

# GPAC Meeting Summary

*August 17, 2023, 6:30-9:00 PM*

# Introduction

## Meeting Access

All GPAC Meetings are public and are accessible via Zoom and television (PCA channel). Meeting information, meeting recordings, presentation slides, and other materials are posted on the City's Meetings site: [www.cityofpetaluma.org/meetings/](http://www.cityofpetaluma.org/meetings/).

## Agenda

- Welcome
- General Public Comment
- Project and Staff Updates
- Residential Feasibility and Affordable Housing Finance Analysis Presentation
- Public Comment & Discussion
- GPAC Working Group Update
- Final GPAC Comments

## Attendance

There were 12 total members of the General Plan Advisory Committee (GPAC) members in attendance, as well as members of the public. The following GPAC members were present:

- |                 |                          |
|-----------------|--------------------------|
| 1. Dave Alden   | 7. Roger Leventhal       |
| 2. Phil Boyle   | 8. Brent Newell          |
| 3. Mary Dooley  | 9. Kris Rebillot         |
| 4. Yensi Jacobo | 10. Bill Rinehart        |
| 5. Ali Gaylord  | 11. Joshua Riley Simmons |
| 6. Sharon Kirk  | 12. Bill Wolpert         |

The following GPAC members were absent:

1. Stephanie Blake
2. Erin Chmielewski
3. Jessie Feller
4. Iliana Inzunza Madrigal
5. Roberto Rosila Mares
6. Elda Vazquez-Izaguirre
7. Lizzie Wallack

The following City and consultant staff were present at the meeting:

**City of Petaluma:**

Brian Oh – Director of Community Development, *City of Petaluma*

Heather Hines – Special Projects Manager, *City of Petaluma*

Heather Gurewitz – Senior Planner, *City of Petaluma*

Daniel Harrison – Planner, *City of Petaluma*

Maria Galvez and Monica Aparicio – *Spanish Interpreters*

**Consultant Team:**

Ron Whitmore - *Raimi + Associates*

Michelle Hernandez - *Raimi + Associates*

Derek Braun – *Strategic Economics*

## Meeting Summary

The focus of the 24th GPAC meeting was to discuss the findings from an analysis of residential development feasibility and affordable housing finance in the City. Other objectives included discussing the proposed re-organization of the GPAC Working Groups and their role in the Policy Framework review process.

### Opening

The Spanish interpreter, Monica Aparicio, explained how to use the simultaneous interpretation tool on Zoom for attendees who wanted to listen in Spanish. Brian Oh followed by taking roll call attendance for GPAC members.

### General Public Comment

No public comments were made at the beginning of the meeting.

### Project and Staff Updates

Brian Oh presented project and staff updates:

- The State Housing and Community Development (HCD) Department certified the Housing Element in May. YIMBY Law also recognized the Petaluma Housing Element as the “Best Overall.”
- City staff and the Climate Action Committee reviewed administrative drafts of the Climate Action Plan, and the team is planning on releasing the Public Draft CAP for community review in the fall. Community engagement on the CAP will include an open house, an online input form, and additional CAC meetings.
- City staff are preparing to introduce the updated floodplain and sea level rise maps to the public. How these maps and model runs inform flood mitigation, climate adaptation, and land use will be discussed with the GPAC and community.
- The City was awarded a grant for the development of a specific plan for the North Petaluma SMART Station area.

- The next GPAC meeting will be held in person on 9/21 at 6:30PM at the Petaluma Community Center in Lucchesi Park. This meeting will be an introduction to the updated flood and sea level rise modeling and maps.

Please see the presentation slides, the project website (<https://www.planpetaluma.org/>), and the meeting recording for more information about the project and staff updates.

## GPAC Clarifying Questions & Comments

No clarifying questions were asked by GPAC members.

## Residential Feasibility and Affordable Housing Finance Analysis

Derek Braun from Strategic Economics presented the purpose, methods, and findings from an analysis of residential development feasibility and affordable housing finance in Petaluma. The analyses identified barriers and opportunities for the production of higher density market rate housing and deed-restricted affordable housing. The findings of these reports can inform policy direction and help the City accommodate its housing needs. Please see the presentation slides for more information about this presentation.

## GPAC Clarifying Questions & Comments

- Is there a corresponding analysis for for-sale units and development types to show how those are feasible? Did we identify any urban housing types that would be feasible for rentals?
  - A: We did not do a detailed analysis of ownership housing types, but it's not unusual for townhomes to perform well in markets similar to Petaluma. It is an inexpensive product type to build, but condos, another ownership product type, are challenging to deliver in the Bay Area right now. Townhomes can be a contributor to a denser, walkable fabric but the analysis looked at denser product types. The emphasis was on the higher density building types, and the 3 story product type is the closest to being feasible in Petaluma.
- Would waiving the fees for projects with additional inclusionary units trigger the prevailing wage for the developers?
  - A: Unsure but could do additional research.
- Was there analysis completed to determine if the recommended policy changes would make the projects pencil? Having a hard time understanding how Santa Rosa has lots of apartment buildings being constructed in the past few years and a majority of their rents are lower than in Petaluma?
  - A: The analysis didn't test all the recommendations as some are harder to capture in a financial analysis, but the ones we did test do bring the costs down quite a bit but still don't completely pencil. Santa Rosa's taller apartment buildings may be affordable projects or are projects that have been entitled for multiple years, but construction did not start until more recently. Santa Rosa has a variety of incentives, but Petaluma staff can follow up to better understand Santa Rosa's process for incentivizing housing production.
- What is a city land bank?
  - A: It is a land acquisition mechanism for the City to acquire land or hold City-owned land for future affordable development projects.

- What is the history behind the impact fee waivers for 100% affordable projects? Were we not getting enough applications? Were the State laws that allow 100% affordable housing projects by-right not enough incentive?
  - A: The City was hearing from various affordable housing developers that the impact fees were too large to make the financing work for projects with already tight budgets. The City was looking for every way to make the process easier for these affordable projects to be built, and while the speed-up review process did help, it was not doing enough to cut down costs. The City created a fee exemption, not a waiver, for certain projects that are completely affordable and have had a partnership with the City. The program waives fees related to City facilities, traffic, parks, and open space but it does not waive infrastructure and school-related fees. The exemption is not applicable to inclusionary units in market rate projects.
- In the four scenarios shown, it isn't clear what income levels they were for. It seems like the designs that the scenarios considered are building types not allowed in Petaluma and are instead just types that are popular in other parts of the Bay Area. 8-story buildings are out of context for the City.
  - A: The prototypes we looked at were market rate developments; the affordable housing prototypes analysis would have been very different. This study is not assuming that 8-story buildings will be allowed in the City, but the analysis was meant to test whether this extreme scenario would be financially feasible and what the results look like when compared to other prototypes. The analysis shows how building taller and maximizing the land doesn't make the financing of these projects easier.
- The contrast between Petaluma's and other counties' local funds spending to support housing projects was striking. Wondering if there are ways, such as an incremental tax, that can be earmarked to support affordable housing developments, or other community projects generally?
  - A: Before, redevelopment agencies would capture certain taxes and reinvest them, but since they were dissolved, there have not been any new mechanisms that function similarly.

## Public Comment on Agenda

Public comments were presented after the presentation.

- Please explore the impacts of adjusting fees, building prototypes, and funding sources for affordable housing. Do not support 5-8 story buildings; they will ruin the quality of this town. If need to add density, it should be gentle density like duplexes, quadplexes, and ADUs. Every city does not need to grow infinitely or have out of control development.
- It does not feel right to have this conversation without the public, as many citizens would be shocked that this is happening. Engagement on this issue needs to happen and should bring more people into the conversation.
- There is no way that the wage and housing imbalance issue is going to be solved at the local level or by taxing the low and middle classes. Didn't hear any discussion of mobile homes, the people who live in them deserve to have co-ops and innovative structures of land ownership. Interested in hearing what the funding sources are that San Francisco uses to incentivize housing construction; Petaluma should use them too.

- We need to be talking about the long term effects of flooding, its overlaps with future development, and the effect they will have on lower class people considering the history of low income populations being pushed into environmentally dangerous areas.
- Agrees with the previous comments. It would have been helpful to have presented the information on how Santa Rosa has been building housing and used neighboring cities as case studies.

## GPAC Discussion

After the presentation, GPAC members provided the following comments and questions for the presenter and team.

- Liked the presentation! Would imagine that Santa Rosa housing developments are SB 330 applications but unsure. The feasibility gap is interesting; the combo of reducing impact fees and speeding up the approval process should make these projects more feasible, but they aren't enough. The one aspect that struck me, and the one the General Plan could address, is the investment in town amenities. The open space we have is unique and makes Petaluma a desirable place to live but I'm sure there are things around town that need improvement, it is an aspect that the General Plan can take on to incentivize future housing development.
- Some of the City-owned parcels make sense for housing development while others don't. Looking forward to taking a closer look at this once we get into the land use discussion.
- Is it an accurate reading of the report that we cannot meet our RHNA targets for housing other than above moderate income? If so, we need to get more radical in terms of solutions. The Land bank idea is very interesting, especially in utilizing limited General Funds for affordable housing development. Would be interested in learning how we can grow the City's General Funds in order to develop more affordable housing.
- We need to get serious about making way for affordable housing in other places around town or we might end up offering the Fairgrounds for affordable housing development.
- In thinking about other nearby communities with many residential projects currently under construction; they are all expensive to build. There's so much opposition to the potential hotel but that type of project would bring in the money to build affordable housing. Is there a way to help those get built so we have the money to use for affordable housing?
- Generally, agree with the recommendation to let go of ground floor retail requirements in certain locations to get more housing units from those strategic projects.
- What is the takeaway from these reports? That rental housing is not feasible in Petaluma? In order to get the density in Downtown that we want and the affordable housing units we need, should we be encouraging the for-sale development types?
- We need to figure out which development types really work in Petaluma and bridge the feasibility and affordability gap. If the in-lieu fees placed on for-sale housing projects are cheaper than providing the affordable units, maybe we need to focus on for-sale homes and in having in-lieu fees that match the cost of building affordable housing and allow the City to help those affordable housing developers.
- Many of the naturally occurring affordable units, like ADUs, have been converted into vacation rentals. We should sunset this policy to allow renters to reclaim these housing units.
  - A: Short term rentals are prohibited in ADUS built in 2017 or later in Petaluma.
- There are types of housing that have become unpopular since the last century, like boarding houses, SROs, etc. This shows that the building types that developers are interested in are always changing, but we should leave the door open to older types in case the market changes.

- At an earlier meeting we talked about East Washington and bold, reimagining ideas. Let's think creatively about housing so we can keep improving and getting closer to the housing goals we have.
- We should also be thinking about how to promote wealth building in future housing developments, maybe in the form of smaller for-sale units in a multifamily project, microunits, renovating big box stores in core areas, etc. Need to allow the creative reuse of buildings to get that housing we need.
- One policy or design suggestion is to have higher floor plates on the first floor of new developments and to not require retail. The higher floor plate leaves that space flexible for conversion into either residential or non-residential uses. When thinking about expanding amenities in residential neighborhoods, think back to the 15 minute neighborhood idea and strategies generated through the SDAT. A way the General Plan could help with that is allowing more temporary uses in neighborhoods and making permitting of these uses an easier process. Additionally, removing parking minimums gives developers more flexibility in providing it or in providing other amenity spaces or more units.
- The City should make it easier for developers to pay the in-lieu fees when they don't provide inclusionary housing so that we can get the funding much faster and easier.
- Was struck that even the market rate housing doesn't pencil out! The policies of the General Plan need to target building affordable housing. RHNA shows that we don't need higher end housing, so City policies should target moderate and low income housing that also allows for more ownership opportunities. The city's current first time homeowner program is great and a great way to expand homeownership.

## Working Group Reorganization

The GPAC Working Groups are a way to collaborate with community members outside of GPAC meetings to make topic-specific recommendations. The ideas and recommendations generated by the Working Groups in 2022 have informed the development of the Policy Frameworks. The proposed reorganization of the Working Groups is meant to better align the focus of the Working Groups with the Framework topics and provide a space for GPAC members to take a deeper dive into these topics.

## GPAC Comments & Questions

- It would be great once people picked their group to have this list posted somewhere publicly accessible and to have a facilitating location if we want to encourage people in the community to get together to participate.
  - A: The list will be added to the project website, and staff will start thinking about potential gathering locations and organization. The working groups will be taking deep dives into the material during the public review stage so that it is supplemental to the staff-driven community engagement on these work products. There is not the expectation that GPAC members will be the only leaders in gathering community feedback on the frameworks.
- How is the work from the previous working groups being used? Can we join another group?
  - A: GPAC members do not have to stay in the same working group. The recommendations from the previous working groups were used to inform strategic meetings with City staff and consultant groups, they were the primary source for ideas for the policy framework drafts in the beginning, and they are being used as checklists against the current version of the policy frameworks to ensure the ideas are still present.

- We engaged a lot of stakeholders in the open space group and believe that the consultant brought back a report that didn't include everything in the original work. Would want this next stage to use the previous work as a checklist for the frameworks.
- What is the timeline for the roll out of this work? How many will be released at a time? What is the process for review and development? Will GPAC review and public review occur at the same time? Need to know so the GPAC members can coordinate the efforts.
  - A: There is not a set timeline at this point, but by the time the policy frameworks are ready for public review, the planning team will let the GPAC know what the timeline is. All of the frameworks are expected to be available at the same time and the team will provide many ways to provide feedback. The team will present the frameworks to commissions and boards and summarize the input for the GPAC so that it can make recommendations to the Planning Commission and City Council.

## Final GPAC Thoughts

No GPAC members provided comments at the end of the meeting, but members of the public were invited to provide comments on the Work Group reorganization discussion.

## Public Comment

- The Engineering Working Group is going to be a huge topic with climate change, especially as you consider the renovations of key infrastructure and new resiliency projects. Electrification, along with microgrids, EV charging, and more, will take a considerable amount of infrastructure updates and will need to be discussed.
- Would like to see the Open Space and Natural Resources group be renamed to Open Space and Natural Environment. They should also revisit the proposed strategies when reviewing proposed policies, especially when assessing how connected or disconnected the city is through open spaces and the wildlife corridors, which need revisions.

The meeting was adjourned at approximately 9 PM.