

Chapter 21-02
Housing Allocation Plan

21-02.010. Determinations. The City of Santa Rosa declares that the provision of a decent home in a suitable living environment for all residents is a priority of the highest order and is consistent with state, regional and national policies. The goal of the City is to achieve a balanced community with housing available for persons of all income levels. There exists within the City a shortage of housing that is affordable to households of lower income. Federal and state housing finance subsidy programs are not sufficient by themselves to satisfy lower income housing needs. The City finds that the housing shortage for households of lower income is detrimental to the public health, safety and welfare and, further, that it is a public purpose of the City to seek assistance and cooperation from the private sector in making available an adequate supply of housing for persons of all economic segments of the community.

21-02.020. Purpose. The purpose of this chapter is to enhance the public welfare and assure the compatibility between future housing development and the Housing Element of the Santa Rosa General Plan through increasing the production of housing units affordable to households of lower income. It is the purpose of this chapter to meet Santa Rosa General Plan goals to expand the supply of housing available to lower income households.

21-02.030. Definitions.

- A. "Affordability Agreement" means a legally binding agreement between a developer and the Housing Authority to ensure continued affordability of allocated units is maintained in accordance with this Chapter.
- B. "Affordable rent" means the maximum monthly rent an owner may charge for an allocated unit in accordance with Section 50053 of the California Health and Safety Code, less the appropriate allowance for utilities.
- C. "Allocated unit" means a newly constructed "for rent" dwelling unit which is (a) provided by a developer under the provisions of this chapter, (b) to be made available and occupied by a household of lower income, as required under the provisions of this chapter, (c) subject to occupancy and affordable rent controls for a period of not less than thirty years, (d) reasonably compatible with the design of other units in the residential housing development of which it is a part in terms of appearance, materials and quality finish, and (e) a similar unit type/size to the overall residential development.
- D. "Community care facility" means a facility, place or building which is maintained and operated to provide non-medical residential care, which may include home finding and other services, for children and/or adults, including: the physically handicapped; mentally impaired, mentally disordered, or incompetent; developmentally disabled; court wards and dependents; neglected or emotionally disturbed children; the addicted; and the aged.
- E. "Downtown" means the area which extends from Brookwood Avenue on the east, between College Avenue and Sonoma Avenue, to U.S. Highway 101. On the west side of the freeway, the area is bounded by Ninth Street, Donahue Street, Adams Street, Sixth Street and Santa Rosa Creek.
- F. "Health care facility" means a facility, place or building other than a hospital which is maintained and operated as a residence for patients and to provide long term medical care. Includes nursing homes, intermediate care facilities, extended care facilities, hospice homes, and similar facilities which are licensed by the California State

Department of Health Services, and defined in Health and Safety Code, Section 1200, et seq. May include a lab, radiology, pharmacy, rehabilitation, and other similar services as accessory uses.

- G. "Housing impact fee" means a fee paid as an alternative to providing an allocated unit or a fraction of an allocated unit.
- H. "Income" or "household income" and words of similar import when used in conjunction with such terms as "low income households" or "very low income households" means the combined gross income of all household members living in a dwelling unit.
- I. "Low income household" means a household with gross income, adjusted for household size, which does not exceed the low income maximum for the area based on statistical information provided by the U.S. Department of Housing and Urban Development from time to time. The low income maximum is generally between 60 percent and 80 percent of the area median income depending on the funding source for the project.
- J. "Lower income household" is a general term which refers to households in the very low and low income classifications.
- K. "Median income" means 100 percent of the median income, for the Santa Rosa-Petaluma Metropolitan Statistical Area as determined by the Secretary of the U.S. Department of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended.
- L. "Owner/builder" means an individual who obtains a building permit to construct a single dwelling unit on a single lot as his or her residence and who may not be issued another residential building permit as an "owner/builder" for a period of five years following the issuance of such a permit and the completion of construction of the dwelling unit authorized thereunder.
- M. "Residential development" or "development" means a project containing at least one residential unit.
- N. "Review Authority" means the individual or official City body (Community Development Director, Zoning Administrator, Design Review Board, Planning Commission, City Council) which has the responsibility and authority to review, and approve or disapprove, applications for land use entitlements.
- O. "Single room occupancy facility" is a residential building including units with living space with a minimum floor area of 150 square feet and a maximum of 400 square feet restricted to occupancy by no more than two persons. Kitchen and bathroom facilities may be wholly or partially included in each living space or may be fully shared.
- P. "Very low income household" means a household with gross income, adjusted for household size, which does not exceed the very low income maximum for the area based on statistical information provided by the U.S. Department of Housing and Urban Development from time to time. The very low income maximum is generally 50 percent of the area median income.

21-02.040. Applicability. The provisions of this chapter apply to all residential developments within the City.

21-02.050. Fee or Allocation Requirements.

A. All residential developments shall pay a housing impact fee except as noted in Section 21-02.080 and those complying with this Chapter in an alternative manner consistent with Section 21-02.070.

B. Developers of projects of 70 or more dwelling units are required to consider providing allocated units which are physically situated within and are part of the development (“on site units”) as early as possible but prior to application submittal. A meeting shall be conducted by the Director of the Department of Community Development or a designee and the developer of the residential development of 70 or more units to discuss provision of allocated units on the project site. A developer proposing to provide allocated units on site instead of paying the housing impact fee is entitled to receive one incentive or concession as outlined in the City’s Density Bonus and Other Developer Incentives provisions or other benefits as negotiated with the City.

C. Residential developments choosing to provide allocated units on site shall provide allocated units equal to 15 percent of the total dwelling units in the development. At the time of the submittal of an application for a residential development to the Department of Community Development, if allocated units are included in the development, the developer shall identify the location of those units in the application materials and the proposed incentive or concession.

D. Each allocated unit shall remain available for occupancy only by households whose income does not exceed that of a low income household at an affordable rent for a term of at least 30 years. The Director of the Department of Economic Development and Housing or a designee is authorized to make the calculation, in each instance, of the affordable rent.

E. A developer of a project less than 70 dwelling units may provide the number of allocated units in accordance with 21-02.050 (C) rather than subjecting the development to the housing impact fee imposed by this section and shall receive one incentive or concession consistent with City’s Density Bonus and Other Developer Incentives provisions or other benefits as negotiated with the City.

21-02.060. Relationship to Density Bonus Provisions. A residential development proposing allocated units consistent with Section 21-02.050(C) which also applies for a density bonus consistent with Chapter 20-31 of this code, may count rental units affordable to lower income households toward both requirements. Additional units allowed by the density bonus shall be included in the total project units when determining the proportion of allocated units in a residential development.

21-02.070. Alternative Compliance. Alternatives to payment of the housing impact fee or provision of on site allocated units in accordance with Section 21-02.050 include provision of allocated units off site, dedication or conveyance of land, or other innovative approaches endorsed by the Review Authority for the residential development.

A. Allocated Units Provided Off Site. A residential development may provide allocated units off site (“off site units”). The number of allocated units shall be equal to 20 percent of the total number of dwelling units in the development, determined by counting units proposed both on site and off site. A developer proposing to provide allocated units off site instead of paying the housing impact fee is entitled to receive one incentive or concession as outlined in the City’s Density Bonus and Other Developer Incentives provisions or other benefits as negotiated with the City.

- (1) Allocated units provided off site must be located in the same quadrant of the City as the unallocated units of the development. The quadrants of the City are formed by the intersection of Highway 101 and Santa Rosa Creek.

(2) As part of the application submittal materials, the developer shall submit evidence that the developer owns, or has an irrevocable option to purchase, the site where the off site allocated units are proposed to be located.

(3) Allocated units provided off site may not be the recipient of any public financing or subsidy.

B. Land Dedication or Conveyance Alternative. A residential development may offer to dedicate or convey land to the City, situated on site or off site.

(1) Land offered under this section must be within the City's boundaries and must be designated for a General Plan land use which allows multifamily units.

(2) The developer shall provide an analysis which demonstrates that the land offered is suitable for affordable housing development in terms of size; location; General Plan land use designation; availability of sewer, water and transit services; absence of toxics; absence of environmental constraints; site characteristics and surroundings. Staff will recommend to the Review Authority whether the dedication should be accepted.

(3) The developer shall also submit evidence that the developer owns, or has an irrevocable option to purchase, the site proposed for dedication or conveyance.

(4) Land conveyed under this section shall be used for the development of affordable housing for households of lower income.

(5) Land shall be identified and offered for dedication or conveyance at the time of development application submittal. The Review Authority shall recommend whether the City Council should, prior to development approval, accept or reject the offer. If the offer is rejected, the developer shall fulfill the requirements of this chapter in another manner.

C. Impact Determination. Each site proposed to be dedicated or conveyed to the City for construction of affordable units or proposed for one or more off site allocated units shall be evaluated as to whether the placement of such units will overly impact an area with lower income units. If the site is within 1000 feet of one or more existing or approved developments in which more than 50 percent of the units are, or will be, restricted to occupancy by households of lower incomes, impact shall be found, unless the existing or approved development is located downtown. The Review Authority may override a determination of impact by making findings that local schools, services and adjacent uses will not be negatively impacted by the construction of allocated or affordable units at the proposed site.

D. Innovation Encouraged. Innovative alternatives to providing affordable housing not outlined in this Chapter shall be evaluated by staff and considered on a case by case basis. Substitute programs shall be permitted providing, at the recommendation of staff and determination of the Review Authority that the objectives of the Housing Allocation Plan are being met with the alternate proposal.

21-02.080. Exemptions. The following residential developments are exempt from the provisions of this chapter:

A. The construction of a dwelling unit to replace a previously existing dwelling unit situated on the same lot if the previous dwelling was demolished or destroyed within five years of the date the building permit application for the replacement unit is submitted to the Department of Community Development.

B. The construction of homeless shelters, community care/health care facilities, single room occupancy units and units which, under agreement with the City or a City agency, are only available for occupancy by lower income households at affordable rents or affordable sales prices for a period of not less than 30 years.

C. The construction of second units.

D. A unit constructed under a building permit issued to an owner/builder.

21-02.090. Establishment, Payment, and Use of the Housing Impact Fee.

A. The City Council, by resolution, shall establish the amounts and calculation of the housing impact fee. The fee shall be paid no later than prior to the final inspection for each rental unit or no later than 1) the close of escrow, or 2) one year following the final inspection for each for-sale unit in a residential development, whichever is sooner. The fee for rental units shall be adjusted annually, based upon the annual changes in an identified, generally recognized, and reasonably related construction cost index.

B. All housing impact fees paid under this chapter shall be paid to the City and shall be used by the City's Housing Authority only for the development of housing situated within the City that is affordable to households of lower incomes, including, but not limited to, the acquisition of property, costs of construction, including costs associated with planning, administration and design, as well as actual building or installation costs, and program administration. Housing assisted with housing impact fees shall be subject to long term affordability covenants with the Housing Authority.

C. Housing impact fees paid by projects located downtown shall be utilized for development of housing affordable to households of lower incomes and proposed to be located downtown, as possible. If no such developments are proposed when these funds become available, the fees may be utilized for the development of lower income units outside of downtown.

21-02.100. Rounding. A development providing allocated units shall have its allocated unit obligation rounded to the next lower whole number. The fractional requirement can be satisfied by the provision of an additional allocated unit or through the payment of a housing impact fee. The amount of the fee shall be based on the average applicable fee the project's unallocated units. This fee shall be paid prior to the first final inspection relating to the development.

21-02.110. Timing of Construction of Allocated Units. Allocated units shall be constructed concurrent with or before construction of unallocated units, whether provided on or off site. For phased projects, allocated units shall be provided in the first phase or with each phase of the project in proportion to the project.

21-02.120 Affordability Agreement and Terms

A. For developments providing allocated units, an Affordability Agreement must be executed prior to recording any final map for the residential development or prior to the issuance of any building permit for the residential development, whichever comes first. The Affordability Agreement shall be binding on all future owners and successors of interests of the residential development.

B. Once the residential development including allocated units has received its final discretionary approval, the developer shall file an application, including payment of any processing and monitoring fees, with the Housing Authority for approval and finalization of the Affordability Agreement.

C. The Affordability Agreement shall:

- (1) Identify the type, size and location of each allocated unit provided.
- (2) Identify the term of the agreement, which would define the term of affordability of the allocated units.
- (3) Require that the allocated units be constructed and completed by the developer as specified in this Chapter.
- (4) Require that each allocated unit be kept available only to members of the identified income group at the maximum affordable rent during the term of the agreement.
- (5) Identify the means by which such continued availability shall be secured and enforced and the procedures under which the allocated units shall be leased and shall contain such other terms and provisions the Housing Authority may require. The agreement, in its form and manner of execution, shall be in a form able to be recorded with the Sonoma County Recorder.
- (6) The Affordability Agreement shall be reviewed and approved by the Executive Director of the City's Housing Authority and the affordability of the allocated units shall be monitored for compliance by the Housing Authority staff. The Housing Authority is hereby expressly authorized to act as the City's agent to enter into the Affordability Agreement for the purpose of enforcing the terms of the agreement consistent with this chapter.

D. A project providing allocated units consistent with this chapter and affordable units consistent with the provisions of the Density Bonus and Other Developer Incentives Chapter of this code may enter into a single affordability agreement.

21-02.130. Administration.

A. The City Council, by resolution, may from time to time adopt procedures, policies, rules and requirements, including the adoption of processing and administrative fees, to implement, administer, and/or enforce the provisions of this chapter.

B. The Director of the Department of Community Development is authorized to make a determination of the number of dwelling units contained within a particular residential development, if a determination is needed to resolve a disagreement. When a question arises regarding the meaning, or requires an interpretation of any provision of this chapter to any specific circumstances or situation, the Director of Community Development is authorized to render a decision thereon in writing.

C. The City's Department of Economic Development and Housing shall keep on file and available for public review a copy of the current income schedules and utility allowances.

21-02.140. Annual Review.

A. At least once each calendar year, the Department of Community Development shall prepare a report on the Housing Allocation Plan which shall include the following:

- (1) The number of allocated units, both on and off site, issued building permits during the time period covered by the report.
- (2) The number of qualifying units, owner/builder units, second units, very low or low income units and mixed use units issued building permits during the time period covered by the report.

- (3) The amount of housing impact fees collected.
- (4) The amount of acreage by land use category dedicated to the City.
- (5) A listing of any staff recommendations, with regard to changes or revisions to the adopted program to improve its effectiveness and/or administration.

B. The staff report shall be submitted to the Planning Commission and City Council as an agendaed item at a joint or individual regular meeting.