



City of Sebastopol Community Development Department Memorandum

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To: Planning Commission
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Subject: Housing Element Implementation Policy Options

The City of Sebastopol is in the process of implementing its Housing Element, as recently discussed at the Planning Commission meeting of April 22, 2025. The purpose of this workshop is to identify policy options for the implementation of core programs through a presentation from staff of the Napa Sonoma Collaborative.

The Napa Sonoma Collaborative is a shared effort among the region's jurisdictions to help address the region's housing and planning challenges. This effort includes all cities, towns, and counties in Sonoma and Napa. The jurisdictions, by working together collaboratively, save money, time, and resources by sharing information and capacity.

The Napa Sonoma Collaborative is administered by the Metropolitan Transportation Commission and Association of Bay Area Governments (MTC/ABAG). The Collaborative provides housing policy support and on-call technical assistance and is staffed by 4LEAF, Inc. Initial support focused on helping local agencies achieve Housing Element certification, and the current phase of the Regional Early Action Planning Grants (REAP) is focused on accelerating infill housing, affirmatively furthering fair housing, increasing housing supply at all affordability levels, and reducing vehicle miles traveled (VMT). Implementation of adopted regional and local plans to achieve these goals is a central focus of REAP 2.0.

A key area of support is to accelerate the pace and enhance the rigor of Housing Element implementation. The Collaborative's member jurisdictions are responsible for implementing over 600 programs over the planning period ending in 2031, with most deadlines occurring earlier in the eight-year timeframe. The Collaborative is prioritizing programs identified by HCD as critical to continued Housing Element compliance (listed in the certification letter provided to each jurisdiction), programs which address contributing factors to fair housing challenges, and programs with deadlines falling earlier in the planning period.

Each jurisdiction's HCD-priority programs can be accessed in the Program Status tab of the Collaborative's Housing Connect Tool (<https://napa-sonoma-collaborative-housing-connect-rincon.hub.arcgis.com/>), with a direct link to each program in the body of each Housing Element.

While the Collaborative is not responsible for the direct implementation of all Housing Element programs, staff has identified recurring programs across its 16 member jurisdictions, and has prioritized technical assistance actions in consistency with Housing Element program commitments and the REAP funding criteria. The City of Sebastopol's eight (8) HCD priority programs are as follows:

- A-3.1 – Objective Design Standards
- A-3.3 – Missing Middle Housing
- A-3.4 – Workforce Housing Overlay Zone
- A-3.5 – Opportunities for By-Right Housing
- A-4.2 – Fee Mitigation & Transparency
- B-1.2 – Code Enforcement and Reasonable Accommodations
- D-2.2 – Zoning Code Updates
- D-4.1 – Replacement Housing Requirement

In concert with the City's existing efforts to amend the Zoning Code (detailed in Programs A-3.4, A-3.5, and D-2.2), the Collaborative is providing technical assistance through model ordinances and code amendments to implement opt-in provisions of State law to promote a variety of housing types at all affordability levels and support implementation of the Housing Element.

Transparency and Digital Communications

A variety of the City's HCD priority programs and actions with deadlines early in the Housing Element planning period contain actions to create more transparent and accessible information on the City's website. The Collaborative is working with the City to improve and expand resources available on the City's website to fulfill program commitments and connect the Sebastopol community with key resources. Specific implementation actions include the provision of fee information available on the website (A-4.2), sustainability and conservation resources (C-3.1), creation of a multilingual fair housing webpage (D-1.1), landlord education (D-2.1), rehabilitation assistance & weatherization (C-2.1), and expedited processing for streamlined housing under State law including SB 330 and AB 2162 (B-2.1).

Policy Option 1: ADU Homeownership (AB 1033)

Housing Element Program D-3.1 (First Time Homebuyer Program and Affordable Homeownership Resources) commits to strengthening pathways to affordable homeownership opportunities within the City of Sebastopol.

Assembly Bill 1033 (AB 1033) allows local governments in California to authorize the sale or conveyance of Accessory Dwelling Units (ADUs) separately from the main residence. Previously, the state prohibited this practice, except as coordinated by a community land trust or nonprofit housing provider. AB 1033 creates a framework for local governments to adopt ordinances that allow ADUs to be sold as separate condominium units, as has recently been utilized by Northern California cities including Martinez, Berkeley, and Santa Cruz.

Implementation of AB 1033 could support first-time homebuyers by maximizing homeownership opportunities of attainable smaller units, and expand opportunities to work with stakeholders successfully implement the program. An innovative approach to spur ADUs could potentially expand impact beyond the stated objective of one (1) affordable ownership unit per year throughout the planning period, and boost projections of ADUs to fulfill the City's Regional Housing Needs Allocation (RHNA). Further, increased sales of new homes could meaningfully increase revenue generated for the City and local agencies.

Policy Option 2: Streamlining Missing Middle Housing (SB 10)

Housing Element Program 3-3 (Missing Middle Housing) commits to facilitate the development of ten (10) new units of missing middle housing throughout the planning period, primarily in the higher resource residential areas of the City.

Missing middle housing refers to a range of residential building types that bridge the gap between single-family homes and large apartment buildings, such as townhomes, plexes, and cottage court bungalows. These housing types were historically allowed in low-density residential communities in the early twentieth century, and legacy developments exist in established neighborhoods throughout Sebastopol, yet have been broadly prohibited through the proliferation of single-family zoning districts.

The City of Sebastopol is predominantly comprised of single-family zones with potential development capacity. SB 10 allows for an opt-in ordinance to allow up to ten (10) residential units. A local SB 10 ordinance is customizable and can be tailored to meet local preferences. For example, the ordinance can allow for fewer than ten units per parcel and be applied in specific parcels or zones. Compared to most rezoning processes, an ordinance utilizing the provisions of SB 10 is not subject to the California Environmental Quality Act (CEQA), thereby reducing the administrative and fiscal burden to the City to implement the rezoning.

As with AB 1033, implementation of SB 10 could support program implementation, further fair housing by increasing housing opportunities in the City's high resource neighborhoods, support first-time homebuyers by maximizing housing opportunities in attainable smaller units, and generate revenue for the City's tax base through the sale of new homes.

Policy Option 3: Prohousing Designation Program

The Collaborative has provided support for jurisdictions seeking the Prohousing Designation Program (PDP) and Prohousing Incentive Program (PIP) from the California Department of Housing and Community Development (HCD). Sonoma County has the highest rate of designated jurisdictions among California counties. The program has resulted in the award of \$2,070,000 of PIP funds to date for Sonoma County jurisdictions to support housing production, preservation, and protection initiatives, with additional awards slated for May 2025.

Local planning staff throughout the regional Collaborative have noted the flexibility and accessibility of PIP due to a straightforward application process and competitiveness of applications due to the pool of funds being exclusively accessible to jurisdictions with a current Prohousing Designation. In addition to the PIP funds, jurisdictions with a Prohousing Designation receive a competitive advantage in accessing the following State funding programs:

- Affordable Housing & Sustainable Communities (AHSC)
- Infill Infrastructure Grant (IIG)
- Transformative Climate Communities (TCC)
- Solutions for Congested Corridors
- Local Partnership Program
- Transit and Intercity Rail Capital Program (TIRCP)
- Sustainable Transportation Planning Grant Program (STPG)

An initial review of Sebastopol's existing and scheduled programs indicated that the City is in strong position to apply for the Prohousing Designation Program. The Housing Element does not contain a specific commitment to apply for the PDP; however, participation in the program would support implementation of Program A-4.3 (Affordable Housing Funding).