

County of Sonoma
WORKFORCE HOUSING PROGRAM

PURPOSE

The purpose of the Workforce Housing Program is to require non-residential developers to participate in the County's affordable housing program. Options for participation include construction of workforce housing on-site or at another location, payment of a workforce housing fee, or other alternatives may be approved such as dedication of land or the provision of an employer-sponsored mortgage assistance program. The Workforce Housing Program implements policy HE-4d of the County's adopted General Plan Housing Element.

APPLICABILITY

The Workforce Housing Program would apply to all new non-residential development, including commercial, offices, retail, agricultural processing and industrial land uses, unless exempt. Exemptions include: small projects, additions and portions of new development up to 2,000 square feet of floor area; remodels, replacements or change in use of existing buildings; public and non-profit projects with a public benefit; projects located in redevelopment areas; and, projects which are currently in the approval process.

PERMIT REQUIREMENTS

The property owner or developer selects the method of participation in the County's Workforce Housing Program and submits the selected option with their first application for permits or approvals for the project.

SUMMARY OF PROVISIONS

- The Workforce Housing requirements are derived from a nexus study which analyzed the average number and income-level of employees for various types of land uses. The study estimated the need for affordable housing created by new development and the public subsidy that would be required to meet that need.
- The study recommended that affordable unit requirements and a workforce housing fee be established for non-residential development to cover 10% of the impact or subsidy cost related to the development as follows:

<u>Land Use Category</u>	<u>Affordable units/1,000 sf</u>	<u>Workforce Housing Fee/sf</u>
Commercial/Office/Hotel	.05	\$2.08
Industrial/R&D/Ag processing	.06	\$2.15
Retail/Services	.09	\$3.59

- The units would be constructed concurrent with development or the fees would be paid at the time of building permit issuance for the non-residential development.
- Because the fee would be a one-time expense that would be financed over the life of the project, the nexus study estimated that the fee would have a minor effect on the tenant's monthly rents of approximately \$.02-\$.03 per square foot.
- Fee levels are to be phased-in over a three year period, beginning October 1, 2005.
- The fee phase-in schedule and a list of use determinations and exemptions is attached.