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14 February 2023

Via Email

Re: Comment on Item 7A – Review of the City of Petaluma's 6th Cycle Draft Housing Element

Dear Chair Bauer, Vice Chair Hooper, Councilmember Cader Thompson, Commissioners, and staff:

Thank you for offering another opportunity for the public to meaningfully engage in this important once-in-eight-years process that robustly updates programs and policies that aim to spur more, more diverse, and more affordable housing.

The revised version of the Housing Element ("Element") has made several noticeable improvements that continue moving this document in the right direction. Specifically, we appreciated seeing the following:

Program 5: Flexible Development Standards (Page 17)

We are pleased to see a new commitment to removing the 1.5 space per unit requirement for small units and replace that with parking standards based on unit size and location relative to transit and amenities. Recommendation: Commit to direct engagement with local and regional organizations such as TransForm to ensure parking standards align with best practices for urbanized, transit-oriented development.

Program 6: Religious and Institutional Facility Housing Overlay (Page 18)
We appreciate seeing the City commit to partnering with local and regional religious entities to drive affordable housing development. This is particularly timely with the introduction of Senator Scott Weiner's landmark legislation, Senate Bill 4: Faith Lands Act ("SB-4"). Recommendation: To avoid a duplication of our regional work, Generation Housing urges the City to partner with us around this particular program. We have already begun the process of convening regional faith and institutional entities to build momentum around SB-4.

Program 9: Shopping Center Conversion (Page 21)

We strongly support the conversion of underutilized commercial buildings and/or their onsite surface parking lots to residential use. As a primer to the discussion of this program, we encourage the Planning Commission to read this Terner Center report released on November 21 that analyzes commercial site redevelopment from 2014–2019. The report notes that "the prevalence of conversions appears to be greater in areas where such conversions are explicitly allowed under local zoning codes." We also recommend an explicit commitment on the part of the City with identifying funding streams that can support this program's long-term success (a.k.a. researching funding opportunities that help offset development costs) As an example, start by committing to the exploration of the Local Early Action Planning (LEAP) Grants for potential over-the-counter grant support. Contemplate encouraging land-use standards that encourage projects such as the integrated Costco housing project proposed in the Baldwin Village neighborhood of South Los Angeles. This



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approach has promise and could be the key needed to help Petaluma unlock their underutilized commercial sites. The inclusion of a program that commits the City of Petaluma to exploring an Enhanced Infrastructure Financing District ("EIFD") would be appropriate to help bolster outcomes of this program and others included in the Element.

Program 15: Workforce and Missing Middle Housing (Page 26)

This program calls for greater integration of smaller-in-scale multi-family housing (or "plexes") in single-family residential neighborhoods. We're supportive of this approach, but would offer the following recommendations:

- + We recommend the City consider adoption of the County of Sonoma's residential unit equivalency definition (see Table 8-3). Under this framework, a one-bedroom (<750 sq. ft.) dwelling would be classified as 0.5 of a density unit. Similarly, a two-bedroom (<1,000 sq. ft.) dwelling would be counted as 0.75 of a density unit. This could be targeted in specific areas of the City utilizing zoning overlays.
- + When implementing SB-9, we recommend the City consider not imposing significant offsite improvement requirements as currently allowed by SB-9. Given the cost-prohibitive nature of small-scale development, additional financial requirements such as this could effectively doom a project. Higher affordability requirements would likewise make these projects more difficult to develop. We recognize this recommendation will likely generate a more substantive discussion when the item is brought forward for consideration, but we felt compelled to share this information now because this issue has surfaced in other areas of the state.

It's important to recognize that development code changes alone will not catalyze missing middle housing growth. Instead, it will be incumbent on the Planning Commission and City Council to implement baseline standards that apply citywide. This might include maximum allowed setbacks, minimum square footages, and more importantly – reduced parking requirements. Portland provides a good example, where planners in that city have thoughtfully created a land use regime that promotes many different types of missing middle housing, going above and beyond state requirement. While this might not directly inform your work on the Element, it is important to have this knowledge on hand as you review this document and provide comments.

Program 20: Historic Preservation (Page 30)

When conducting outreach for this program, include incentives that encourage homeowners to not only convert these historic homes to smaller housing units, but to also rent these units at below market-rate price points that are accessible to lower-wage earners in the community.

By and large, we are pleased with the overall direction of this Element. We again thank the City for this additional opportunity to weigh in on this important process and we look forward to sharing more at the meeting on Tuesday, February 14th.



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Please direct any questions or comments pertaining to the content of this letter to our Policy Director Calum Weeks at calum@generationhousing.org.

Respectfully,

Jen Klose Executive Director, Generation Housing