



DATE: March 6, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Karen Shimizu, Housing Manager
Brian Oh, Community Development Director

SUBJECT: Resolution Accepting the Annual Housing Element Progress Report for the 2022 Calendar Year and Authorizing Staff to Submit the Report to the California Department of Housing and Community Development and the Governor's Office of Planning and Research and Finding This Item is Not a "Project" Pursuant to CEQA Guidelines Section 15378(b)(5)

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution Accepting the Annual Housing Element Progress Report for the 2022 Calendar Year and Authorizing Staff to Submit the Report to the California Department of Housing and Community Development and the Governor's Office of Planning and Research

BACKGROUND

State law (Government Code Section 65400) requires that the City submit an Annual Progress Report (APR) on the status and implementation of Petaluma's Housing Element to the Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD) by April 1 of each year. Specifically, the APR outlines progress made in meeting the City's share of regional housing needs as set forth as the Regional Housing Needs Allocation (RHNA) in the City's certified Housing Element of the Petaluma General Plan. Submittal of an APR to HCD is statutorily required and qualifies the City for certain grant funds that address the needs of low and very-low-income families, individuals, seniors, persons with disabilities, and other groups.

The status of meeting the City's RHNA as reported in the APR determines the applicability of California Senate Bill 35 (SB 35) which became effective on January 1, 2018. More specifically, SB 35 and its streamlined project approval requirements applies to cities that are not meeting their RHNA goals for low-income households (80% AMI and lower) and requires such local entities to streamline the approval of multi-family residential housing projects that meet the eligibility requirements of SB 35 by processing them pursuant to a ministerial approval process. Jurisdictions

whose latest housing production reports reflect that fewer building permits were issued than required for units affordable to very low or low-income households are subject to SB 35 streamlining requirements for multi-family housing projects that would dedicate at least 50 percent of the units to lower income households earning 80 percent of AMI or less provided the project meets SB 35's other eligibility requirements. As shown in Table 1 below, Petaluma continues to fall below the City's RHNA threshold for the low and very low-income categories. Therefore, Petaluma will continue to be subject to the SB 35 streamlined ministerial approval process for eligible multi-family housing projects that include at least 50% lower income units for the next year.

DISCUSSION

5th Cycle RHNA

The City's 5th cycle Housing Element was adopted by the City Council and certified for the 2015-2023 planning cycle by HCD, including a total Regional Housing Need Allocation of 745 units split between four income categories (very low, low, moderate, and above moderate). Within the Housing Element the City identified a sites inventory to demonstrate that Petaluma had adequate capacity to accommodate the state assigned RHNA. Property included in the sites inventory has appropriate land use and zoning designation to accommodate the allocation within the eight-year planning period (Attachment E of the Housing Element).

The state requires each jurisdiction to prepare a series of worksheets to report on a variety of housing metrics to demonstrate progress toward meeting the RHNA. Table 1 below corresponds to Table B in the APR and is a summary of prior permitting activity in the current planning cycle, including permitting activity for the 2022 calendar year. The actuals are reported for housing units in each of the required four income categories in each year of the housing cycle (2015-2023). Additionally, the Table 1 identifies the cumulative progress of Petaluma's RHNA through the end of 2022. **This table does not include pipeline units, which are either under review or entitled but do not have an issued building permit.**

Table 1: Regional Housing Need Allocation - 2015-2023

Income Category	RHNA	2015	2016	2017	2018	2019	2020	2021	2022	Total	% RHNA
Very Low (0%-50% AMI)	199			9			27	25	59	120	60%
Low (51-80% AMI)	103			14	4	4	29	0	0	51	50%
Moderate (81%-120%AMI)	121	7	8	9	31	44	22	29	19	169	139%
Above Moderate (Over 120% AMI)	322	235	206	150	77	127	187	293	48	1,323	410%
Total	745	242	214	182	112	175	265	347	126	1,663	223%

The market has clearly supported housing production that exceeds the overall RHNA numbers for Petaluma. However, as shown above, a plurality of those units are only affordable to above moderate-income households.

Recognizing the City's deficiency in meeting its RHNA below 80% AMI, in the low and very low-income categories, the City Council adopted an inclusionary housing ordinance in 2018 requiring that all market rate projects of five or more units include 15% onsite affordable units. Staff have identified and included in the Housing Element Update potential future amendments to clarify and strengthen the ordinance and potentially provide greater flexibility to increase the production of affordable housing as part of market rate developments. A greater diversification of programs, incentives and funding mechanisms will be looked at as part of the 6th cycle Housing Element to better facilitate meeting low and very low income RHNA requirements.

Affordable Housing Projects

While the attached Housing Element APR is focused on the annual progress in meeting the overall RHNA for the 2015-2023 planning cycle, there is value in looking at the larger future housing picture to get a sense of what affordable projects are in the pipeline and recognize the proactive effort of the City to facilitate affordable housing in Petaluma. The following project updates highlight the importance of those housing projects to not only meet RHNA numbers, but also to address the acute housing crisis for units at the lower income levels.

The following provides an update on completed and active projects not completed prior to July 1, 2022, and therefore, will not count toward the 5th cycle RHNA.

PEP Housing – River View - Completed, Certificate of Occupancy Issued – Fall 2022

PEP Housing completed construction on the Riverview project located at 951 Petaluma Boulevard South, a 54-unit senior/veteran apartment project with 53 units affordable to low and very low-income households. In fall of 2022, the City's contribution included land donation and \$1,500,000 from housing in-lieu fee funds.

MidPen Housing – 414 Petaluma Blvd North – In Construction

MidPen Housing Corp prepared an SB 35 application that was approved by the City in June of 2020. The project is a 43-unit low-income rental development located at 414 Petaluma Boulevard North. Forty-two of the units will be for households with income between 30% to 60% AMI, with an average income of 49% 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 approved financial support, including \$900,000 in HOME funding and \$1.1 million in funding from housing in-lieu fees to support the project. Construction on the project is underway.

Burbank Housing – River Place Apartments – Approved, seeking financing

Burbank Housing applied for the River Place Apartments 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 received funding from the HCD Accelerator Funding Program.

Danco Group – Corona Crossing – Site acquired, AB2162 approval, seeking financing

Danco submitted an application for the Meridian at Corona Station project, a 131-unit affordable housing project, including 33 permanent supportive housing units and onsite support services on

the parcel adjacent to the future SMART station at Corona Road. The project was approved under AB 2162 streamlining and consistent with the City Council's approval of a project specific policy under AB 2162. Danco purchased the site in fall of 2022 and continues to apply for HCD funding as well as pursue grant funding for transit amenity projects around the future Corona SMART Station.

Mid-Pen - Washington Commons – Site acquired, preparing SB35 application, seeking financing
a proposed 52-unit multifamily development for household with income up to 60% AMI. The development will provide a mix of studios, one-, two- and three-bedroom units. The City provided \$500,000 of In-Lieu Housing funding to support site acquisition. Mid-Pen will be submitting an SB35 application for the project in 2023.

The City has actively been working on innovative ways to provide housing opportunities to households at or below 30% AMI and that will house Petaluma's unsheltered population. Two of the most recent projects are highlighted below. These projects are consistent with a range of housing policies and programs in the 5th cycle Housing Element.

Peoples Village – An Interim Housing Solutions Project – Completed

This project is located on the COTS Mary Isaak Center (MIC) campus at 900 Hopper Street and was completed in spring of 2022. The Peoples Village provides temporary housing units, two separate office units, two showers, and four toilets. This non-congregate shelter model fills a gap in Petaluma's homeless-to-housing pipeline and supports people exiting homelessness, securing necessary services and ultimately, helping achieve success in the transition to long-term housing. The project accommodates individuals and companion/service animals.

Project Homekey – The Studios at Montero – In construction

The City in partnership with Burbank Housing Development Corporation was awarded Homekey funding for the Studios at Montero project on March 1, 2022. The proposed project includes the acquisition and rehab of an existing motel and provides sixty units of permanent supportive housing for very low income chronically homeless community members. Rental assistance and on-site client services are included in the project plan to support residents in transitioning and maintaining housing. The site was acquired in fall of 2022, and a major rehab is underway on the project. The project will be ready for move in late spring of 2023.

6th Cycle Housing Element

In concert with the General Plan consultant team, City staff have completed evaluation of the 5th cycle Housing Element and developed a new draft Housing Element for the 6th Cycle (2023-2031) that is consistent with the changing statutory requirements mandated by the State of California. California state law recognizes that local governments play a vital role in developing affordable housing. In 1969, the state mandated that all California cities, towns, and counties must plan for the housing needs of our residents—regardless of income. This state mandate is called the Housing Element and Regional Housing Needs Allocation, or RHNA. As part of RHNA, the California Department of Housing and Community Development (HCD), determines the total number of new homes the Bay Area needs to build, the level of affordability that the homes need to be to support the housing needs of people at all income levels. ABAG, working with the Housing Methodology Committee, then distributes a share of the region's housing need to each city, town and county in

the region. Each local government must then update the Housing Element of its General Plan to show the locations where housing can be built and the policies and strategies necessary to meet the community's housing needs. Final 6th Cycle RHNA numbers for the City of Petaluma are below in **Table 3 – Regional Housing Needs Allocation**. The draft Housing Element proposes a number of programs and policies to meet the significantly increased RHNA for Petaluma.

Table 3: Regional Housing Needs Allocation

Very Low Income (0-50% AMI)	499 units
Low Income (51%-80% AMI)	288 units
Moderate Income (81%-120% AMI)	313 units
Above Moderate Income (above 120% AMI)	810 units
TOTAL	1,910 units

2015-2023 Policies and Programs update

The following is an update of the City's housing programs including services provided to low-income members of the community, by working in partnership with non-profit organizations. The community programs are focused on the perseveration of affordable housing, providing much needed community services and special needs housing.

To support the preservation of the City First Time Homebuyer Program, the City continues to partner with the Housing Land Trust of Sonoma County. The Land Trust provides stewardship and manages the administrative process for new homes entering the program as well as resales.

Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
Goal 1: Provide adequate residential development opportunities to accommodate projected residential growth and facilitate mobility within the ownership and rental markets.		
1.1 Utilize sites within the UGB to accommodate anticipated long-term residential growth	Promote Residential Development within the Urban Growth Boundary	<p>According to the 2021 Annual Progress Report, since 2015 the City has approved 1,675 housing units. Between 2015 and 2021, 1,537 units were permitted:</p> <ul style="list-style-type: none"> • 62 Very Low Income • 52 Low Income • 150 Moderate Income • 1275 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>

1.2 Utilize the Central Petaluma Specific Plan to facilitate the development of vacant and underutilized land at the heart of the City.	Encourage the development of housing on underutilized land that is appropriately zoned	<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>
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.	Encourage the development of housing on underutilized land that is appropriately zoned	<p>The city recently amended the zoning code to allow for greater flexibility and reduction of parking minimums and 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 regulations to better align with the City's housing and climate goals. However, this is not included in the proposed 2023-2031 Housing Element as a specific housing program.</p>
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 will be updated in the 2023-2031 Housing Element</p>

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		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.

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 City approved a project under AB2162 and the proposed 2023-2031 Housing Element will include a program action to amend the City's Zoning Code to address new State law on Supportive Housing (AB 2162).</p>
Goal 3: Minimize constraints on housing development to expedite construction and lower development costs.		
3.1 Review and identify development standards that may be a constraint on the development of housing and amend the Development Code accordingly.	Review and adjust city residential development standards that are determined to be a constraint on the development of housing.	<p>Staff during the planning period 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 proposed 2023-2031 Housing Element update, the City will re-evaluate development standards and the Housing Plan section includes recommended actions to address potential constraints.</p>
3.2 Continue to permit emergency shelters without a Conditional Use Permit or other discretionary action on industrial zoned parcels.	Allow flexibility within the City's standards and regulations to encourage a variety of housing types.	<p>The Mary Issac Center and the Kids Homeless Shelter are both operated by COTS and the only shelters in the City and house 140 people nightly. The City adopted an urgency ordinance and shelter crisis on September 13, 2021.</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).</p>
3.3 Ensure procedures and standards for Petaluma's Density Bonus ordinance to	Improve the city review and approval process for residential projects.	In 2016, the City's Density Bonus Ordinance was updated to comply with State law. Since 2016, 3 projects requested a density bonus.

Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness

facilitate the review and approval of projects proposing affordable housing.		<p>Continued Appropriateness: The City will continue to utilize density bonus as an incentive for affordable housing development. The Housing Element update will include a proposed program action to update the City's density bonus provisions to comply with recent changes in State law such as AB 1763, SB 1227, and AB 2345.</p>
3.4 Continue to subsidize and defer application fees, development impact fees, and on-and off-site improvements for affordable housing sites.	Subsidize and defer fees.	<p>In place of formerly available redevelopment housing funds, the City's In-Lieu Housing Fund has been utilized to subsidize affordable housing development. However, the In-Lieu Housing fund fees have decreased, and no other local affordable housing funds have been added.</p> <p>The city adopted a resolution that provides for a reduction in impact fees for affordable housing projects.</p> <p>Continued Appropriateness: In the proposed 2023-2031 Housing Element, this program will be incorporated into the overall program to facilitate affordable housing development.</p>
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 proposed 2023-2031 Housing Element, this program will be 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 to guide standards for streamlined housing projects.</p> <p>Continued Appropriateness: To comply with new State law (SB 330), the City is developing objective development standards</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 proposed for removal 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: Water shortage continues to be a constraint to development. This program is proposed for inclusion in the 2023-2031 Housing Element.</p>
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Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
3.9 Actively participate in the Sonoma county Water Agency's planning for a second Petaluma Aqueduct to influence the aqueduct alignment, capacity and construction details to best reinforce the distribution system.	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> <p>Continued Appropriateness: This is proposed for incorporation with Program 3.8 above in the 2023-2031 Housing Element.</p>
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 and the HCD Local Housing Trust Fund Program and was awarded \$1.1 million for local match to support 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 proposed 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 proposed 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.	In 2018, this program was amended to require all residential developments of 5 or more units to build 15% affordable units onsite. Continued Appropriateness: Inclusionary housing is an important component of the City's affordable housing strategy and is included in the 2023-2021 Housing Element.
4.4 Administer the Housing-Commercial Linkage Fee Program	Implement the Commercial - Housing Linage Fee Program	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. 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.
4.5 Continue to support the Mortgage Credit Certificate (MCC) program administered by the County	Utilize the Mortgage Credit Certificate Program for Low-Income Homebuyer	This program is no longer available through the County Community Development Commission but is applied through local lenders.

Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
Community Development Commission		Continued Appropriateness: The 2023-2031 Housing Element includes other resources for homebuyer assistance. MCC is removed from the Housing Element.
4.6 Continue the existing partnership with the County Housing Land Trust to administer the Homebuyer's Assistance Program for low- and moderate-income households	Support the County Housing Land Trust	The City has a contract and works in partnership with the Housing Land Trust to administer the Ownership Program. This includes administration when new properties enter the program as well as preserve housing upon resale. Some recent and current projects include Brody Ranch, Casa I, and Riverbend. Continued Appropriateness: In the proposed 2023-2031 Housing Element, this program is incorporated into the overall program to facilitate affordable housing development.
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. This item is on the top 10 goals for the City and staff will be brining amendments to council for consideration with the next few months to strengthen the ordinance. Continued Appropriateness: This program continues to maintain affordability

		for some of the more vulnerable households in the City and is included in the proposed 2023-2031 Housing Element.
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	Preserve the affordability of the City's existing affordable housing stock.	<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 proposed 2023-2031 Housing Element.</p>
5.3 Retain federal, state and locally subsidized affordable units that may be lost through contract termination	Preserve the affordability of the City's existing affordable housing stock.	<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>
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.	Ensure the long-term affordability of units developed or provided with City assistance.	<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</p>

Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
		the 2023-2031 Housing Element as a separate program.
5.5 Continue to impose long-term resale controls or rent restrictions on affordable units provided through the inclusionary housing program or city subsidies to ensure that they remain affordable to the targeted income groups.	Ensure the long-term affordability of units developed or provided with City assistance.	<p>Since 2015, 3 affordable properties went through rehabilitation which also extended their rent restrictions for 30 to 55 more years. EDEN Housing is planning a substantial rehab on the Downtown River Apartments, and this will extend the rent restrictions for an additional 55 years.</p> <p>Continued Appropriateness: This is part of the Inclusionary Housing requirements and is included in the proposed 2023-2031 Housing Element as part of the inclusionary housing program.</p>

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.	<p>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 \$95,000 annually to PPSC for fair housing and rental assistance programs.</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>
6.2 Continue to support the Mary Isaak Center	Support efforts to provide housing and support services for the homeless.	<p>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. The City recently partnered with COTS to construct the People's Village, that will provide 25 non-congregate shelter options adjacent to the MIC.</p> <p>Continued Appropriateness: The 2023-2031 proposed 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>
6.3 Continue to support the COTS Family shelter at MIC	Support efforts to provide transitional and supportive housing to those moving from homelessness to independent living.	<p>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 from this location.</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</p>

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		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 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 provides funding for program operational support and leases the home for \$1 per year. The agency is responsible for ongoing maintenance of the property. The agency has changed their name to Nations Finest and is still operation 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.	<p>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 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>
6.7 Continue to support the construction of senior housing.	Promote the construction and maintenance of housing for the elderly.	<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>

Table 6: Program-Specific Evaluation (5 th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness

		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. .
6.8 Continue to support the “Rebuilding Together – Petaluma” (RTP) program.	Promote the construction and maintenance of housing for the elderly.	<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>
6.9 Continue to require the inclusion of disabled-accessible units in projects that receive city assistance.	Promote the provisions of disabled-accessible units and housing for developmentally, mentally and physically disabled.	<p>The City is in the process of 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.</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>
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.		
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>

Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
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> <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>
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.	Discourage discriminatory housing practices.	<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>
Goal 8: Preserve and improve the city's existing housing stock.		
8.1 Continue to support the "Rebuilding Together – Petaluma" program.	Promote the maintenance of existing residential units.	<p>The City works in partnership with Rebuilding Together, a local agency that provides rehab services for housing and public facilities. To date the agency has completed a total of 210 jobs. This includes a total of 53 major and 157 minor rehab 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>
Goal 9: Promote the integration of affordable and special needs housing with existing neighborhoods.		

9.1 Continue to address community input of such projects on surrounding neighborhoods during the design review and approval process.	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. Through the Inclusionary Housing on-site requirement, the City facilitates the integration of affordable housing within existing neighborhoods.</p> <p>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>
Table 6: Program-Specific Evaluation (5th Cycle Housing Element)		
Program/Policy	Objective	Progress and Continued Appropriateness
		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.
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>
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.	<p>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.</p> <p>Continued Appropriateness: This is a routine requirement and is not separately identified in the Housing Element as a program.</p>

Report on Surplus Land

Surplus Locally Owned Lands Sold (Attachment 2, Table G)

No transactions in 2022.

Locally Owned Surplus Sites (Attachment 2, Table H)

The property located at 27 Howard Street, parcel (008-044-009) has been identified as surplus land and will be disposed of according to the Program Guidelines stated in Assembly Bill 1486 found in Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8, Surplus Land. The general purpose of the program is to promote affordable housing development and unused or underutilized public land through the state to respond to the existing affordable housing crisis.

PUBLIC OUTREACH

This agenda item appeared on the City's tentative agenda document on February 27, 2023, which was a publicly noticed meeting.

ENVIRONMENTAL REVIEW

Accepting the annual report is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, in that the annual report does not meet CEQA's definition of a "project" because the report does not have the potential for resulting either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the report preparation and submission as required by law constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. Moreover, even if preparation and submission of the report is deemed a "project" under CEQA, this report would be categorically exempt from environmental review per CEQA Guidelines Section 15306 which provides that information collection activities that do not result in a serious or major disturbance to an environmental resource are exempt from the provisions of CEQA.

FINANCIAL IMPACTS

Staff time for the compilation of the Annual Housing Element Progress Report for the calendar year of 2022 is the only fiscal impact. Filing of the annual report is a requirement of having a certified Housing Element and provides the City with eligibility for state housing funds.

ATTACHMENTS

1. Resolution
2. Housing Element Annual Progress Report 2022