

## Responses to Council Questions and Comments

3/17/2025

### Item #8: Public Hearing to Receive Comments on the City's 2025-2030 Proposed Community Development Block Grant (CDBG) Program Consolidated Plan for the U.S Department of Housing and Urban Development

#### Question: What is the reference for each of the statements below?

Response: The data for the Housing Needs Assessment and Market Analysis came from the following sources:

- A. [HUD CHAS data - 2017-2021 – Petaluma City, CA](#)
- B. United State Census American Community Survey Data ([ACS 5- year data](#))
- C. [Housing Element 2023-2031 – Appendix E – Affirmatively Furthering Fair Housing](#) (See section E-79/ pg. 260-292)
- D. [Generation Housing –2024 State of Housing Report](#)

The Consolidated Plan requires the use of HUD's Comprehensive Housing Affordability Strategy (CHAS) data in drafting the Housing Needs Assessment and Market Analysis as it helps identify cost-burdened households, housing problems, and demographic trends to inform funding and policy decisions. Due to the change in policy with the federal administration, significant changes have been made to the HUD website resulting in the removal of CHAS data correlated with race which previously was mandated for populating this section of the report.

To assess disproportionate housing needs as correlated with race and ethnicity, the Housing Division has utilized data and tables from the Certified Housing Element 2023-2031 Appendix E – Affirmatively Furthering Fair Housing Section: Disproportionate Housing Needs section which sources from 2015-2019 ACS 5-year data. Below for the specific reference for each question.

#### **Pg 4 Summary of Housing Assessment states:**

##### **Overcrowding is a cause.**

The information on overcrowding is derived from the [HUD CHAS data - 2017-2021 – Petaluma City](#), and the Certified Housing Element 2023-2031 Appendix E – Affirmatively Furthering Fair Housing Section: Disproportionate Housing Needs section pgs. 273-276

##### **Petaluma AMI is higher than the County AMI.**

To ensure there is consistency within housing programs, Petaluma uses the same AMI as the County of Sonoma. The data is provided to the City from the Sonoma County Community Development Commission, typically in May. Following is a link to the 2024 [County AMI limits](#) and the [2024 Petaluma AMI chart](#)

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### **Struggling to afford housing**

Adding context to this; community members at low- and moderate-income levels are struggling to afford housing; this is referred to as “cost burdened” and applies to both renters and homeowners. Information on “Cost Burden” is derived from the [HUD CHAS data - 2017-2021 – Petaluma City, CA](#) and the Certified Housing Element 2023-2031 Appendix E – Affirmatively Furthering Fair Housing Section: Disproportionate Housing Needs section pgs. 262-272 in addition to the Generation Housing – 2024 State of Housing Report and the [California Housing Partnership Report – Sonoma County 2024 Affordable Housing Needs Report](#)

### **Rising rents and home prices**

The following 4 sources were reviewed and analyzed to determine the data on rising rents and home prices.

[California Housing Partnership Report – Sonoma County 2024 Affordable Housing Needs Report](#)

[Generation Housing – State of Housing 2024 Report](#)

<https://www.redfin.com/city/14699/CA/Petaluma/housing-market>

[https://www.realtor.com/realestateandhomes-search/Western- Petaluma CA/overview](https://www.realtor.com/realestateandhomes-search/Western-Petaluma-CA/overview)

### **Rents have surged 30%**

Due to loopholes in CA AB1482, some rents have surged up to 30%. 30% is not specifically mentioned however pg. 29 of the Gen H report states that **between 2018 and 2022, the region “lost” all rental units priced between \$1,500 and \$2,000 per month**, meaning more rental properties have shifted into higher-cost categories. According to the [HUD small area fair market rent data set](#) there has been an overall decrease in of 3.79 between 2022 and 2025 in rent prices for 1-bedroom apartments in the area code of 94952.

### **One bedroom at \$2379**

According to Zillow, the average rent for a one-bedroom in Petaluma is \$2647

- **Question: What is the definition of "extremely low" AMI? Is it different than Very Low**
  - **Response:** HUD's limits are based on surveys of local area median income (AMI). The commonly used income categories are as follows, subject to variations for household size and other factors: Acutely low income: 0-15% of AMI. Extremely low income: **15-30% of AMI**. Very low income: 30% to 50% of AMI

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- **Question: RHNA has a break at 50%; other places I see 60%. Why?**
  - Response: The California Regional Housing Needs Allocation (RHNA) process determines the number of housing units required in each region, based on income categories tied to the Area Median Income (AMI). These categories include Very Low Income (0-50% AMI), Low Income (51-80% AMI), Moderate Income (81-120% AMI), and Above Moderate Income (121%+ AMI). The AMI tables are issued by the U.S. Department of Housing and Urban Development (HUD) and are used by state, county, and local government entities. However, some government entities, based on program requirements, do not publish all income levels. The specific unit mix is outlined in the regulatory agreements for each project, which can vary depending on funding sources. For example, the Affordable Housing and Sustainable Communities (AHSC) program requires that 100% of units be at or below 60% AMI. The HOME program also identifies units at or below 60% AMI.
- **Question: The word "Equity" does not appear in the report. Do none of the goals address this?**
  - Response: While the term 'equity' appears in the plan, particularly within Petaluma's policies and goals, staff were mindful of recent federal policy changes that scrutinize or restrict its use in federal programs. In February 2025, HUD officially rescinded the 2023 proposed Affirmatively Furthering Fair Housing rule. Despite these changes, we remain committed to advancing equitable outcomes and are proactively reframing the conversation using terms such as opportunity, access, and community investment.

While the term "equity" is not explicitly stated, the focus on affordability, access, and community support aligns with equity-driven policies that promote inclusive growth and prevent displacement. These goals inherently address equity by prioritizing the needs of low- and middle-income households, who often face systemic barriers to stable housing, homeownership, and economic opportunity. Expanding affordable housing, preserving existing units, and increasing access to homeownership directly benefit historically marginalized and cost-burdened communities, ensuring more equitable access to safe and stable housing. Moreover, workforce development, micro-enterprise support, and public service investments help bridge economic disparities, providing underserved populations with the resources needed for long-term financial stability and upward mobility.