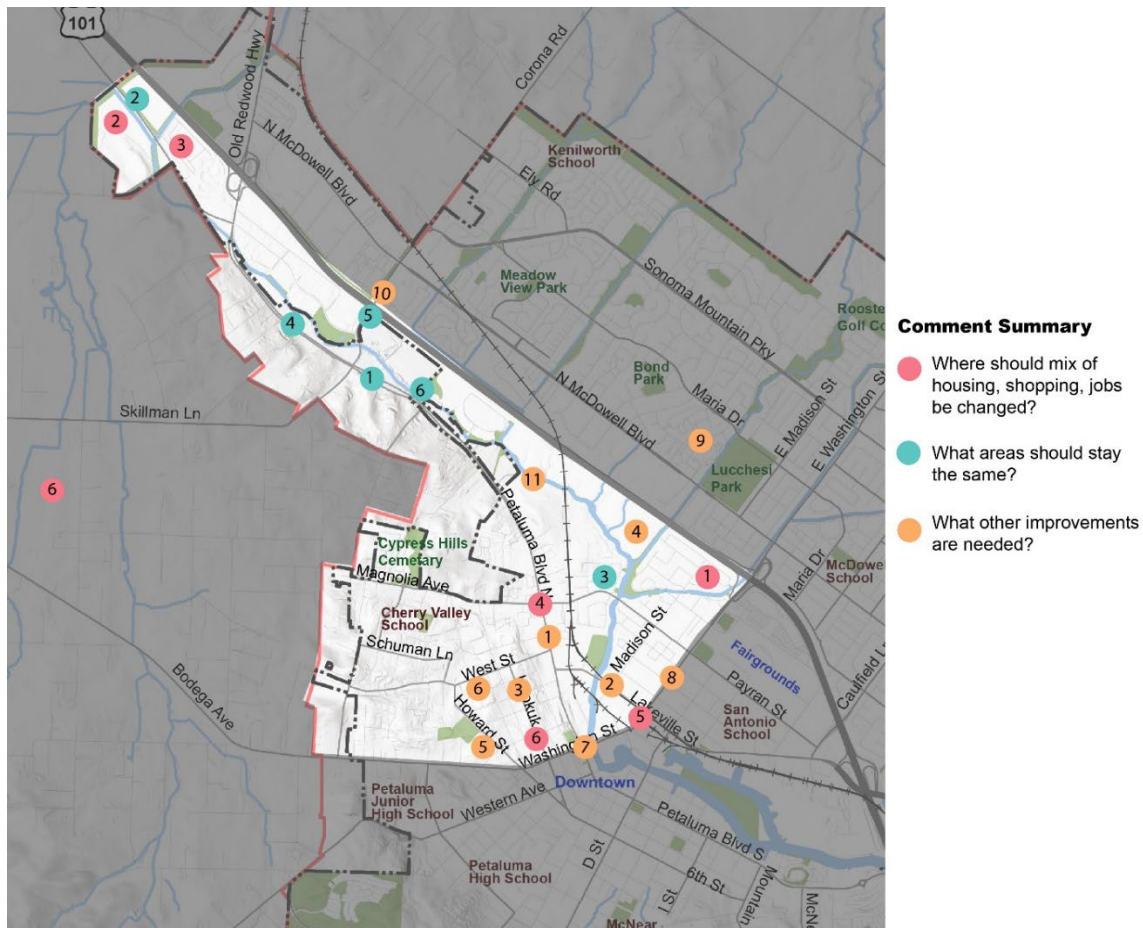


Figure 5: Responses to where housing should be changed – Northwest Area Meeting

1. Outlet Mall
 - Rezone into mixed use
2. Across from pumpkin patch
 - Continue hosting wildfire refugees, expand to house more types and incomes of people
3. Mobile home site
 - Expand to allow more lower income folks to have homeownership opportunities
4. Petaluma Blvd N
 - Develop mixed-use and increase overall density of area
6. Skillman and Bodega Ave
 - Use entire area for low-cost housing expanding UGB

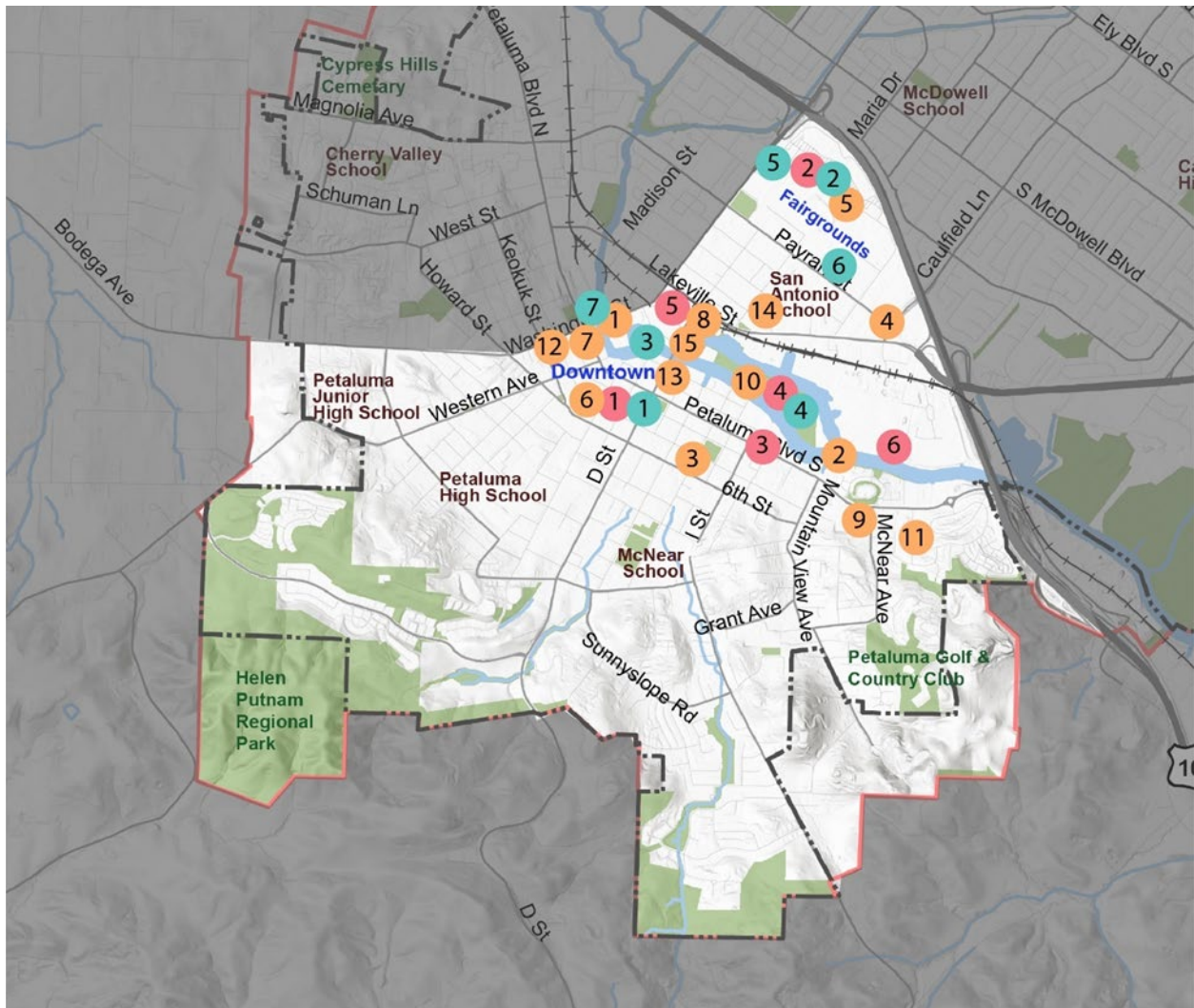
Area wide: convert some commercial back to residential/mixed use to add more housing

Southwest Area

Issues:

- Shortage of affordable multifamily housing
- Insufficient safe camping sites and resources for unhoused residents

Where should the mix of housing, shopping, and jobs be changed?



Comment Summary

- Where should mix of housing, shopping, jobs be changed?
- What areas should stay the same?
- What other improvements are needed?

Figure 6: Responses to where housing should be changed – Southwest Area Meeting

1. Downtown
 - Add greater density including mixed-use and multifamily housing
2. Fairgrounds
 - Build transit-oriented housing

- Consider Target and Fairgrounds collectively, build housing above
- 3. Petaluma Blvd S.
 - Consolidate City uses into one building and develop remaining City properties into housing
- 4. Steamer Landing
 - Build affordable transit-oriented housing
- 5. Around SMART Station
 - Add mixed-use housing development including low-income housing
- 6. Flood zone
 - Don't develop in flood zone

Other improvements needed:

- 8. Encampment area
 - Clean up
 - Offer services/resources to unhoused residents

Southeast Area

Where should the mix of housing, shopping, and jobs be changed?

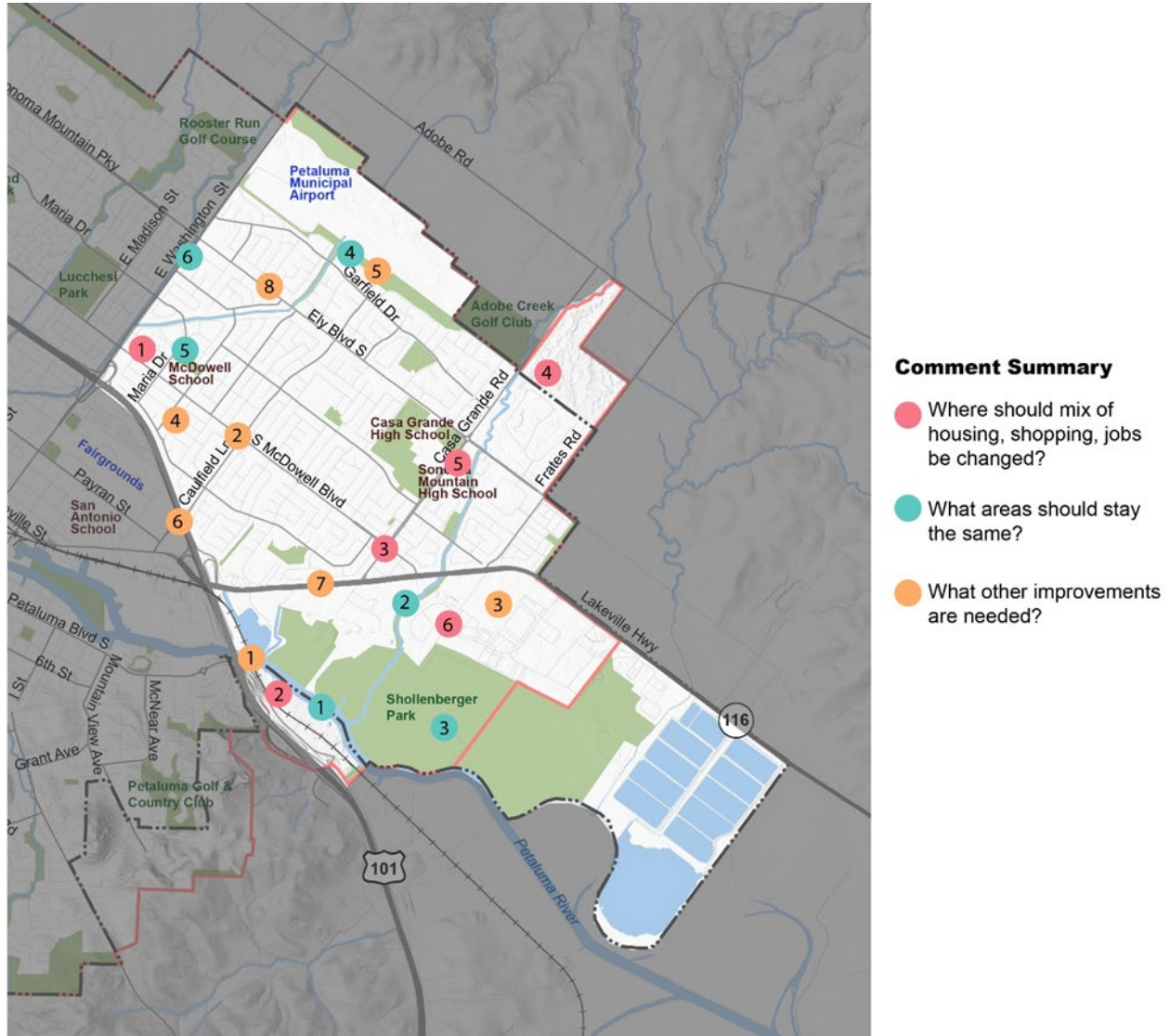


Figure 7: Responses to where housing should be changed – Southeast Area Meeting

1. Washington Street Shopping Center
 - o Add mixed use with residential over ground floor retail
2. Area between 101 & River
 - o Build new retail and housing
3. Casa Grande/McDowell Shopping Area

- Add additional uses including housing

Full summary: https://www.planpetaluma.org/s/PGPU-Area-Workshop-Summary_22_0104.pdf

Visioning Workshop & Open House

On Wednesday, September 29, 2021, the City of Petaluma hosted the Visioning Workshop & Open House for its General Plan Update. This workshop was meant to provide an overview of the General Plan Update, generate ideas for a long-term vision statement for the future of Petaluma, receive feedback on the draft Pillars and Guiding Principles, and get input on the level and types of change in different areas of the City.

The meeting was held virtually using the Zoom platform and was organized in an open house format. The workshop was made up of six breakout rooms, each with a facilitator guiding participants through an activity and a notetaker recording participant comments. Participants were allowed to move freely among the rooms and participate in the activities at their own pace. Additionally, a room was facilitated in Spanish and led Spanish-speaking participants sequentially through all the activities.

The open house rooms were organized as follows:

- Room 1: General Plan Update Overview & Share Additional Ideas
- Room 2: Vision for Petaluma
- Room 3: Guiding Principles & Pillars
- Room 4: North Petaluma Areas of Discussion
- Room 5: South Petaluma Areas of Discussion
- Room 6: Spanish Room – All Activities

The materials and digital tools used in each of the rooms were made available on the project website through October 22, 2021, to provide members of the public additional time to share their ideas.

In Room 4 and 5, participants were asked what type of development they would like to see in 16 areas across the City. The input was gathered on where participants preferred housing (1-4 units) vs. housing (apartments and condos) relative to each other and other uses. The discussion also captured a range of additional comments related to housing.

Areas of Discussion Map

Participants were asked what type of development they would like to see in each area. Additional comments related to housing are also included.

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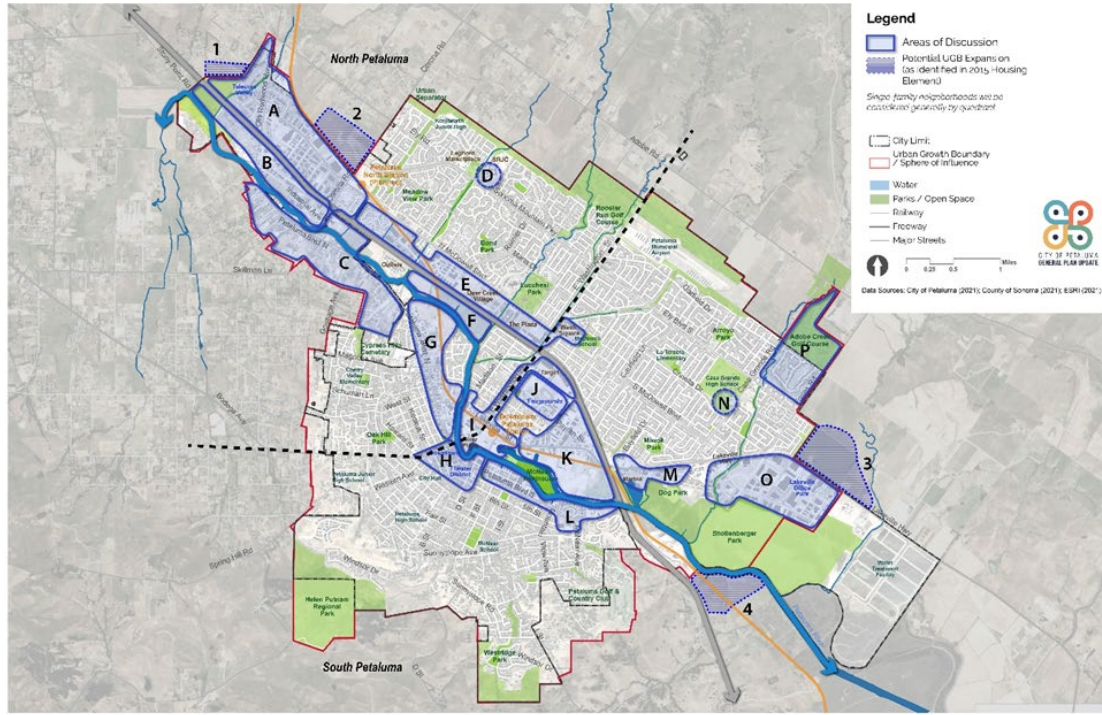


Figure 8: Areas of Discussion Map - Visioning Workshop & Open House

Summary of Housing Development Input

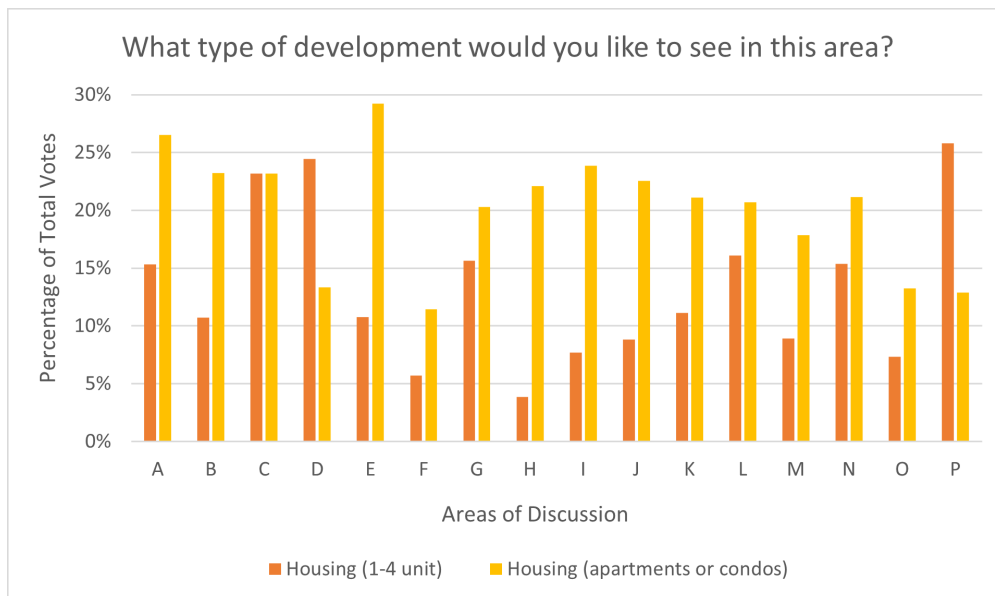


Figure 9. Preferred housing development type across areas- Visioning Workshop & Open House

Area A:

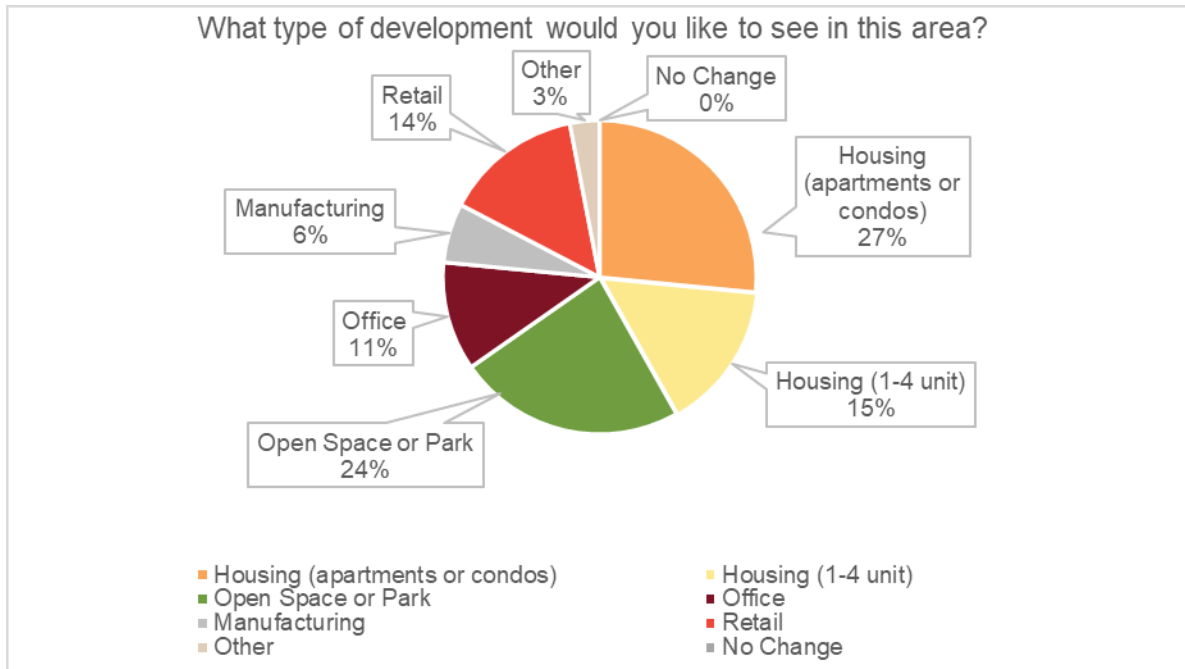


Figure 10: Area A results - Visioning Workshop & Open House

Housing comments

- Higher density housing with retail, office and some small manufacturing could be an excellent option
- This is the only space that makes sense to add housing. It's a sleepy area of the city that has underutilized retail spaces.
- Density should be in the 1–4-unit size.
- Some housing - some commercial - some manufacturing

Area B

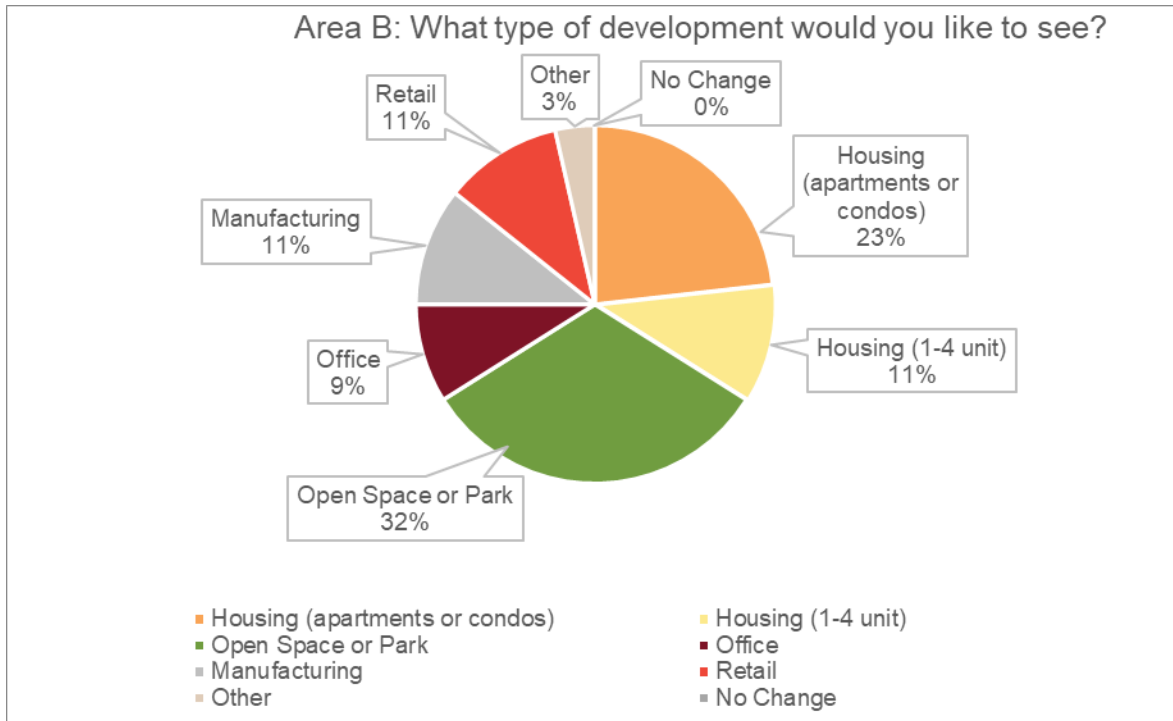


Figure 11: Area B results - Visioning Workshop & Open House

Housing comments

- I think putting some medium density housing near the roads and creating parks to preserve all the remaining open spaces would be good.
- Increase density

Area C

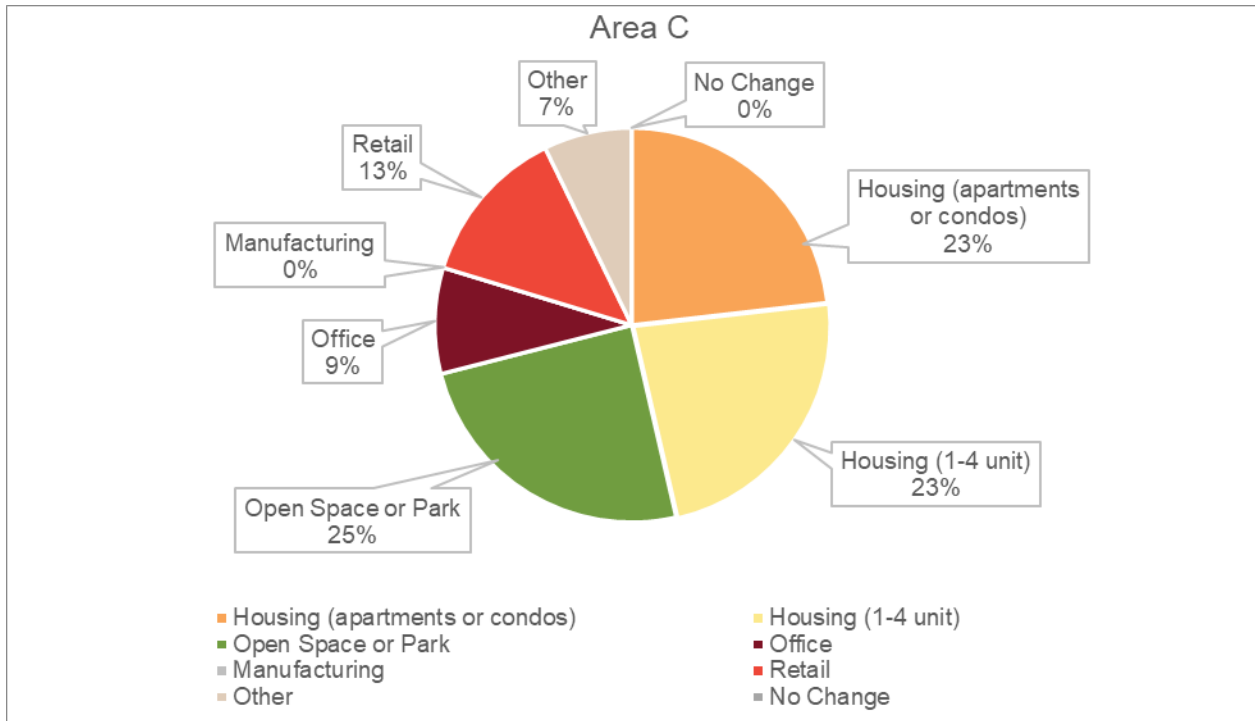


Figure 12: Area C results - Visioning Workshop & Open House

Housing comments

- Missing middle housing, and retail (that support each other)
- Increase residential density
This area makes more sense for additional housing than the downtown or Lakeville area.
- Putting medium density housing on existing lots would be good. I would preserve any agricultural land that currently exists there.

Area D

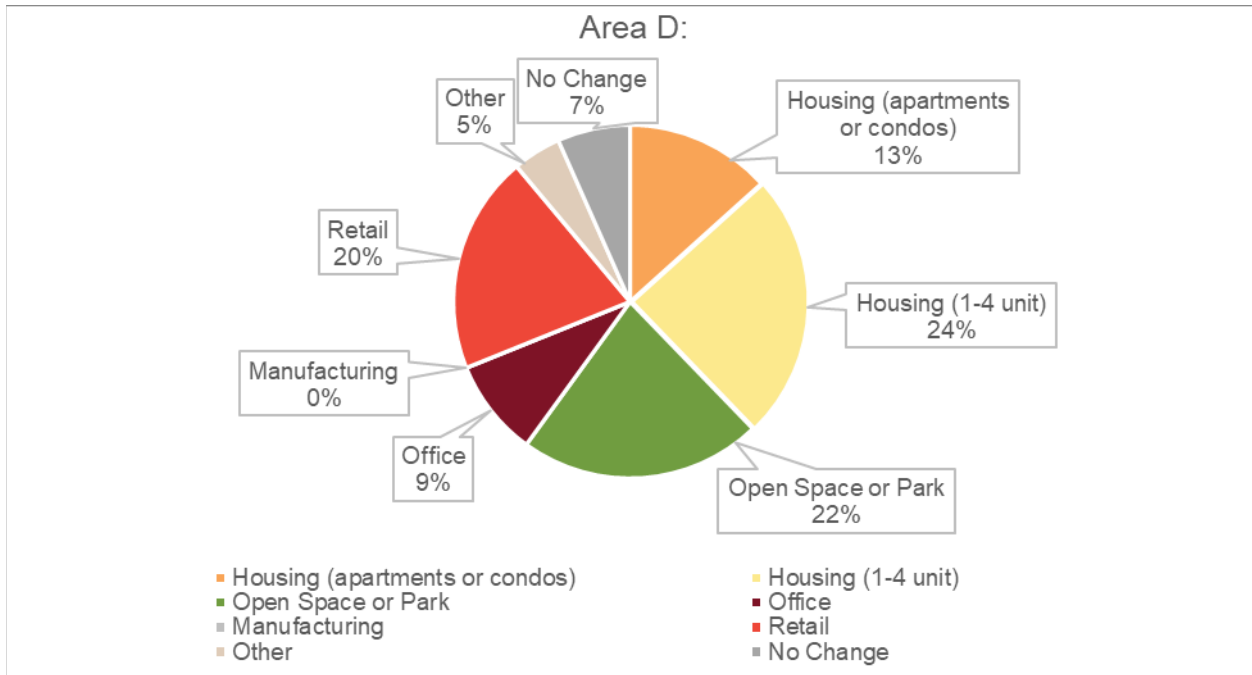


Figure 13: Area D results - Visioning Workshop & Open House

Housing comments

- Increase density
- Leghorn - housing could be built above some of the retail space. Plazas could be built...maybe a small amphitheater for music/other performances. "Better" retail would draw locals.

Area E

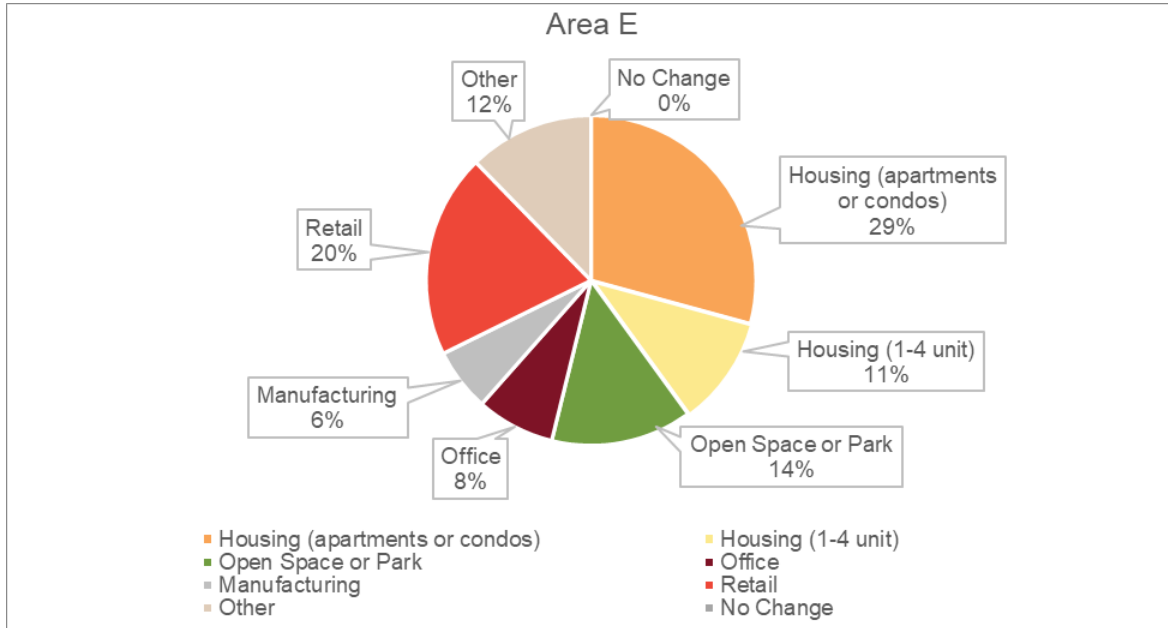


Figure 14: Area E results - Visioning Workshop & Open House

Area F

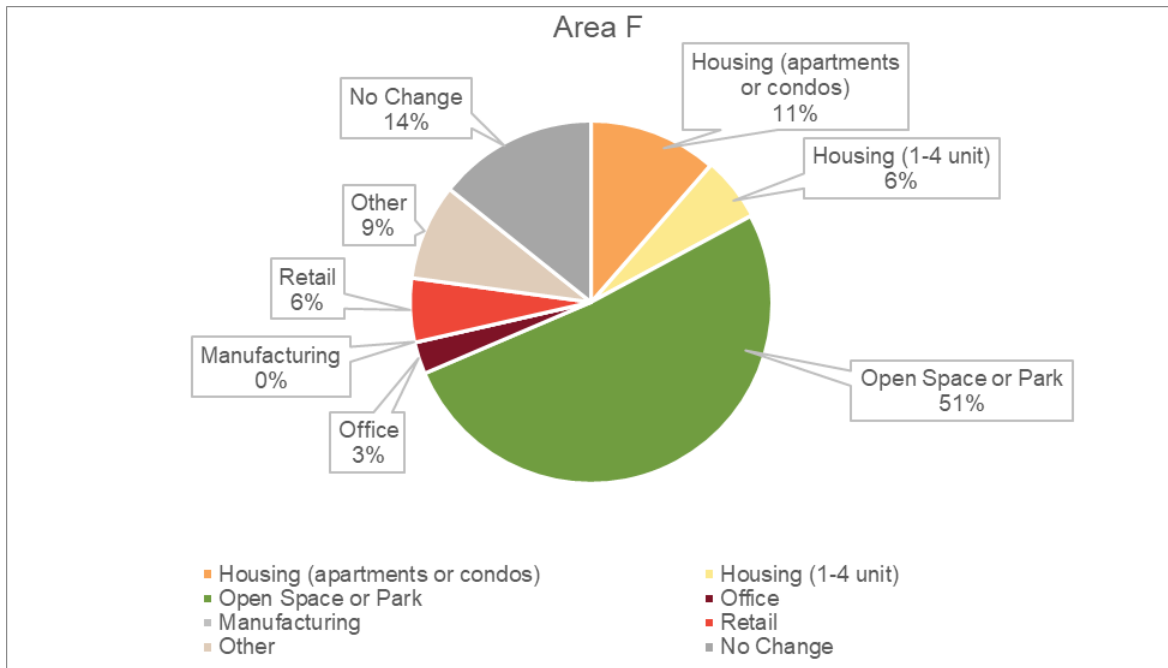


Figure 15: Area F results - Visioning Workshop & Open House

Area G

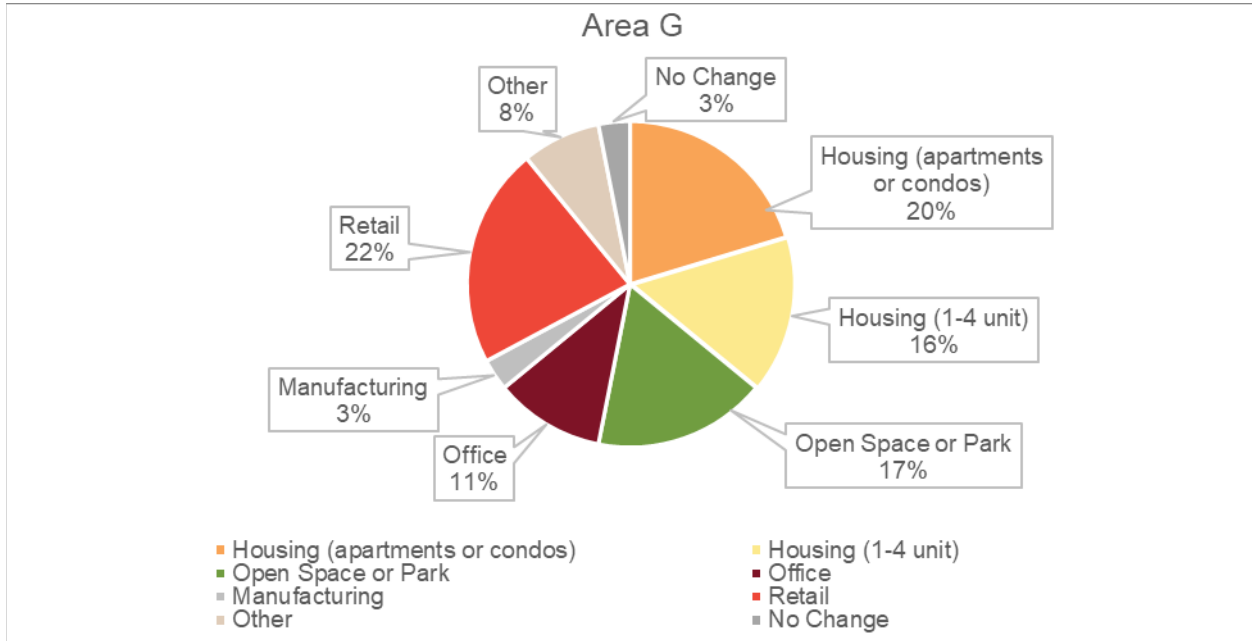


Figure 16: Area G results - Visioning Workshop & Open House

Housing comments

- Look at other small parcels for redeveloping for 1-4 units - affordable housing - if there is room on the parcel to have green space, a garden, do this for new residents who move here.
- Affordable housing would be close to Lucky for amenities - for sure redevelop that.
- High-density housing like townhomes.
- Some better housing utilization
- Apartments

Area H

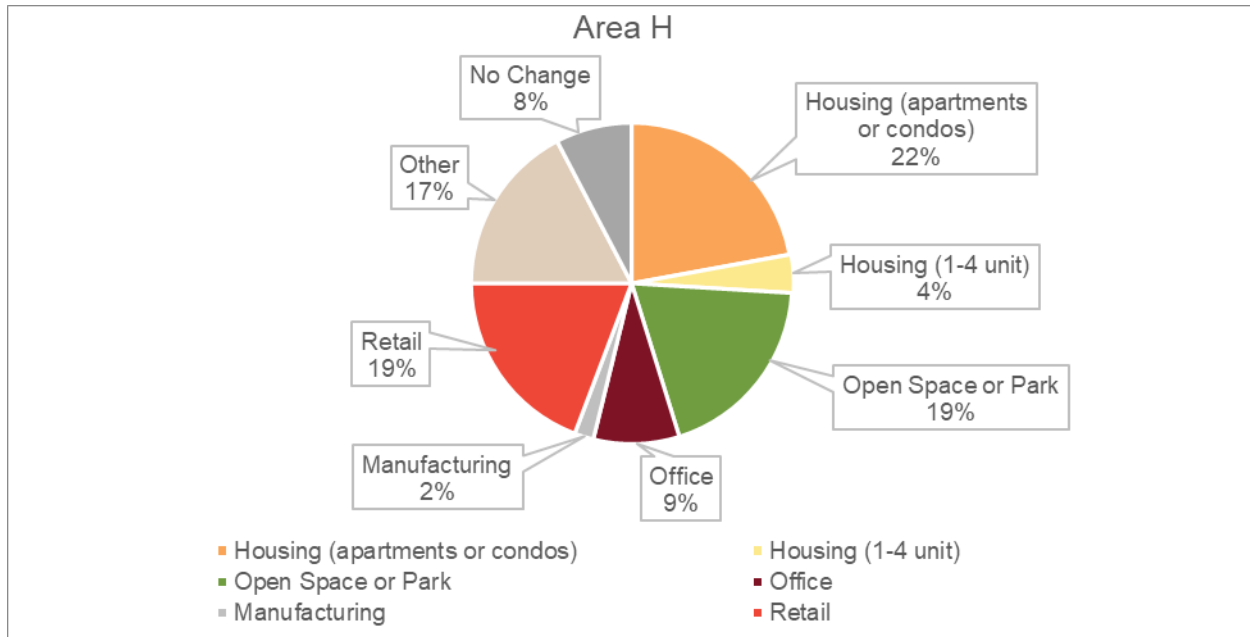


Figure 17: Area H results - Visioning Workshop & Open House

Housing comments

- High-Rise apartments as well as mixed-use, but allowing for residential on the ground floor. A focus on office would be great as that is always lacking.
- Leave the Scott ranch undeveloped and just annex to Regional Park. No expensive housing. If there is to be housing, make it multi family middle income with walkable spaces
- Triplex and Duplex housing like Montreal, Ottawa, Holland, or parts of New York City. Consider this style of living <https://www.youtube.com/watch?v=mYCAVmKzX10> and <https://www.youtube.com/watch?v=Vsn0ahdfQ9k>
- Dense multiple unit housing
- Affordable housing mixed in with other housing. Higher buildings. Create a corridor along the river that is accessible to all.

Area I

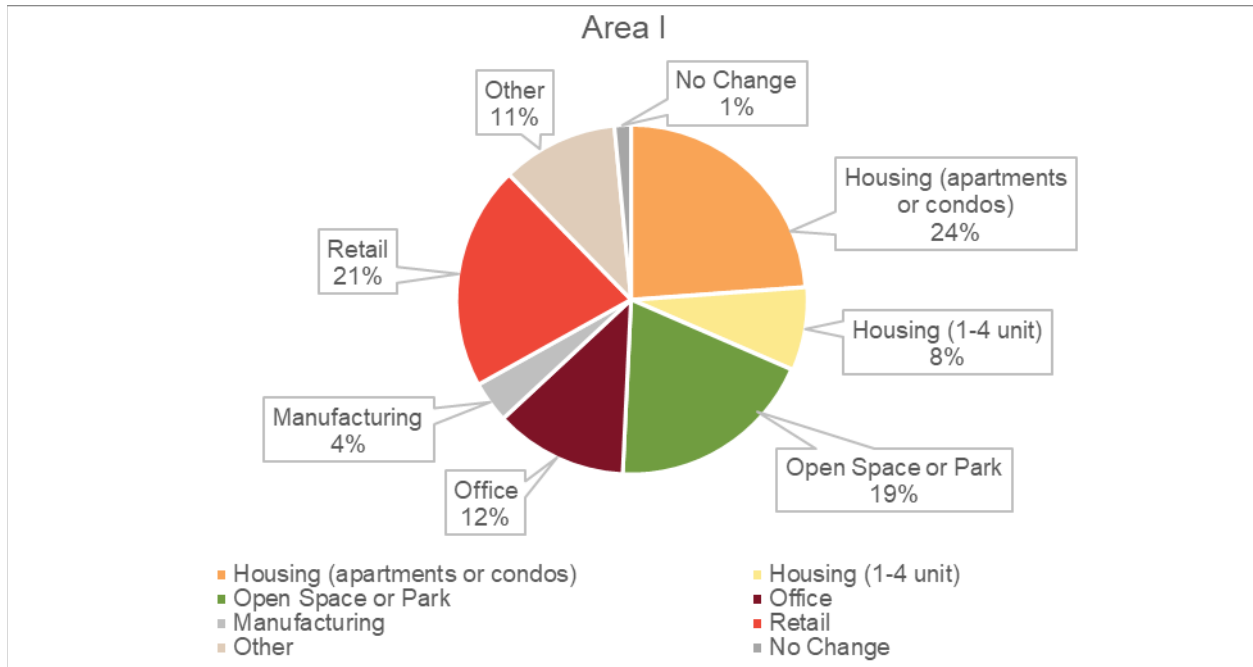


Figure 18: Area I results - Visioning Workshop & Open House

Housing Comments

- High density apartment housing, retail, restaurants. Bike lanes too.
- High density close to transit
- Make the area cute, livable, multiethnic and incomes.
- Multi-family apartments next to transit stations. Redevelop warehouses next to feed mill to more of a Barlow-style local producers space
- Opportunity to build dense housing... even denser than CPSP envisioned. Integrate access to the river and make it a focal point. Go "big" with ped-bike connections to the transit mall and SMART station.
- Mix of housing (affordable especially that's not segregated from other housing), and services for residents so they don't need a car.
- No more housing! Too crowded!

Area J

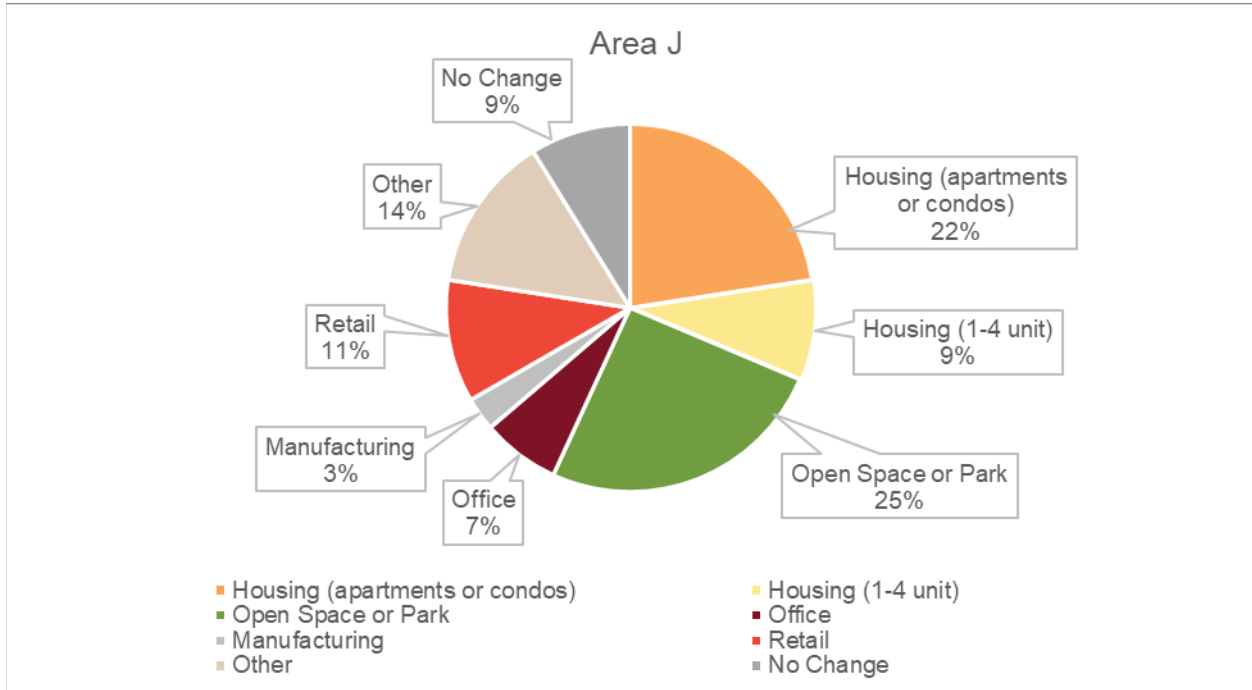


Figure 19: Area J results - Visioning Workshop & Open House

Housing comments

- Transit-oriented housing development along with pedestrian and bike centric improvements.
- Perfect opportunity for housing with parks, community gardens, etc.
- This is a huge opportunity for our city to connect this area of town, create more housing, parks, bike and walking paths. We could use a small area for a mini fairground if needed. It is insane we have such a huge area of space reserved for a fair. infill residential

Full summary at: https://www.planpetaluma.org/s/PGPU_VisioningWorkshop_Summary_v5.pdf

GPU Youth Survey

Following the initial round of visioning engagement efforts in Fall 2021, the General Plan team identified groups within the community that engagement efforts to date were not reaching. One of the groups that needed further engagement were Petaluma’s Youth. In an effort to integrate all community voices, the General Plan team conducted further engagement specific to youth which took the form of an online Visioning Survey. The online survey was publicized at Petaluma High School in December 2021

The survey opened on December 2, 2021 and remained open until January 16, 2022. This survey aimed to capture youth perspectives on what is working in Petaluma, what needs to change, and what priorities to focus on for the future. Housing ranked among the top five topics important to youth. Equitable access

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to necessities – including housing opportunities – was a key theme identified by youth when asked about opportunities for change.

Full summary:

https://static1.squarespace.com/static/5ea880f6d9a2075c7b7f54af/t/61e1080611d03b3a2b141c15/1642137606679/PGPU_YouthEngagement_Summary.pdf

Latinx Focus Group

After recognizing the barriers engaging Petaluma’s Latinx residents in the General Plan Update process, the City developed a tailored engagement approach for the Latinx Focus Group WhatsApp community. This included two main strategies: building awareness of the General Plan through digital communication and a Latinx Focus Group Session focused on the General Plan over Zoom. The process prior to the session involved educational outreach on the role of the General Plan in Spanish through WhatsApp. This was followed by a Spanish-language engagement session on the General Plan held on December 6, 2021. This session provided a space for participants to understand the role of the General Plan and their participation in the process, share what they value about Petaluma, identify their priorities, and describe issues and opportunities across the City. Housing was a priority issue.

The focus group produced the following themes around housing issues:

- Dignified and accessible housing is scarce
 - Latinx families are consistently struggling to find accessible housing options.
 - It is hard to achieve the “American Dream” of home ownership even when two people are working.
- Communities who are unsheltered are facing harsh conditions
 - It is challenging to witness the struggles that people who are currently unhouse face daily.
 - The lack of services and housing for communities who are unhoused puts stress on our natural spaces.
 - More people who are unhouse are forced to make space in natural areas and on the sides of roads.
 - This generates feelings of insecurity for other members of the community who need to walk in these areas.

Participants also discussed the opportunity to turn underused parking lots into affordable housing.

Full summary:

https://static1.squarespace.com/static/5ea880f6d9a2075c7b7f54af/t/61e10844ea0f0700efe2ff8b/1642137668921/PGPU_LatinxEngagement_Summary.pdf

Housing in the Vision and Guiding Principles

All the community input summarized above informed the Vision, Pillars, and Guiding Principles drafted by General Plan Advisory Committee Members and unanimously recommended to drive the subsequent planning phases of the General Plan Update. The following are excerpts from the Vision Statement, Pillars, and Guiding Principles that speak of the community’s aspirations for housing:

Vision Statement: ...We provide plentiful and varied housing choices....

Pillars: The General Plan...advances bold action in terms of housing....

Guiding Principles

1. Achieve carbon neutrality by 2030 and equitably foster a sustainable and resilient community in which today's needs do not compromise the ability of the community to meet its future needs.
 - c. Recognize that urban development and nature must coexist and mutually support each other.
 - f. Recognize that infill development helps to achieve sustainability outcomes.
 - j. Make the city more resilient to natural and man-made disasters including sea level rise, fires, earthquakes, and flooding.
2. Preserve and enhance Petaluma's natural environment and surrounding open spaces.
 - a. Protect the natural environment, including wildlife corridors, as the foundation of ecological and human health.
3. Protect and restore the natural function of the Petaluma River and its tributaries while expanding complementary recreational, entertainment, and civic opportunities.
 - f. Maintain and expand setbacks from the river to enhance its natural function and provide wildlife corridors.
4. Promote social and economic justice to address structural social and economic inequities and racism.
 - g. Ensure equitable access to educational opportunities and city resources and services.
7. Create a welcoming, affordable, accessible, and age- and family-friendly city.
 - f. Establish a balanced mix of housing types and uses that allow all residents and businesses to prosper.
8. Promote more affordable housing and a diversity of housing options.
 - d. Increase housing affordability for residents at all income levels throughout the city.
9. Prioritize infill development in appropriate locations throughout the City
 - a. Avoid locating new development in environmentally sensitive and high-hazard locations.
 - c. Support a diverse mix of uses and intensification around the existing and proposed SMART rail stations.
 - e. Prioritize development that creates full-service neighborhoods that generate relatively fewer vehicle miles traveled per resident.
10. Enhance Petaluma's historic downtown by preserving its historic character, expanding pedestrian and bicycle access and safety, providing public gathering spaces, and promoting a diverse mix of uses.
 - a. Reinforce Downtown's identity and role as the physical and symbolic center of the city.

- b. Preserve Downtown’s historic buildings and features while allowing for infill development that harmoniously coexists with the historic character and expands the diversity of uses.

Community Engagement focused on the Housing Element

In addition to all the General Plan Update engagement activities that addressed housing, several additional activities focused specifically on the Housing Element and are described below.

General Plan Advisory Committee Input

The General Plan Advisory Committee (GPAC) consists of 20 community representing various organizations and demographics. Since March 2022, several GPAC meetings have focused on the Housing Element, including March 17, 2022, April 21, 2022, June 16, 2022, and September 15, 2022 meetings.

Additionally, there are self-directed GPAC Working Groups allow for GPAC members to collaborate with other knowledgeable and active community members to make topic-specific recommendations. One of the seven self-directed Working Groups is focused on housing. To date, they have provided input to staff on reaching out to developers and non-profits, identified community-based groups to partner with, authored an op-ed in the Argus-Courier about existing underutilized spaces in town, and prepared a platform of proposed housing policies. They will continue to provide insights and feedback on the Housing Element.

The March 17th GPAC meeting included small group discussions in two breakout groups. The themes of the discussion are summarized below each question.

- What characterizes sites where you think future housing should be developed? Why? What densities and heights are appropriate at those sites?
 - Avoid environmentally sensitive areas
 - Near infrastructure and transit
 - Near Faith-based institutions
 - Help make completed neighborhoods and diverse housing types
 - Prioritize higher, denser housing Downtown and on Corridors
 - Transitions to New Types should not be Abrupt
 - Transform Declining Neighborhoods
 - Consider North Petaluma Blvd and Fairgrounds for housing
- What policies or programs should the City prioritize to make sure future housing reflects community priorities?
 - Change in fee structure for developers
 - Consider increasing developer fees to use for low market-rate housing
 - Consider increase the % of low-income housing developers must provide (currently 15% for certain projects)
 - Incentivize more, smaller units that are affordable

The April 21, 2022 meeting focused on discussing the community input from the April 7th Housing Element Workshop. The GPAC and members of the public were split into two small groups to discuss future development patterns. The themes of the discussion around constraints of future development patterns that relate to housing are summarized below.

- Consider place types that include multi-generational housing or co-housing.
- Accommodate all body/ability types in housing...to reduce spatial inequalities
- The watershed, wetlands, and local hydrology and sea-level rise should be understood as a constraint.

The September 15, 2022 meeting was focused on discussing and receiving feedback on the Public Draft Housing Element. Notes from the comments about Housing programs and sites are listed below.

Programs:

- The program called “Preservation of existing housing” should address the concern that potential affordable housing sites have been bought and converted into vacation housing. Bold action needs to be taken to incentivize people to convert them into residential units instead of Airbnbs and have policies limiting short-term rentals.

Sites:

- There is concern about potential sites placed downtown since that is downriver and likely to be flooded in extreme flood events. Housing should be placed farther up and away from flood zones. Anything below elevation 16-20 feet is vulnerable; items like this were identified by the Climate Action Working Group.
- For the opportunity sites that were removed since the previous draft, the rationale was the VMT concerns. We should make sure we aren't privileging this metric and that it isn't limiting housing development in better locations, like being outside of flood areas that have a slightly higher VMT.
- There is a huge difference between demonstrating we meet RHNA and where we are allowing housing to be built. The shopping centers conversion idea is worrisome because we already have one lawsuit from one of them. Do we have cooperation with the rest of the shopping centers? We need an agreement before putting this out and identifying these sites, such as a letter of support from them. Also, we have seen letters of concern about the sites in the upper river area - if we do build there, will we have higher requirements for sediment building, and requirements for water catchment to ensure there isn't pollution coming from one of the sites? Also, there is a parcel near Corona station that got a grant to develop, and it isn't included in this draft.
- The idea of recycled sites and ministerial approval of projects is worrisome and agree that there shouldn't be a huge sites buffer number. Sites in potential flood areas (like Sites O-8, 9, 10) should be taken off, and some of the sites that were removed could be added back in to replace sites 8, 9, and 10, preferably infill sites.
- Site O-15 is next to Corona Road, where there aren't many other uses there now, so confused as to why it's listed now?
- The Thompson property next to the Wilmington property was seen as contiguous initially, and when Council asked for the Wilmington site to be removed, they should have asked for both to be removed.
- Why isn't the Scott Property on here?
- Site 15 on Corona - was that an opportunity site in previous drafts or a recent addition? Curious if the adjacent site was ever considered as it could be looked at as an opportunity site

Planning Commission Input

On March 22, 2022, City staff and consultant team members made a presentation to the Planning Commission. The presentation included a discussion of methodology, requirements, and timing for the 6th cycle Housing Element to inform the General Plan update process. Another presentation was made on June 21, 2022, that covered the draft policy and program framework and the draft sites inventory. On September 13th, 2022, during public review, a presentation was made on the Public Draft of the Housing Element.

Major themes of the Planning Commission feedback include:

- Align Housing Policy with Community Climate Goals
 - Consider the environmental impacts of new housing: water/drought, flooding, sea level rise, and other environmental impacts
 - Highlight how new housing supports the community goal of carbon neutrality
 - Support for infill housing and protecting existing greenspaces and natural resources
 - Remove sites that are proximate to the river floodplain from the site inventory, particularly in the northeastern reach of the Petaluma River
- Adapting our Current Land Uses through Housing
 - Supporting the transformation of commercial retail centers to housing
 - Consider the connections between land use, transportation, and commercial uses to foster conditions for the “15-minute city”
- Support Affordable Housing for Communities with Most Need
 - Foster affordable housing targeted towards communities who are lower-income
 - Strong support for making ADUs a viable and accessible option for more homeowners to build housing
- Use Planning Tools Strategically
 - Explore modifying impact fees for different types and sizes of housing units and other development
 - Consider and clarify potential impacts of allowing or eliminating in-lieu fees
 - Adapt parking requirements to generate housing and communities for people and over cars
- Prioritize Proposed Housing Programs to Ensure Feasibility
 - Be aware of the role of a Housing Element in showing capacity vs. building housing
 - Ensure that programs listed are achievable and prioritized to focus resources

March 22, 2022 Minutes:

https://petaluma.granicus.com/MetaViewer.php?view_id=31&event_id=45783&meta_id=523026

June 21, 2022 Materials:

https://petaluma.granicus.com/GeneratedAgendaViewer.php?view_id=31&clip_id=3672

September 13, 2022 Materials:

https://petaluma.granicus.com/GeneratedAgendaViewer.php?view_id=31&clip_id=3732

Housing Element Community Workshop

On Thursday, April 7, 2022, the City of Petaluma hosted the first Housing Element Workshop. From an educational perspective, this workshop was meant to provide an overview of the Housing Element's purpose, components, and process; explain the Housing Element's relationship to the General Plan Update; educate the community about housing issues and programs; and provide an update on the sites inventory. Most importantly, the workshop's purpose was to gather community input on Petaluma's housing strengths and challenges, appropriate heights for future housing development, and policies, programs, and actions needed to achieve community housing priorities.

The workshop was held virtually using the Zoom platform and consisted of a presentation, a live survey using Mentimeter, and small group discussions in breakout rooms. Each breakout room discussed the same questions and had a facilitator and a notetaker recording participant comments and questions using the Miro platform.

The following is high-level summary of community input during the workshop.

What is working well with housing in Petaluma?

Most Common Themes:

- Historical Buildings
- Unique Aesthetic
- Diversity of types
- Property values and market

What housing issues or challenges need to be addressed?

Most Common Themes:

- Affordability
- Lack of inventory

Future housing should be near...

Most Common Themes:

- Public transit
- Groceries and services
- Complete streets and paths/trails
- Jobs and retail
- Downtown
- Parks

Future housing should be kept away from...

Most Common Themes:

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- Environmentally sensitive habitats
- Floodplain and sea-level rise zones
- Freeways
- Urban fringe

The facilitators of the small group discussions in the breakout rooms asked participants to respond to the following questions. Notetakers captured the participants' comments, all of which can be found in the full summary appendix online.

Part 1: What heights are appropriate in...?

- Transit-Oriented Centers (Downtown SMART Station, Corona SMART Station)
- Corridors (E. Washington, Segments of McDowell, Segments of Petaluma Blvd N., Segments of Petaluma Blvd S.)
- Downtown

Part 2: What should the City do to achieve community housing goals?

Heights

Overall, participants noted that housing development, with a mix of uses, should be focused on the SMART station areas. Housing in the Downtown SMART station could have 4-8 stories, while the Corona SMART station area may be more suited for 4-5 stories.

The Downtown area should maintain its historic character but could allow development up to 4-8 stories.

The E. Washington corridor currently needs “placemaking” to complement future development. Future buildings in this area could allow up to 4 stories.

Similarly, some existing commercial uses along the McDowell corridor could be adapted into housing developments that allow up to 4 stories.

The Petaluma Blvd. corridor could benefit from allowing up to 4 stories.

In addition to area-specific answers, participants noted concerns and ideas that can be applied when considering housing heights in Petaluma:

- Build to heights to minimize the carbon footprint of new construction.
- Allow heights that accommodate the “economic sweet spot” for builders.
- Protect viewsheds.
- Ensure design that is consistent with the neighborhood context.
- Incorporate green space to break up the building massing.

City Programs

Workshop participants suggested a variety of programs and strategies the City could implement to achieve community housing goals. All the participants' program and policy ideas are included in the Workshop Summary Appendix online. The summary below shows ideas suggested during the workshop by program area.

- Homelessness Programs: Services and housing provided in a community setting

- Anti-displacement Programs: Tenant Advisory Board, center equity and consider racial legacy, Rental registry, Just Cause ordinance, Tenant and Community Opportunity to Purchase (TOPA and COPA)
- Fair Housing Programs: Address the historic wrongs (redlining) and promoting housing close to grocery stores, services, resources
- Diverse Housing Production Programs: Rethink inclusionary zoning, work-force Housing requirements, build complete, 15-minute communities, facilitate ADU production, prioritize affordability, adaptive reuse, public housing, diversity housing types, build special needs housing
- Homeownership and Preservation Programs: Vacancy tax, regulate ownership of housing by large corporations

Full summary results: <https://www.planpetaluma.org/s/Housing-Workshop-Summary-Report.pdf>

Stakeholder Interviews

Between March 22, 2022 and March 30, 2022, consultants Veronica Tam and Associates and Strategic Economics interviewed developers and real estate professionals who focus on affordable housing, market-rate housing, and ADUs. Discussions covered experiences building in Petaluma, market conditions, barriers, constraints, and local policies. Responses are summarized below.

Affordable Housing Developers

What types of housing are most in need in Petaluma?

- Need is everywhere
- So far behind on production that it doesn't really matter; should prioritize housing being built
- Proponent of all policies and letting people do what works and get it to work
- Prefer to build more large family projects because they're the most flexible type to fund at the state level.
- Wish State would consider whether we need so many 3 bedrooms. Generally, families are getting smaller.

What are the major barriers you encounter for constructing new 100% affordable housing projects in Petaluma?

- **Financial? Specifically, what are typical per unit costs, labor costs**
 - \$550-\$600
 - Between \$650 and \$850. Depends on land price, typology, and depth of affordability.
- **Political? Community opposition...**
 - Petaluma gets a lot of community opposition to housing, but a senior project softens the opposition b/c of less parking, less cars, less strain on schools.
- **What is the local funding gap that has to be covered through subsidy?**
 - Land cost
 - Anything else they can give us helps it move faster

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Appendix F Draft Public Participation

- Community opposition and zoning matters. We pick sites where the community has decided that housing is going to be allowed.
- Funding gap has gone through the roof. Supply chain issues are drastic. Some TCAC requirements have pushed up project costs.

Would you pursue more or different kinds of projects if the regulatory environment in Petaluma was different, and if yes, what regulations or incentives would need to change?

- Need to find more projects where the county or city can partner in securing the land to take some pressure off of builders to bring projects forward.
- Current direction from SIDLAC/TCAC is family housing. That's how you get more points. Historically they focused on senior projects, but now they want to compete for the extra point for family housing.
- Senior projects have a barrier today.
- Need to have streamlined approval process. If something meets those objective standards there's no reason why it shouldn't be approved.

What City, County, or state programs do you draw upon most frequently for funding affordable housing in Petaluma or nearby areas?

- The local funding sources are not very robust
- Bond allocation is broken by region. Northern region gets the smallest bucket of bond allocation, so there aren't enough funds to go around.

To what extent are local housing impact fees, commercial linkage fees, in lieu fees, or housing bonds helpful to you for funding affordable projects? Please be specific about available sources.

- Very helpful in other counties. Not much existing in Sonoma County.
- In lieu fee programs are helpful for facilitating affordable housing
- Housing authority, if you open their ability, they may be able to fill more need
 - If there's a way to create a different pot of money for housing authority that would be helpful.
 - When redevelopment money went away, that made a big difference.

Have any recent state or local policies changed the landscape for constructing affordable housing in Petaluma? Do you see any new/emerging opportunities to support affordable housing development in Sonoma County or Petaluma?

- State level protections like SB 35 and housing accountability act help to ensure that city sticks with what their zoning/housing element says
- If you also develop housing in other places, how is Petaluma unique among the places you work, in both good and bad ways? What could the City do to more proactively facilitate more affordable housing production?
- Inclusionary conversation is huge in Petaluma.
 - Would be great if someone could do some real analysis on it.
- Need to have streamlined approval process. If something meets those objective standards there's no reason, why it shouldn't be approved. Need more mobility, less dependence on cars, and site new housing in appropriate areas.

Acquisition preservation (NOAH) – Do you see any role for this approach in Petaluma? What are the pros and cons? Opportunities and constraints? Single-family vs. Multifamily NOAH opportunities?

- NOAH is sort of a unicorn. Doesn't exist

Market Rate Developers

Can you tell us about residential market conditions in Petaluma right now? What types of residential projects are currently feasible to construct, and where?

- Market desires (unless you're downtown)
 - 2 car garage & parking spaces for visitors – we see that as necessary
 - City doesn't seem to align with what we think is necessary. They think we need 1 car garages or no car garages
- We are exploring the option of higher density.
 - The denser you get, the less value that the land will bring you back.
 - We had one soft offer on a high-density product 50 units/acre (4-5 story enclosed with underground or structure parking)
 - \$700-1m per acre, less than we paid for land.
 - Trying to strike the balance between what the city wants and what makes sense for the property

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- There's a bit of a mismatch between public desires and city's desires for product.
 - Public wants outdoor space and separated front door, don't want to be in a multi-story building with common entrances & shared spaces.
- **Sources of demand: families? Seniors?**
 - If you get to 1,500sf or less your economy of scale goes down. Every time you add a trade it will cost more money. So, as you get above 2,000 sf or 2500 sf house, it's cheaper per sf to build and your return is higher.
 - Single family units are pretty expensive – over \$1m on the riverfront
 - Petaluma is very attractive for anyone looking to buy.
 - Right now it's just the townhome projects and the single family projects that pencil

What are the main barriers you encounter for new MF rental or ownership housing in Petaluma?

- **Regulatory? Densities, parking, ground floor retail....**
 - Permitting & approvals
 - Satisfying CEQA to everyone's liking takes time.
 - Discretionary approvals
 - Petaluma is trying to enforce the additional use of retail. Mixed use is a hot topic, but there's not more than 500 cars a day. They want us to have a mixed use in our project, but that is different than allowing the market to determine what is needed.
 - For building ADUs it is helpful Petaluma does not require building parking
 - City's not opposed to re-zone from riverfront industrial to t-4 or t-5, but they want us to include mixed use
 - Inability to include affordable units offsite is barrier
 - ADU approval process
 - Need them to ensure a unified set of comments across all agencies for applications
 - ADU permit applications could be approved more expeditiously.
- **Financial? Rents/prices, construction costs...**
 - Multifamily doesn't pencil outside of the core bay area cities
 - Townhome product proposing: \$145-\$165 psf gross.
 - 4-story tuck under was \$300 psf to build. Rents in Petaluma don't remotely support. Would need costs at close to \$200 psf to make the rents in Petaluma pencil for that.
 - ADUs
 - Any place that there is a possibility for fee waivers is key. Psychologically it can be a hang-up for homeowners.
 - Implementing waived fees for \$750 sf. The more they can do the better.
 - If a plan is pre-reviewed, it really saves money. That can save the city money.

Would you do different kinds of projects if the regulatory environment in Petaluma was different, and if yes, what would those project types be and what regulations would need to change to do these?

- Inclusionary requirements make it more challenging for these multifamily projects to pencil.
- Even if you have the correct zoning and have a density within the boundaries, you still have a design review process and have to go through CEQA.

What local policies do you see as being most helpful for building new housing in Petaluma?

- Impact fees should be based on square footage of unit, not just the unit. Otherwise, the City is disincentivizing density.
- For ADUs: proactive public education, unified comments, pre-application meeting.

What City, County, state, or private resources (information or financial) do property owners draw upon most frequently for funding ADU development in Petaluma or nearby areas? How could resources be improved?

- ADU construction loan product.
- Government financing - \$40k grant for predevelopment. City of Napa has JADU grant program up to \$70k.
- Petaluma can improve public education and awareness.
- Might have homeowner case studies. Have done 180 feasibility consults.

If you also develop housing in other places, how is Petaluma unique among the places you work, in both good and bad ways?

- The entitlement process is too complicated.
- One of the few Cities where consultants staff planning & building.
- Developers don't feel we have the agency to push back on things in public meetings. If someone demands something of us in public meetings, we feel like we must accept it.
- Some cities like Petaluma are getting too aggressive demanding lower parking ratios on some projects.
- Petaluma has a reputation for being difficult to process.

City Council Input on

On July 18, 2022, City staff and consultant team members presented to the City Council the draft housing sites inventory and the draft housing goals, policies, and programs. Council members then asked questions, had a discussion, and gave feedback. Members of the public also shared comments. The themes from the feedback received are summarized below.

Site Inventory

- Remove Sites identified for housing with high VMT impacts to align housing policy with community goals around VMT Reduction
 - O-1 299 Casa Grande – Petaluma City High School District Property
 - O-7 1473 Petaluma Blvd S – Wind River Partners LLC Property
 - O-8 1475 Petaluma Blvd S Royal Petroleum Co. Property
 - O-9 1525 Redwood Way – State of California Property
 - O-16 1340 Petaluma Blvd S – Vartnaw Property
 - O-23 2 Ravina Ln – Devoto Property

Housing Policy and Programs

- Consider the significant design and site modifications needed for integrating housing onto shopping center parking lots, and include policies that ensure a strong sense of place and high-quality urban design
- Act innovatively, comprehensively, and urgently to provide affordable housing for very low income and low-income families, including through ADU development and amnesty, free structure revisions and incentives, etc.
- Consider the priority and timelines for all programs given existing progress, potential impacts, staffing, and financial resources
- Prepare the zoning changes needed to facilitate more housing development, desired walkable, mixed-use, transit-oriented communities (15 min cities, Transit-Oriented Development), while considering and working to avoid environmental impacts (water, wildlife, etc.)
- Re-evaluate City fee structures to incentivize the development of affordable housing, density, taller buildings, smaller unit sizes, mixed-use buildings, and multi-family development where appropriate
- Avoid building housing in open greenspace, undeveloped areas of the floodway/floodplain, and along the wildlife urban interface

During Public Review

Additionally, presentation on the Public Draft Housing Element was made to City Council on October 3, 2022. The presentation covered the process to date, Housing Element background, sites inventory, programs community input, and upcoming schedule. Discussion and questions from City Council members followed the presentation. The City Council directed staff to remove sites near the northern reach of the Petaluma River from the draft inventory, as well as a City owned site on Petaluma Boulevard that is being considered for a fire station.

Housing Element Public Draft Workshop

On September 20, 2022, the City of Petaluma hosted a workshop on the Housing Element Public Draft. The workshop was held during the public review period and served as an opportunity to answer any

questions on the Draft and explain changes in the sites inventory and housing programs since drafts were last discussed by the GPAC, Planning Commission, and City Council. The workshop was held virtually using the Zoom platform and consisted of a presentation and a question-and-answer period. Public input was summarized for the City Council during its October 3, 2022 meeting.

Summary of How Public Review Informed the HCD Review Draft

The Draft Housing Element was released on Monday, August 29, for the 30-day public review period. During the public review period, the City held four public meetings and invited specific feedback through an online form, as explained in more detail above. Collectively, over 200 individual comments from Planning Commissioners, GPAC members, and community members were collected on specific sites and programs. Additionally, letters were submitted representing the input of ten community groups and organizations.

Themes from public review period:

- Support for prioritization expressed by planning to complete zoning code and fee updates in 2024
- Desire to highlight the role of housing in reducing our climate impacts and considering climate adaptation
- Support for affordable housing near transit and resources
- Questions about building new housing given drought conditions
- Highlighting existing and potential traffic congestion
- Both interest and concerns about converting shopping-center parking lots to housing
- Concerns about building near flood plain and potential sea level rise
- Concerns about building in previously undeveloped areas.

Sites Inventory Changes and Considerations:

- The Planning Commission, GPAC and community expressed interest in removing the following sites from the site inventory given their proximity to the floodplain and community desire to maintain current uses:
 - O-8 49 Shasta Ave
 - O-9 195 Cinnabar Ave
 - O-10 1250 Petaluma Blvd
- The City Council expressed a desire to remove the following site from the site inventory due to its being considered as a site for a fire station:
 - O-23 307 Petaluma Blvd
- The City Council asked to add the Washington Commons project using the unit count for the entitled project.
- Update the Site O-5 6 Copeland Street, known as Oyster Cove, by replacing the initial assumptions about the number and affordability of units with the actual submitted discretionary review application being processed with the City
 - Consider also whether to shift the project from the Opportunity Site list to the Pipeline list.

With that input in mind, and after the City Council's discussion and feedback during its October 3, 2022 meeting, the following changes were made in the HCD Review Draft Housing Element:

Housing Element

- Introduction
 - Emphasized climate neutrality goal
- Goal 1: Housing Availability and Choices
 - Added Policy 1.2: Work towards the City’s goal of being climate neutral by 2030 by developing a Climate Action and Adaptation Plan that includes reducing the carbon footprint of housing in the city.
 - Added Policy 1.9: Work towards a pro-housing designation with the Department of Housing and Community Development.
- Goal 6: Fair Housing
 - Edit Policy 6.6: Ensure City boards and commissions include members serving and/or who are representative of the targeted populations.
- Program 1 Adequate Sites for RHNA
 - Included connection to General Plan Update to facilitate development of a wider variety of housing typologies and services in single-family neighborhoods
 - Included reporting on adequate sites to meet RHNA in yearly Housing Element Updates
- Program 3 Accessory Dwelling Units
 - Added that the City may financially support regional ADU partners
 - Added that the City will support regional work on best practices around garage conversions
- Program 7 Zoning Code Amendments
 - Noted Parking Requirements, including establishing new minimums and maximums as appropriate, as in important action area to address through zoning
 - Incorporating Employment Act analysis and requirements to support increasing housing for farmworkers
 - Noted that the City has an AB 2162 Supporting Housing Streamlined Approval compliance procedure
- Program 9 Shopping Center Conversion
 - Revised program to facilitate broader reconfiguration and redevelopment
 - Changed timeline to develop objective standards with the Objective Design Standards process in March 2023
- Program 15 Workforce and Missing Middle Housing
 - Defined middle income households and “workforce” as households making up to 150% of the area median income
- Program 17 Housing Rehabilitation

- Expanded efforts to decarbonize housing for low-income households
- Added: Require that projects seeking local funding for housing rehabilitation demonstrate a commitment to electrification.
- Program 18 Preservation of At-Risk Housing
 - Added: Work with property owners to encourage the acceptance of Section 8 vouchers by securing resources and or partnerships to that would support a Housing Locator position within the community. The position would be focused on marketing the Section 8 Program, building relationships with landlords, and linking landlords with community service providers as resource.
 - Will add additional detail once Petaluma’s tenant protection laws are in place (next round of review)
- Program 19 Mobile Home Rent Stabilization
 - Added: Continue to support the affordability of mobile home parks by working with residents and property owners to monitor rents and ensure rent increases are economically feasible, in addition to putting in place tenant protections city wide.
- Program 27 Housing for Farmworkers and Hospitality Workers
 - Updating program with Employee Housing Act direction

Appendix A Needs Assessment

- Updated efforts to support unhoused

Appendix B Constraints

- Include an analysis of whether the City’s zoning code complies with the Employee Housing Act, including whether the City recognizes employee housing as an agricultural use and treated as other agricultural activities. (see Program 27 above)

Appendix C Sites inventory

- Removed Sites O – 8, 9,10, 23
- Updated Oyster Cove unit counts given application
- Added Washington Commons using the unit count for the entitled project

Appendix D Review of Past Accomplishments

- No substantive changes

Appendix E Affirmatively Furthering Fair Housing

- Updated analysis based on revised Sites Inventory (Appendix C)
- Included outreach efforts to increase diversity and representation

Appendix F Public Participation

- Updated with outreach during the Public Review Period.

Additional Future Community Engagement

Remaining milestones for the Housing Element include:

- February-March 2023: Planning Commission and City Council meetings and adoption.