

EXECUTIVE SUMMARY (2 pages)

Overview

Sonoma County is a state-wide leader in utilizing by-right density bonuses as a regulatory incentive to create more affordable housing.

Challenge

Like many other counties in California, Sonoma County is facing a worsening housing crisis. There is a severe shortage of affordable homes and a prevalence of homelessness. The preliminary results of the 2017 Sonoma County Homeless Census found 2,835 people who were homeless on January 27, 2017. Of these individuals, 1,847 living without shelter, sleeping in encampments, abandoned buildings, vehicles, and other outdoor areas.

On September 30, 2016, Governor Jerry Brown signed SB 1380 declaring California a "Housing First" state. "Housing First" is an evidence-based model that uses housing as a tool, rather than a reward, for recovery. This model focuses on providing or connecting homeless people to permanent supportive housing as quickly as possible. This is a distinct shift in California housing policy, and requires that a large number of safe, low-cost rental housing units be provided. Sonoma County needs to create more housing units in order to fully implement this "Housing First" strategy.

Sonoma County's current rental vacancy rate is now at 1.5%, or essentially full occupancy. This further exacerbates the difficulty of providing safe and secure housing that is affordable for people who are homeless. Real estate market dynamics are causing an increasingly rapid escalation of rents, exposing more lower-income households to the risk of becoming homeless, and pushing out higher-income working families, as well.

Innovative Solution

Sonoma County has a county-wide "Housing for All" strategic priority, with a goal of creating 3,375 new homes by 2022. We use local innovation informed by national best practices to create the path to end homelessness by providing safe, secure housing. One solution for the County's housing shortage is the use of density bonuses. Density bonuses offer a regulatory incentive for developers to build more affordable housing. For every one unit of affordable housing a developer agrees to build, the density bonus allows the construction of a greater number of market rate units than would be allowed otherwise under the General Plan and zoning ordinance for a specific parcel of land.

Sonoma County's Rental Density Bonus program far exceeds state density bonus requirements, allowing a by-right 100% increase in density for rental housing developments that include 40% of total homes affordable to households with incomes at 50%-60% of the area median. The Rental Density Bonus program is the most popular affordable housing incentive program in the County and is used by both nonprofit and for profit developers. Burbank Housing is an example of a nonprofit that has built housing using this program. According to former Sonoma County Supervisor Efren Carrillo, who currently oversees community and government relations at Burbank Housing, "Housing is fundamental to the health and vitality of Sonoma County. The County is a leader in the state in using an innovative density bonus program to encourage the creation of more affordable housing units. Burbank Housing has utilized this regulatory incentive to provide more housing to benefit our vibrant local communities."

CSAC Challenge Award Entry

Originality

Sonoma County has taken a proactive approach to using long-range planning regulations to create more housing. To our knowledge, no other county has a 100% by-right rental density bonus program. This model has the potential for replication to increase overall housing supply across the state.

Cost Effectiveness

There was no additional budget for setting up the Rental Density Bonus program as it was included in the General Plan Housing Element. It does not cost the County anything to continue to offer this program. Some Rental Density Bonus projects use public money and some rely on private money. Regardless of where the funding for housing comes from, the developers all qualify for the same bonus. The program allows builders to use smaller infill parcels, which may result in an economies of scale cost savings for the developer. Additionally, the program streamlines the permitting process with a fast-tracked application. They are often exempt from CEQA review. This simplified process results in significant cost savings for permit applicants.

Results

Since the county established its 100% Rental Density Bonus program in the 1990s, eight projects have been approved resulting in 492 new housing units. The affordable units in these projects will remain affordable for a minimum of 30 years.

One example of a Rental Density Bonus project is Guerneville's Fife Creek Commons, an affordable housing complex with 48 apartments that provides much needed affordable rental housing for the Russian River area. Twenty-four of these units are designated for households with special needs, including individuals with mental disabilities, teen parents, HIV/AIDS, and people that have experienced domestic abuse. Another Rental Density Bonus project is Springs Village, an 80 unit affordable housing community in Sonoma. Residents Michelle and Brian Cole expressed that living at Springs Village has changed their lives. As Brian explained, "It has changed everything. We were living in a 13-foot trailer before. It is nice living here it is very peaceful we love the children's programs and all the get-togethers in the community room."

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