



COUNTY OF SONOMA PERMIT AND RESOURCE MANAGEMENT DEPARTMENT

2550 Ventura Avenue, Santa Rosa, CA 95403-2829
(707) 565-1900 FAX (707) 565-1103

Fax Transmittal Sheet

To: HCD

Fax #: 916-327-2643

From: Jane Riley

Telephone Number: (707) 565-7388

Date: 3/31/09 Time: _____

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(Including this page)

MESSAGE: _____

Following please find our Annual
Planning Report.

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COUNTY OF SONOMA

PERMIT AND RESOURCE MANAGEMENT DEPARTMENT

2550 Ventura Avenue, Santa Rosa, CA 95403
(707) 565-1900 FAX (707) 565-1103

To: Board of Supervisors, Planning Agency, State Department of Housing & Community Development (HCD), State Office of Planning Research (OPR)

From: Jane Riley, Planner III (Housing)
Permit & Resource Management Department
County of Sonoma

Subject: Annual General Plan Status Report
Year ending December 31, 2008

Date: April 1, 2009

EXECUTIVE SUMMARY

During calendar year 2008, Sonoma County experienced a decrease in residential permits issued relative to 2007 levels, and permit activity continues to be down from 2005 levels. While the Permit and Resource Management Department (PRMD) continues to experience affordable housing-related activity resulting from the Board of Supervisors's 2005 adoption of new housing programs, permits for affordable units are significantly down from 2005 levels. The County issued building permits for only 19 affordable units during calendar year 2008 and approved planning entitlements for an additional 15 affordable units.

Despite the widespread economic downturn, performance during this Housing Element period with respect to affordable housing units produced continues to be much stronger than during the previous period. While during the previous Housing Element period, the County's affordable permits averaged just over 17% of all permits issued, during this Housing Element period nearly 40% of the new residential permits issued have been for affordable units.

The County has achieved 54% of its overall Regional Housing Need Allocation (RHNA) and 92% of its housing objectives. The County has met its objective for above-moderate income housing. While the County has provided well over 1,000 affordable units in this planning period, it nonetheless remains behind its targeted objective for lower and moderate-income housing units.

INTRODUCTION

Government Code §65400 requires local agencies to provide an Annual General Plan Status Report (Annual Report) to the Board of Supervisors, the California Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) by April 1st of each year. The purpose of the Annual Report is to provide an annual update to both the Board of Supervisors and the State on the County's progress in implementing the various policies and programs of its General Plan, with an emphasis on reporting its progress toward attaining its Housing Element Objectives. A brief report on the status of the General Plan Update is included at the end of

this Annual Report. The Annual Report is focused on providing that specific housing-related information required by the Government Code, which includes the following components:

- 1) A numerical report of the County's progress in attaining its "fair share" of the regional housing need, by income category, and of its progress in achieving its quantified objectives;
- 2) A discussion of the County's progress in implementing the policies and programs set forth in the Housing Element; and,
- 3) The measures which have been taken by the County to remove or reduce governmental constraints to the production of housing, as identified within the Housing Element.

This memorandum, together with its attachments, constitutes the required Annual Report for the calendar year ending December 31, 2008.

2008 CONSTRUCTION ACTIVITY

During calendar year 2008, housing permits were down for all types of units. The Building Division reported 138 total building permits issued (not counting replacement homes) for single-family, multi-family and manufactured units, including 10 permits issued for Second Dwelling Units (see *Table 1*, below). Additional permits were issued for farmworker housing and residential care facilities.

Table 1: Residential Permits Issued During 2008, by Type

Unit Type	Total
Single-Family Homes (not including replacement units)	70
Multiple-Family Homes (units)	6
Second Dwelling Units	10
Ag Employee Units, Farm Family Units, and Mobile Homes	6
Ag Bunkhouses (2 bunkhouses containing bunks for 50 workers)	50
Total (Units + Bunks)	142

Second Dwelling Units

A total of 10 new second dwelling units were issued building permits during 2008, significantly less than have been issued during the last few years. Because of their limited size, second dwelling units are considered affordable even without the imposition of long-term deed restrictions. The most recent survey of second dwelling units, conducted during the summer of 2006, showed that the average rent for a detached second dwelling unit (when rent was charged) was on the low end of the "moderate" income range. Rents for attached units and for units converted out of existing space were shown to be generally rented at no more than the "lower" income level.

Units for Farmworkers

As a rural agricultural county, Sonoma has a significant need for farmworker housing. To this end, the County's objectives include the provision of both year-round and seasonal accommodations for farmworkers. During 2007, permits were issued for a 50 bunks of seasonal farmworker housing in two facilities, and six agricultural employee units.

REGIONAL HOUSING NEEDS AND LOCAL OBJECTIVES

The Association of Bay Area Governments (ABAG) has adopted a Regional Housing Needs Allocation (RHNA), pursuant to Government Code Section 65584, for all jurisdictions within the County of Sonoma. In order to provide for the projected population growth within the region, Sonoma County was determined to need 6,799 new housing units by the end of 2006, including 1,563 units affordable to moderate-income households and 2,457 units affordable to lower (very-low and low) income households. As of the end of 2006, the County had approved or issued permits for 1,039 lower-income units, 376 moderate-income units, and 2,083 above-moderate income units. The remaining need during this planning period, which the state legislature has now extended until June 30, 2009, is for 1,368 lower-income units, 1,157 moderate-income units, and 613 above-moderate income units. This information is provided in Attachment 2: Sonoma County's Progress in Meeting its Regional Housing Need Allocation, attached at the end of this report.

Quantified Objectives for Lower- and Moderate-Income Housing Units

Pursuant to Government Code 65583 (b), where the RHNA exceeds available resources, the Quantified Objectives need not be identical to the RHNA. Under these circumstances, the Quantified Objectives must establish the maximum number of housing units by income category, that can be constructed, rehabilitated, or conserved over the 5-year period. Because the County's General Plan reflected a city-centered growth philosophy, the adopted objectives are substantially lower than ABAG's RHNA.

Sonoma County's certified Housing Element identifies 5-year Quantified Objectives which provide for approximately 46% of the identified regional housing need. The Quantified Objectives include a total of 1,571 units for lower and moderate income households to be provided during the 5-year planning period (by the end of 2006). As of the end of 2008, the County had approved or issued permits for 1,062 affordable units, including 455 very-low income units, 309 low-income units, and 298 units for moderate income households (see Table 2, following).

Targeted Income Group	Quantified Objective	Permits Issued	Units Approved ¹	Total Provided	% of QO Provided	Objective Remaining
Very-Low	705	447	8	455	65%	250 units
Low	504	304	5	309	61%	195 units
Moderate	362	296	2	298	82%	74 units
Above Moderate	1,317	1,522	37	1,559	119%	0

¹ Includes units for which planning and/or plan check applications have been approved, but for which building permits have not yet been issued. Does NOT include units in projects which are currently in the entitlement process but which have not yet received approvals.

As Table 2 shows, with the 5-year Housing Element planning period having elapsed, the County has exceeded its target for above-moderate units and has achieved 91% of its overall objectives. In spite of the progress made during the planning period, the County did not meet its affordable housing objectives for very-low, low and moderate-income housing units.

ACTIONS UNDERTAKEN TO IMPLEMENT HOUSING ELEMENT PROGRAMS

A large number of actions were undertaken by the County during this Housing Element planning

period to implement the housing policies and programs set forth in the adopted Housing Element. A chart summarizing the County's progress to date on each of the Housing Element Programs is attached at the end of this Annual Report. Highlights of the actions taken to date are provided below:

Removing Governmental Constraints

In June of 2005, the Board of Supervisors adopted the following Zoning Code amendments designed to remove governmental constraints to housing:

1. Reduced standards for high-density development projects, including Type A density bonus projects in order to facilitate development of infill sites for affordable and high-density housing.
2. Revised standards for second dwelling units to allow second units to be created within or attached to larger agricultural structures, allowing the legalization of a number of non-permitted units which had been in the Code Enforcement abatement process.
3. Reduced standards for mobile home parks to allow existing parks to be expanded, and to reduce the acreage required to create a new park from 4 acres to 2 acres.
4. Amended the Zoning Code to allow farmworker housing on parcels that are otherwise protected by Williamson Act (Agricultural Preserve) contract.
5. Reduced the minimum number of units required for participation in the County's 100% density bonus programs. For Type A (rental) projects, the minimum number of base units was reduced from 4 to 2; for Type C (ownership) projects, the minimum number of base units was reduced from 5 to 4. This change was made to facilitate development of affordable units on small infill parcels, as well as to allow the legalization of a number of units that had been in the Code Enforcement abatement process.

Recent Results: The changes to the second dwelling unit provisions have allowed legalization of at least 10 units, and has prompted additional units that could not previously been legalized to "come in" for permits. No applications for new mobile home parks have been received to date; however, meetings have been held with potential applicants with regard to possible expansion of existing mobile home parks.

As discussed in the "Adequate Sites Monitoring and Inventory Update" portion of this report, below, the County has been able to add additional housing sites to its inventory as a result of these changes.

Increasing Opportunities for Housing

During calendar year 2005, the Board of Supervisors adopted the following Zoning Code amendments designed to further increase opportunities for housing development:

1. Adoption of a new Work-Live Ordinance, allowing integrated residential units within the M1 Urban Industrial Zone District.
2. Adoption of a new Mixed-Use Ordinance, allowing residential uses within all urban commercial zone districts.
3. Adoption of a new Single Room Occupancy (SRO) Ordinance, allowing single-room occupancy facilities, with a Use Permit, in all urban commercial zoning districts.

Recent Results: As a result of these changes to the Zoning Code, staff are processing applications for several different mixed-use housing projects, including some which would provide affordable units, and related commercial space. No new SRO facilities have been proposed to date.

Promoting the Production of Housing

During calendar year 2005, the Board of Supervisors adopted a comprehensive Affordable Housing Program, including the following:

1. Affordable Housing Program for Residential Development (Inclusionary Housing). Requires that all new residential development, including for a building permit for a single-family dwelling, either include affordable units on-site, pay an in-lieu fee, or provide an equivalent alternative.
2. Affordable Housing Program for Non-Residential Development (Workforce Housing Program). Requires that all new non-residential development of more than 2,000 square feet either provide workforce housing units on-site, pay an in-lieu fee, or provide an equivalent alternative.
3. A new fee deferral program for affordable housing development was also adopted during 2005.

Recent Results: Since the effective date of these programs on October 1, 2005, the County has collected over \$4.2 million in affordable housing in-lieu fees, including over \$100,000 in workforce housing fees. Fees assessed during the 2008 calendar year totaled \$1,755,601. These fees go into the County Fund for Housing (CFH), and have been utilized for site acquisition and development costs for affordable housing projects. The most recent projects funded with CFH monies are the West Hearn Avenue Transitional Housing for Homeless Veterans project (\$1,400,000) the Fifth & Mill Street Apartments in Guerneville, an affordable rental housing project (\$1,110,000), and the Las Palmas affordable ownership development in the Sonoma Valley (\$1,422,000). The 2008 CFH Status Report is attached.

ADEQUATE SITES MONITORING & INVENTORY UPDATE

Housing Element Program #10 requires the County to conduct an annual review of the status of the housing sites listed in the Housing Element's urban land inventory (Table 7.5) and the use of the listed sites to accommodate the County's share of the regional housing need. Where the review has shown that some sites were developed for other than residential purposes, or developed a substantially lower density than anticipated, the County has identified additional sites to be made available and /or provided additional incentives to facilitate the development or redevelopment of existing sites for residential purposes.

A comprehensive review of the County's sites that are available for all types of housing was undertaken during 2006. Recent changes to state law will require the County to undertake a more rigorous analysis of the potential constraints to development for inventoried housing sites in its next Housing Element Update. These new standards were voluntarily used with the 2006 inventory update. The inventory update found that 16 of the sites shown in the original Table 7.5 had been developed with 145 dwelling units, including 104 affordable units and one fully accessible unit. A total of five of the original sites were dropped from the available sites listing due to existing constraints to development. After reviewing site-specific information about the remainder of the original sites, the County reduced the likely development potential on an additional nine sites due to site-specific development constraints, including flooding and slope constraints. However, five new sites were identified and made available for housing through General Plan Amendments and/or

Rezoning; another four sites that had been identified as potential Affordable Housing Overlay (AHO) sites were rezoned and made available ahead of the September 2008 adoption of GP2020; and eight additional sites were identified and added to the available sites inventory. The updated Table 7.5, revised pursuant to Program #10, contained sites with the capacity for 2,147 units, including 1,377 Type A and 770 Type C units. These sites have utilities available and are suitable for the development of housing units affordable to very-low, low, and moderate-income households at densities of approximately 10 to 30 units per acre. The 2006 update to the County's housing inventory was transmitted to HCD in September of 2006, and after a comprehensive review, HCD confirmed that, with these Table 7.5 sites along with the remaining sites otherwise available under the Housing Element, the County continues to have adequate housing sites to meet its remaining RHNA.

During 2007, one additional infill housing site was developed with 7 units, including a fully accessible unit. This development removed the 0.67 acre Site #56 from inventory, leaving a remaining capacity for 2,140 units in Table 7.5. No affordable housing sites were developed with uses other than housing during 2008. Pursuant to Housing Element Program #10, no further action is necessary on the part of the County. Nonetheless, an additional 6 sites with the potential for 375 new Type A units were rezoned to allow high-density affordable housing as a part of the GP2020 update, adopted in September of 2008.

COMPREHENSIVE GENERAL PLAN UPDATE

In March 2001, the Sonoma County Board of Supervisors authorized PRMD to initiate an issue-focused update of the County's General Plan (referred to as GP2020). Following a long process that included many public meetings, development of a draft by a Citizens' Advisory Committee, and public hearings and approval by the Planning Commission, the Board of Supervisors adopted GP2020 on September 20, 2008.

In December 2008, the Board of Supervisors approved a Comprehensive Planning Work Plan that included implementation of many General Plan polices in Fiscal Years 2008-09 through 2012-13. The approved Work Plan that is attached includes programs addressing permanent occupancy of campgrounds, condominium conversions, development code standards, census geography and other programs implementing Housing Element policies. The draft Housing Element was approved by the Board of Supervisors in January 2009 and transmitted to HCD for review. The final Housing Element is expected to be adopted by the Board of Supervisors in May 2009.

LIST OF ATTACHMENTS:

- Attachment 1: Housing Element Program Implementation Table, 12/31/2008
- Attachment 2: Sonoma County's Progress in Meeting its Regional Housing Need Allocation
- Attachment 3: 2008 County Fund for Housing (CFH) Status Report
- Attachment 4: Comprehensive Work Plan

cc: Kathleen Kane, Mark Krug, Bob Branson, Chris Thomas, Peter Rumble, Sue Gallagher, Pete Parkinson, Jennifer Barrett, Dean Parsons,

last update September 27, 2006

SONOMA COUNTY HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS

Housing Element Program	Short Program Description	H.E. Pg. No.	Responsibility	PRMD Staff	Time Frame	Status	Comments/Next Step
9.1 SUSTAIN EXISTING HOUSING PRODUCTION AND PROGRAMS AND AFFORDABLE HOUSING UNITS							
1	Sustain Existing Housing Production and Programs that Create Permanent Affordable Housing	132	CDC, PRMD	JR	ongoing	In place and ongoing	Ongoing
2	Retain Existing Affordable Housing Units Through Acquisition Subsidies	133	CDC, PRMD		ongoing	Ongoing, as-needed as contracts expire	Ongoing, Continue participation as opportunities arise
9.2 PROMOTE THE USE OF AVAILABLE SITES FOR AFFORDABLE HOUSING							
3	Continue to Administer County's Mobile Home Rent Stabilization Ordinance	133	CDC, PRMD		ongoing	Ongoing	Ongoing
4	Improve Information about and Community Acceptance of Affordable Housing	133	CDC, PRMD	JR	2003 and ongoing	Underway	Expanded in 2002; ongoing
5	Expand Priority Processing for Affordable & Farmworker Housing	134	County Permitting Agencies	n/a	ongoing	Ongoing	Continue Annual Staff Training
6	Assist in the Preparation and Adoption of Public Service Master Plans for Urban Service Areas	134	PRMD	GH	New Program part of GP2020	In place and ongoing	Ongoing
7	Modify Utility Providers of their Responsibility to Prioritized Service to Affordable Housing Projects	134	PRMD	JR	New Program part of GP2020	Completed	Completed
8	Package Sewer Treatment Plants	134	PRMD	GH	New Program part of GP2020	Underway	Completed
9	Fund Staffing Dedicated to Housing Element Implementation	134	CDC, PRMD	n/a	beginning 2002 and ongoing	Completed	Completed
10	Adequate Sites Monitoring Program	135	PRMD	JR	W/annual GP report to HCD	Ongoing	Reporting Started 2003
9.3 PROMOTE PRODUCTION OF AFFORDABLE HOUSING UNITS							
11	Preparation of Affordable Housing Combining District	135	PRMD	DP	New Program part of GP2020	Underway	Completed
12	Increase Opportunities for Second Units	135	CDC, PRMD	JR	June-03	Completed	Completed
13	Promote Density Bonus Development in Unincorporated Urban Area	136	CDC, PRMD	JR	Feb. 03 and ongoing	In place and ongoing	Ongoing
14	Increase Opportunities for Farmworker Housing	136	PRMD	JR	New Program part of Dev. Code	Completed	Completed
15	Expand Opportunities and Provide Incentives for Mixed Use Development	136	PRMD	JR	New Program part of Dev. Code	Completed	Completed
16	Single Room Occupancy Hotels in Urban Commercial Districts	136	PRMD	DP	New Program part of GP2020; due 2003	Completed	Completed
17	Inventory, Legalize, and Conserve Existing SRO Supply	137	PRMD	JR	Inv: Jun-Aug 03	Underway	Inventory completed
18	Long Term Residency in RV Campgrounds	137	PRMD	DP	Ord: Jan-April 04	Underway	GP Program completed
19	Mobile Home Parks in all Urban Service Areas	137	PRMD	KJ	IDC Update 2003	Completed	Completed

03/30/2009

last update September 27, 2006

SONOMA COUNTY HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS

Housing Element Program	Short Program Description	HE Egt. No.	HE Responsibility	PRMD Staff	Time Frame	Status	Comments/Next Step
20	Flexible Development Standards for Infill Projects	137	PRMD	KJ	New Program	Completed	Completed
21	Allow Housing Program Opportunity Projects within a 1/4 mile of Each Other without Use Permit	138	PRMD	JR	May-03	Completed	Completed
22	Amend Zoning Ord. To Include Inclusionary Zoning, Second Units and Housing In-Lieu Fees	138	PRMD	JR	April-Dec-03	Completed	Completed
23	Require Urban Residential Lots to be Built Above Minimum Density	138	PRMD	JR	May-03	Completed	Completed
24	Preparation of General Plan Policy Allowing Affordable Housing on Parcels Adjoining Urban Service Boundaries	138	PRMD	DP	New Program part of GP 2020 Update	Underway	Completed
25	Grant "Amnesty" for Illegal Units in Exchange for Affordable Restrictions	138	CDC, PRMD	JR	July-03	Initiated	Ongoing
9.4 INCREASE FUNDING FOR AFFORDABLE HOUSING							
26	Establish Housing Element Trust Fund	139	CDC, PRMD	JR	by 7/1/03 and ongoing	Completed	Completed
27	Give Discretionary Funding Preference to Nonprofits for Affordable Housing Projects	139	CDC	n/a	New Program beginning 2001	In place and ongoing	Ongoing
28	Create More Parcels for "Recreation and Visitor-Serving Commercial" Uses	140	PRMD	SB	New Program part of GP 2020 Update	Underway	Completed
29	Participate in Countywide Workforce Housing Study to Determine Housing Responsibility for New Employment Development	140	PRMD	JR	Feb 03 - Dec 04	Completed	Completed
30	Continue County Employee Assistance Program (SEIU represented job descriptions only)	140	CDC	n/a	ongoing	Ongoing	Completed & Ongoing
31	Increase Permanent Affordable Housing Stock through RDA Housing Set-Aside Funds	140	CDC	n/a	ongoing	Ongoing	Completed & Ongoing
32	Promote Interjurisdictional Cooperation to Solve Regional Infrastructure Problems	141	CAO, PRMD, County Dependent Districts	JR	New Program beginning in 2001; TBD	Underway	Ongoing
33	Issue Housing Bonds for Funding Affordable Units	141	CDC	n/a	ongoing	In place and ongoing	Investigating County Fund for Housing established
34	Consider Subsidizing County Impact Fees for Affordable Units	141	CDC, PRMD	JR	ongoing	Initiated	Continue Working w/ PRMD, Non-Profits to Identify Sites
35	Lease County-Owned Land for Affordable Housing	141	CAO, General Services	n/a	ongoing	Underway	2009 Housing Element program
36	Review Existing Impact Fee Structure	141	PRMD, CAO	JR	April 03 - Dec 03	Underway	As opportunities, resources become available.
37	Convert Market-Rate Mobile Home Parks to Affordable Housing	142	CDC, Local Non-Profits	n/a	New Program beginning 2002; TBD	Not Started	
38	Consider Equity Based Partnerships for Second Mortgages	142	CDC	n/a	TBD for expanded programs	Ongoing w/some programs	Ongoing
39	Support Establishment of a Community Land Trust	142	PRMD, CDC	unk	TBD	Initiated 7/05	As resources are available.

SONOMA COUNTY HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS

last update September 27, 2006

Housing Element Program	Short Program Description	HE Pg. No.	Responsibility	PRMD Staff	Time Frame	Status	Comments/Next Step
9.5 PROMOTE PRODUCTION OF SPECIAL NEEDS HOUSING UNITS							
40	Reduce Constraints on Group Homes and Transitional Housing	142	PRMD	KJ	Integrated Development Code New Program beginning 2001	Underway	2009 Housing Element program Planning Directors meet monthly, discuss needs
41	Support Inter-Jurisdictional Housing Coordinating Committee	143	CAO	n/a	May-03	Not Started	Completed
42	Homeless Shelters in All Urban Zoning Districts with a Use Permit	143	PRMD	JR	Integrated Development Code New Program part of Development Code	Completed	Completed
43	Small-Scale Homeless Shelters in Urban Service Areas	143	PRMD	KJ	New Program part of Development Code	Underway	Integrated Development Code
44	Churches to Operate Homeless Shelters	143	CAO	n/a	ongoing	Ongoing	Integrated Development Code Russell Ave. opened 11/03. Finley in process.
45	Build Permanent Homeless Shelters and/or Commit Stable Sources of Funding	143	Office of Commissions, CDC	n/a	New Program in 2001	Completed	Completed
46	Fund a Survey and Study of the Homeless through the Community Development Commission	144	CAO	n/a	New program, ongoing	Underway	Completed Initial data collected; need inventory
47	County Homeless Shelter	144	CDC, PRMD	JR	Oct 03 - Feb 04	Initiated	Completed
48	Inventory Existing Group Homes	144	PRMD, CDC	JR	May-03	Completed	Completed
49	Subdivision of Williamson Act Lands for Farmworker Housing	144	CDC	n/a	ongoing	In place and ongoing	Completed & Ongoing
50	Continue Annual Funding of a Fair Housing Program	144	CDC	n/a	ongoing	Ongoing	Incorporate into Design Manual, design underway
9.6 IMPROVE ENERGY EFFICIENCY IN HOUSING							
51	Promote Energy Efficiency in New and Existing Residential Structures	145	CDC	n/a	ongoing	Ongoing	Completed
9.7 OTHER PROGRAMS							
52	Farmworker Camp		PRMD/CDC	JR	Feb 03 - Dec 04?	Completed	Completed
*53	Second Units as a Use by Right (ZPE Only)		PRMD	JR	May-03	Completed	Completed
*56	Fair Access Request Process		PRMD	JR	May-03	Completed	Completed

SONOMA COUNTY'S PROGRESS IN MEETING ITS REGIONAL HOUSING NEED ALLOCATION, 1999-2009 AS OF DECEMBER 31, 2008							
Targeted Income Group	Total Need	Need as % of Total Units	Permits Issued	Permits Approved Not Yet Issued*	Total Provided*	Provided as % of Need for Income Level*	Remaining Need
Very Low Income	1,311	19%	665	8	673	51%	638
Low Income	1,116	17%	381	5	386	35%	730
Moderate Income	1,563	23%	414	2	416	27%	1,157
Above Moderate	2,809	41%	2,159	37	2,196	78%	613
Total	6,799	100%	3,619	52	3,671	54%	3,128



Sonoma County Community Development Commission
 Housing Authority • Redevelopment Agency
 1440 Guerneville Road, Santa Rosa, CA 95403-4107

*Members of the
Commission*

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Efron Carrillo

March 31, 2009

TO: Board of Supervisors
 Bob Deis, County Administrator

FROM: Kathleen H. Kane, Executive Director

SUBJECT: County Fund for Housing – 2008 Annual Status Report

Kathleen H. Kane
Executive Director

This report provides an update on the status of the County Fund for Housing (CFH) through December 31, 2008.

SUMMARY OF REVENUES AND LOAN ACTIVITY

Sources	Cumulative as of 12-31-07	1/1/08-12/31/08	Totals
County General Fund	\$1,100,000		\$1,100,000.
State Local Housing Trust Fund (LHTF) Matching Grant	\$1,000,000		\$1,000,000.
*State HELP Loan	\$750,000		\$750,000.
Inclusionary/Workforce Housing In-Lieu Fees	\$2,483,871	\$1,755,601	\$4,239,472
Loan Processing Fees	\$11,440	\$25,222	\$36,662.
Interest Earned (pooled cash & loan interest)	\$406,601	\$147,263	\$406,601.
Total Revenues			\$7,532,735.

Uses	Cumulative as of 12-31-07	1/1/08-12/31/08	Totals
Loans Funded			
Previous Projects	\$394,000		\$394,000
West Hearn Ave. Veterans Housing		\$1,400,000	\$1,400,000
Fifth and Mill Guerneville Apartments		\$1,110,000	\$1,110,000
Las Palmas Ownership Subdivision		\$1,422,000	\$1,422,000
Loans Committed			
Administration Costs	\$21,604	\$89,289	\$110,893
Total Uses			\$4,436,893.

Available Funding			\$3,095,842.
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* The State HELP loan is short term funding to be paid back to the State by 2014.



2008 ACTIVITY

- 1) During 2008, the CFH received \$1,755,601 in Inclusionary and Workforce Housing in-lieu fees. The CFH will continue to receive these in-lieu fees, and may receive additional resources from a percentage of the growth-related Transient Occupancy Tax (TOT) in 2009.
- 2) West Hearn Avenue Transitional Housing for Homeless Veterans Project is a residential facility for homeless veterans who may reside there for up to two years while receiving supportive services. The project will renovate an existing board-and-care facility on 2.47 acres to include 12 beds. The total budget for this project is estimated at \$2,441,332. The project received an initial approval of \$1,100,000 in CFH funds on August 28, 2007, and an additional \$300,000 on January 29, 2008. The CFH loan to Community Housing Sonoma County closed on February 15, 2008, and as of December 31, 2008, \$1,292,475 had been disbursed for acquisition and predevelopment costs. The start of rehabilitation of the existing facility is expected to begin in the Spring of 2009 with an estimated finish date and tenant occupancy by Fall 2009.
- 3) Guerneville Fifth and Mill Street Project is a proposed rental housing development to be located on 1.59 acres in Guerneville, consisting of 48 one-, two- and three-bedroom units. On February 29, 2008, the Commission closed the \$1,110,000 CFH loan to Burbank Housing Development Corporation (BHDC) and has disbursed \$944,080 through December 31, 2008. The project has also received \$890,000 of Russian River Redevelopment Housing Set-Aside Funds. Additional future requests for Russian River Redevelopment, CDBG, HOME, and/or CFH funds are anticipated as the project progresses. This project is in the entitlement process with an estimated start of construction in Summer 2010 and completion in the Fall of 2011.
- 4) Las Palmas is a fifty-two unit for-sale housing project located at 17301 Highway 12, Fetters Hot Springs. Ten of these units will be sold at prices affordable to low-income first-time homebuyers and one unit will be sold to a moderate-income first-time homebuyer. The total budget for this project is estimated at \$21,000,000. On May 6, 2008, a \$1,422,000 CFH loan to New Pueblo, LLC was approved to provide interim short-term gap financing to pay-down a portion of the existing seller-carry acquisition financing and for payment of predevelopment costs. Escrow for the CFH loan closed on October 17, 2008, and through December 31, 2008, \$630,275 has been disbursed. The project has also received \$1,060,000 from The Springs Redevelopment Housing Set-Aside Fund. This project is in the entitlement process and Final Map is estimated to be received in the Fall of 2009.
- 5) CDC staff continues to promote the CFH to housing developers in differing venues, including pre-application meetings at PRMD, affordable housing

events, and to developers requesting information on other CDC financing programs.

ISSUES RELATED TO USE OF CFH FUNDS

- 1) The current downturn in the real estate market and economy in general has significantly reduced development of new housing units in Sonoma County. Affordable housing development, in particular, has suffered because the cost to construct new units now exceeds the restricted sales and rental prices that the developer is permitted to charge. Development in general can be expected to increase again as the real estate market begins to experience an upturn. Use of CFH financing is experiencing a lull that mirrors the real estate market conditions; demand for CFH funding is expected to increase as market conditions change.
- 2) The \$750,000 State HELP Loan portion of the CFH has not been used since September 1, 2006 when BHDC repaid a loan of these funds for its Springs Village Apartments project. The Commission has contacted both for-profit and non-profit developers to market these funds, but without success. The HELP funds can only be loaned for the development of rental projects for short terms of up to 4 years. Most developers of rental units prefer to borrow funds that are long-term and can become part of the permanent financing for a project. The Commission will continue to market this portion of the CFH. The California Housing Finance Agency (CalHFA), from whom the Commission originally borrowed the funds, reserves the right to recall the HELP loan for non-use.

CDC staff is available to discuss this report with you at your convenience. Please call me at extension 7504 should you have questions.

c: Pete Parkinson, Director, PRMD
Peter Rumble, CAO Administrative Analyst

EXHIBIT C

COMPREHENSIVE PLANNING
WORK PLAN SUMMARY CHART (JULY 1, 2008-JUNE 30, 2013)
Proposed New Programs

Proposed New PRMD Programs	Staff	PCAS	Hrs 07/08	Hrs 08/09	Hrs 09/10	Hrs 10/11	Hrs 11/12	Hrs 12/13	Total Hours 08-13	Priority	Date Comp
Description/Hours Remaining											
				1,383	1,644	5,394	6,044	6,794	14,983		
GnG Emission Reduction Plan/Energy Conservation (GP Program OS-25) standards for existing and new development to reduce emissions	GH			300	300	300			900	high	2011
Housing Element Program Implementation	JR			110	110	110	110	110	550	high	2010
Biotic Resource Zoning (GP Program OS-1,11,12,13,14,26); rezoning of riparian corridors and biotic habitat areas to reflect new GP2020 policies and designations	BG	5200-09		350	200				550	high	2010
Scenic Resources Zoning (GP Program OS-1) rezoning of properties to reflect GP2020 Scenic Landscape Units	AW			100	100				200	high	2009
Groundwater Well Ordinance (GP Program WR-6,7; revised well code)	AW			50	150	100			300	high	2011
Water Conservation (GP Program WR-11,12); code changes to increase water conservation per new GP2020	AW			50	150	100			300	med	2012
Area Plans/Local Area Development Guidelines; repeal older plans and incorporate into development code	YS				200	300			500	med	2001
Update Franz Valley Area Plan					250	250	150		650	med	2001
Oak Woodland Management Plan; Assist SCAPOSD w/Development and Adoption Process	DS			30	150				180	high	2013
Indicators/Monitoring (GP Program LU-6);	YS		22	150	150	200	200	200	900	high	ongoing
Airport/Industrial Plan Traffic (GP Program CT-10); revise traffic mitigation program in Specific Plan to pay for improvements	GH					200	200		400	med	2013

EXHIBIT C

COMPREHENSIVE PLANNING
 WORK PLAN SUMMARY CHART (JULY 1, 2008-JUNE 30, 2013)
 Proposed New Programs

Proposed New PRMD Programs	Staff	PCAS	Hrs 07/08	Hrs 08/09	Hrs 09/10	Hrs 10/11	Hrs 11/12	Hrs 12/13	Total Hours 08-13	Priority	Date Comp
Airport Land Use Commission - CALUP Amendments to reflect new AMP	BG	4340		100	100	200			400	high	ongoing
Airport Safety Combining District (GP Program AT-5); rezoning of properties around the airports to clarify applicable development restrictions that protect airport safety	DP			40	50	200			290	med	2009
Permanent occupancy of RV/Camps (GP Program LU-9); Code change to allow permanent residency of RV/Campgrounds on a limited basis	JR			50	100				150	high	2010
Condominium Conversion Ordinance; Code changes to limit conversion of affordable apartments	JR			60	60				120	high	2009
SB 375 Implementation (Regional Planning for Ghg reduction)	GH			30	30	80			140	high	2011
Sonoma Valley San District; SOI/GPA for sewer connections in Southern Sonoma Valley	BG	PLP#TBD		50	150				200	med	2010
Sonoma Valley Event Coordination (GP Program AR-7); develop event monitoring program in Sonoma Valley	LP					200	100	50	350	med	3013
Habitat Mapping (GP Program OS-16); classification system for biotic habitats	BG	5200-010				300	300	300	900	med	2013
Restoration Programs / Laguna, San Pablo Bay (GP Program OS-21);	DS					200	200	200	700	med	2013
Subtotal:				710	1,640	2,330	1,150	750	6,580		
Unallocated Hours for Other Programs				673	4	3,064	4,894	9,044	5,303		

EXHIBIT C

**COMPREHENSIVE PLANNING
WORK PLAN SUMMARY CHART (JULY 1, 2008-JUNE 30, 2013)
Existing Priority Programs**

Existing Priority PRMD Programs	Staff	PCAS	Hrs 07/08	Hrs 08/09	Hrs 09/10	Hrs 10/11	Hrs 11/12	Hrs 12/13	Total Hours 08-13	Priority	Date Comp
Description/Hours Remaining											
				4,373	4,284	6,944	6,944	6,344	20,073		
General Plan update		5018	3,000	200					200	done	2008
Medical Marijuana Ordinance; Code amendment to allow medical marijuana dispensaries	JR	5731	7						0	done	2007
Noise Guidelines; Prepare Guidelines for Preparation of Noise Studies		5730-001		50							
Grading and Erosion Control Ordinance.(GP Program WR-5); new grading ordinance		5000-037	10	40					40	done	2008
Housing Element Update 2009 as mandated by State law	JR	5750	774	600					600	high	ongoing
Local Coastal Plan update (GP Program LU-1); update the LCP to conform to the GP and to comply with Water Quality mandates of the Coastal Commission	LP	5019	17	600	500	200			1,300	high	2010
Official Zoning Database Approval of electronic zoning for Coastal Zone	LP	5019	0	100	50				150	high	2009
Integrated Development Code Update (GP Programs LU-4,8, AG-1,8, OS 1-710, PF-6)	DP	5102	303	550	1600	1200	800		4,150	high	2011
Community Separator Expansion (GP Program OS-6); addition of CS lands as recommended in GP2020	LP	5200-001	0	400	300				700	high	2010
Landmarks Commission Grant Project for Site Evaluations and Website (\$45k)	LP	5200-007 5201	199	50	50				100	high	ongoing
Historical Resources Program Rezoning of Properties to HD	LP	5200-007	404	150	100	100	50		400	med	2010
Census: participate in establishing the 2010 census geography; providing data; review	DP	5009-004	39	100	50	50	50		300	low	2010
Penngrove Main St. Design Guidelines (GP Program OS-9); Code change/Area Plan Amendment revising the design guidelines for projects along Main St.	YS	5200-007?		150					150	low	2009
Subtotal			4,753	2,990	2,650	1,550	900	50	8,090		
Hours Remaining for Other Programs			1,383	1,644	5,394	6,044	6,794		11,983		