SOUTH SANTA ROSA SPECIFIC PLAN

AFFORDABLE HOUSING & ANTI-DISPLACEMENT STRATEGY

City of
Santa Rosa

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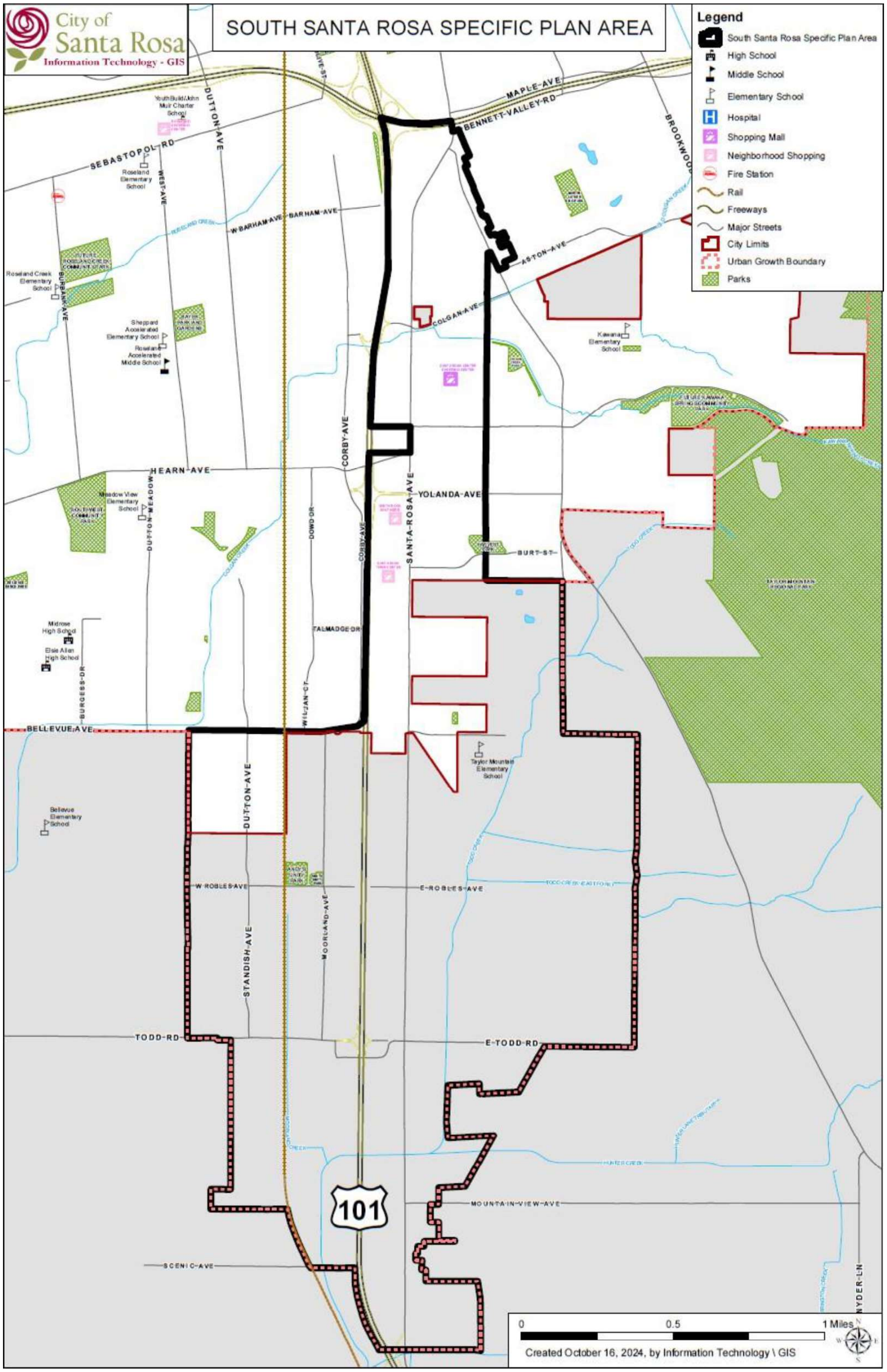
INTRODUCTION

Overview

For several decades, the lands within the South Santa Rosa Specific Plan Area have been developed without the benefit of a comprehensive effort to plan for overall, multi-model circulation, land use, infrastructure, or the location of community facilities such as parks, schools, and libraries. This has resulted in challenges in coordinating growth and meeting the community's diverse needs. In response, the Santa Rosa City Council has proposed the South Santa Rosa Specific Plan (SSRSP) to create a cohesive vision for the area. The objectives of the SSRSP are to develop a vision for land use circulation and infrastructure in this area, including standards for the design and development of buildings, streets, sidewalks, parks, and other public spaces, community and health/equity policies, capital improvements, and implementation actions and investments of the area. The Plan Area includes the City of Santa Rosa's Avenue Corridor Priority Development Area (PDA), the County's South Santa Rosa Avenue PDA, and surrounding neighborhoods. The SSSRSP includes approximately 1,900 acres, including approximately 1,400 acres within the unincorporated County. The Plan Area is south of Highway 12, extending roughly from Bellevue Road east to Petaluma Hill Road and south along Santa Rosa Avenue to Rohnert Park city limits (**Figure 1**).

An Affordable Housing and Anti-Displacement Strategy is a document that describes the current affordability conditions within the Plan Area, existing policies and programs in place, and proposes new policies and programs to further preserve affordable housing and reduce displacement. Ultimately, this report will help to shape the strategies and policies of the SSRSP to preserve affordable housing and reduce displacement while increasing the availability and quality of housing and other community assets.

Figure 1. South Santa Rosa Specific Plan Area



EXISTING CONDITIONS

This section provides an overview of the demographics, housing stock, and economic background of the South Santa Rosa Specific Plan Area (Plan Area). To provide an accurate picture of the Plan Area, GIS was used to delineate a shapefile of the Plan Area, American Community Survey (ACS) census data for that discrete area was collected and analyzed for this report.

Demographics

Demographic data collection is essential for understanding community needs and guiding effective planning. Statewide, the *Portrait of California* highlights key trends such as increasing diversity, an aging population, and shifts in economic and educational metrics. Locally, *the Portrait of Sonoma County* provides a similar analysis, identifying disparities in health, education, and income across different regions. The latest *Portrait of Sonoma County* report reveals that the South Santa Rosa Specific Plan Area has one of the lowest Human Development Indices (HDI) in the county, significantly lower than both the county and state averages.[1] The HDI, which measures life expectancy, education, and income, serves as a critical indicator of overall well-being. This comparison underscores the need for targeted interventions to address the area's challenges. By examining these broader trends, local data can be contextualized within state and regional frameworks. This approach not only helps tailor planning efforts to support the community's unique needs and growth but also ensures that cultural infrastructure, like schools and community centers, adequately reflects and serves the population.

The Plan Area contains a population of approximately 11,500 residents across 3,900 households. The area median age in the Plan Area is 31.1 years, significantly lower than both the City (39.6) and County (42.4). According to (ACS data, 25 percent of Plan Area residents are under 18 years old, and 75 percent of the population is over 18 years old. Approximately 4,500 residents of the Plan Area live in family households. Approximately 43 percent of households are home to a married couple, and 32 percent of homes are occupied by non-family members. Twenty three percent of residents in the Plan Area live alone, and approximately nine percent live with other non-family members, such as roommates.[2]

The Plan Area is home to a vibrant and diverse community, with 53.5% identifying as Hispanic or Latino, 48.2% speaking a language other than English, and 28.1% of residents having immigrated from outside the U.S., primarily from Latin America. Significant percentages of the population in the Plan Area are employed in the educational services, healthcare, and social assistance (17.0%), as well as retail trade (14.2%) and manufacturing industries (11.1%), as shown in **Table 1.** The

[1] Measure of America, "A Portrait of Sonoma County 2021-22," accessed October 10, 2024, https://measureofamerica.org/california2021-22/sonoma/.

[2] Data for the Plan Area was derived from the following sources: U.S. Census, American Community Survey, Association of Bay Area Governments, City and County housing records, ESRI (2021), and the UC Berkeley Urban Displacement Project. GIS was used to delineate a shapefile of the Plan Area. The American Community Survey (ACS) Census data for that discrete area was collected and analyzed for this report. Population and household estimates specifically for the Plan Area were supplemented by ESRI's 2021 data, which uses census block allocations to estimate custom geographies like the Plan Area.

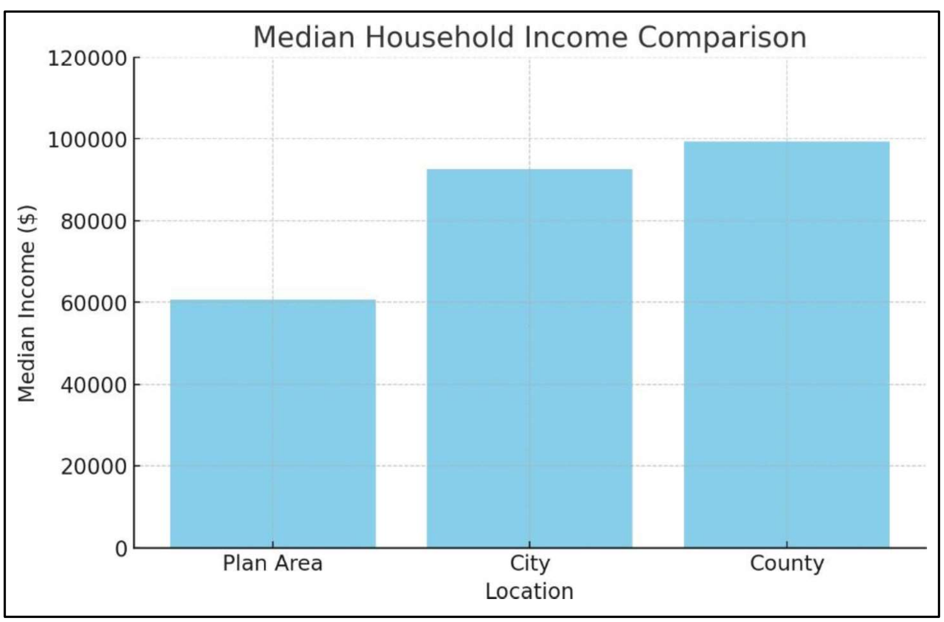
construction (9.6%) and professional, scientific, and management services (9.6%) industries also employ notable portions of the workforce.

Table 1: Employment by Sector in Plan Area

Industry	Percentage of Workforce Employed in Industry
Agriculture, forestry, fishing and hunting, and mining	4.5%
Construction	9.6%
Manufacturing	11.1%
Wholesale trade	3.2%
Retail trade	14.2%
Transportation and warehousing, and utilities	3.0%
Information	1.9%
Finance & insurance, real estate & rental/leasing	2.9%
Professional, scientific, admin & waste management services	9.6%
Educational services, health care & social assistance	17.0%
Arts & entertainment, recreation, food & hotel services	11.0%
Other services, except public administration	9.3%
Public administration	2.9%

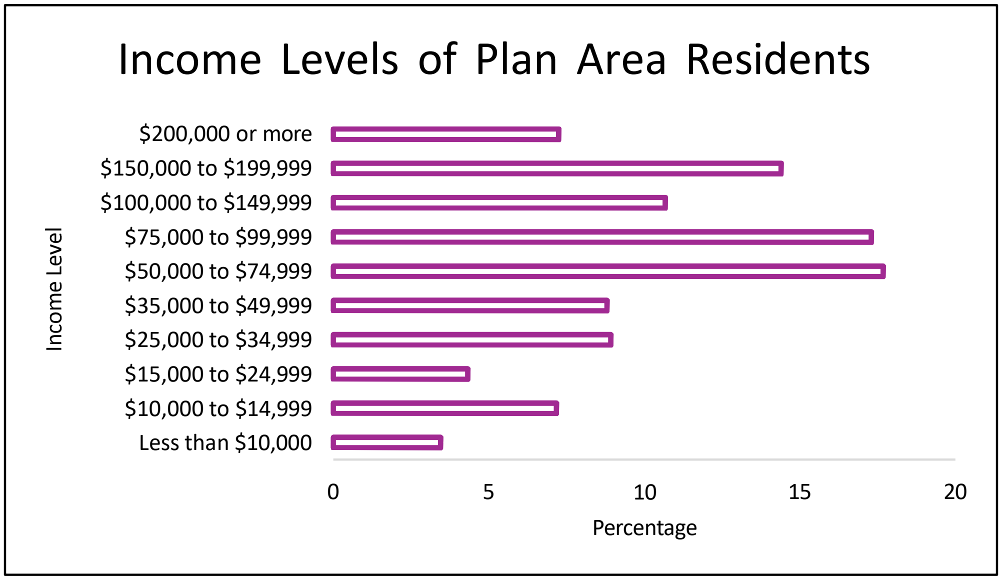
As shown in **Figure 2**, the median household income in the Plan Area is $60,700, lower than both the City's median income of $92,604 and County's median of $99,266. The percentage of the Plan Area's population living below the poverty level stands at 14.45%, higher than that of the City's 9.5% and County's 9% rate.

Figure 2. Median Household Income Comparison



Additionally, the Plan Area has a 7.4% rate of residents receiving food stamp/SNAP benefits in the past 12 months, which aligns with City's rate and is slightly higher than the County's rate of 6%. Additionally, the Plan Area has a 7.4% rate of residents receiving food stamp/SNAP benefits in the past 12 months, which aligns with City's rate and is slightly higher than the County's rate of 6. This income and economic assistance data is indicative of the socio-economic challenges faced by the community.

Figure 3. Income Levels of Plan Area Residents



Source: American Community Survey, Income in the Last 12 Months, 2022 ACS 1-Year Estimates

Housing Stock Characteristics

Throughout the twentieth century, housing in the Plan Area developed at a steady pace with 37% of the overall units built between 1940 and 1989. That pace increased dramatically in 1990 and continued through 2009, resulting in the majority (51%) of the housing stock. After 2009, construction slowed dramatically with less than 7% of the area's housing units built during this period. While much of the Plan Area housing is single family (54.4%), apartment complexes of 10 to 20+ units comprise 15.7% of housing, and mobile homes represent 17.5% of housing units. Mobile home housing units represent a much higher percentage in the Plan Area than in the City o as a whole (17.5% of total housing units versus 3.8%).

Table 2: Age of Structures

Year Structure Built	Percentage
Built after 2014	3.2%
Built 2010 through 2013	3.3%
Built 2000 through 2009	23.0%
Built 1990 through 1999	28.3%
Built 1980 through 1989	9.6%
Built 1970 through 1979	9.8%
Built 1960 through 1969	8.4%
Built 1950 through 1959	5.2%
Built 1940 through 1949	4.0%
Built 1939 or earlier	5.2%

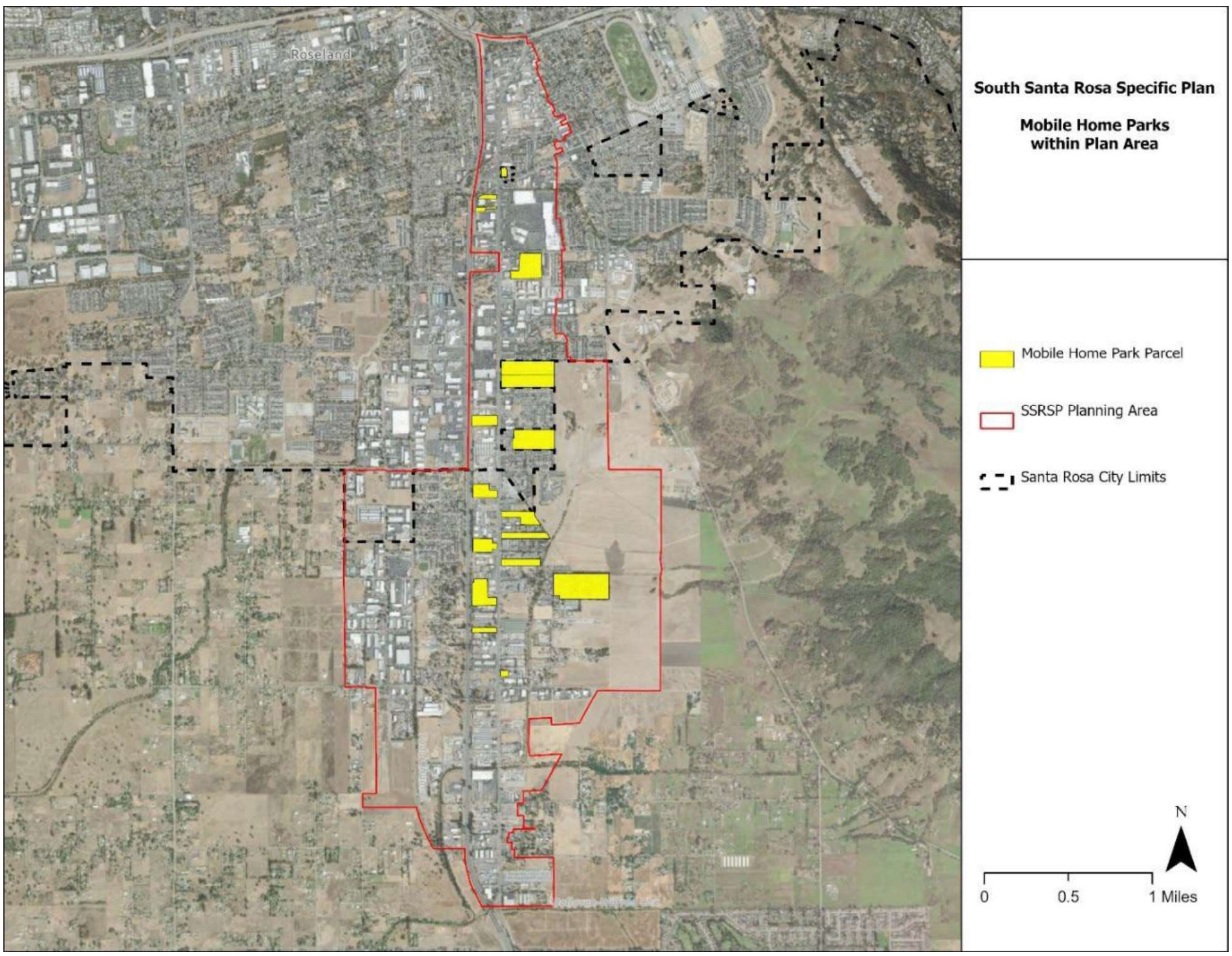
Source: American Community Survey, Table B25034 Year Structure Built, 2022 1-Year ACS Estimates

Over half (54%) of the Plan Area's housing units are renter-occupied . This represents a higher percentage than in Santa Rosa, where just 44% of housing units are renter-occupied and the County as a whole, where 38.5% of units are occupied by renters.[3] According to ACS data, approximately four percent of units in the Plan Area are vacant.

Mobile Home Parks

As a whole, the City of Santa Rosa contains 2,154 mobile home units subject to the mobile home park rent stabilization program. A high concentration of these units is located in the Plan Area (**Figure 4**). There are 17 mobile home parks which provide almost 1,000 units of housing within the Plan Area. Concentrated along Santa Rosa Avenue, the mobile home parks range in size from 12 to 137 units.

Figure 4. Mobile Home Parks



[3] U.S. Census Bureau. "Selected Housing Characteristics." *American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP04*, 2022, https://data.census.gov/table/ACSDP1Y2022.DP04?q=DP04: Selected Housing Characteristics&t=Owner/Renter (Householder) Characteristics&g=050XX00US06097. Accessed on August 19, 2024.

Affordable Housing Developments

The Plan Area includes affordable housing developments in Santa Rosa and unincorporated areas of Sonoma County. These developments contribute to the overall housing stock available to low- and moderate-income residents. **Table 3** provides a summary of these developments:

Table 3: Affordable Housing Developments within the Plan Area

Community Name	Address		Household Type	Total Affordable Units
Bella Vita Apts.	150 Butterfly Lane		all ages	28
Carillo Place Apts.	3257 Moorland Avenue		all ages	68
Cedar Grove Apts.	3422 Santa Rosa Avenue		all ages	39
Earle Street	439 and 441 Earle Street		all ages	2
Malibu East Apts.	3272 Santa Rosa Avenue		all ages, disabled	72
Quail Run Apts.	1018 Bellevue Avenue		all ages	200
Sonoma Gardens	700 Rodeo Lane		all ages	59
Vintage Park Senior Apts.	147 Colgan Avenue		senior 62+	120

Housing Affordability and Costs

While the Plan Area contains more renter-occupied housing units in comparison to the City and County as a whole, Census data indicates that the amount of income being spent on housing exceeds affordability standards. Over 60% of the Plan Area residents spend over 30% of their income on housing, an indicator of housing cost burden. Additionally, over 28% of the residents spend 50% or more of their income on housing; these households are considered severely cost-burdened. As of the fourth quarter of 2023, median rent in the Plan Area was $1,872, compared to the average rents of $1,856 and $1,886, respectively, in the City and the County. Between April 2023 and April 2024, the median home purchase price was $618,500 in the Plan Area compared to $760,000 in the City and $877,500 in the County.[4]

Housing Development Trends

In Santa Rosa, 4,861 total units were issued building permits during the 2015-2023 planning period. According to the City of Santa Rosa, the number of building permits issued in 2022 was 2,500, reflecting a 10% increase from the previous year.[5]

Recent years have seen both single- and multi-family development within the eastern portion of the Plan Area. Since 2019, Taylor Mountain Homes has added 98 single-family homes, while Brix 325, a market-rate multi-family housing project, has contributed 248 units to the area. Historically, the Plan Area, particularly within the unincorporated County, focused on affordable housing development. This trend continued until approximately 2018, with most newer housing projects dedicated to providing affordable units for low- and moderate-income residents. In the past five years, there has been a noticeable shift toward market-rate developments in the area.

[4] U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates, Table B25070/B25091

[5] City of Santa Rosa 2022 Annual Housing Report, Building Division. Permit data includes issued residential permits across Santa Rosa for calendar year 2022.

This change reflects broader trends in the local housing market, where rising property values and increased demand, along with an abundance of underdeveloped and underutilized land, have made the region more attractive to developers and contributed to the shift toward market-rate projects.

Regional Housing Needs Allocation (RHNA)

Local housing is enshrined in state law as a matter of "vital statewide importance" and, since 1969, the State of California has required that all local governments (cities, towns and counties, also known as local jurisdictions) adequately plan to meet the housing needs of everyone in their communities. To meet this requirement, each jurisdiction must develop a Housing Element as a part of its General Plan (the local government's long-range blueprint for growth) that shows how it will meet the community's housing needs. There are many laws that govern this process, and collectively they are known as Housing Element Law. Sites for housing development are discussed further in the next section, Santa Rosa 6th Cycle Housing Element.

The Regional Housing Need Allocation (RHNA) process is the part of Housing Element Law used to determine how many new housing units, and the affordability of those units, each local government must plan for in its Housing Element. During the 2023-2031 planning period, known as the 6th Cycle, the City of Santa Rosa is required to plan for 4,685 units, and the unincorporated County is required to plan for 3,824 units, as shown in **Table 4** below:

Table 4: Santa Rosa and County of Sonoma Regional Housing Need 2023-2031[6][7]

Income Category	City of Santa Rosa RHNA[5]	County of Sonoma RHNA[6]
Very Low	1,218	1,204
Low	701	584
Moderate	771	627
Above Moderate	1,995	1,589
Total	4,685	3,824

[6] City of Santa Rosa. Housing Element Summary, 2023-2031. Accessed from the City of Santa Rosa website at: https://www.srcity.org/DocumentCenter/View/40438/Housing-Element-Summary.

[7] County of Sonoma. Permit Sonoma - Housing Element. Available at: https://permitsonoma.org/housingelement.

SANTA ROSA AND SONOMA COUNTY
6TH CYCLE HOUSING ELEMENTS

Overview

This section summarizes recent policy actions to plan and implement local housing policy, including land inventoried to develop as housing through 2031.

6th Cycle Housing Element Sites

Jurisdictions within Sonoma County updated the Housing Elements of their respective General Plans in 2023. As shown in **Figure 5** below, the City of Santa Rosa's Housing Element includes two sites suitable for housing development within the Plan Area, totaling 7.79 acres. The County's Housing Element includes ten housing or mixed-use sites within the Plan Area, totaling 22.08 acres.

Figure 5. Housing Element Sites

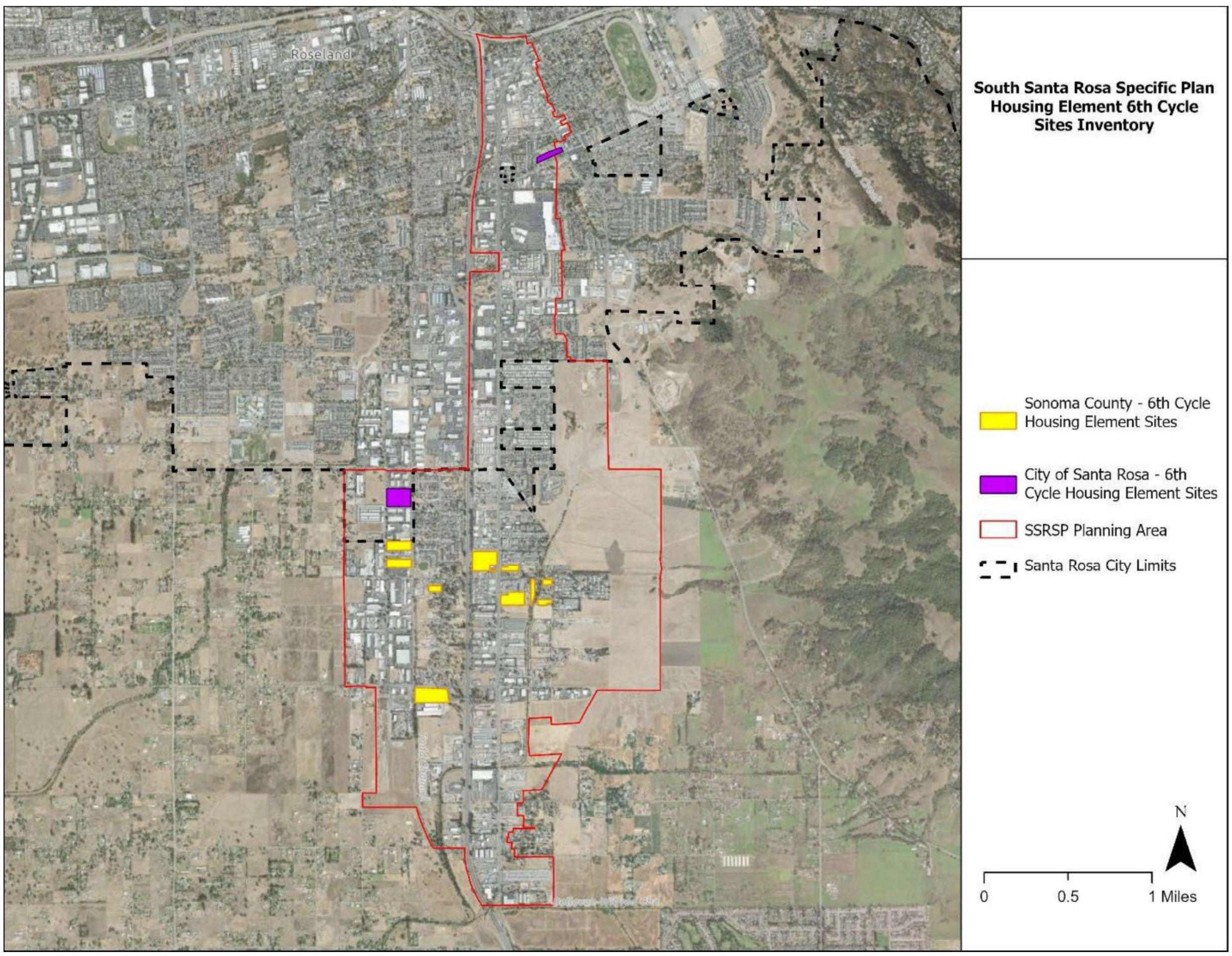


Table 5: City of Santa Rosa Inventoried Land Sites

Address	APN	Acreage	Existing Use	Units
1533 Petaluma Hill Road	038-141-035	1.85	Vacant	30
3150 Dutton Ave.	043-133-013	5.94	Vacant	18

Existing Affordable Housing Programs identified in the City's Housing Element in affect throughout the incorporated Plan Area include programs that Affirmatively Further Fair Housing . These programs include:

- Program H-28: Building Community Acceptance,
- Program H-29: Fair Housing Services,
- Program H-30: AFFH – Anti-Displacement Strategies,
- Program H-31: AFFH – Place-Based Revitalization Strategies,
- Program H-32: Tenant Protection/Eviction Prevention Measures, and
- Program H-35: Community Land Trust Program.

These programs commit the City to providing housing services and protections for at-risk households. Santa Rosa is also removing barriers to fair housing by reassessing City procedures and policies, and meeting with residents and stakeholders to identify and address other barriers to housing.

County of Sonoma's 6th Cycle Housing Element

Sonoma County's 6th Cycle Housing Element includes a total of 22 sites within Plan Area 5 – Santa Rosa for a total of 67.41 acres. Of these sites, ten sites totaling 28.05 acres are located in the Plan Area (**Table 6**).

Table 6: County of Sonoma Inventoried Land Sites

MAP-ID	Address	APN	Acreage	Existing Use	Units
SAN-4	3344 Santa Rosa Ave	043-153-021	6.26	Motel & Commercial	16
SAN-6	3824 Dutton Ave	134-072-040	3.01	Auto Storage	16
SAN-7	3280 Dutton Ave	134-072-038	3.01	Vacant	16
SAN-8	3427 Moorland Ave	134-111-020	1.02	Residential	20
SAN-9	150 Todd Rd	134-171-059	6.57	Light Manufacturing	16
SAN-11	3372 Santa Rosa Ave	044-101-023	1.26	Residential	13
SAN-12	358 E Robles Ave	134-132-022	1.12	Residential	20
SAN-15	3454 Santa Rosa Ave	134-132-017	4.10	Vacant	13
SAN-16	3445 Brooks Ave	134-132-067	0.95	Auto Storage	20
SAN-17	388 E Robles Ave	134-132-025	0.75	Residential	20

Affordable Housing Programs in effect throughout the unincorporated Plan Area include programs that preserve and protect existing affordable housing units. The County has also committed to funding affordable housing development and protecting tenants from displacement, in line with its goals to Affirmatively Further Fair Housing (AFFH) by ensuring access to affordable and stable housing for all community members. These affordable housing programs can be found in the County of Sonoma Housing Element Programs including:

- Housing Element Program 2: Retention of Affordable Units
- Housing Element Program 3: Protections for Mobile Home Parks
- Housing Element Program 5: Displacement Avoidance
- Housing Element Program 19: Funding Sources for Affordable Housing
- Housing Element Program 21: Essential Housing Bond Financing Program

GENTRIFICATION AND DISPLACEMENT RISKS

Gentrification and Displacement

The objective of the SSRSP is to develop a vision for land use circulation and infrastructure in the Plan Area, including development standards, community and health/equity policies, capital improvements, and implementation actions and investments of the area. The development and investment resulting from the SSRSP are likely to have direct and indirect effects on the current population of the Plan Area. This Chapter considers the potential for the Plan Area to experience gentrification and displacement as a basis for creating policies that will protect current residents from unintended negative consequences of the Specific Plan.

Gentrification and displacement are distinct but interrelated concepts that have received increasing attention over the last decade, particularly in California where increasing housing shortages are creating severe economic hardships for many households. However, while displacement is a clearly defined process with unambiguously negative impacts on affected residents, the definition and implications of gentrification can be more nuanced. Moreover, gentrification does not invariably lead to displacement, and displacement can often occur without gentrification. Given this complexity, the following sections summarize gentrification and displacement separately.

Gentrification Overview

The precise causes and impacts of gentrification have been widely debated and there does not appear to be a universally accepted definition of gentrification. Some definitions focus on the displacement of existing residents, while other definitions highlight the change in a neighborhood's character. Still other definitions reference increased property values as the essential element signifying gentrification. Often, gentrification is described as a process of neighborhood renewal or revitalization without identifying specific impacts. Many academic studies have identified the primary causes as those that fall under the following three general, and sometimes overlapping, categories.

- Private market forces, including commercial and residential investment; property value increases; conversion from rental to homeownership housing; the presence of amenities; rapid employment growth; a tight housing market.
- Socioeconomic changes, including individual preferences for amenities and urban locales; an influx of higher-income households, college-educated residents, white residents, and non-family households.
- Public sector policies, including long-term cycles of public investment and disinvestment that cause property values to increase or decline; local and Federal financial incentives that encourage private investment; disposition of public-owned property; zoning and code enforcement.

Causes that fall under the categories of "private market forces" and "socioeconomic changes" represent factors that have the potential to attract or deter wealthier residents from investing in a lower-income neighborhood. Causes that fall under the category of "public-sector policies" reflect the set of rules made by policymakers that make gentrification more or less likely to occur. There is evidence that the causes of gentrification likely stem from some combination of these factors. Notably, many of the drivers of gentrification are also essential components for successful urban environments.

Gentrification can have positive or negative effects, depending on the circumstances of the neighborhood, city, or region, and on the constituency affected. Positive impacts may include increased commercial activity, improved economic opportunity, lower poverty and crime rates, and an increase in property values, which can benefit existing homeowners. The negative effects of gentrification can include increased rents and the loss of affordable residential and commercial space, which primarily impacts renters, the displacement of low-income households, and the transformation of a community's cultural and social fabric. However, research on the impacts of gentrification has produced contradictory findings, resulting in challenges regarding clear-cut policy solutions.

Displacement Overview

While displacement is often considered the primary negative consequence of gentrification, it may not be as causal as once thought. Several studies have suggested that displacement rates are no higher in gentrifying neighborhoods than they are elsewhere, supporting an approach of evaluating displacement separate from the leading drivers of gentrification (factors that are causing neighborhood change).

A recent study distinguished between gentrification (the process of neighborhood change) and displacement (what happens to households in the neighborhood).[8] The study highlighted the finding that low-income households move around frequently, regardless of whether the household is living in a gentrifying neighborhood, and regardless of their neighborhood location (in New York City), type of residence (market-rate or affordable housing), or demographic group (race). In short, the study concluded that lower-income households tend to be very unstable and can lose their housing or be forced to move for any number of reasons. As another study noted, low-income household rates of mobility tend to be uniformly high across all types of neighborhoods[9].

The precise cause of residential instability is difficult to discern because multiple factors often coalesce resulting in both intended and unintended household movement. These factors include:

- Individual and household characteristics, including changes in household income and benefits, employment status, family composition, availability of childcare, and physical and mental health.
- Housing unit characteristics, including damage or disrepair, code violations, and conflicts with landlords.
- Neighborhood-level dynamics, including blight, vacant buildings and lots, an increase in violent crime, and socioeconomic changes.
- Local, regional, or broader housing market dynamics, including market-rate and affordable housing supply, and other economic factors that influence residential consumer (renters and buyers) and property owner behaviors (e.g., mortgage interest rates; consumer

[8] Been, V., Ellen, I.G., & O'Regan, K. (2019). *Supply Skepticism: Housing Supply and Affordability*
[9] Ellen, I.G. & O'Regan, K. (2011). *How Low Income Neighborhoods Change: Entry, Exit, and Enhancement*

demand). Exclusionary zoning, racial and ethnic segregation, and housing and mortgage discrimination also can influence housing instability.

- Other local, State, and Federal systems, including the availability of housing assistance and other social welfare support, the criminal justice system, and changes in the labor market (including employment supply and wages).

The findings regarding uniform residential instability, regardless of whether a neighborhood is gentrifying, may be surprising, as they run counter to prevailing notions of gentrification's most concerning impact. One reason displacement has been inextricably linked to gentrification may be that "displacement is simply more salient in gentrifying areas. People may be less likely to notice the evictions and forced moves in other neighborhoods, because in non-gentrifying neighborhoods newly entering tenants more closely resemble those exiting." [10] Another reason may be because of data limitations; U.S. Census data is the primary source of longitudinal socioeconomic data, but it does not provide information about why households move or the location of their next residence.

That said, it is evident that a combination of market, demographic, and public policy factors can increase demand and pricing for real estate in some neighborhoods, particularly those neighborhoods that are proximal to employment opportunities, amenities, and other high-value neighborhoods. As a result, some households, primarily renters, will be priced out of their neighborhood and seek housing in more affordable locales. When displacement does occur, detrimental impacts to residents can include impeded access to healthy food, health care, recreation, and social networks and increased stress and mental health issues. Furthermore, residents who move out of a neighborhood because of price increases may find themselves unable to return, even more so if demand for location increases but the housing supply, both market rate and affordable, does not commensurately increase.

However, contemporary planning practices aim to address these issues through Affirmatively Furthering Fair Housing (AFFH) policies and other equitable development initiatives. These efforts are designed to prevent displacement, promote inclusivity, and ensure that reinvestment benefits all community members, particularly those historically marginalized.

Plan Area Gentrification and Displacement Risks

This section relies on the socio-economic analysis completed as part of this Existing Conditions analysis and third-party data to assess the level of gentrification and displacement risk in the Plan Area. That said, there is no commonly established or accepted methodology for determining if a particular area will experience gentrification or displacement. While socio-economic trends and indicators provide useful insights on risks, the process is inherently complex, and actual outcomes will depend on a variety of factors that cannot be predicted with certainty.

The UC Berkeley Urban Displacement Project provides a useful tool for assessing the potential for displacement in California cities. Specifically, this tool relies on a variety of data from 2015 -

[10] Dragan, Kacie, Ingrid Gould Ellen, and Sherry Glied. *Does Gentrification Displace Poor Children? New Evidence from New York City Medicaid Data*. National Bureau of Economic Research, Working Paper No. 25809, May 2019. Available at: https://www.nber.org/papers/w25809

2019 to highlight census tracts that exhibit "probable" displacement risks as well as those that have experienced "elevated", "high", or "extreme" displacement. Based on this tool, the entirety of the Plan Area was identified as having "probable" displacement risk for renters as illustrated in **Figure 6** and **Table 7**. Sonoma County tracts were identified along 101 from Piner Road to Rohnert Park and in unincorporated Sonoma County. That said, the model does not find that the Plan Area has experienced "elevated" "high" or "extreme" displacement pressures. It is also worth noting that approximately 54% percent of the Plan Area households are renters (the model does not estimate displacement risk among owners).

Table 7: Renter Displacement Risk by Plan Area Census Tract

Census Tract	Plan Area Geography	Overall Risk	0-50% AMI	50-80% AMI	% Low-Income	Median Rent
06097151402	East of 101	Yes	Yes	Yes	63.9%	$1,295
06097153200	West of 101	Yes	No	Yes	46.3%	$1,531

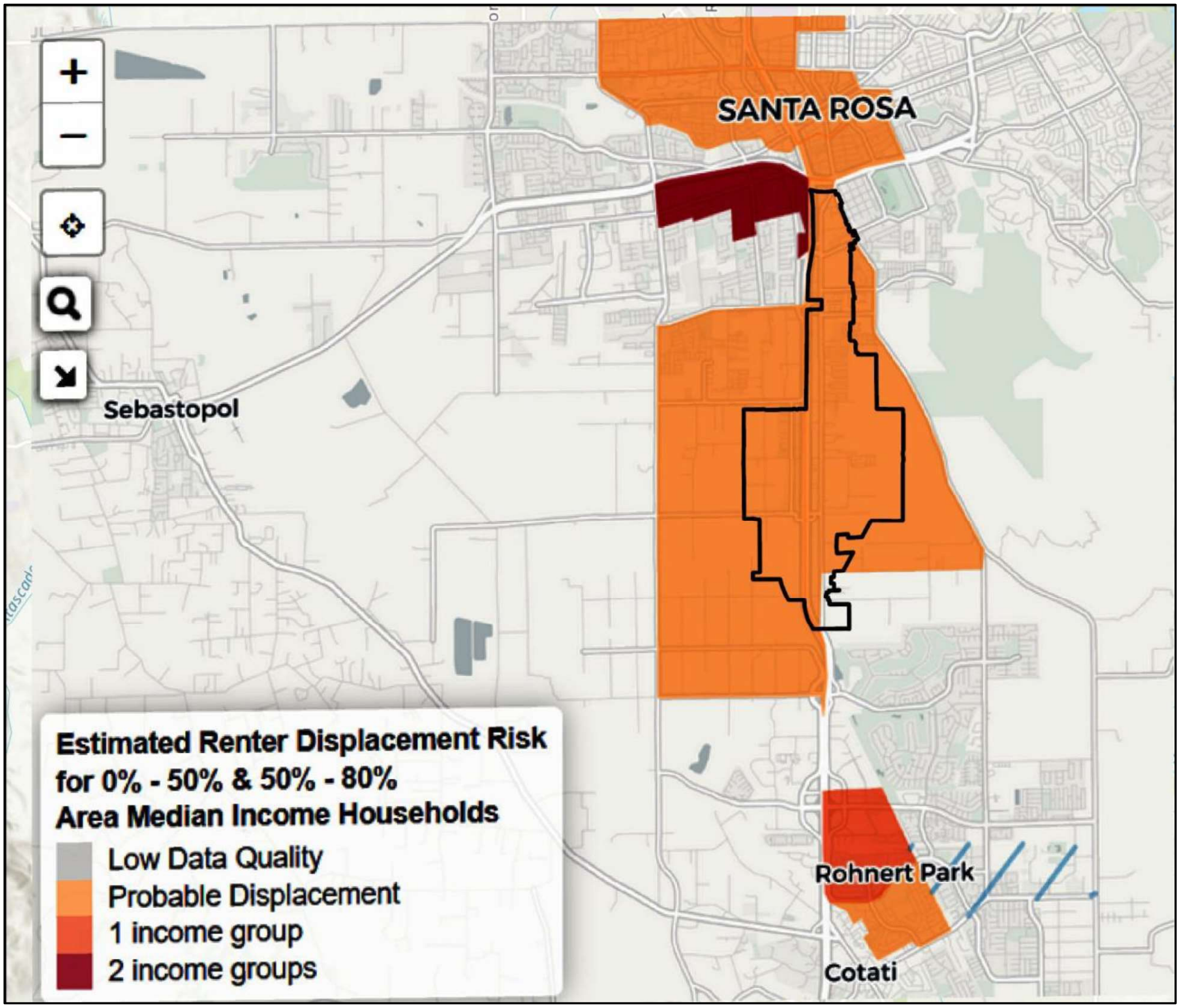
Source: UC Berkeley Urban Displacement Project, California Estimated Displacement Risk Model (2022)

NOTE: Parcels on the eastern side of Petaluma Hill Road are in another Census tract (06097151401) with minimal residential development relative to the Plan Area.

As shown in **Figure 6**, the areas with a probable displacement risk overlay areas that are characterized as having primarily low-income residents. The majority of residents in these areas are Latino, and over 20 percent speak English "less than very well." In addition to race/ ethnicity, other variables factored into the Urban Displacement model outputs include income, rents, and education levels.

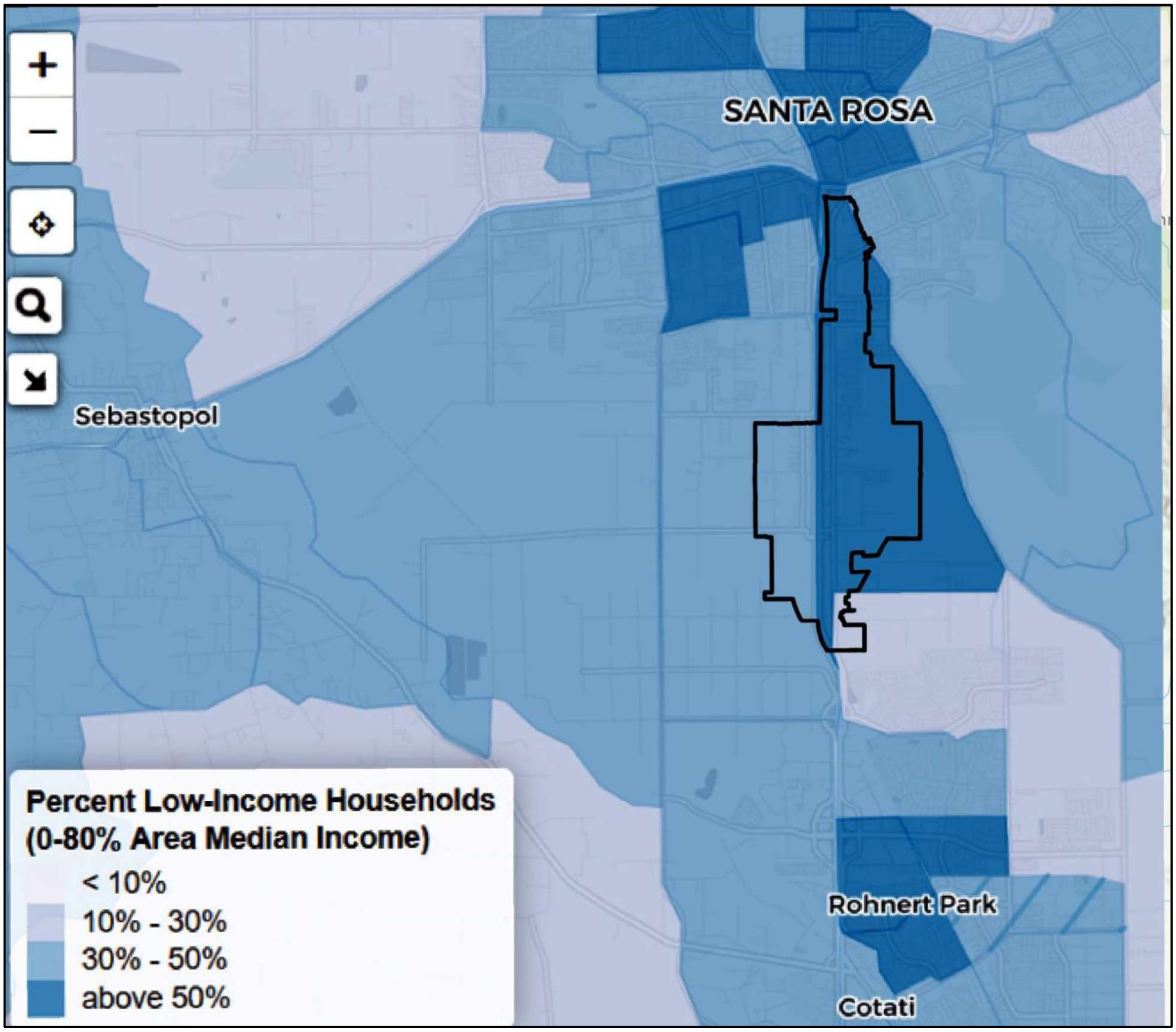
It is important to note that the Urban Displacement Model in not determinative and the potential for the Plan Area to experience gentrification that might in turn lead to displacement will depend on a variety of factors, as well as mitigation policies implemented through the Specific Plan. It is also important to note that the model does not account for the type and nature of local and regional job growth, a key determinant in gentrification and displacement risk. While Santa Rosa is located in one of the more economically vibrant regions of the county, the City has not historically experienced rapid job growth in high wage sectors.

Figure 6. Estimated Renter Displacement Risk



Source: UC Berkeley Urban Displacement Project, California Estimated Displacement Risk Model (2022)

Figure 7. Percent Low-Income Households



Source: UC Berkeley Urban Displacement Project, California Estimated Displacement Risk Model (2022)

Role of Housing Supply

Characteristically, "gentrification occurs in places with relatively affordable housing stock and often results in physical renovation of deteriorated housing and infrastructure."[11] The median rent in the Plan Area is $1,872, whereas average rent in the City and County are $1,856 and $1,886. respectively. Additionally, the median sales price of a home in the Plan Area was approximately $140,000 less than in Santa Rosa and $260,000 less than in Sonoma County. As rents and home prices continue to rise throughout Santa Rosa, the Urban Displacement Project has characterized the area as a "hot market" where residents of a community that was once affordable are forced to leave to find less expensive housing elsewhere, potentially forcing out existing residents.

When revitalization and new development projects enter areas that have naturally occurring affordable housing, the presence of new market-rate housing and commercial development attracts wealthier households and rents begin to rise. In certain circumstances, many existing community members become unable to afford rents on market-rate housing and are forced to leave in pursuit of more affordable housing. While there is evidence to support that the construction of additional dwelling units can allow housing to remain affordable by increasing the supply, the perception and threat of displacement remain very real concerns for communities.[12]

Empirical economic data indicates that the construction of new units does not necessarily raise rents of existing units in the area. In fact, by increasing the supply of housing, particularly affordable housing in strong markets, housing costs can be moderated and relieve displacement pressures.[13] The addition of new (and typically more desirable) units reduces demand for existing units, preventing higher-income residents from displacing existing lower-income residents.

A constrained supply of housing on a regional level due to economic pressures, acute underproduction in the San Francisco Bay Area, and displacement of Santa Rosa and Sonoma County residents due to catastrophic events like wildfires result in displacement pressures with ripple effects. Loss of existing housing stock can support an increase in units yet poses a displacement challenge due to the need to relocate existing residents. Policy interventions to reduce the displacement of residents can include active engagement to further awareness of tenant protection and relocation assistance. California law (Tenant Protection Act of 2019) provides certain rights including compensatory relocation assistance for renters who are displaced by new development.

Deed Restricted Affordable Housing

A variety of programs, such as the County Fund for Housing, City of Santa Rosa funding sources,

[11] Zuk, Miriam; Bierbaum, Ariel H.; Chapple, Karen; Gorska, Karolina; Loukaitou-Sideris, Anastasia (2018). Gentrification, Displacement, and the Role of Public Investment.
[12] Phillips, Shane; Manville, Michael; Lens, Michael (2021). Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents.
[13] Chapple, Karen, and Anastasia Loukaitou-Sideris, 2021. White Paper on Anti-Displacement Strategy Effectiveness. https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy- Effectiveness.pdf [Accessed November 2024].

and United States Department of Housing and Urban Development (HUD) funding, exist at the local, state, and federal levels to incentivize

the development of affordable rental housing. The units constructed under these incentive programs are referred to as "deed-restricted affordable housing" and set a term on the deed during which the rent on units is restricted by a tenant's income level. The City of Santa Rosa's 2023-2031 Housing Element states that "each allocated unit shall be subject to a recorded affordability at the targeted income level for a term of at least 55 years." The County's Housing Element has the same requirement.

The Plan Area includes eight deed-restricted developments. **Table 8** lists deed-restricted

affordable housing within the Plan Area and provides details on the longevity of the funding to sustain the affordable units.

Table 8: Deed-Restricted Affordable Housing in Plan Area, 2024[14]

Property	Address	Units	Affordability Expiration
Bella Vita Apartments	150 Butterfly Lane	28	2073
Carillo Place Apartments	200 Cranbrook Way	68	2059
Cedar Grove Apartments	3422 Santa Rosa Avenue	39	2074
Earle Street	439 & 441 Earle Street	8	2075
Kawana Springs Apartments	500 Kawana Springs Road	134	2074
Malibu East Apartments	3272 Santa Rosa Avenue	72	2061
Quail Run Apartments	1018 Bellevue Avenue	200	2054
Santa Rosa Ave Apartments	2905 Santa Rosa Avenue	137	2074
Sonoma Gardens	3330 Santa Rosa Avenue	59	2067
Vintage Park Senior Apartments	147 Colgan Avenue	119	2053

All affordable housing listed above have an affordability expiration after 2053 and most expire after 2070. Thus, the risk of losing deed-restricted affordable housing in the near future is low.

Naturally Occurring Affordable Housing

In addition to deed-restricted affordable housing, naturally occurring affordable rental housing occurs when older or smaller housing stock remains less expensive on the rental market than newer housing. Residents of naturally occurring affordable housing could be at risk of displacement due to general market factors as housing costs in the area continue to increase or if the planning area is further improved through redevelopment. If redevelopment activity in the Plan Area occurs without providing housing safeguards or increasing the availability of affordable housing, displacement can occur. Particularly, residents renting market-rate units may no longer be able to afford those units.

[14] Affordable Housing Inventory, County of Sonoma, https://sonomacounty.ca.gov/development-services/community-development-commission/divisions/community-development/affordable-housing-inventory#santarosa

ANTI-DISPLACEMENT STRATEGIES

Overview

The preceding section identified the Plan Area as having the potential to experience gentrification, a process which may increase the likelihood of displacement of existing residents. This section seeks to identify strategies to prevent displacement and support the preservation of affordable housing in the plan area. It draws on contemporary planning practices that aim to address these issues through Affirmatively Furthering Fair Housing (AFFH) policies and other equitable development initiatives. These efforts are designed to prevent displacement, promote inclusivity, and ensure that reinvestment benefits all community members, particularly those who have historically been marginalized.

Promote Community Engagement for the Specific Plan

To mitigate the potential for displacement and any negative consequences of gentrification, community partners should be involved in development of the Specific Plan. Ensuring that a diverse group of stakeholders participate - especially communities of color and low-income communities that have historically been excluded from planning processes - is critical to developing a Specific Plan that meets the needs of the entire community. Feedback from populations that are at a higher risk of displacement resulting from gentrification can help to reduce that risk and increase the likelihood that more populations experience benefits from adoption of the Specific Plan. A community engagement strategy has been prepared for the specific plan and includes the following elements:

- Engagement Advisory Committee
- Technical Advisory Committee
- Translation and Interpretation Services
- Project Webpage
- Community Canvassing
- Community Surveys
- Community Walks
- Pop-up events and community workshops
- K-14 School Engagement
- Social Media Materials

Preserve and Develop Affordable Housing

Preserving affordable housing is a key strategy to avoid displacement of renters. Demand for rental units in the Plan Area remains high, and access to deed-restricted affordable housing ensures that residents can remain in their home community despite the rising cost of housing. Affordable housing can be preserved by investing in the existing housing stock or can be created with new projects. Several new sources of affordable housing have been delivered within the Plan Area, such as Cedar Grove Apartments, the 96-unit affordable housing project in unincorporated Sonoma County. Additionally, the Tierra Springs apartments (located just outside the Plan Area) offer a range of unit types as part of a high density, deed-restricted affordable development.

Santa Rosa Avenue Apartments, is a 5-story 100 percent affordable rental project with surface parking, located inside the Plan Area. Maintaining the momentum on new development will increase the supply of affordable housing in the area but preserving deed-restricted and naturally occurring affordable housing through funding support and individual support will also be necessary.

Affordable home ownership is also an element of affordable housing preservation. By providing funds to low- and moderate- income homebuyers, there are opportunities to rehabilitate homes while finding home ownership opportunities at an affordable price. AB 1033 provides jurisdictions with the option to allow the sale of accessory dwelling units (ADUs) separate from the sale of a primary residence. This could provide opportunities to purchase a more affordable home, due to the smaller size and lower fees associated with ADU construction. Incentivizing ADU development on existing properties can create affordable housing opportunities for both renters and homeowners.

Inclusionary Zoning

The City of Santa Rosa and Sonoma County each have inclusionary zoning ordinances requiring that new market-rate residential development projects include a certain percentage of housing units at rents or sale prices that are affordable to lower income households. New market-rate development in Santa Rosa or Sonoma County either contain some percentage of deed-restricted affordable units or have paid in-lieu fees to assist a nonprofit developer to provide affordable units. Because payment of a fee in lieu of provision of affordable units on-site does not necessarily result in affordable units being provided within the plan area, policies should be explored to encourage the on-site provision of units to meet each jurisdiction’s inclusionary requirements.

Housing for Vulnerable Populations

Permanent Supportive Housing

The permanent supportive housing model combines affordable housing with supportive services to assist residents in keeping their homes. Supportive services might include counseling, financial support, and help with daily living and medical needs. Permanent supportive housing works to create stability and support for the unhoused, veterans, and other vulnerable populations. The Earle Street Apartments, located in the northwestern corner of the plan area, provide eight units of permanent supportive housing to singles and families with the support of Community Action Partnership of Santa Rosa. This affordable housing remains deed-restricted until 2075.

Project Homekey

Project Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, manufactured housing, and to convert commercial properties and other existing buildings to permanent or interim housing for the target population. Through a partnership with Catholic Charities, the Palms Inn, located on Santa Rosa Avenue, provides 104 single room occupancy units for the unhoused, including 60 rooms that are set aside for veterans.

Additional Anti-Displacement Strategies are outlined in the following **Table 10**.

Table 10: Summary of Potential Anti-Displacement & Gentrification Policies

Policy	Description	Relevance to Gentrification/Displacement	Application to Specific Plan Area
Community Land Trust (CLT)	Sale of homes at reduced price by non-profit organization. Underlying land is leased long-term for a nominal fee to homeowner. Property cannot be speculated on nor resold at market value.	Ensures permanent affordability and can raise homeownership rates among lower-income households.	Existing CLT's (e.g., the Housing Land Trust of the North Bay) could be leveraged. Extensive role by City would require funding and potential risk.
Condominium Conversion Restrictions	Restricts the conversion of rental apartments or townhomes to condominium ownership. May require the provision of replacement rental units for displaced tenants.	Prevents displacement from condominium conversion or mitigates its impact on tenants. May reduce entry-level ownership opportunities	City has an existing Condominium Conversion Ordinance that could be updated.[15]
Development Certainty, Streamlined Entitlement / Ministerial Approval	Expedited approval of residential permit applications by local jurisdictions based on transparent and objective standards.	Streamlines the development of additional housing to expedite and incentivize supply. Has potential to stimulate gentrification but mitigate displacement	Specific Plan could support this process, and City has implemented similar initiatives downtown. Numerous recently approved State laws (e.g., SB 35) are supportive.
Inclusionary Housing Policies	Requires a percentage of new homes be deed restricted to very low to moderate-income households	Can create additional affordable housing in the Project Area (my also reduce feasibility of market rate)	Both City and County have existing inclusionary housing policies that could be expanded
Financial assistance for renters or first-time homebuyers	Assistance with rent, deposits or downpayment (for homebuyers), usually means tested	Helps residents acquire and maintain their place of residence and avoid displacement.	Will require funding source(s), including existing Federal, State, and local programs (e.g., Santa Rosa Rental Housing Assistance, HOME) and / or new initiatives.
Housing Rehabilitation Program	Provides loans to owners of rental housing to address substandard conditions.	Keeps rental units in the housing market.	Would require funding source(s). Could leverage Federal, State, and other funding programs (e.g., Santa Rosa Housing Trust, Sonoma County Fund for Housing).
Just Cause Eviction	Establishes specified causes for reasonable eviction (e.g., failure to pay rent, criminal activity).	Protects against displacement due to unreasonable evictions (e.g., prejudicial, retributive).	Would require new Ordinance(s). Existing State and local laws (i.e., California Tenant Protection Act and a recently adopted County ordinance) could also be leveraged.

[15] City Council Ordinance No. 1991; for more information, please see https://edms.srcity.org/WebLink/DocView.aspx?id=1150933&page=1&&cr=1

Mobile Home Preservation	Prevents mobile home park closures or conversions, and moderates space rent increases.	Prevents displacement due to mobile home park closures or conversions and unaffordable space rents.	Mobile homes make up about 18% of housing in Plan Area. Existing City and County policies (i.e., mobile home rent control/stabilization ordinances and mobile home conversion standards) could be leveraged.[16]
No Net Loss	Requires one-for-one replacement of affordable housing units that are demolished or converted to market-rate housing.	Maintains the supply of affordable housing units.	Would require new Ordinance(s). Existing State law includes no net loss for Housing Element sites (SB 166) and prohibits jurisdictions from downzoning without providing
Rent Stabilization	Limits rent increases according to a predictable schedule.	Reduces displacement pressures for tenants; allows for incomes to keep pace with rents. Can incentivize condominium conversions and loss of rental stock.	Would require Council (or County) approval, or voter initiative, and be subject to Costa Hawkins restrictions. Existing State law restricts rent increases to 10% annually until 2030.
Right to Return	Prioritization of previously displaced renters in the application process for new affordable housing.	Encourages renters to return to the communities they were originally displaced from.	Would require new City and/or County Ordinance(s).
Tenant Anti-Harassment Protections	Prohibits landlords from harassing tenants as a means to encourage them to vacate the property.	Helps tenants maintain their place of residence.	Existing Federal, State, and local fair housing laws could be leveraged, and additional tenant protections could be explored.
Tenant Education Programs	Certificate or credential programs that educate high-risk renters (e.g., renters with eviction history, poor or limited credit) on their rights and responsibilities as tenants.	Can help reduce the likelihood of an eviction.	Existing local tenant education resources (e.g., the Legal Aid of Sonoma County) could be leveraged.
Tenant or Community Right to Purchase (e.g., TOPA or COPA)	Gives tenants (or community non-profit) the right to make the first offer on their rental unit before it enters the for-sale market.	Helps tenants maintain their place of residence.	A TOPA or COPA ordinance could be explored in Santa Rosa and Sonoma County.
Tenant Organizing	Provides a platform for tenants to better address the immediate needs in their buildings and advocate for broader policy changes.	Helps tenants improve their living conditions.	Unlikely to be a City or County led effort, but existing local organizations (e.g., the Sonoma County Tenants Union) can play a role.
Tenant Relocation Assistance	Financial assistance to relocate tenant when their unit is removed from market for various reasons (i.e., demolished, condominium conversion)	Mitigates financial burden on tenants due to relocation, potentially linked to "right of return".	Existing State law requires developers to provide relocation assistance and right of first refusal for lower-income tenants displaced by demolishment (SB 330 will sunset).

[16] The City of Santa Rosa (a) and the County of Sonoma (b) each have mobile home rent control/stabilization ordinances. The City (c) and County (d) also have ordinances regulating mobile home park conversions https://www.srcity.org/DocumentCenter/View/4060/Mobilehome-Rent-Control-Ordinance
https://sonomacounty.ca.gov/development-services/community-development-commission/divisions/community-development/capital- projects-nofa/mobilehome-rent-stabilization
https://ecode360.com/42955562
Sec. 26-92-090 https://library.municode.com/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART92ADPUHEPR_S26- 92-090MOHOPACOCLCEUS

CONCLUSION

Challenges

The Plan Area faces challenges distinct from other areas within the City of Santa Rosa and the County of Sonoma. The risk of displacement within the Plan Area is characterized as high, and the Plan Area is home to a disproportionate number of lower-income households. As rents and home prices rise in the surrounding areas, lower rents and median home prices in the Plan Area become attractive to renters and home buyers from outside the community. Additionally, new market-rate developments in the Plan Area are often viewed as unaffordable by existing residents, further exacerbating displacement risks and affordability challenges. These challenges must be addressed in the South Santa Rosa Specific Plan to ensure that community members can remain in their homes and that new residents can find housing options at the appropriate level of affordability. As growth and development of the Plan Area continues, it will be important for the Specific Plan to also address the poor connectivity between the west and eastern sides of the Plan Area, as well as the growing need for recreational facilities, schools, grocery stores, medical facilities, and social services to serve the increasing number of residents.

Opportunities

There are many opportunities within the Plan Area for housing and sustaining communities. First, several market-rate and affordable housing projects have already been provided or are underway within or near the Plan Area, increasing opportunities for housing at a range of affordability levels. Additionally, the Plan Area is near large retail centers, such as the Santa Rosa Marketplace, home to Costco, Target, and other big box retail that can provide employment and shopping destinations to residents.