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A Housing Needs Assessment for Santa Rosa, California



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Introduction

As the fourth largest city in the Bay Area, Santa Rosa is growing quickly and must address its affordable housing needs. While low-income renters and elderly households often appear as populations at risk of having high housing cost burdens and potentially becoming homeless, the need for affordable housing in Santa Rosa is spread among a variety of populations. This report presents a needs assessment in the following sections: overview of current housing stock, measures of affordability, housing stock quality, availability, overcrowding, extent to which the housing stock is at-risk, and housing needs of special populations. Relying primarily on data from the 2005 American Communities Survey and 2000 U.S. Census, the report is supplemented by the city's most recent consolidated plan (*City of Santa Rosa Five Year Consolidated Plan, 2004-2009*), housing element (from *Santa Rosa 2020: General Plan*), and other pertinent Bay Area housing reports.

Needs Assessment

Overview of current housing stock

With a population of approximately 150,000 people, Santa Rosa is the largest city in Sonoma County, the northernmost county in the San Francisco Bay Area. According to the U.S. Census, there were 57,514 housing units in Santa Rosa in 2000.¹ The American Community Survey reports that there were 62,522 units in 2005, with a possible error of just under 3,000.² Even accounting for error, there has been an increase of at least 2,000 units in the last seven years. Construction data indicates that between 2000 and December 2006 there were 4,520 new privately-owned residential building permits issued, for a total of 6,909 units.³

As of 2005:

- children lived in 32% of Santa Rosa's households⁴
- 32% of the city's households included a resident 60 years or older.⁵
- nearly 9% of Santa Rosa's families were below the poverty line⁶
- 85% of those living below the poverty line were renters.⁷

In 2005, just over 60% of Santa Rosa's 62,522 units were single-unit, detached homes. The single-unit attached home accounted for 7% of the city's units while nearly 17% of units were in structures with more than 10 units.⁸ Fifty-six percent of Santa Rosa's 59,485 households owned their units.⁹ Eighty-four percent of households that owned their home lived in single-family detached units, while only 33%

¹ U.S. Census Bureau; 2000 Census of Population and Housing; SF3, Table H1.

² U.S. Census Bureau; American Community Survey; 2005 Summary Table B25001.

³ U.S. Census Bureau; Building Permits Data, 2000-2006.

⁴ U.S. Census Bureau; American Community Survey; 2005 Summary Table B11005.

⁵ U.S. Census Bureau; American Community Survey; 2005 Summary Table B11006.

⁶ U.S. Census Bureau; American Community Survey; 2005 Summary Table C17019.

⁷ Ibid.

⁸ U.S. Census Bureau; American Community Survey; 2005 Summary Table B25024.

⁹ U.S. Census Bureau; American Community Survey; 2005 Summary Table B25003.

of renter households lived in that type of structure.¹⁰ Just over 40% of the housing units in Santa Rosa in 2005 were built between 1970 and 1989; the median year of construction is 1978.¹¹

According to the 2006 ABAG report, *A Place to Call Home: Housing in the San Francisco Bay Area*, Sonoma County has been fairly successful at meeting its Regional Housing Needs Assessment (RHNA) goal for production; its 1999-2006 RHNA allocation was 7,654 units, 88% of which had been produced by early 2006.¹² The county has also been successful at producing low-income and moderate-income housing, permitting 126% and 101% of its RHNA allocations, respectively.¹³ It has not been successful at creating very low-income housing, as permits for only 27% of its RHNA allocation had been issued as of 2006.¹⁴

Measures of affordability

Housing affordability is a problem throughout the state, and is no less of a problem in Sonoma County. According to the California Association of Realtors, only 23% of California households could afford to purchase a median-priced home in the second quarter of 2006.¹⁵ Similarly, 23% of Sonoma County first-time homebuyers were able to afford the median-priced home, at \$544,840, in the second quarter of 2006, down from 24% in 2005. In the second quarter of 2006, buying a median-priced required a monthly payment of \$3,720 and a minimum qualifying income of \$111,590.¹⁶ This statistic indicates the difficulty that many households have in becoming homeowners. Other statistics that demonstrate the affordability problem in Santa Rosa are monthly rent and owner costs and percentage of income paid for housing. Low-income households, young and elderly households, and minorities disproportionately spend more on their housing.

The Santa Rosa Consolidated Plan reports that housing was more affordable for the general population in 2000 than it was in 1990 because incomes rose faster than did housing prices.¹⁷ This is not

| Housing Cost Changes (2005\$)¹⁸ | | | |
|---|-------------|-------------|-------------|
| | 1990 | 2000 | 2005 |
| Median Gross Rent | 954 | 978 | 1,025 |
| Median Value | 287,580 | 276,850 | 561,200 |

necessarily true for low-income Santa Rosans. As the ABAG report cited above indicates, affordability is a major problem in Santa Rosa. Shown in the table to the left, between 1990 and 2005, median gross rent increased 7.4% and median value of owner-occupied homes increased 95%.

¹⁰ U.S. Census Bureau; American Community Survey; 2005 Summary Table B25032.

¹¹ U.S. Census Bureau; American Community Survey; 2005 Summary Tables B25034, B25035.

¹² Fassinger, Paul and Gillian Adams. 2006. *A Place to Call Home: Housing in the San Francisco Bay Area*. Oakland, CA: ABAG.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ California Association of Realtors. 2006. Housing affordability at 23%, according to newly developed index gauging affordability for first-time buyers in California. <http://www.car.org/index.php?id=MzY0ODc=> (accessed 22 October 2006)

¹⁶ Ibid.

¹⁷ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

¹⁸ U.S. Census Bureau; 1990 Census of Population and Housing; SF3, Tables H043A and H061A; U.S. Census Bureau; 2000 Census of Population and Housing; SF3, Tables H63 and H76; U.S. Census Bureau; American Community Survey; 2005 Summary Tables B25064 and B25077.

The table below separates cost burdened households into categories. Fully 57% of Santa Rosa’s renter households spent more than 30% of their income, the standard measure of affordability, on housing in 2005. Over 28% of its renter households severely overpaid for housing, paying more than 50% of their income.¹⁹

| Cost Burdened Households²⁰ | |
|--|------------------------------|
| Type of Household | Percent Cost Burdened |
| Renters | 57 |
| Homeowners | 44 |
| Elderly Renters | 67 |
| Renters (under \$10,000) | 92 |

Homeowners were only slightly more able to afford their homes: 44% of owner-occupants were cost burdened and approximately 17% were severely cost burdened.²¹ Affordability was also a problem for low-income owners: 74% of those with incomes below \$10,000, 59% of those with incomes between \$10,000 and \$19,999, and 52% of those with incomes between \$20,000 and \$34,999 were cost burdened.²²

Measures of housing stock quality²³

Housing quality is measured by the proportion of units that have adequate plumbing facilities, complete kitchen facilities, and are in good structural condition. By these standards, Santa Rosa’s housing stock is in fairly good condition. Only 131 of its 56,000 units were lacking complete plumbing facilities (0.2%) in 2000. Seventy of these 131 units were rented, 59 were headed by White householders, and 43 by Hispanic householders. Only 33 units lacked complete plumbing facilities and were overcrowded, defined as housing more than one person per room.²⁴

A mere 0.6% of Santa Rosa’s housing units, 329 units, lacked complete kitchen facilities in 2000. Twenty-four of these 329 units were owner-occupied, leaving 305 occupied by renters. Some of these units may have been small studios and have some kitchen elements, but lack others, like a full stove. Two hundred fifty-one of the total units lacking complete kitchen facilities were headed by White householders, 49 by Hispanic householders.²⁵

In addition to adequate plumbing and complete kitchens, the Census uses structural problems to determine housing quality. A newer housing stock will be less likely to have structural problems than older housing. As cited above, half of Santa Rosa’s housing units were built within the last 30 years. Over 15% were built between 1990 and March 2000.²⁶ In addition, Census building permit data indicate that as many as 6,909 new units were built between 2000 and December 2006, up to 11% of Santa Rosa’s units.²⁷

¹⁹ U.S. Census Bureau; American Community Survey; 2005 Summary Tables C25072, B25070.

²⁰ Source: U.S. Census Bureau; American Community Survey; 2005 Summary Tables C25072, C25074, C25093.

²¹ U.S. Census Bureau; American Community Survey; 2005 Summary Tables C25093, B25091.

²² BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

²³ Data in this section drawn almost exclusively on the 2000 Census because more updated data is not reliable.

²⁴ U.S. Census Bureau; 2000 Census of Population and Housing; SF3, Tables HCT34H, HCT34I, H48 and H49.

²⁵ U.S. Census Bureau; 2000 Census of Population and Housing; SF3, Tables H51, HCT35H, and HCT35I.

²⁶ U.S. Census Bureau; 2000 Census of Population and Housing; SF3, Tables H34, and H35.

²⁷ U.S. Census Bureau; Building Permits Data, 2000-2006.

Housing availability

The 2005 vacancy rate in Santa Rosa was comparable to normal vacancy, generally accepted as 3% for owner-occupied units and 5% for rental units. Approximately 5% of Santa Rosa's 62,522 units were vacant.²⁸ The Santa Rosa Consolidated Plan reports that the 2000 vacancy rate for Sonoma County was 5.9%, much higher than Santa Rosa's 2.5% rate in 2000.²⁹ The 2000 vacancy rate was higher than the 1990 rate of 4.2% (1.5% for ownership, 5% for rental units), but lower than the 2005 rate of 4.9% reported in the American Community Survey.³⁰ The Santa Rosa Consolidated Plan contends that there is a 7,000-unit shortage for the lowest-income renters in the city. Furthermore, it calculates that between 7,000 and 10,000 renter households are overpaying for their units.³¹

Measures of overcrowding

In 2005, 4% of Santa Rosa's 59,485 households were overcrowded, housing more than one person per room. Overcrowding was most common among Hispanic-headed households; 19% of Hispanic-headed households were overcrowded compared to only 2% of households with a White householder.³² In 2005, 6% of renter households were overcrowded as compared to less than 1% of homeowner households.³³

Extent to which the existing housing stock is "at-risk"

Many federal affordable housing programs place limits on the amount of time that the units must remain affordable. Once assisted projects reach this limit, typically 15-20 years, some are converted to market rate projects, reducing the supply of affordable housing. The Santa Rosa 2020: General Plan estimates that 723 units of affordable housing are at-risk of being converted to market rate units between 2001 and 2010.³⁴

Authors of the plan note that many of these at-risk units are owned by nonprofits, and thus at lower risk of becoming unaffordable (assuming that nonprofits are interested in maintaining currently affordable units); 412 of the 723 at risk units are owned by nonprofits (293 elderly units, 119 non-elderly units) leaving 311 (97 elderly, 214 non-elderly) at greatest risk of becoming unaffordable.³⁶ The authors further estimate that it would cost \$170,000 per unit to replace every unit at risk of becoming unaffordable, for a total of \$122.9 million. Preserving

| Affordable Units "At Risk"³⁵ | |
|--|------------|
| 2001-2006 | 539 |
| <i>Elderly units</i> | 313 (58%) |
| 2006-2010 | 184 |
| <i>Elderly units</i> | 77 (42%) |
| Total | 723 |

²⁸ U.S. Census Bureau; American Community Survey; 2005 Summary Table B25002.

²⁹ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

³⁰ Dyett & Bhatia. 2002. *Santa Rosa 2020: General Plan*. Santa Rosa, CA: City of Santa Rosa; U.S. Census Bureau; American Community Survey; 2005 Summary Table B25002.

³¹ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

³² U.S. Census Bureau; American Community Survey; 2005 Summary Tables B25014I and B25014I.

³³ U.S. Census Bureau; American Community Survey; 2005 Summary Table B25014.

³⁴ Dyett & Bhatia. 2002. *Santa Rosa 2020: General Plan*. Santa Rosa, CA: City of Santa Rosa.

³⁵ Ibid.

³⁶ Ibid.

these units as affordable, however, would cost between \$100,000 and \$150,000 per unit, for a total cost of between \$72.3 and \$108.5 million.³⁷

These findings echo the statewide experience. California's rate of prepayment and market-rate conversions on federal affordable properties has been triple that of any other state, attributable to the tight housing market.³⁸ The California Department of Housing and Community Development estimates that since 1997, Sonoma County has been at risk of losing up to 2,363 units of affordable housing.³⁹

Housing needs of special populations

The housing needs described above may affect different populations in different ways. The homeless are an especially vulnerable population which could be helped greatly if programs were directed specifically towards shelters and transitional housing units. The homeless population is difficult to measure; the Santa Rosa Consolidated Plan estimates that there are between 1,700 and 1,800 chronically homeless people in Santa Rosa, and states that the largest homeless subpopulations are the chronically homeless and the chronic substance abusers.⁴⁰ In 2001, 1,131 homeless people sought services in Santa Rosa, while in 2003, Santa Rosa's Catholic Charities served over 2,000.⁴¹ The Consolidated Plan estimates that 45% of the city's households are at risk for homelessness because they do not make the city's "housing wage" of \$46,530.⁴²

As an agricultural county, Sonoma County's housing must address the needs of seasonal farm workers. As of 2002, there were between 2,000 and 5,000 farm workers in Sonoma County, 1,000 of whom lived in Santa Rosa.⁴³ There is a need for permanent multifamily housing for these workers, which could include boardinghouses and SROs. Other special populations include the elderly, disabled and minorities. As noted in the affordability section, over half of elderly renters are cost burdened. In addition, very low income elderly residents are more than 50% likely to have housing problems.⁴⁴ In 2000, 19% of Santa Rosa's population was disabled; this increased to 39% for the population over age 65. The disabled population had a higher poverty rate, at 29% than the larger population, at 18%. Because the disabled population significantly overlaps with the elderly population, specific housing needs for the disabled are not discussed. Despite Santa Rosa's low minority population (81% Non-Hispanic/Latino and 77% White) the Consolidated Plan states that the Hispanic/Latino minority population has a disproportionate housing need, as 67% have housing problems versus only 34% of the White population.⁴⁵ Though Hispanics were only 19% of the city's population in 2000, 40% of large households (over five people) were headed by Hispanics. This suggests that Hispanic households have

³⁷ Ibid.

³⁸ State of California, Dept. of Housing and Community Development, *The State of California's Housing Markets 1990-1997: Affordable Rental Housing At Risk of Conversion*. Sacramento, California, 1999.

³⁹ Ibid.

⁴⁰ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

⁴¹ Dyett & Bhatia. 2002. *Santa Rosa 2020: General Plan*. Santa Rosa, CA: City of Santa Rosa; BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*.

⁴² BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

⁴³ Dyett & Bhatia. 2002. *Santa Rosa 2020: General Plan*. Santa Rosa, CA: City of Santa Rosa.

⁴⁴ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

⁴⁵ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

disproportionately high rates of overcrowding; as stated above, over half of Santa Rosa's overcrowded units were occupied by Hispanic households.⁴⁶

Summary

Santa Rosa's recent growth, a 38% increase in population between 1990 and 2005, reflects statewide trends that are projected to continue. California's population is expected to grow from just over 35.2 million in 2005 to 43.8 million in 2020. The Department of Finance projects that Sonoma County will be home to 602,783 residents in 2020, up from 461,347 in 2000.⁴⁷ Santa Rosa is expected to add 36,800 new residents by 2020, increasing its population by 23%.⁴⁸ This projected growth further intensifies the need for affordable housing for Santa Rosa's low-income citizens. Nearly 30,000 households, 57% of renters and 44% of owners, pay more than 30% of their income for housing; over 13,000 households pay over 50%. Many of these households have very low or low incomes, and cost-burdened rental households are disproportionately headed by either young or old householders. The city's most recent consolidated plan estimates that there is a 7,000-unit shortage of units for the lowest-income renters.

In its most recent housing element Santa Rosa includes goals that will address some of these problems, a few of which are presented here:⁴⁹

- remove constraints to very low and low income housing production and expand the supply of housing available to lower income households
- investigate the establishment of a Housing Trust Fund to provide an additional source of funding for affordable housing
- revise existing regulations as necessary to expand the potential supply of SRO units by allowing such uses in non-residential zoning districts
- support the development of rental housing for seasonal and permanent farmworkers
- focus efforts toward development of a new homeless shelter

Santa Rosa should implement programs that assist both renters and homeowners who are cost burdened. It should also stop the conversion of affordable units to market rate units: over 700 affordable units are at risk of converting to market rate status between 2001 and 2010. Protecting these units rather than replacing them could save the City up to \$50 million. Although providing more affordable housing for renters and homeowners is a necessity, Santa Rosa should not overlook the needs of special populations including the homeless and farm workers and their families.

⁴⁶ BBC Research and Consulting. 2004. *City of Santa Rosa Five Year Consolidated Plan, 2004-2009*. Denver, CO: BBC Research and Consulting.

⁴⁷State of California, Department of Finance. 2004. *Population Projections by Race/Ethnicity for California and Its Counties 2000-2050*, Sacramento, California.

⁴⁸ ABAG. ABAG Projections 2000: City, County, and Census Tract Forecasts 1990-2020. <http://www.abag.ca.gov/abag/overview/pub/p2000/summary.html>

⁴⁹ Dyett & Bhatia. 2002. *Santa Rosa 2020: General Plan*. Santa Rosa, CA: City of Santa Rosa