ROSELAND AREA
SPECIFIC PLAN

AFFORDABLE HOUSING &
ANT-DISPLACEMENT STRATEGY

APRIL 2016
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I. INTRODUCTION

OVERVIEW

The purpose of this Affordable Housing and Anti-Displacement Strategy is to describe the proposed development in the plan area, discuss potential outcomes that may impact the affordability and composition of residents in the area, and offer strategies and recommendations to preserve affordable housing and reduce displacement.

This document is organized in the following sections:

I. Introduction

II. Existing Conditions

III. Gentrification and Displacement

IV. Potential Changes and Impacts

V. Strategies for Affordable Housing and Anti-Displacement

VI. Recommendations
II. EXISTING CONDITIONS

This section reviews the relevant demographic and housing trends in the plan area, relying on existing quantitative data from the following sources:

- *Housing Element of the General Plan 2015–2023*
- *Roseland Area Specific Plan Existing Conditions Report*
- *Priority Development Area Profile*
- *Roseland Area/Sebastopol Road Specific Plan Market Analysis*

**DEMOGRAPHICS**

Currently, there are 18,918 residents and 5,080 households in the plan area, which includes both incorporated and unincorporated areas. Refer to *Figure 1: Plan Area Boundaries*. The plan area gained 8,147 new residents between 1990 and 2013, an increase of 76 percent. By comparison, Santa Rosa as a whole grew by 49 percent and Sonoma County by 10 percent from 1990 to 2013. Citywide average household size followed a similar pattern, increasing from 3.1 to 3.7 during this same period. Household size in the plan area is significantly larger than in the city or county (3.7 persons compared to 2.7 and 2.6, respectively). Multigenerational households are also more common in the plan area than in the city or county. The plan area has a higher share of families with children compared to Santa Rosa overall, which may impact the need for programs, services, and design elements serving families, such as safe routes to schools.

Thirty-seven percent of plan area residents are foreign-born, and most were born in Latin America. Approximately 57 percent of residents identify as Hispanic, with more than half speaking Spanish at home. The percentage of Hispanic and Spanish-speaking residents in the plan area has increased by over 30 percent since 1990.

From 1990 to 2013, median annual household income in the plan area did not keep pace with that of Santa Rosa and Sonoma County. The median household income in the plan area is approximately $53,360, compared to $60,354 in the city and $63,356 in the county. The plan area is also home to a higher proportion of residents living below the poverty level (23 percent) compared to the city and county (13 percent and 12 percent, respectively). Educational attainment among residents is also lower in the plan area. Approximately 10 percent of plan area residents have attained a bachelor’s degree or higher, compared to 27 percent in the city and 30 percent in the county (Santa Rosa 2015).
AFFORDABLE HOUSING & ANTI-DISPLACEMENT STRATEGY

FIGURE 1: PLAN AREA BOUNDARIES
HOUSING STOCK CHARACTERISTICS

Housing stock in the plan area consists mainly of older homes built between 1950 and 1969 and newer units constructed between 1990 and 2009. The majority of the plan area’s housing units are single-family homes (71 percent), and this share has increased over time. Between 1990 and 2013, there was a net increase of 1,609 single-family units in the plan area. During the same period, only 301 multi-family units were constructed.

Just over half (54 percent) of the plan area’s housing units are renter-occupied. Renter-occupied housing represents a greater share of units in the plan area compared to the city and county overall (47 percent and 40 percent, respectively). However, the share of owner-occupied housing is on the rise, with the addition of almost 600 owner-occupied units between 2000 and 2013 (Santa Rosa 2015).

HOUSING AFFORDABILITY

Housing is generally the greatest single expense item for a household. According to the California Department of Housing and Community Development, households spending more than 30 percent of their gross income, including utilities, are generally considered to be overpaying or cost burdened.

Most plan area residents, particularly in ownership housing, spend less than 30 percent of their income on housing, which is generally considered affordable. In addition, the percentage of owner-occupiers paying less than 30 percent of their income on housing is greater in the plan area than in the city and county, which may suggest that the area is more affordable than surrounding communities. Specifically, 67 percent of households in owner-occupied units in the plan area spend less than 30 percent of their income on housing costs, compared to 61 percent in the city overall and 60 percent in the county (Santa Rosa 2015).

Given average rents in the plan area are generally not affordable to lower-income households, some rental households may be paying more than 30 percent of gross income for housing.

HOUSING PRICES

The 2014-2015 median home sale price in the plan area was $344,500, compared to $417,000 in Santa Rosa and $440,000 in Sonoma County. Similarly, rents are generally lower in the plan area. However, current housing prices in the plan area indicate that market-rate residential prices are not affordable to lower-income households.

Median rents in the city and county are $1,825 and $1,850, respectively. In comparison, a review of current rental opportunities in March 2015 on Craigslist.com and WhereWeLive.com suggests that rents range between $1,100 and $2,100 in the plan area. These prices indicate that the current rental market does not offer rental units affordable to households earning less than 80 percent of the area
median income. As shown in Table 1, the plan area also includes 445 affordable housing units with restricted rents; the most recent project is the Amorosa Village on Pebble Creek Drive. The plan area contains a higher proportion of affordable housing units compared to Santa Rosa or Sonoma County; 8 percent of the area’s housing stock is affordable, compared to 6 percent in the city and 3 percent in the county (Strategic Economics 2015a).

### Table 1: Affordable Housing Units in the Plan Area

<table>
<thead>
<tr>
<th>Affordable Housing Units</th>
<th>Number</th>
<th>Percentage of All Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Housing Tax (LIHTC) Units</td>
<td>445</td>
<td>8%</td>
</tr>
<tr>
<td>Multifamily Assistance and Section 8 Contract Units</td>
<td>120</td>
<td>2%</td>
</tr>
<tr>
<td>Total Number of Affordable Housing Units¹</td>
<td>445</td>
<td>8%</td>
</tr>
<tr>
<td>Total Number of Housing Units²</td>
<td>5,453</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Strategic Economics 2015a

Notes:

¹. Total number of affordable housing units is lower than the sum of LIHTC and Section 8 units, as some affordable units are subject to both programs and should thus not be counted twice.

². Total number of housing units corresponds to the total number of housing units by housing type provided by the American Community Survey.

### MARKET CONDITIONS

Residential sales prices and rents in Santa Rosa and Sonoma County have increased over the last two years, and building permit data indicates increased developer interest in the overall region. However, despite rising rents, brokers report that Sonoma County has not yet experienced a surge in multifamily development similar to other parts of the Bay Area.

### EXISTING AFFORDABLE HOUSING POLICIES AND PROGRAMS

The following section provides an overview of Santa Rosa’s affordable housing policies and programs used to promote the production of housing affordable to lower-income households throughout Santa Rosa.

**Density Bonus Ordinance**

Santa Rosa Zoning Code Chapter 20-31, Density Bonus and Other Developer Incentives, provides incentives for the production of affordable housing, senior housing, and the development of childcare facilities. The City of Santa Rosa will consider a density bonus when a developer of a housing
development seeks and agrees to construct a housing development that will contain at least one of the following:

- 10 percent of the units for low income
- 5 percent for very low income
- A senior citizen housing development
- 10 percent of the units in a condo or planned unit development for moderate-income households

Density bonuses range from an increase in density between 5 and 35 percent (Santa Rosa 2015).

**Housing Allocation Plan Ordinance**

Housing development in Santa Rosa is subject to the Housing Allocation Plan, the purpose of which is to increase the number of affordable housing units in the community. While developers have the option to provide low-income units on-site, the majority of housing projects in Santa Rosa are subject to the Housing Allocation Plan’s housing impact fee. In 2015, $1.59 million was collected in housing fees and added to the Housing Allocation Plan fund. The amount of Housing Allocation Plan fees collected since the ordinance’s adoption in 1992 is more than $27 million, including loan repayment and interest (Santa Rosa 2016).

Since the inception of the Housing Allocation Plan, 1,583 units have been assisted, approved, or developed with the assistance of in-lieu fees. Of these units, 980 are affordable to very low and 603 are affordable to low-income households. Projects providing affordable units on-site have developed 96 low-income units since 1992 (Santa Rosa 2016).

**Housing Element of the General Plan**

The Housing Element of the General Plan 2015–2023 includes goals and policies related to affordable housing. Goal H-B addresses the maintenance and rehabilitation of the existing affordable housing supply. Goal H-C calls for the City to expand the supply of housing available to lower-income households and facilitate higher-density and affordable housing development in PDAs, including the plan area. Policy H-A-1 states that the City will ensure adequate sites are available for development of a variety of housing types for all income levels, throughout the city, not just in a certain portion of the city, including the plan area.

**Santa Rosa Housing Trust**

Santa Rosa’s Housing and Community Services Department offers a variety of housing programs to provide safe, sanitary, affordable housing for very low- and low-income city residents. Rental housing subsidized by the US Department of Housing and Urban Development (HUD) is administered through
the Section 8 Housing Choice Voucher Program for qualified families and individuals, while a variety of additional opportunities are administered through the Santa Rosa Housing Trust (Trust).

Overseen by the Santa Rosa Housing Authority, the Trust partners with many private sector organizations to develop affordable rental housing projects. Typically restricted to very low- and low-income households, these projects are scattered throughout Santa Rosa. The Trust has sponsored over 3,700 units in the city. The Trust is also responsible for the mobile home rent control program, homeownership programs and referrals, and providing funding for homeless shelters and programs.

The following are programs and services provided by the City of Santa Rosa and the Santa Rosa Housing Trust:

- Rehabilitation Loan Program
- Housing Allocation Plan
- Density Bonus and Infill Programs
- Fast Track Policy
- Section 8 Housing Choice Voucher Rental Assistance
- Neighborhood Revitalization Program
- Mobile Home Rent Control
- Preservation of Affordable Units
III. GENTRIFICATION AND DISPLACEMENT

Gentrification is typically described as a process whereby a historically low-income neighborhood becomes desirable to higher-income households. It often occurs in areas with attractive features such as historic architecture or proximity to job centers. Values in these areas may have remained low for several decades—the result of historic disinvestment by public and private sectors. The housing market changes as households with higher incomes realize the potential value of these neighborhoods and begin to outbid low-income residents for housing. Further changes are experienced as new development and economic activity begin to cater to higher-income tastes. Lower-income households and/or households of color migrate out of the neighborhood and new in-migrants change the neighborhood’s demographics.

Gentrification may have direct impacts, such as evictions and demolitions. It can also have indirect impacts, such as increased rent, property tax, and homeowners’ insurance rates; a loss of subsidized housing units; or a loss of culture as existing retail/entertainment/services uses are replaced to serve higher-income populations. Households may experience voluntary displacement if, for example, they decide to move, or nonvoluntary displacement if they are evicted (Bates 2013).

Gentrification and displacement are becoming increasingly prevalent in the Bay Area. In fact, experts recently concluded that nearly half of Bay Area census tracts are undergoing some form of neighborhood transformation and displacement (Zuk 2015).

ASSESSING RISK OF DISPLACEMENT

Several studies have attempted to develop methods for assessing gentrification risk. These studies often look at data such as demographic and socioeconomic changes as well as changes to the housing market. Researchers have analyzed the data to identify key factors in gentrification, including:

- Vulnerability to housing displacement (socioeconomic characteristics such as renters rather than homeowners, communities of color, lack of college degrees, and lower incomes).

- Demographic changes (increases in white residents, homeowners, college-educated residents, and household incomes over the last decade).

- Housing market appreciation (median home values, relative to the citywide median, and appreciation rates for owner-occupied units).

- Accessibility (measured in the 20-minute neighborhood analysis to include sidewalks, street connectivity, and transit service).

- Geographically designated public investment areas. (Bates 2013)
Researchers from the University of California, Berkeley, recently developed the Urban Displacement project. Through extensive research and data validation, they developed eight neighborhood typologies to help communities better characterize their experiences and risks in an effort to raise awareness and stimulate action (see Table 2). Each census tract was categorized as either:

- **Lower income**: tracts having greater than the average number households below 80 percent of the county median income

- **Moderate to high income**: tracts having less than the average number households below 80 percent of the county median income

Tracts were further divided into four categories: (a) not losing low-income households or very early stages of displacement, (b) at immediate risk of displacement, (c) undergoing displacement, and (d) advanced stages (Zuk and Chapple 2015).

The map in **Figure 2: Displacement Typology Map** shows the level of change occurring in the plan area as defined in the Urban Displacement online mapping tool. As seen in **Figure 2**, much of the plan area is already experiencing some level of gentrification and displacement.
### TABLE 2: CENSUS TRACT DISPLACEMENT TYPOLOGY CLASSIFICATION

<table>
<thead>
<tr>
<th>Lower-Income Tracts (&gt;39% of HH are considered low income)</th>
<th>Moderate- to High-Income Tracts (&lt;39% of HH are considered low income)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Not losing low-income households or very early stages</strong></td>
<td><strong>Not losing low-income households or very early stages</strong></td>
</tr>
<tr>
<td>- Does not fall in any of the below categories</td>
<td>- Does not fall in any of the below categories</td>
</tr>
<tr>
<td><strong>At risk of gentrification or displacement</strong></td>
<td><strong>At risk of displacement</strong></td>
</tr>
<tr>
<td>- Strong market</td>
<td>- Strong market</td>
</tr>
<tr>
<td>- In TOD</td>
<td>- In TOD</td>
</tr>
<tr>
<td>- Historic housing stock</td>
<td>- Historic housing stock</td>
</tr>
<tr>
<td>- Losing market-rate affordable units</td>
<td>- Losing market-rate affordable units</td>
</tr>
<tr>
<td>- Employment center</td>
<td>- Employment center</td>
</tr>
<tr>
<td><strong>Undergoing displacement</strong></td>
<td><strong>Undergoing displacement</strong></td>
</tr>
<tr>
<td>- Already losing low-income households, naturally affordable units, and in-migration of low-income residents has declined</td>
<td>- Already losing low-income households</td>
</tr>
<tr>
<td>- Stable or growing in size</td>
<td>- Decline in either naturally affordable unit or in-migration of low-income residents</td>
</tr>
<tr>
<td><strong>Advanced Gentrification</strong></td>
<td><strong>Advanced Exclusion</strong></td>
</tr>
<tr>
<td>- Gentrified between 1990 and 2000 or between 2000 and 2013 based on:</td>
<td>- Very low proportion of low-income households</td>
</tr>
<tr>
<td>- Neighborhood vulnerability</td>
<td>- Very low in-migration of low-income households</td>
</tr>
<tr>
<td>- Demographic change</td>
<td></td>
</tr>
<tr>
<td>- Real estate investment</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Zuk and Chapple 2015*

*Note: TOD = transit-oriented development*
FIGURE 2: DISPLACEMENT TYPOLOGY MAP

Legend:
- Plan Area
- Displacement Typologies:
  - Lower Income (LI) Tracts (≥150% of AMI are considered Low Income)
  - Moderate to High Income (MHI) Tracts (≥150% of AMI are considered Low Income)
  - Not Losing LI Households or Very Early Stages
  - At Risk of Gentrification or Displacement
  - Undergoing Displacement
  - Advanced Gentrification

Source: ESRI Urban Displacement Project, Miriam Zulaikha

Figure 2
Displacement Typologies

Affordable Housing & Anti-Displacement Strategy, March 2016
The plan area is classified as lower income and includes the following typologies:

- **Not losing low-income households:** Areas south of Hearn Avenue are not categorized as at risk or undergoing displacement.

- **At risk of gentrification and/or displacement:** Areas north of Hearn Avenue and just south of Sebastopol Road are at risk of gentrification and/or displacement. Signs of vulnerability include at least four of the following:
  - Percentage of units in pre-1940 buildings is greater than Bay Area regional median
  - Loss of market-rate units affordable to low-income households is greater than regional median
  - Employment density is greater than regional median
  - Rent increases are greater than regional median
  - Real estate sales rates increase more than regional median
  - Development of market-rate units is greater than regional median

- **Undergoing displacement:** The area mainly along Sebastopol Road is characterized by a growing population and the loss of low-income households from 2000 to 2013. This area has also experienced a reduction in low-income in-migration or the loss of market-rate affordable housing. These tracts are currently losing low-income households or are experiencing decline in either low-income migration or market-rate affordable housing.

Based on this methodology, the areas along Sebastopol Road are experiencing the effects of gentrification and displacement at a higher rate than other areas in the plan area. Section IV, Potential Changes and Impacts, identifies the potential impacts due to gentrification and Section V, Strategies for Affordable Housing and Anti-Displacement, identifies strategies to reduce displacement in the plan area.
IV. POTENTIAL CHANGES AND IMPACTS

INTRODUCTION

This section describes the potential changes that may occur in the plan area and discusses potential outcomes which may impact the affordability of housing and the composition of residents in the area.

LOSS OF DEED-RESTRICTED AFFORDABLE HOUSING

A loss of deed-restricted affordable housing would reduce the number of affordable units in the plan area. According to both the Santa Rosa and Sonoma County Housing Elements, no affordable housing projects in the project area are currently at risk of converting to market-rate housing prior to 2025 (City of Santa Rosa, County of Sonoma 2014).

DEVELOPMENT POTENTIAL AND DEMAND PROJECTIONS

The plan area contains many large opportunity sites well suited to residential development, and land costs are generally lower in the plan area compared to Santa Rosa, helping to decrease overall development costs. The plan area’s proximity to Downtown Santa Rosa, two major transportation corridors (SR 12 and US 101), and the future Sonoma-Marin Area Rail Transit (SMART) station are also significant assets in attracting future residential development. Between 2010 and 2035, demand for new housing in the plan area is estimated to be between approximately 2,000 and 2,600 units, or between 100 and 130 new units per year. Consistent with historical trends and the housing types currently proposed in the plan area, the majority of demand in the short to mid term is expected to be for single-family homes (Strategic Economic 2015a).

Despite these potential large opportunity sites, significant challenges to new development remain. These include environmental constraints, impact fees that increase development costs, lender reluctance, schools with lower median Academic Performance Indexes than in other parts of the county, and perceptions of crime and safety issues. As a result, new residential development in the plan area is more likely to occur in the mid term (3–7 years), although a few projects that have already been entitled should move forward in the near term. Improvements such as updated infrastructure, better connections to Downtown Santa Rosa, and the SMART station could provide a notable boost to the residential market in the plan area (Santa Rosa 2015).

The draft land use plan for the area recommends minimal land use changes. The recommended changes provide the potential for additional higher-density residential and civic uses to locate along Hearn Avenue around Southwest Community Park and the Southside Bus Transfer Center.
Affordable Housing & Anti-Displacement Strategy

Land uses changes are intended to recognize existing and planned parks and schools and major development under way in the plan area.

Hearn Avenue will be transformed over time with the potential for a mix of residential and public/institutional. Civic uses such as a community center, pool, and indoor recreation will be encouraged to locate here. Higher-density residential development around the community park and the bus transfer center at a range of 18 to 30 dwelling units per acre will provide a stronger customer base and an increase in potential transit ridership, which will both serve to support improvements in this area.

New housing is anticipated to occur in the newly designated medium-high density area around the bus transfer center, ranging from 18 to 30 gross dwelling units per acre. Additional new housing will occur in the medium residential/retail designation, which has a density range of 8 to 18 gross dwelling units per acre. The areas along Dutton Meadow and Burbank Avenue are also likely to experience an increase in residential development during the Specific Plan’s time frame. Many of the parcels in these areas have approved or pending developments for new housing. Another opportunity site is the Roseland Village Shopping Center, located on the Sebastopol Road retail corridor. In early 2016, Sonoma County chose a developer for the site, and preliminary plans include a public plaza, affordable and market-rate housing, retail, and institutional space. (Santa Rosa 2016).

Recent and Approved Housing Development

Most residential projects currently planned in the plan area consist of single-family detached homes, with approximately 1,150 units planned or proposed since 2007. More than half of all approved and pending units are single-family detached (52 percent), while 28 percent are single-family attached and 20 percent are multi-family. Most are market-rate units (983 units, 76 percent of total), which are either single-family detached or single-family attached. It should be noted that all 318 multi-family units proposed are affordable and that almost all of the proposed affordable housing is multi-family, except for a few affordable single-family attached houses (60 units, under construction). Currently, 53 percent of planned and proposed units (696 units) have been in the pipeline for five or more years (Strategic Economics 2015a).

Potential Impacts

The Specific Plan proposes to increase allowable densities and/or allowable intensity of development for a discrete number of parcels, impacting approximately 19 single-family and 3 multi-family units, not including parcels that allow for greater densities under the existing land use. The proposed land
use changes will allow property owners the option of adding units and/or redeveloping their parcels at a higher density. As existing structures age, the incentive to redevelop those parcels will increase. It is difficult to gauge the rate at which property owners will pursue redevelopment, and thus the rate at which potential gentrification and displacement may occur is also difficult to gauge.

New development throughout the plan area has the potential to heighten the desirability of the area in both parcels that will experience a land use change and parcels that will not. The total number of housing units in the plan area is projected to increase by 119 units (a decrease of 251 single family units and an increase of 374 multi-family units). Market forces could lead to higher-income households outbidding lower-income households for housing. The examples of gentrification in the region indicate that once outbidding occurs, further changes are often experienced as new development and economic activity cater to higher-income tastes. Lower-income households and/or households of color move out of the neighborhood and new residents change the demographics. As discussed earlier in the report, much of the plan area is already experiencing some degree of displacement.

Renters are at a greater risk of displacement than homeowners because owners often have more stable housing costs over time. Rental units can be a strong part of the local economy, but when a high proportion of the population consists of low-income renters, that population is extremely vulnerable to displacement.
V. STRATEGIES FOR AFFORDABLE HOUSING AND ANTI-DISPLACEMENT

This section provides a toolkit of strategies for anti-displacement and preservation of affordable housing in the plan area and provides case studies from local and national communities.

COMMUNITY-BASED EFFORTS

The community can be a key partner in understanding the issues and priorities for addressing displacement. Community organizing and outreach are crucial to ensuring residents have access to the information and resources necessary to avoid and minimize displacement. Community-based training, a neighborhood-level planning council, and community organizing are some examples of engagement strategies that build a neighborhood’s capacity to develop effective strategies to minimize displacement. Without such support, residents may not be able to take advantage of opportunities to preserve affordable housing and utilize existing protections against displacement. The City of Santa Rosa can leverage the connections and momentum of the workshops conducted for the Specific Plan process to partner with local nonprofit agencies and community members to develop educational opportunities and gather input throughout the plan’s implementation.

PRESERVATION OF EXISTING AFFORDABLE HOUSING UNITS

Preservation of existing affordable units is an important strategy in maintaining housing for a mix of income levels in gentrifying areas and can be a cost-effective means of preventing displacement before it happens (PolicyLink 2002). The West Oakland area has also been facing gentrification pressures as new residents move into the existing neighborhood, increasing the price of housing and displacing many long-time residents. The West Oakland Specific Plan was developed as a vision for the future of the area. The plan’s Social Equity chapter identifies 12 strategies to address affordable housing in its plan area, including prioritizing the preservation of subsidized affordable housing and preserving the affordability of subsidized rental housing for lower-income households that may be at risk of converting to market-rate housing (Oakland 2014). Similar strategies are relevant to the Roseland Area/Sebastopol Road Specific Plan.

To ensure that affordable housing units are maintained in the plan area, the City of Santa Rosa can work with nonprofit agencies to preserve the existing 445 affordable housing units with restricted rents. According to the General Plan Housing Element, an estimated cost of $320,000 per unit would be required to construct new affordable units (based on an estimate from Burbank Housing). Preserving existing units would be considerably less expensive than building new units at an estimated cost of $200,000 per unit, a savings of $120,000 per unit. Funds that could be available to preserve at-risk units include Community Development Block Grant funds.
Affordable housing developers with the legal and managerial capacity to acquire, build, and manage affordable housing developments in Santa Rosa include Burbank Housing Development Corporation, Bridge Housing Corporation, Urban Housing Communities, USA Properties, Ecumenical Affordable Housing, Petaluma Ecumenical Properties, and Episcopal Homes (Santa Rosa 2014).

**“JUST CAUSE” EVICTION ORDINANCE**

Just cause eviction ordinances protect tenants from arbitrary, discriminatory, or retaliatory evictions, while ensuring that landlords can lawfully evict tenants as long as they have good reason. Cities with just cause eviction ordinances outline reasons that a landlord can lawfully evict a tenant, such as nonpayment of rent or a breach of rental terms or lease agreement and to perform substantial rehabilitation to the unit. Once such an ordinance is adopted, tenants cannot be lawfully evicted without “just cause” as defined by the law.

Just cause eviction ordinances are an important tool for promoting tenant stability, particularly in low vacancy and expensive housing markets where landlords may be tempted to evict tenants in order to obtain higher rents. The Cities of Oakland, East Palo Alto, Richmond, Hayward, Berkeley, and San Leandro have adopted just cause eviction ordinances to promote tenant stability in the community. The benefits of these ordinances include the following:

- Limits the ability of landlords to evict existing tenants
- Protects tenants who have short-term (month-to-month) leases
- Slows down rapid increases in rent
- Stabilizes communities by slowing down evictions and decreasing turnover rates (California Department of Housing and Community Development 2014)

In 2016, the City of Santa Rosa is studying rent stabilization policies.

**ECONOMIC DEVELOPMENT**

Many strategies for mitigating gentrification focus on creating affordable housing, rather than just preventing displacement. Economic development is a preventive approach because it can be used to strengthen residents’ financial standing and employment options, thereby making them more resilient to increased housing costs.
For example, San Diego’s General Plan includes an Economic Development Element with goals and policies designed to achieve a rising standard of living. These include policies aimed at supporting existing and new businesses that reflect the changing nature of industry, creating the types of jobs most beneficial to the local economy, and preparing the workforce to compete for these jobs in the global marketplace.

Tying local hiring practices to development is another strategy to improve the economic standing of residents. An example of this is the Atlanta Beltline Ordinance, under which a transit-oriented development (TOD) area was created. Projects in this area receiving bond funding were required to use first-source hiring systems that targeted low-income residents of neighborhoods inside the TOD area. The ordinance also created a community advisory system to discuss how community benefits could be targeted and implemented in affected neighborhoods as development continues (Bates 2013).

Creating or strengthening an existing organization or program dedicated to job training and business development for residents in at-risk areas is another example of targeted economic development (Gibbons and Haas 2002; Levy, Comey, and Padilla 2006).

Economic development can also be used to strengthen the cultural aspects of neighborhoods, thereby making them more resilient to the loss of culture that often accompanies gentrification. To preserve the cultural aspects of the Paseo Boricua area in Chicago, which was facing gentrification pressures, the Division Street Business Development Association found ways to boost local entrepreneurship and enhance the sense of place for residents. The Puerto Rican culture was celebrated and the area’s vitality bolstered in this commercial area through incentives such as a business incubator, festivals, and public art, including gateway sculptures and banners on light poles. The preservation of culture strengthened the community and enabled it to respond to other gentrification pressures.

With the strong identification of the area with the Puerto Rican community, a precedent was set for engaging with Puerto Rican leaders on issues of public investment. As bicycle lanes were installed in nearby neighborhoods, community members feared it was a sign of gentrification and served only privileged new residents. Local bike shop West Town Bikes worked with the community, creating CicloUrbano, which engages with youth, and the Chicago Cruisers, a Latino club that parades classic Schwinn bicycles. With new community support, bicycle facilities have now been added to Division Street. While the neighborhood continues to change and redevelopment pressures are real, community leaders now see bike lanes as part of health and safety for neighborhood residents, rather than a threat. (Bates 2013)

Supporting and strengthening economic development in the plan area, as shown in the examples above, will reduce displacement pressures and allow more existing residents to stay in their homes.
over time. Economic development also strengthen the sense of community and pride in the plan area, as well as celebrate cultural diversity.

CONSTRUCTION OF SECOND DWELLING UNITS

Second dwelling units are an important and viable affordable housing resource in Santa Rosa. The City’s Zoning Code allows second dwelling units on any parcel which allows a single-family dwelling. An applicant for a second dwelling unit must submit an application for a building permit, if the proposed unit meets development standards outlined in the Zoning Code. From 2007 to 2015, the City issued permits for 68 second units. Second dwelling units help meet the area’s affordable housing needs by providing a housing resource for small low- and moderate-income households. Many lots in the plan area are large and could support a second unit.

To encourage the creation of second dwelling units, the City can provide incentives to property owners. Such incentives could include subsidizing fees or relaxing development standards.

INCLUSIONARY HOUSING

One strategy to increase the supply of affordable housing units is through inclusionary zoning. The City of Santa Rosa’s Housing Allocation Plan requires for new residential development to pay a housing impact fee. These funds are used to develop new deed-restricted housing units, affordable to very low or low income households. New development within the plan area is required to comply with the Housing Allocation Plan.

HOMEOWNERSHIP FOR LOW- AND MODERATE-INCOME HOUSEHOLDS

The City can provide assistance to low- and moderate-income households to purchase homes for the first time. Financial assistance to lower-income homebuyers could include tax relief, grants, and loans to cover down payments, mortgage payments, and the costs of making needed repairs to support healthy housing conditions. These repairs could include roof repair, plumbing, electrical work, energy efficiency retrofits, and the creation of affordable (below market rate) second units in homes to provide a source of income. The City can consider funding programs that provide one-time cash assistance to families falling behind on rent or mortgage payments so that they do not lose their housing due to temporary hardship. These programs should combine financial assistance, including low-interest loans, grants, and tax abatements, with homeownership and foreclosure prevention counseling. The West Oakland Specific Plan includes examples of policies to expand opportunities for affordable homeownership that are relevant to the plan area, including “expand opportunities for homeownership by low to moderate income homebuyers by seeking expanded funding for the First-
time Homebuyers Mortgage Assistance program, “sweat-equity” housing programs (e.g. Habitat for Humanity) and Limited Housing Equity Cooperatives” (Oakland 2014).

One potential funding source that is available to the City of Santa Rosa is the Home Investment Partnership Program (HOME). HOME funds are federal funds generally available for acquisition, new development, and homebuyer down payment assistance. These funds could be utilized to assist low- and moderate-income households homeownership opportunities in the plan area.

**PROMOTING A MIX OF NEW HOUSING TYPES**

Housing production usually lags behind employment recovery, but the gap in this economic cycle is substantial. According to the Association of Bay Area Governments (2015), housing permit data indicates that between 2010 and 2014 the region produced 38,300 units, a lower rate than in previous decades. During the same period, population increased by 270,000. Medium-density housing types, including duplexes, townhomes, and garden apartments, are often missing in many communities in the Bay Area, including the plan area. The development of new unit types can divert some pressure and competition for the existing housing stock. A common characteristic of these medium-density housing types are small- to medium-sized building footprints, which makes them ideal for urban infill, even in older neighborhoods originally developed as single-family areas but designed to evolve with slightly higher intensities (Opticos Design 2015).
VI. RECOMMENDATIONS

This section recommends specific goals, policies, and implementation measures to provide new affordable housing opportunities, preserve existing housing, and prevent resident displacement due to changes in the community resulting from implementation of the Specific Plan and the opening of the planned SMART station.

AFFORDABLE HOUSING AND ANTI-DISPLACEMENT STRATEGIES

- Continue to engage the community in developing new and refining existing affordable housing and anti-displacement strategies.
- Promote inclusion of second dwelling units in new and existing single-family neighborhoods to provide a smaller, more affordable housing option.
- Continue to preserve existing affordable housing in order to prevent displacement in the plan area. Identify funds to preserve units at risk of converting to market rate.
- Utilize economic development strategies, such as local hiring programs, job training, and promoting cultural identity, to strengthen the local community and prevent displacement of existing residents.
- Provide homebuyer assistance programs including a first-time homebuyer down payment assistance program, CalHFA loan program, and Mortgage Credit Certificate Program to residents in the plan area.
- Provide outreach and education to existing homeowners, and offer resources and information to allow continued residence in their homes.
- Encourage development of quality, well built, attractive market-rate affordable by design, and below market rate housing units, that contribute to neighborhood character and quality of life.
- Encourage residential development that meets the special needs of population groups including seniors, large and small families, low- and middle-income households, and people of all abilities.
- Encourage new residential development to include a mix of housing types, such as single-family residences with duplexes and triplexes, townhomes, and apartment units at all income levels.
- Encourage the integration of market-rate housing with affordable units at the project level as well as the neighborhood level to encourage housing at all income levels within the plan area.
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