
SONOMA VALLEY REDEVELOPMENT PROJECT AREA STRATEGIC PLAN

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Prepared by:



Moore Iacofano Goltsman, Inc.

800 Hearst Avenue

Berkeley, CA 94710

510-845-7549

www.migcom.com

Si tiene preguntas o necesita mas información acerca de este plan,
puede llamar a la oficina del Centro La Luz (707-938-5131).

A VISION FOR THE FUTURE

The following is the community's vision for the future of the Sonoma Valley and describes conditions in the year 2024.

The Sonoma Valley Redevelopment Project Area is a **strong, healthy and tightly-knit community** with facilities and services that reflect the area's **rich history and eclectic culture**. Residents are proud of the unique community and heritage found in the Springs area.

Highway 12 is a safe street, with well-maintained sidewalks, street trees and lighting. The **attractive streetscape** connects major activity hubs along Highway 12. Fiesta Plaza is a **thriving commercial center** that anchors the hub at the southern end of the corridor. In another hub the intersection of Boyes and Highway 12 has been realigned to create a plaza, which now functions as a **gathering place for residents and visitors alike**. This central crossroads or "town center" has public art in the plaza and along Highway 12, includes distinct local retail services, and celebrates the culture of the Springs and Sonoma Valley. The northern-most hub **integrates housing, retail and local community amenities**, such as the Flowery Elementary School, Charter School and Teen Center.

Children walking to the Charter School and the Flowery Elementary School are able to **cross busy streets safely** because of new flashing crosswalks at major intersections. With little "cut-through" traffic, the streets adjacent to Highway 12 are **pedestrian friendly** while continuing to adequately serve the transportation and parking needs of local residents.

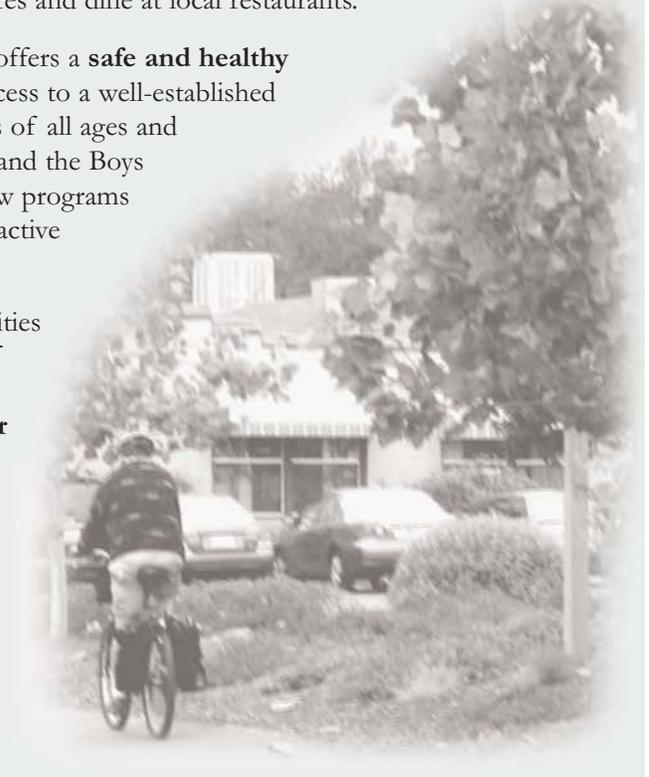
The unique character of established residential areas is maintained, and a **diversity of housing types** helps provide new homes for first-time homebuyers from a range of income levels, with a special emphasis on providing **affordable housing options** for residents with special needs, including seniors, students, extended families, and farm workers.

Several formerly vacant or underutilized sites along Highway 12 now provide **mixed-use housing**, with diverse neighborhood-serving stores on the ground floor. Visitors, who are staying at one of the area's several resorts, shop at destination retail stores and dine at local restaurants.

The Sonoma Valley Redevelopment Project Area offers a **safe and healthy environment for children and families**, with access to a well-established system of open spaces, trails and parks. Residents of all ages and abilities have access to playgrounds, a teen center and the Boys and Girls Club. In addition to youth activities, new programs for adults and seniors keep the entire community active and engaged.

Community groups host a series of monthly activities that help to engage residents and create a sense of belonging. Immigrant and farm worker service providers work collaboratively to provide a **higher quality of life for the area's workers and their families**.

Residents are healthy and thriving members of the community who have access to **high-quality ongoing and affordable health care** within their neighborhood.



EXECUTIVE SUMMARY

The Sonoma Valley Redevelopment Project Area Strategic Plan was developed as a partnership between the Sonoma Valley Redevelopment Advisory Committee (SVRAC), Sonoma County and participants in the public outreach process as part of a planning process that launched in November 2005.

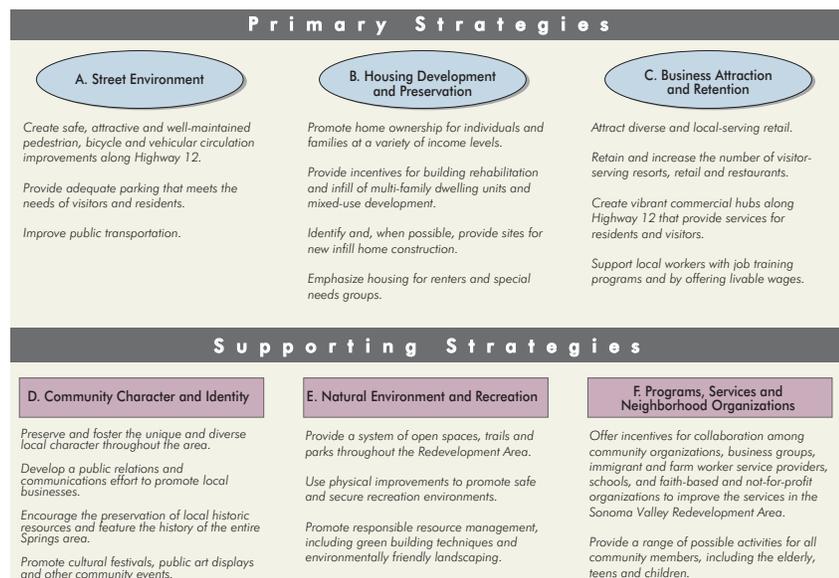
Sonoma Valley community members identified a two-tiered hierarchy of strategic improvements. The first tier identifies three Primary Strategies that should be the focus for redevelopment activity in the Sonoma Valley Redevelopment Project Area, and the second tier includes three Supporting Strategies to attract and complement revitalization in the area.

Primary Strategy Topics

- A. Street Environment
- B. Housing Development and Preservation
- C. Business Attraction and Retention

Supporting Strategy Topics

- D. Community Character and Identity
- E. Natural Environment and Recreation
- F. Programs, Services and Neighborhood Organizations



The hierarchy of goals is covered in detail in Chapter III of the Plan.

Priority Actions

The following list identifies 13 actions prioritized by the SVRAC for early implementation because of their particular importance to the community and their high potential for bringing about positive change in the Redevelopment Area. The single prerequisite action, constructing Highway 12 improvements, is the highest priority for implementation. The 12 other priority actions are considered to be of equal importance and are listed alphabetically.

Prerequisite Action

Construct Highway 12 Improvements.

Other Priority Actions

Acquire sites for affordable housing.

Assist new and existing businesses, including “green” businesses, and advertise the benefits of locating a business in the area.

Conduct a parking analysis.

Create a public plaza that is a central gathering place and part of an activity hub.

Develop and promote home ownership and housing rehabilitation assistance programs.

Establish a public art program.

Encourage and support the development of health care services and facilities.

Improve safety and security.

Install crosswalks with flashing lights.

Reduce blight and attract development by identifying vacant sites and consolidating small parcels.

Require pedestrian amenities along Highway 12.

Support and expand the “Springs Cleaning” program with an emphasis on reduction, re-use and recycling.



Improving Highway 12 is the community’s highest priority action.



Additional pedestrian amenities and a central gathering place in an activity hub along Highway 12 are both priority improvements.

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Si tiene preguntas o necesita mas información acerca de este plan, puede llamar a la oficina del Centro La Luz (707-938-5131).

ACKNOWLEDGEMENTS

County of Sonoma

Board of Supervisors

Chairman Paul Kelley, District 4
Vice Chairwoman Valerie Brown, District 1
Supervisor Mike Kerns, District 2
Supervisor Mike Reilly, District 5
Supervisor Tim Smith, District 3

Community Development Commission Staff

Kathleen Kane, Executive Director
Boris Sztorch, Redevelopment Manager
Vicki Sacksteder, Redevelopment Associate
Angela Ortiz, Redevelopment Assistant

Sonoma Valley Redevelopment Advisory Committee (SVRAC)

Rick Arendt
Steve Cox
Gay Kisbey
Rich Lee
Lisa Murray
Kathy McKenna Perry
Kara Olness Reyes

**A special thank you to all Sonoma Valley
Community Workshop participants!**

Planning Team

Moore Iacofano Goltsman, Inc. (MIG)

Chris Beynon, Project Director

Eric Phillips, Project Manager

Esmerelda Garcia, Planner/Facilitator

Dan Drazen, Project Associate

Economic and Planning Systems, Inc. (EPS)

Walter Keiser, Principal-In-Charge

Jungjoo Pak, Project Manager

CHAPTER I: INTRODUCTION

In 1984, the Sonoma County Board of Supervisors and Community Development Commission adopted a Redevelopment Plan that defined the Sonoma Valley Redevelopment Project Area and identified a series of goals to achieve by the year 2024. The Sonoma Valley Redevelopment Plan defined the planning area boundaries and identified three objectives:

- Alleviate the deterioration of residential neighborhoods.
- Create an efficient commercial neighborhood.
- Secure open space.

The identified Redevelopment Project Area is an approximately two-mile long corridor surrounding Highway 12 that features a mix of residential, retail, recreation and resort uses. Despite this mix of activity, the area remains one of the least economically developed areas in Sonoma County, and the County requires a strategic approach to bolstering the area's future by creating prioritized implementation actions for redevelopment.

The Sonoma Valley Redevelopment Project Area Strategic Plan sets a course to **improve the overall quality of life** in this area by refining and building upon the 1984 Plan. The Strategic Plan will serve as a **guide for directing key improvements to the Sonoma Valley** and for systematically and effectively evaluating redevelopment project proposals.



The Sonoma Valley is home to more than 40 wineries.



The Sonoma Valley is known for its distinct rural character.

Background

Regional Context

The Sonoma Valley is located approximately 40 miles north of the San Francisco Bay Area in the southeast corner of Sonoma County. The Valley is served by Highway 12, also known as the Sonoma Highway, one of the region's main transportation corridors. The entire Sonoma Valley is approximately 17 miles long and includes over 13,000 acres of parkland.

The Redevelopment Project Area has roughly 4,000 residents, or four percent of the County's total population. Compared to the rest of the County and the City of Sonoma, the Study Area has a relatively high concentration of Hispanic population, accounting for 29 percent of the total population compared to 17 percent for the County and seven percent for the City of Sonoma.

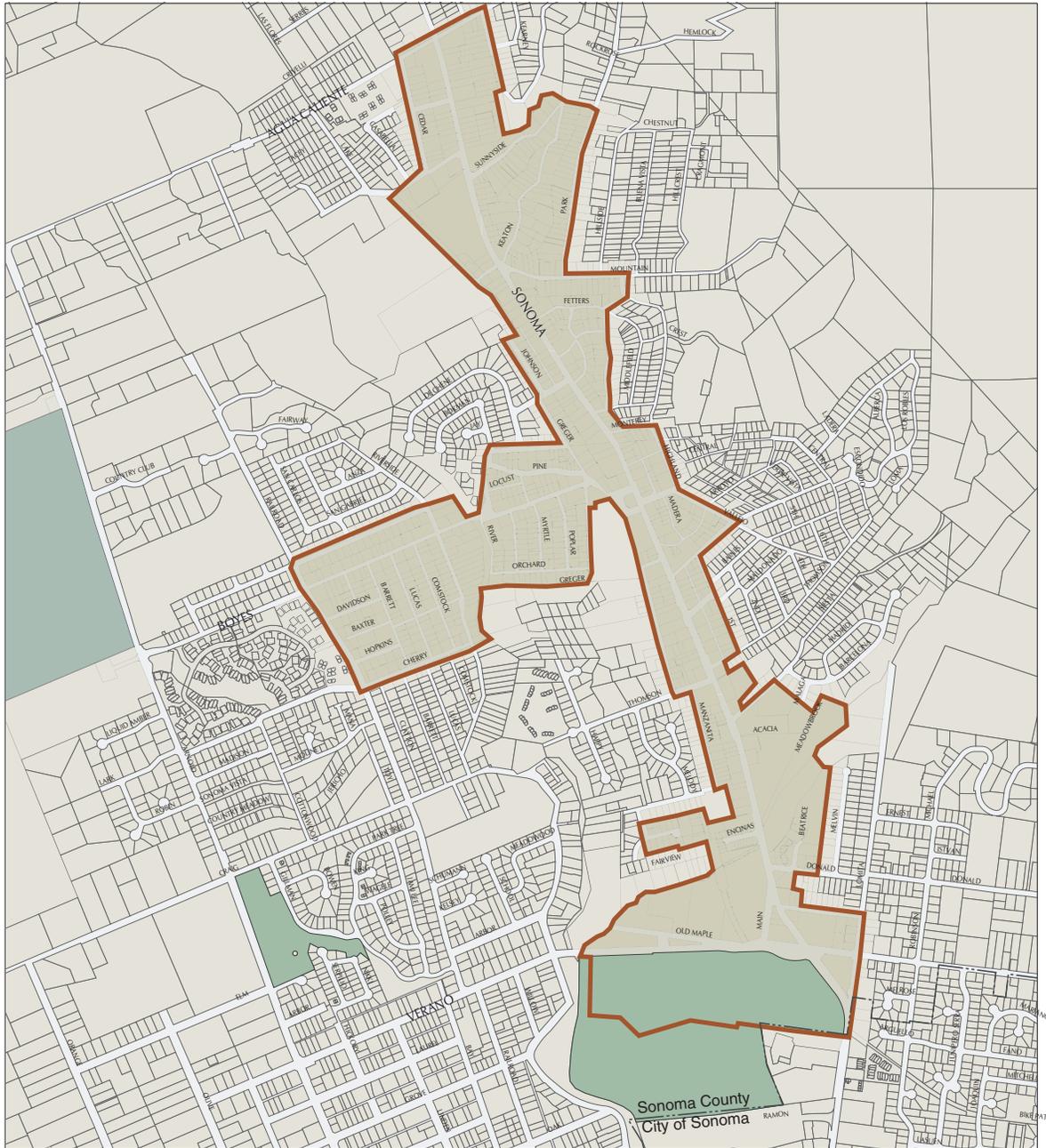
The Sonoma Valley economy is closely linked to the area's many vineyards and agricultural workers. The area is also known for its geothermic hot springs, such as Boyes Hot Springs and Agua Caliente, which were once popular health retreats for tourists from San Francisco.

Redevelopment Project Area Boundary

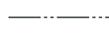
Located immediately north of the City of Sonoma, the Sonoma Valley Redevelopment Project Area roughly flanks Highway 12 from Agua Caliente Road at the northern-most edge, south to the City/County line near Verano Avenue (as illustrated on the facing page). The Redevelopment Project Area boundary extends farther west along Boyes Boulevard to encompass residential neighborhoods between Greger Street and Railroad Avenue. Sonoma Creek parallels the area to the west. Highway 12 is a major arterial and commercial spine running north-south through the center of the community. The Redevelopment Project Area is entirely unincorporated and falls under the jurisdiction of Sonoma County.

Redevelopment Advisory Committee

The Sonoma Valley Redevelopment Advisory Committee (SVRAC) serves as an advisory body to the Board of Supervisors for recommending redevelopment projects and funding measures within the area. The committee includes various residents and representatives from the business community. The SVRAC played a key role in the development of the Sonoma Valley Redevelopment Project Area Strategic Plan by identifying a clear charge, and by working with the County and area stakeholders to develop goals and specific actions to implement priority improvements. The Plan will guide the SVRAC, acting as a tool for them to evaluate, prioritize and attract future projects.



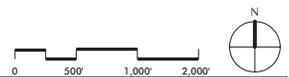
 Redevelopment Project Area  Public Open Space

 County Boundary  Golf Course

Sonoma Valley Redevelopment Project Area

Sonoma Valley Redevelopment Area Project Strategic Plan

Prepared 12-1-05
 Source: Sonoma County ISD GIS Central, Sonoma County Permit and Resource Management Department General Plan Land Use





Redevelopment funds may be allocated to improve blighted conditions in the area.

Redevelopment Overview

Redevelopment is a tool to fund projects that improve the health, safety, and quality of life in a designated planning area. Typically, redevelopment projects focus on eliminating “blighting conditions,” a broadly defined term that can refer to physical, economic, or social conditions that adversely affect the local community. However, redevelopment also encompasses the preservation and expansion of employment and affordable housing opportunities.

Funding for redevelopment projects comes from a dedication of part of the property taxes that are paid on parcels in the designated redevelopment planning area. The redevelopment project shares in the growth of property tax revenues over the life of the project – up to forty years for the Sonoma Valley project – along with the County, school districts, fire districts and other taxing entities that receive part of the property taxes. However, funds are restricted to capital improvements and development projects that reduce blight.

The improvement concepts and actions described in the Sonoma Valley Redevelopment Project Area Strategic Plan reflect the community's desired future and builds upon the area's diverse character and cross-cultural history. However, many of the improvements discussed in this Strategy do not currently have funding available or fall outside the purview of redevelopment. This Plan serves as a framework of priority improvements for enhancing the area. Where funding is immediately available for improvements, County staff, community members and other potential partners can move expediently toward implementation. Where funding is not available, this Plan provides the direction in which County staff, community organizations and other potential partners can focus their search for additional funds to make those improvements.

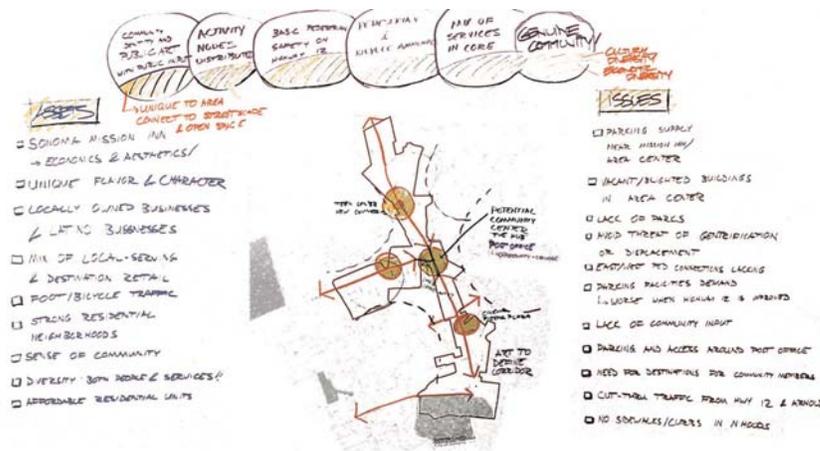
There are several other funding sources that could be utilized to begin implementation of improvements identified in this Plan. Given that all of the planning area is located within the Redevelopment Project Area, redevelopment agency funds could be leveraged to support potential improvement projects. Additional funding opportunities may be available through federal, state or private grant programs.

Strategic Planning Goals

Strategic planning is a process of identifying a community or organization’s strengths, challenges and opportunities, and successfully planning for the future. The result of strategic planning is a framework for decision-making and allocation of limited resources to achieve the goals put forth by a community and to attract other resources to enact additional change.

The Sonoma Valley Redevelopment Project Area Strategic Plan provides strategic implementation steps for the near term. It details what needs to be done, how to get there, and who is going to make it happen. The Strategic Plan has three primary goals:

- Create an efficient, attractive and identifiable commercial neighborhood along Highway 12 in which existing and new commercial establishments and professional offices can capture a share of the growing market demand for goods and services in the area.
- Alleviate deterioration in residential neighborhoods in order to stabilize and enhance the quality of the Redevelopment Area neighborhoods.
- Maximize the natural environmental potential of the planning area in order to create an attractive and efficient community for all persons working and living in the area.



Notes from community meetings helped formulate goals for the plan and identify areas for further study.

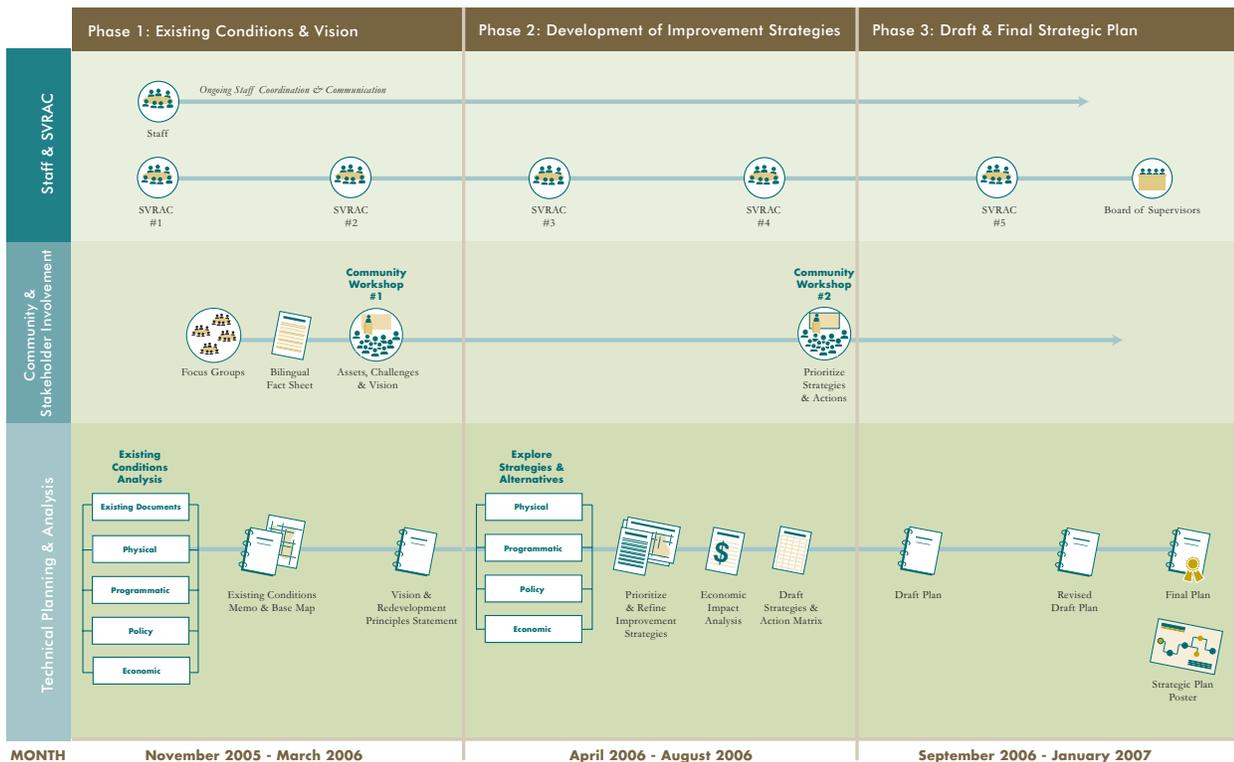
Process Overview



Community members provided their input at a series of two public meetings.

The Sonoma Valley Redevelopment Area Strategic Plan developed through a phased process, intended to generate community consensus around a shared vision for the future of the Sonoma Valley. The process was also designed to develop implementation actions to successfully achieve that vision.

The plan development process included two community-wide meetings, numerous focus group interviews, SVRAC meetings, and over ten months of focused effort by community members, local organizations, County staff, planning consultants, and economic consultants. Key participants in staff meetings included representatives from: SVRAC; Springs Task Force Coordinating Committee (STFCC); Chamber of Commerce and other local business owners; Fairmont Sonoma Mission Inn & Spa; Valley of the Moon Fire District; La Luz Center; Valley of the Moon Boys and Girls Club; Vineyard Workers Service Center; Flowery School Parents Association; Sonoma Valley Charter School; Valley of the Moon Teen Center; Sonoma Valley Citizens Advisory Committee; Sonoma Valley Community Health Center; and Sonoma Valley Health Care Coalition.



The planning process, summarized below, was divided into the following three phases (as illustrated by the process graphic on the opposite page):

Phase I: Existing Conditions and Vision

The goal of this phase of the process was to understand the current physical, economic and social conditions in the area; outline desired characteristics for the Sonoma Valley; and develop a shared vision for the future of the area. The Community & Stakeholder Involvement component of Phase I featured a series of focus groups and a community workshop where residents, business owners, property owners, local organizations and County staff identified the assets, challenges, and opportunities facing the Sonoma Valley.

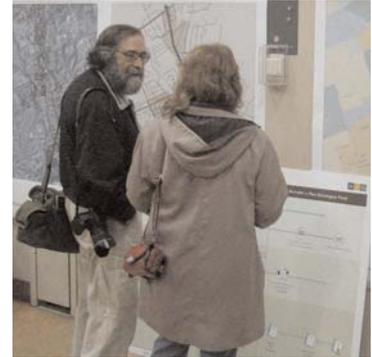
Phase II: Development of Improvement Strategies

The second phase of the process focused the efforts of the community on developing a specific set of strategies for improvements in the area. More specifically, the technical component of this phase examined physical, programmatic, policy, and economic factors to develop a list of draft improvement strategies. Phase II concluded with a second community workshop to review and prioritize the Plan's implementation strategies and actions.

Phase III: Draft and Final Strategic Plan

The final phase of the planning process consisted of the Sonoma Valley Redevelopment Project Area Plan's review and adoption. Based on community input provided during community and staff meetings, improvement strategies were incorporated into a Draft Plan. A SVRAC meeting was held in November 2006 to further refine improvement concepts in preparation for the Plan acceptance and to discuss immediate implementation measures. The finalized strategy recommendations will be presented to the Board of Supervisors for adoption.

Meetings with the SVRAC and County Staff were held at regular intervals throughout all three phases of the project.



Residents discussed the Plan during the first community meeting in March 2006.



County staff, RAC members and consultants hosted the second workshop in September.



Workshop participants reviewed elements of the plan as it was developed.

Plan Organization

The Sonoma Valley Redevelopment Project Area Strategic Plan is organized into five chapters.

Chapter I: Introduction describes the background and context of the area; defines the concept of redevelopment; and provides an overview of the project’s strategic goals and planning process.

Chapter II: Assets and Challenges contains a description of the current physical, regulatory, and social environment; and a summary of the area's key assets and challenges, and an economic market overview for the area.

Chapter III: Strategy Framework describes the principles that will guide redevelopment in the area and explains the physical and programmatic framework of the Plan.

Chapter IV: Action Plan describes the specific goals, strategies and actions for the categories outlined in the Strategic Framework.

Chapter V: Implementation provides potential economic strategies and identifies funding sources.

CHAPTER II: ASSETS AND CHALLENGES

During the strategic planning process, community members identified several principal assets and challenges for the Sonoma Valley. Understanding these conditions — taking into account the physical, social and economic opportunities and constraints of the area — provides a basis for identifying improvement actions later in the plan.

The assets and challenges are divided the following categories:

Community Character and Residential Environment describes the physical and cultural environment of the area’s residential neighborhoods.

Commercial Corridor and Activity Hubs focuses on the conditions along Highway 12 and the activity centers that line the corridor.

Transportation, Parking and Neighborhood Connections explains traffic and circulation patterns, and the status of the area’s pedestrian, bicycle and automobile facilities.

Parks and Community Facilities discusses the condition and amount of the area’s open space and recreational amenities.

Programs, Services and Neighborhood Organizations highlights the public service and assistance programs that currently serve the area and identifies additional community needs.

Market Overview analyzes demographic and real estate conditions in the Redevelopment Project Area to provide a sense of the strengths and weaknesses in the local economy.

Community Character and Residential Environment



Modest-sized bungalows characterize the Redevelopment Area’s housing stock.

The Redevelopment Project Area consists of primarily a mix of retail stores, offices and residences. Sonoma Valley Charter School is located toward the northern edge and several other schools, such as Flowery School, El Verano Elementary and Altimira Middle School, are located in the vicinity. Housing is characterized by small lots and modest-sized, low-rise bungalows.

Assets

The Redevelopment Project Area’s ethnic and social diversity are sources of pride that help to create a distinctive community identity. The Redevelopment Project Area is home to both long-time residents and recent immigrants to this country.

The area has a vibrant mix of residential, retail and commercial uses. The commercial corridor exhibits a Latino flair that reflects the influence of the Hispanic population. Retail services are varied and contribute to an eclectic ambiance. The district boasts a rich history related to agriculture, tourism and local hot springs.

Some residents are able to invest in the community and to build closely-knit neighborhoods. Many generations of the same family choose to purchase a home together so that they can save money and maintain tight familial bonds.

Challenges

Many of the residences, originally constructed as summer vacation homes, lack necessities, such as insulation and heating, and suffer from deferred maintenance. These substandard conditions present fire and emergency preparedness concerns. There are also a number of underutilized, blighted, or vacant properties and lots in the area, both in residential neighborhoods and along the commercial corridor.

Not every family can afford to own their home in the area. Absentee landlords, limited code enforcement in residential neighborhoods, and a lack of curbs, gutters and sidewalks throughout the area contribute to a negative perception of the area’s safety and security. Some problematic areas, such as Larson Park and behind the Sonoma Valley Charter School, could benefit from additional police surveillance. An expedited permitting process could also be a streamlined method of improving the physical appearance of the area.



Vacant properties limit the vitality of the Redevelopment Area’s residential neighborhoods.

Commercial Corridor and Activity Hubs

Highway 12 is the commercial spine in the Redevelopment Project Area, an approximately two and a quarter-mile corridor featuring a mix of both neighborhood and regional-serving uses such as local-owned businesses, bodegas, restaurants and small offices.

There are three primary activity hubs along the corridor. One is located toward the south end of the Redevelopment Project Area at Fiesta Plaza, where an ‘L’-shaped configuration of retail stores surrounds a surface parking area. Another activity hub is centrally located in the project area near the Post Office (at Boyes Boulevard), Fairmont Sonoma Mission Inn & Spa, the Big Three Café, and the Barking Dog Café. At the north end, the Sonoma Valley Charter School, Flowery School, the Mentoring Alliance, the Teen Center and a number of small markets and business generate activity in a concentrated area.

Assets

The Highway 12 corridor features several local and Latino-owned businesses that offer a mix of community-serving and destination retail. The low start-up business costs help to fuel an entrepreneurial spirit in the community.

The prestigious Fairmont Sonoma Mission Inn & Spa is situated adjacent to the Redevelopment Project Area, just west of the Post Office. The Inn is an aesthetic and economic asset to the community, employing 500 workers (some of whom reside in the area) and attracting 100,000 guests each year. The owners of the Inn are committed to rejuvenating the surrounding neighborhood. They not only opened a popular café in the Redevelopment Project Area, but have also collaborated with nearby property owners, donating paint to improve building exteriors.



Local businesses line the Highway 12 corridor.



Many building facades along the corridor reflect the area's Hispanic population.



The Fairmont Sonoma Mission Inn & Spa is a economic and commercial anchor for the area.



Low-rise strip commercial development along the corridor detracts from the area's sense of place.

Challenges

The economic development potential of the area has been overlooked. The character of the corridor is predominantly older, low-rise strip commercial that lacks a sense of arrival and coherency. Some buildings and facades are abandoned, poorly maintained or underutilized. Despite the nearby Albertsons, some residents feel an even more accessible pharmacy and grocery store would serve the neighborhood.

Another limited factor is the predominance of small lots. The corridor is mostly built out, and the remaining parcels are too small to encourage large-scale investment. Though targeted infill opportunities do exist, lot consolidation would help make private investment in the area more attractive.

Blighted buildings, as well as a number of vacant lots, along the corridor negatively impact the perception of the commercial corridor. In addition to the negative physical perception of the area, illegal activity including crime, drugs, and gang activity present real issues that need to be addressed.

The lack of pedestrian destinations and pedestrian-friendly connections make the corridor intimidating and unwelcoming to people on foot. There is also a perceived need for more parking for the Fairmont Sonoma Mission Inn & Spa and other area businesses. Highway 12 links the City of Sonoma, south of the Redevelopment Project Area, to the City of Santa Rosa to the north.

Transportation, Parking and Neighborhood Connections

Assets

The foot and bicycle traffic demonstrate a willingness of residents to walk and bike to destinations in the area.

Challenges

Pedestrian and bicycle safety are critical concerns in the community. Despite high traffic volume and narrow shoulders without sidewalks or bicycle lanes, many residents travel by foot or by bicycle throughout the area. The typical volume of traffic on Highway 12 makes many intersections difficult for crossing, and the lack of sidewalks and bike lanes along the Highway creates a dangerous and uncomfortable environment. The corridor would benefit from universally accessible and ADA-compliant pedestrian crossings, as well as bike safety and traffic controls for the sight- and hearing-impaired.

The arterial draws a heavy volume of commuters and regional visitors through the area and frequently spills cut-through traffic onto residential streets. Residential neighborhoods in the Redevelopment Area also lack sidewalks, and there are few pedestrian or bicycle-friendly connections in the Redevelopment Project Area as a whole, especially east-west connections. The community is in need of designated footpaths and bike paths that can provide safe routes to schools, recreational resources and retail destinations.

Parking is insufficient along certain segments of the corridor and in some residential neighborhoods, due in part to people parking illegally. However, parking on residential streets may create a barrier for emergency vehicle access.

Public transportation is provided via bus to nearby destinations, such as nearby downtown Sonoma and regional destinations, however, residents would prefer more frequent service and additional transit amenities.



Traffic congestion is a persistent problem along Highway 12.



Parking is insufficient in some residential neighborhoods.



Many portions of Highway 12 lack sidewalks, forcing pedestrians to walk on the shoulder of the road.

Parks and Community Facilities

Assets

Maxwell Farms Park is partially contained within the Redevelopment Project Area’s southern boundary, adjacent to the Boys & Girls Club, and contains active sports fields and facilities, and passive open space. Larson Park, located just west of the area, serves the greater neighborhood and is a major asset to the community. Other recreational and community resources within the Redevelopment Area include: sports fields, the Valley of the Moon Boys & Girls Club, a Teen Center, and Flowery Elementary School.



Maxwell Farms Park includes the Macdougald Skateboard Park.

Challenges

Despite large amounts of open space in the region, there are limited usable parks the Redevelopment Project Area, nor are there pedestrian and bicycle-friendly connections to access these resources. The location of Maxwell Farms Park at the extreme southern end of the Redevelopment Project Area makes it difficult to access for some residents. Residents are concerned about safety and security issues at Larson Park, the Flowery School, and the Sonoma Valley Charter School. Larson Park also needs to be improved so that it is not flooded by Sonoma Creek during the rainy season.



The Valley of the Moon Boys & Girls Club is located at the southern end of the Redevelopment Area.

Programs, Services and Neighborhood Organizations

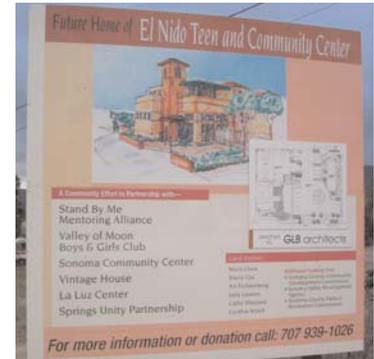
Assets

Residents appreciate their many strong community-based organizations that are committed to enhancing the area and addressing community concerns. Active neighborhood organizations and committees include: La Luz, STFCC, Vineyard Workers Services, Verano Springs Association, Sonoma Valley Community Health Center and many others.

There are a variety of public programs based in the area that provide valuable services to residents, such as healthcare, food and clothing distribution and career mentoring assistance.

Challenges

There is an overall lack of healthcare services, adult education programs, or enrichment and evening recreation programs for the community's youth. In addition, few community members are aware of the resources that are currently available to them.



Planned facilities, such as the El Nido Teen and Community Center, will help to fill a need for additional programs and services.

Market Overview

In addition to the physical assets and challenges of the Sonoma Valley, the area's existing and future economic conditions influence redevelopment potential. Analysis of the demographic make-up and real estate conditions within the Redevelopment Area and the surrounding neighborhoods helps to set expectations for the magnitude of change that is possible in the Sonoma Valley.

Demographic Conditions

To account for the local context that contributes to the market within the actual Redevelopment Project Area, the "Market Area" (including land inside the County's Urban Service Boundary that extends north from the Sonoma city limit) contains the Redevelopment Area as well as its related neighborhoods that fall outside the Redevelopment Area boundary, but are still historically and demographically connected to the Redevelopment Project Area.

According to the 2000 Census, the latest year for which detailed demographic data is available for the census designated blocks that most closely conform to the Market Area; the Market Area has roughly 15,200 residents, or three percent of the County's total population. Compared to the rest of the County and the City of Sonoma, the Market Area has a relatively high concentration of Hispanic population, accounting for 32 percent of the total population compared to 17 percent for the County and seven percent for the City of Sonoma. The Census Bureau's 2005 American Community Survey (ACS) indicates the proportion of Hispanic household residents has risen from a 16 percent share of Countywide household population in 2000 to 21 percent (or higher) today; comparable ACS estimates are not yet available for the City of Sonoma or the Market Area.

The population in the Market Area is relatively young compared to that of the City of Sonoma. Population between the age of 30 and 49 and those under 18, two groups that typically make up family households, represent 59 percent of the total population. The average household size in the Market Area is 2.73, larger than the countywide average of 2.60 residents per household, and much larger than the average household size of 2.07 for the neighboring City of Sonoma. Housing ownership rate in the Market Area is 58 percent, less than the County average of 64 percent or the City of Sonoma's 62 percent.

According to the 2000 Census data, the average household income for the Market Area was \$73,200 in constant (2005) dollars. However, the income level varies widely even within the Market

Area. For example, the areas closest to the Redevelopment Project Area boundary reported average household income in the \$50,500 to \$74,750 range while those on the periphery of the Market Area reported higher average household income levels, ranging up to \$130,800 in constant (2005) dollars.

Real Estate Conditions

As described in the “Community Character and Residential Environment” and “Commercial Corridor and Activity Hubs” sections of this chapter, the Market Area can be characterized as a stable residential neighborhood with neighborhood serving commercial establishments along the Highway 12 frontage. Except for a few small vacant parcels, the area is generally built out. The housing stock has a mix of single-family detached and low-density condominium/townhome units as well as several low-rise apartment units.

There are small eateries, cafes and mini grocery shops along Highway 12 primarily catering to the local residents and a number of auto-related service shops and some professional office space. The Fairmont Sonoma Mission Inn & Spa, a luxury hotel and spa, helps to draw visitors to the area and provides jobs to local residents. However, because it is located outside the Redevelopment Area boundary, tax revenues generated by the Inn are directed towards the County.

Current median housing price for the City of Sonoma and its surrounding areas is \$630,000, or \$430 per square foot.¹ Because the Market Area is located further away from the urban center, housing prices in the area may be lower than comparable housing units closer to the center of the City of Sonoma. However, an interview with a local broker indicates that the price difference, though real, is not significant.² There are a number of housing units from the Market Area currently on the market. The asking prices range from \$400 to \$500 per square foot.³

There are also a few vacant parcels along Highway 12 within the Market Area currently on the market. Both parcels are located on the northern portion of the Market Area. The first one is a 1.1 acre parcel zoned for rural residential, which allows up to three housing units per acre. There are two homes on the property in dilapidated condition, and the asking price is \$850,000.⁴ The second parcel is roughly 0.75 acres in size and an entitlement process is in place for eight office/apartment units. At the time of this writing, the current asking price is \$395,000.⁵



Blighted buildings present infill development and revitalization opportunities.



Vacant and underutilized lots can accommodate demand for new retail and commercial space.

Future Development Prospects

Given these conditions—and the largely built out character and competition from other markets in the region—it is unlikely that substantial land use changes of any kind will occur.

Existing residential areas are largely developed and there are no large tracts of land yet to be developed; thus future residential development will focus upon limited infill opportunities and reconstruction of existing homes. Redevelopment efforts will largely focus on small residential development opportunities and improving building conditions rather than large-scale new construction.

Without a substantial number of new housing units in the Market Area, there will be little additional demand for new commercial space. Demand from visitors to the area is expected to remain strong due to the affluence of the Bay Area region in general and attractiveness of the Sonoma Valley. Thus the demand for additional visitor-serving businesses (lodging, retail, etc.) can be expected to increase over time. Marketing, branding and other public improvement investments that make the Sonoma Valley even more desirable destination can further increase this demand.

Along with limited residential growth opportunities, competition for larger, regional-serving commercial development from the nearby cities of Sonoma and Santa Rosa will limit commercial development. Additionally, there are only a few vacant parcels of any size designated for commercial development. However, there is a considerable number of existing underutilized and aging commercial properties, and it can be expected that some redevelopment and revitalization of this existing retail and service commercial space will continue to occur over time.

This upgrading of existing commercial space is likely to be slow given that the existing retail uses, even as underutilized, are generating positive cash flow and the imputed land value may make it infeasible to replace existing retail uses with new, higher intensity retail uses.

Under these constrained land supply and market conditions it is unlikely that any substantial net new commercial development will occur in the Market Area. For example, another full size grocery store, which typically occupies a 10-acre site to accommodate a standard grocery size of approximately 55,000 square feet and an additional 30,000 square feet of in-line shop space, and requires as many as 5,000 households within its trade area for its sales (over \$25 million annually), is unlikely simply due to lack of adequate demand and competition from existing shopping areas in nearby communities. In addition to land use constraints, infrastructure limits including sewer treatment capacity and traffic will also constrain urban intensification in the Market Area.

Facing these constraints, future residential development in the Sonoma Valley will likely consist of:

- Infill of remaining residential parcels;
- Property rehabilitation; and
- Reconstruction and intensification (higher density development replacing existing lower density development) where zoning allows the higher density development

Commercial redevelopment will likely consist of:

- Expansion of visitor-serving facilities; and
- Reuse and redevelopment of existing commercial uses, including various new neighborhood-serving and specialty retail uses.

Footnotes

¹ Data Quick, San Francisco Chronicle Chart for the month of November 2005.

² Personal communication with a broker from Coldwell Banker, January 24, 2006.

³ Coldwell Banker Multiple Listing Service.

⁴ Personal communication with a broker from Griewe Real Estate, January 24, 2006.

⁵ See Footnote 2.



This site, located adjacent to the Flowery School, is slated for residential development.

Table 1 (revised January 11, 2007)
Summary of Existing (Year 2000) Demographic Conditions
Sonoma Valley Redevelopment Project Strategic Plan, EPS#15107

Item	Market Area (1)		Sonoma County		City of Sonoma	
	Number	% Total	Number	% Total	Number	% Total
Total Population	15,205		458,614		9,128	
Hispanic (2)	4,906	32%	79,511	17%	625	7%
Population by Age Cohort						
Under 18	4,062	27%	112,153	24%	1,694	19%
18 to 29	2,497	16%	67,882	15%	822	9%
30 to 49	4,951	33%	145,294	32%	2,556	28%
50 to 64	2,233	15%	75,308	16%	1,843	20%
Over 64	1,462	10%	57,977	13%	2,213	24%
Population in Households	15,110		447,512		9,037	
Average Household Size (3)	2.73		2.60		2.07	
Total Dwelling Units	5,826		183,153		4,671	
Vacancy Rate	5.1%		5.9%		6.4%	
Households						
Owner Occupied	3,217	58%	110,475	64%	2,706	62%
Renter Occupied	<u>2,310</u>	<u>42%</u>	<u>61,928</u>	<u>36%</u>	<u>1,667</u>	<u>38%</u>
Total	5,527	100%	172,403	100%	4,373	100%

(1) The Market Area is defined as a contiguous group of Census 2000 blocks that contain the Sonoma Valley Redevelopment Area, adjoining County land, and the unincorporated Boyes Hot Springs, El Verano and Fetters Hot Springs-Agua Caliente Census Designated Places (CDPs).

(2) The Census 2000 counts of populations formally defined as 'Hispanic' have been disputed for several enumeration areas, and the Hispanic count/percentage composition for the Market Area may be reported as higher in alternative sources.

(3) Population living in households divided by number of households. Excludes Group Quarters residents.

Source: Census 2000, Bureau of Labor Statistics, and Economic & Planning Systems, Inc.

CHAPTER III: STRATEGY FRAMEWORK

Along with a Vision for the Future, included at the beginning of this document, the following redevelopment principles represent a **framework for linking investment to community improvements**. This framework responds to the needs and desires of the community, while taking into account the physical, social and economic opportunities and constraints that contribute to the Strategic Plan. These principles are essential for **guiding the SVRAC in its decision-making for allocating future funds and resources**.

How We Live

Residents have a range of housing needs, which are reflective of their position in life, the size of their family, and their income level. The SVRAC will encourage infill development, promote home ownership, and facilitate the development of a variety of housing types to ensure that residents can nurture and grow their families without compromising privacy or health.

How We Grow

The SVRAC will work to attract and retain businesses that contribute to the economic well-being of the area and provide both jobs and services for community members. We will ensure that businesses are committed to serving the needs of local residents, while continuing to draw visitors to the area.

How We Get Around

The Sonoma Valley Redevelopment Project Area responds to the needs of residents to move throughout the area and the region by providing access to a variety of transportation options (pedestrians, bicycles, buses, automobiles), while preserving the residential character of surrounding neighborhoods. Recognizing that Highway 12 is the main street of the community, the SVRAC will invest resources to make travel along this corridor a safe and pleasant experience.



Area businesses should serve local residents and visitors.



The Strategy Framework emphasizes a range of transportation options, including walking and bicycling.



The Gateway Arch is one example of how the Sonoma Valley has accentuated its unique identity.

How We Present Ourselves

The residents of the Sonoma Valley Redevelopment Project Area take pride in their community and its unique identity. The SVRAC will recommend improvements that create an attractive and well-maintained street environment while respecting the area’s rich history and culture.

How We Play

The Sonoma Valley Redevelopment Project Area provides both open spaces and natural resources, and recognizes the role of built public spaces in providing opportunities for physical recreation. The SVRAC will attract new community development that includes open spaces, trails, parks, and other communal places to.

How We Care for our Community

The Sonoma Valley Redevelopment Project Area provides residents with educational, health care, and recreational activities for all, including the elderly and children. The SVRAC will help coordinate the efforts of local service organizations to take full advantage of their benefit to the community. Development efforts are environmentally sensitive and economically sustainable, contributing to a healthy future environment.



Open spaces, such as Maxwell Farms Park, are important community assets that enhance the well-being of residents and visitors.

Redevelopment Strategy

Drawing on the existing conditions analysis, economic studies and community input process, the Redevelopment Strategy Framework and Strategy Diagram summarize the physical development and programmatic elements necessary for achieving success in the Sonoma Valley Redevelopment Project Area. Revitalization of the Sonoma Valley Redevelopment Area will occur through a series of progressive, well-defined strategies and initiatives that build upon one another and set the course for change.

Redevelopment Strategy Framework

The **Redevelopment Strategy Framework** on page 25 provides a two-tiered hierarchy of strategy. The first-tier identifies three Primary Strategies that should be the focus for redevelopment activity in the Sonoma Valley Redevelopment Project Area, and three Supporting Strategies to attract and complement revitalization in the area.

Strategy Diagram

The **Strategy Diagram** on page 27 graphically represents the Redevelopment Strategy Framework. The diagram provides general direction for future land uses. It also emphasizes opportunities for improvements at key activity hubs, along Highway 12, and in the area's residential neighborhoods, which will better link these areas with their surroundings.

The Strategy Diagram identifies three key activity hubs along the Highway 12 corridor. The first hub is located at the south end of the Redevelopment Project Area at Fiesta Plaza, and a second hub is centrally located in the project area near the Post Office (at Boyes Boulevard), Fairmont Sonoma Mission Inn & Spa, the Big Three Café, and the Barking Dog Café. The third hub is located at the north end of the Redevelopment Area, where The Sonoma Valley Charter School, Flowery School, the Mentoring Alliance, the Teen Center and a number of small markets and businesses generate activity. These three hubs present opportunities for outdoor gathering places and public spaces as well as the redevelopment of underutilized sites for mixed-use projects.



Barking Dog Roasters is a unique local business that activates Highway 12 at Boyes Boulevard.



Improving the pedestrian experience along Highway 12 is a focus of the Strategy Diagram.

The Highway 12 corridor itself is a focus of the Strategy Diagram. Proposed improvements along the Highway include sidewalk and crosswalk installations at busy intersections near schools, businesses, and community facilities; façade enhancements, better lighting and landscaping along the corridor. Public art/gateways that reflect the history and culture of the Springs area suggested at key places along the corridor. Another recommendation illustrated on the map is jitney service that could provide transportation to the City of Sonoma and other regional destinations. Suggestions to make the area’s parks safer through security improvements and an improved trail network will provide better access to Agua Caliente Creek and other local open spaces are also shown.

The Strategy Diagram highlights two residential areas west of Highway 12 as opportunity areas. Strengthening code enforcement and providing assistance for property improvements will help to improve the safety, security, and aesthetic of these neighborhoods.



The Strategy Diagram highlights improvement opportunities in two residential areas west of Highway 12.

Primary Strategies

A. Street Environment

Create safe, attractive and well-maintained pedestrian, bicycle and vehicular circulation improvements along Highway 12.

Provide adequate parking that meets the needs of visitors and residents.

Improve public transportation.

B. Housing Development and Preservation

Promote home ownership for individuals and families at a variety of income levels.

Provide incentives for building rehabilitation and infill of multi-family dwelling units and mixed-use development.

Identify and, when possible, provide sites for new infill home construction.

Emphasize housing for renters and special needs groups.

C. Business Attraction and Retention

Attract diverse and local-serving retail and businesses.

Retain and increase the number of visitor-serving resorts, retail and restaurants.

Create vibrant commercial hubs along Highway 12 that provide services for residents and visitors.

Support local workers with job training programs and by offering livable wages.

Supporting Strategies

D. Community Character and Identity

Preserve and foster the unique and diverse local character throughout the area.

Develop a public relations and communications effort to promote local businesses.

Encourage the preservation of local historic resources and feature the history of the entire Springs area.

Promote cultural festivals, public art displays and other community events.

E. Natural Environment and Recreation

Provide a system of open spaces, trails and parks throughout the Redevelopment Area.

Use physical improvements to promote safe and secure recreation environments.

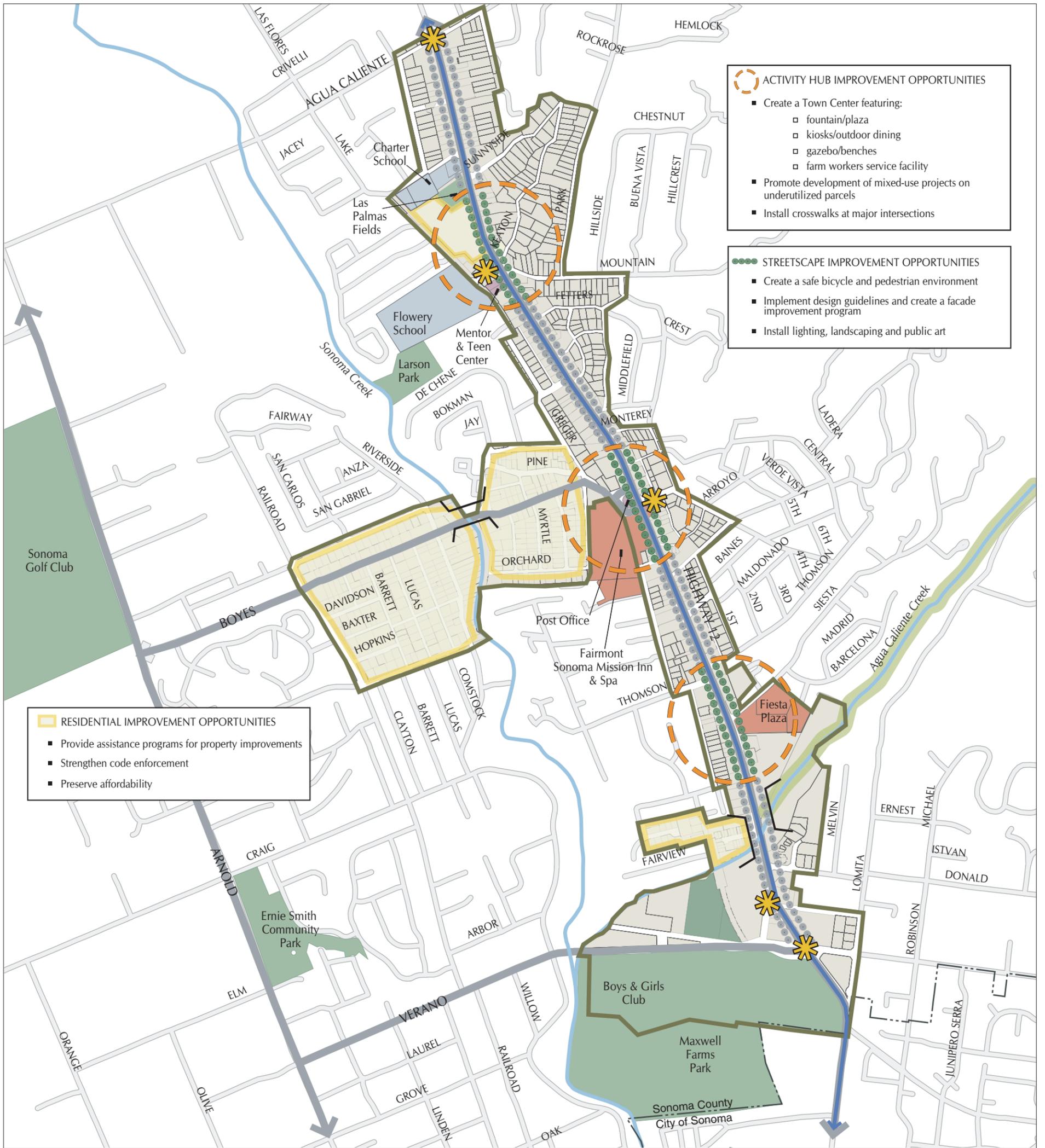
Promote responsible resource management, including green building techniques and environmentally friendly landscaping.

F. Programs, Services and Neighborhood Organizations

Offer incentives for collaboration among community organizations, health care providers, business groups, immigrant and farm worker service providers, schools, and faith-based and not-for-profit organizations to improve the services in the Sonoma Valley Redevelopment Area.

Provide a range of possible activities for all community members, including the elderly, teens and children.

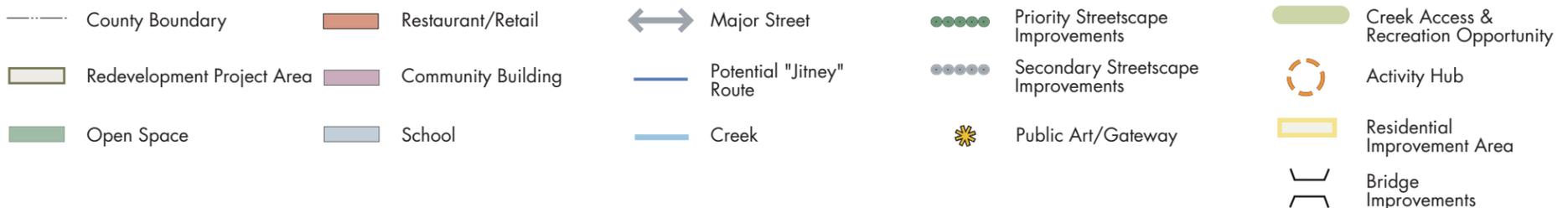
Sonoma Valley Redevelopment Strategy Framework



- ACTIVITY HUB IMPROVEMENT OPPORTUNITIES**
- Create a Town Center featuring:
 - fountain/plaza
 - kiosks/outdoor dining
 - gazebo/benches
 - farm workers service facility
 - Promote development of mixed-use projects on underutilized parcels
 - Install crosswalks at major intersections

- STREETScape IMPROVEMENT OPPORTUNITIES**
- Create a safe bicycle and pedestrian environment
 - Implement design guidelines and create a facade improvement program
 - Install lighting, landscaping and public art

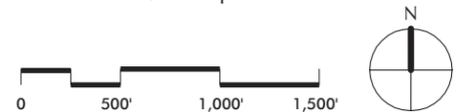
- RESIDENTIAL IMPROVEMENT OPPORTUNITIES**
- Provide assistance programs for property improvements
 - Strengthen code enforcement
 - Preserve affordability



Strategy Diagram

Sonoma Valley Redevelopment Project Area Strategic Plan

Prepared 2-14-07
 Source: Sonoma County ISD GIS Central, Sonoma County Permit and Resource Management Department



CHAPTER IV: ACTION PLAN

This Action Plan represents a step in identifying and funding improvements in the Sonoma Valley Redevelopment Project Area community. The Action Plan sets forth a framework for guiding revitalization. This Plan should be treated as a **"living document"** by which goals, objectives, core values and big ideas are re-evaluated and redefined as actions are accomplished and new actions are considered.

A well-defined implementation program is essential to completing the improvements within the Sonoma Valley Redevelopment Project Area. Strategies and action steps outlined on the following pages are the key ingredients to a successful plan. However, they require **leadership and commitment from the SVRAC, County departments and agencies, and local businesses**, as well as the continuing involvement of the Sonoma Valley community.

To ensure completion of the plan's recommendations, the status of **the implementation program must be reviewed regularly**. The responsible parties listed for each action should reassess the likelihood of funding and completing each action according to the timeframe, and adjust priorities as needed.

The actions outlined on the following pages are a direct result of community input and desires, and were crafted from feedback collected during stakeholder interviews, SVRAC meetings and the community workshops.



The Redevelopment Area could benefit from a public plaza, such as this one in southern California.



The Flowery School, located on the northern edge of the Redevelopment Area, is a community asset.

Guiding Principles

As part of the implementation process, the following guiding principles will help ensure that community goals and objectives are achieved:

Build on Strengths

The Sonoma Valley Redevelopment Project Area has major assets. Community strengths include dedicated residents and service providers, diverse character, and some small businesses.

Develop a Realistic Timeframe

Not all actions contained in the Strategic Plan can (or should) happen immediately. The SVRAC and the community will help prioritize actions. Once complete, the Action Matrix (on the following pages) will serve as a guide for the phasing of neighborhood improvements.

Identify Roles and Responsibilities

The dedication, commitment and accountability provided by a lead organization are key to successful implementation. The SVRAC will help identify lead responsibilities and partnerships.

Prioritize Key Actions

Many of the improvements identified do not currently have funding available. This Action Plan serves as the SVRAC's framework of priority improvements for enhancing the Redevelopment Area. Where funding is immediately available for improvements, the SVRAC can recommend that County staff, community members and other potential partners can move expediently toward implementation. Where funding is currently unavailable, the Action Plan provides direction, highlighting where City staff and community organizations might focus their efforts in seeking funding for high priority improvements.

The list on page 33 identifies 13 actions prioritized by the SVRAC for early implementation because of their particular importance to the community and their high potential for bringing about positive change in the Redevelopment Area. **These 13 priority actions are highlighted in gray in the Action Matrix**, which begins on page 34.

Action Matrix

The matrix presented on the following pages is intended to guide the SVRAC while prioritizing future redevelopment initiatives. The Goal and Action Matrix is organized according to goals as identified throughout the community outreach process to date, including:

A. Street Environment

Goals: Create safe, attractive and well-maintained pedestrian, bicycle and vehicular circulation improvements along Highway 12.

Provide adequate parking that meets the needs of visitors and residents.

Improve public transportation.

B. Housing Development and Preservation

Goals: Promote home ownership for individuals and families at a variety of income levels.

Provide incentives for building rehabilitation and infill of multi-family dwelling units and mixed-use development.

Identify and, when possible, provide sites for new infill home construction.

Emphasize housing for renters and special needs groups.

C. Business Attraction and Retention

Goals: Attract diverse and local-serving retail and businesses.

Retain and increase the number of visitor-serving resorts, retail and restaurants.

Create vibrant commercial hubs along Highway 12 that provide services for residents and visitors.

Support local workers with job training programs and by offering livable wages.



State Street in Santa Barbara is often praised for its successful mix of retail shops, distinct architecture and pedestrian orientation.



New infill home construction, such as the Springs Village development just outside the Redevelopment Area, could help to satisfy the demand for housing.



Fruit stands, such as this one on Highway 12, serve both residents and visitors while supporting local agriculture.



Preserving the character and identity of the area was identified as a priority action by the SVRAC.

D. Community Character and Identity

Goals: Preserve and foster the unique and diverse local character throughout the area.

Develop a public relations and communications effort to promote local businesses.

Encourage the preservation of local historic resources and feature the history of the entire Springs area.

Promote cultural festivals, public art displays and other community events.

E. Natural Environment and Recreation

Goals: Provide a system of open spaces, trails and parks throughout the Redevelopment Area.

Use physical improvements and programs to promote safe and secure recreation environments.

Promote responsible resource management, including green building techniques and environmentally friendly landscaping.

F. Programs, Services and Neighborhood Organizations

Goals: Offer incentives for collaboration among community organizations, health care providers, business groups, immigrant and farm worker service providers, schools, and faith-based and not-for-profit organizations to improve the services in the Sonoma Valley Redevelopment Area.

Provide a range of possible activities for all community members, including the elderly, teens and children.



Public art, such as this fountain in Portland, Oregon, helps to engage pedestrians and activate the public realm.

The Action Plan Matrix provides information on each action’s priority level, implementation timeframe, responsible parties and partners, and potential funding sources.

A glossary of terms that appear in the matrix is located on page 46.

PRIORITY ACTIONS

Action	Potential Funding Sources
Prerequisite Action	
Construct Highway 12 Improvements.	Redev CIP
Other Priority Actions	
Acquire sites for affordable housing.	Redev CDC Developers Other public and private lenders
Assist new and existing businesses, including “green” businesses, and advertise the benefits of locating a business in the area.	CDC CDA SVCOC Redev BID
Conduct a parking analysis.	Redev SMI
Create a public plaza that is a central gathering place and part of an activity hub.	Redev DTPW State funds CFD
Develop and promote home ownership and housing rehabilitation assistance programs.	Redev CDC Developers Other public and private lenders
Establish a public art program.	Redev DTPW
Encourage and support the development of health care services and facilities.	Redev SVCHC
Improve safety and security.	CFD
Install crosswalks with flashing lights.	Redev DTPW CFD
Reduce blight and attract development by identifying vacant sites and consolidating small parcels.	Redev CDC Developers Other public and private lenders
Require pedestrian amenities along Highway 12.	Developers Redev CFD
Support and expand the “Springs Cleaning” program with an emphasis on reduction, re-use and recycling.	Redev

A. STREET ENVIRONMENT

Goals: Create safe, attractive and well-maintained pedestrian, bicycle and vehicular circulation improvements along Highway 12.

Provide adequate parking that meets the needs of visitors and residents.

Improve public transportation.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%; text-align: center;">Redev CIP</div>
<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>			
<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%; text-align: center;">Redev SMI</div>
<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>			

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
A5 Consider traffic-calming measures in residential neighborhoods to prevent cut-through traffic from Highway 12.	Short Mid	DTPW CDC SVRAC	CHP Redev DTPW
A6 Explore opportunities for creating a jitney (small shuttle bus), caravan or dial-a-ride service to shopping destinations, the hospital and the City of Sonoma.	Short Long	City of Sonoma CDC SCTA SVRAC Private Business	City of Sonoma Redev SCTA State Grant BID
A7 Coordinate with the Sonoma County Transportation Authority to install the following bikeways (in accordance with the 2003 Countywide Bicycle Plan): <ul style="list-style-type: none">- Class I along Sonoma Creek north from Verano Ave.;- Class II along Railroad north from Verano Ave.;- Class II along Arnold north from Boyes Blvd.; and- Class III along Highway 12.	Mid Long	CDC Regional Parks SCTA SVRAC	Regional Parks Redev
A8 Conduct a survey of street, sidewalk and bridge conditions to determine locations that require repairs or ADA improvements.	Short Mid Long	DTPW CDC SVRAC	Redev CDC (for ADA work only – not study or other repairs)
A9 Enhance the pedestrian environment along Boyes Blvd. to create a strong east-west connection. Where possible, widen sidewalks, manage landscaping, and install lighting.	Short Long	DTPW CDC SVRAC	Redev CFD
A10 Explore the development of new bus routes and increasing service on existing routes, particularly between residences, employment and area medical facilities.	Short Long	SCTA CDC SVRAC	Redev BID SCTA
A11 Provide decorative bus shelters along Highway 12.	Long	CDC SCTA SVRAC	DTPW Redev CFD

B. HOUSING DEVELOPMENT AND PRESERVATION

Goals: Promote home ownership for individuals and families at a variety of income levels.

Provide incentives for building rehabilitation and infill of multi-family dwelling units and mixed-use development.

Identify and, when possible, provide sites for new infill home construction.

Emphasize housing for renters and special needs groups.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
[Redacted]	[Redacted]	[Redacted]	Redev CDC Developers Other public and private lenders
[Redacted]	[Redacted]	[Redacted]	Redev CDC Developers Other public and private lenders
[Redacted]	[Redacted]	[Redacted]	[Redacted]
B4 Encourage a range of housing types, including mixed-use development, single-family housing, multi-family housing, multi-generational housing, and apartment complexes, including studio and one-bedroom units.	Mid Long	PRMD CDC SVRAC	Redev CDC
B5 Provide low-interest assistance for affordable housing development.	Long	CDC SVRAC	Redev CDC Other public and private lenders

B. HOUSING DEVELOPMENT AND PRESERVATION (continued)

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
B6 Create incentives to develop higher-density mixed-use retail and residential buildings in identified activity nodes.	Short Mid Long	CDC PRMD SVCOC SVRAC	Redev CDC Developers Other public and private lenders FHA
B7 Give priority to local residents and workers, including those who are marginally housed and/or at risk of homelessness, for the sale or rental of new affordable housing units.	Short Mid	CDC PRMD SVRAC	Redev CDC Other public lenders

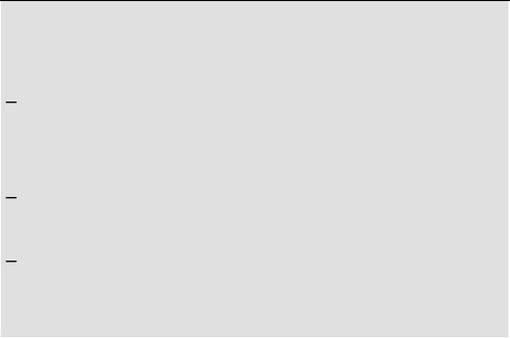
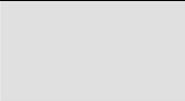
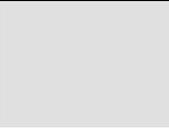
C. BUSINESS ATTRACTION AND RETENTION

Goals: *Attract diverse and local-serving retail and businesses*

Retain and increase the number of visitor-serving resorts, retail and restaurants.

Create vibrant commercial hubs along Highway 12 that provide services for residents and visitors.

Support local workers with job training programs and by offering livable wages.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
			CDC CDA SVCOC BID Redev
C2 Identify businesses that work in this market; encouraged these companies to locate in the area.	Short Mid	SVCOC SVRAC	SUCOC BID Redev
C3 Partner with the City of Sonoma to help fund an extension of the City's façade improvement program into the Sonoma Valley Redevelopment Area.	Short Mid	CDC CDA SVCOC SVRAC	Redev BID CFD
C4 Promote the Economic Partnership's business counseling program.	Short Mid	CDC SVCOC SVRAC	Redev BID
C5 Assist with lot acquisition and assembly to provide incentives for desirable retail and business development.	Mid Long	CDC SVRAC	Redev BID

C. BUSINESS ATTRACTION AND RETENTION (continued)

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
C6 Promote development of mixed-use projects on underutilized parcels within activity nodes distributed along Highway 12 at the following locations: <ul style="list-style-type: none"> - the area surrounding Sonoma Valley Charter School; - the intersection of Boyes Blvd. and Highway 12; and - the area surrounding Fiesta Plaza. 	Mid Long	CDC PRMD SVCOOC SVRAC	Redev Developers Other public and private lenders
C7 Explore the feasibility of establishing a Business Improvement District or Property and Business Improvement District within the Sonoma Valley Redevelopment Area.	Mid Long	CDC SVCOOC SVRAC	Redev

D. COMMUNITY CHARACTER AND IDENTITY

Goals: *Preserve and foster the unique and diverse local character throughout the area.*

Develop a public relations and communications effort to promote local businesses.

Encourage the preservation of local historic resources and feature the history of the entire Springs area.

Promote cultural festivals, public art displays and other community events.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
D1 Improve outreach to educate residents and property owners about codes and improvement plans. Develop and distribute a multilingual citizens’ guide to codes and regulations.	Short Mid	CDC PRMD SVRAC	Redev PRMD
D2 Strengthen code enforcement response to blighted properties in the neighborhood by encouraging community members to report code complaints.	Short Long	PRMD CDC SVRAC	PRMD
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
D4 Implement the streetscape plan and develop a tree-planting schedule for Highway 12 between Verano Ave. and Agua Caliente Rd. Monitor the maintenance of newly planted street trees, and supplement maintenance as necessary and feasible.	Mid Long	DTPW CDC SVRAC	Redev DTPW CFD
D5 Design and install clean, safe and human-scale gateway features for the Sonoma Valley Redevelopment Area and/or public art installations at the following locations: <ul style="list-style-type: none">- the Gateway Arch;- the intersection of Boyes Blvd. and Highway 12;- the intersection of Keaton Ave. and Highway 12; and- the intersection of Agua Caliente and Highway 12.	Short Mid Long	CDC DTPW SVRAC	Redev CFD

D. COMMUNITY CHARACTER AND IDENTITY (continued)

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
D6 Celebrate the diversity of cultures in the Sonoma Valley Redevelopment Area by hosting multi-cultural festivals, fairs and public events.	Mid Long	Fiesta Plaza La Luz SMI STFCC CDC SVCOG	SMI SVB SVCOG BID
D7 Develop a historic preservation strategy to identify local historical resources and select high-priority buildings for preservation and rehabilitation. Encourage the adaptive re-use of historical buildings during the preservation process.	Mid Long	Historical Preservation Society CDC SVRAC	Redev Other grants

E. NATURAL ENVIRONMENT AND RECREATION

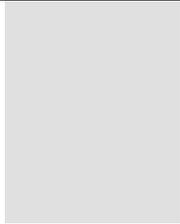
Goals: Provide a system of open spaces, trails and parks throughout the Redevelopment Area.

Use physical improvements and programs to promote safe and secure recreation environments.

Promote responsible resource management, including green building techniques and environmentally friendly landscaping.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
[Redacted]	[Redacted]	[Redacted]	CFD
E2 Improve the restroom, field house and lighting at Larson Park.	Short Mid	CDC Regional Parks SVRAC	Redev CIP
E3 Develop a community garden. Consider a joint use agreement to locate the garden at the Flowery School; if no site at the Flowery School is available, then inventory vacant sites in the Sonoma Valley Redevelopment Area to identify other potential locations. Assist in acquiring and clearing the site to make the space suitable for productive garden use, and establish a garden management board and maintenance procedures.	Long	CDC SVRAC	Redev
E4 Improve the Central Sonoma Valley Trail connecting the Flowery School to the Charter School.	Short Mid Long	SVRAC Regional Parks CDC	Redev CIP

E. NATURAL ENVIRONMENT AND RECREATION (continued)

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
			<p>Redev DTPW State funds CFD</p>
<p>E6 Enhance the park and recreational facilities in the Sonoma Valley Redevelopment Area by investigating the reuse of underutilized yards and/or vacant lots for open space and recreation, both along Highway 12 and in the surrounding residential neighborhoods.</p>	<p>Long</p>	<p>SVRAC CDC Regional Parks</p>	<p>Redev CFD</p>
<p>E7 Install decorative landscaping and create pedestrian access to Sonoma Creek and Agua Caliente Creek.</p>	<p>Long</p>	<p>Regional Parks CDC SVRAC</p>	<p>Redev CFD</p>

F. PROGRAMS, SERVICES AND NEIGHBORHOOD ORGANIZATIONS

Goals: Offer incentives for collaboration among among community organizations ,health care providers, business groups, immigrant and farm worker service providers, schools, and faith-based and not-for-profit organizations to improve the services in the Sonoma Valley Redevelopment Area.

Provide a range of possible activities for all community members, including the elderly, teens and children.

Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
			Redev
F2 Encourage the coordination of services provided by public agencies and other service providers, particularly Vineyard Workers Services, La Luz, the Mentoring Alliance, Sonoma Valley Community Health Center, the Verano Springs Association, Sonoma Valley Health Care Coalition and the Springs Task Force Coordinating Committee.	Short Mid Long	STFCC CDC SVRAC SVCHC	Redev
F3 Consider creating a day-laborer pick-up center where employers can connect with potential employees. Provide restroom facilities at the center.	Short Long	La Luz VWS STFCC CDC SVRAC	CFSC Redev BID
F4 Work with the Valley of the Moon Teen Center to provide more evening-based activities for youth.	Mid Long	STFCC VOMTC CDC SVRAC	CFSC Redev
F5 Coordinate public transportation from existing service organizations to employment centers, other public services, programs and health centers.	Short Long	STFCC CDC SVRAC	Redev CDBG
F6 Investigate ways to engage the Grange Hall as a facility for general community use.	Short Long	Sheana Davis (who is currently working on this) CDC SVRAC	Redev

F. PROGRAMS, SERVICES AND NEIGHBORHOOD ORGANIZATIONS (continued)

	Strategy/Action	Time Frame Short = < 2 yrs. Mid = 2 - 5 yrs. Long = > 5 yrs.	Lead Responsibility & Principal Partners	Potential Funding Sources
F7	Consider investing in expanding the offices of La Luz to provide additional community meeting space and a designated day-laborer pick-up center.	Short-Mid Long	La Luz CDC SVRAC	CFSC Redev CDC CFD
F8	Invest in emergency power generators for disaster preparedness.	Short Long	PG & E STFCC SVRAC	Redev
F9	Sponsor adult education programs in the Sonoma Valley Redevelopment Area.	Mid Long	STFCC SV Adult School SV High School CDC SVRAC	CFSC Redev
F10	Consider establishing a "springs" web site.	Long	STFCC SVCOG CDC SVRAC	SVCOG Redev BID
				Redev SVCHC

Glossary of Action Plan Matrix

BID – Business Improvement District: A partnership of local business owners who make a collective contribution to the maintenance, development and marketing/promotion of an area.

Caltrans – California Department of Transportation: A state governmental agency that operates, maintains, and manages funds for California’s highway system.

CDA – City of Sonoma Community Development Agency: A City agency whose mission is to improve the lives of Sonoma Valley residents through affordable housing and community development.

CDBG – Community Development Block Grants: A federal program that funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

CDC – Sonoma County Community Development Commission: A County agency that administers a range of programs designed to assist low to moderate-income homeowners and tenants and to encourage commercial revitalization in Sonoma County. The CDC also encourages and supports neighborhood and community preservation.

CFD – Community Facilities District: A financial tool that allows local governments and developers to raise funds for improvements to infrastructure (streets, sewers, storm drains) by passing on these costs to homeowners in a designated area.

CFSC – Community Foundation Sonoma County: A public 501(c)(3) charity that receives contributions from individuals, organizations and corporations; and pools them for investment purposes; and reinvests them in the community through grants to local charities.

CHP – California Highway Patrol: A state agency that acts as the state police force of California. It also provides security police services at state buildings and facilities, conducts criminal investigations, and assists local law enforcement agencies.

CIP – Sonoma County Capital Improvement Program: A systematic plan for providing public infrastructure improvements in Sonoma County within a prioritized framework.

DTPW – Department of Transportation Public Works (County of Sonoma): A County agency that provides road construction and maintenance services and directly provides or administers contracts for the provision of various public utility services.

EDP – Economic Development Partnership: A coalition of City, County, and Chamber of Commerce officials that work together to expand economic development opportunities in the Sonoma Valley.

FHA – Federal Housing Administration Grants: A federal grant program, administered by the Department of Housing and Urban Development, that funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

La Luz – La Luz Center: A non-profit organization dedicated to building a strong and healthy multicultural community in the Sonoma Valley by providing basic services, education and community development.

PRMD – Permit and Resource Management Department (County of Sonoma): A County agency that oversees the development of property, serves as a steward of the natural environment, and develops and maintains standards that protect the health and safety of the public.

Redev – Redevelopment Tax Increment Revenue Funding: A funding source generated by the increased assessed value of property following a redevelopment project. Tax increment funding is the primary source of revenue that redevelopment agencies have to undertake redevelopment projects.

SCTA – Sonoma County Transportation Authority: A County government agency that coordinates and advocates for transportation funding for Sonoma County.

SMI – Fairmont Sonoma Mission Inn & Spa: A destination resort/property owner

STFCC – Springs Task Force Coordinating Committee: A coalition of area stakeholders, including non-profit organizations, property owners, and County staff that coordinates community improvement activities on a volunteer basis.

SVB – Sonoma Valley Bank: A locally owned and operated full-service bank with locations throughout the Sonoma Valley.

SVCHC – Sonoma Valley Community Health Center: a non-profit Federally Qualified Health Center dedicated to providing affordable, accessible, quality health care to individuals not otherwise being served, regardless of ability to pay, as well as to people who simply choose the Health Center as their primary health care provider.

SVCOC – Sonoma Valley Chamber of Commerce: A local business advocacy organization that develops programs and partnerships to promote business and a strong economy in the Sonoma Valley.

SVRAC – Sonoma Valley Redevelopment Advisory Committee: A county-established organization whose members are elected (five) and appointed (two) that makes recommendations to the County Board of Supervisors about how redevelopment funds should be allocated within the Sonoma Valley Redevelopment Area.

VOMTC – Valley of the Moon Teen Center: A non-profit organization that provides after-school education and activities for area youth.

VWS – Vineyard Worker Services: A non-profit corporation dedicated to providing the local farm worker community with suitable housing and assistance in meeting their related human needs.

CHAPTER V: IMPLEMENTING THE PLAN

A range of resources is available to fund the improvements included in the Action Plan. These resources include existing commitments of County funding, redevelopment-related sources (tax increment financing), new local sources (assessments and special taxes), and various grants-in-aid. Additionally, the public improvements included in the Action Plan are intended to leverage available public funds to attract additional private investment in the neighborhood.

Over the years, Sonoma County has demonstrated a commitment to improve and revitalize the Sonoma Valley area by allocating redevelopment resources for planning, services and physical improvements, as well as providing other funding for projects included in the Capital Improvement Program (roads, parks, etc.). Achieving the improvements included in the Action Plan, however, will require a substantial increase in the funding that has historically been available.

As a part of implementing the Action Plan it will be necessary to **identify and obtain the appropriate funding sources for the desired improvements**. Therefore, innovative funding mechanisms will need to be explored and careful prioritization of the actions will be critical.

Potential funding resources are described on the following pages.

Redevelopment Tax Increment Financing

The primary financial engine for redevelopment is its tax increment revenues (TIR), the dedication of part of the property taxes routinely collected within the Project Area for re-investment in the Project Area. TIR can be used in two ways: (1) to provide direct payments for “fund-as-you-go” projects and programs, and/or (2) using TIR to make debt service payments on bonds or other forms of debt.

The second use of TIR allows redevelopment agencies to borrow larger capital amounts for immediate or near term improvements in Redevelopment Areas in exchange for repayment over time from future TIR. Such a debt-financing approach can result in capital improvements that will result in increased assessed values of taxable real property within the redevelopment project area and correspondingly increased TIR. The TIR can also be used to repay expenses incurred by the redevelopment agencies for operation, administration and overhead (such as expenses incurred for the Redevelopment Area planning purposes).

The County’s Redevelopment Plan specifies a \$20 million cap on the cumulative TIR that the Redevelopment Agency may collect. Once that cap has been reached, no more TIR can be collected or used for any purpose and all tax increment revenues will be distributed to the taxing entities according to their prescribed ratios from that date. As of the end of FY05/06, approximately \$15.5 million has been distributed to the Sonoma Valley Redevelopment Project.

The remaining \$4.5 million allowed under the current cap is projected to be received during FY08/09. Unless the Redevelopment Plan has been amended to raise the cap by that time, the Sonoma Valley Redevelopment Project must end as soon as those last revenues are expended. It is clear that more than \$4.5 million will be needed to complete the numerous projects identified in this Strategic Plan. Correspondingly, it is recommended that the Redevelopment Plan be amended to raise the cap.

Sonoma County Capital Improvement Program

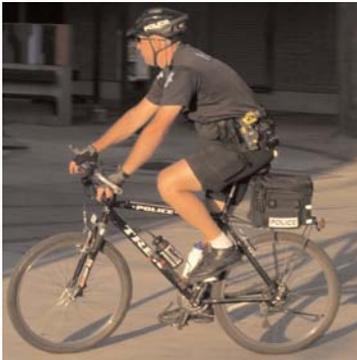
Sonoma County funds various capital improvement projects through various departments such as Regional Parks and Transportation and Public Works. Some of the public improvements envisioned for the Sonoma Valley Redevelopment Area are already included in the County’s Capital Improvement Program (CIP), in which case funding would be available through the County. Assuming these action items that are already included in the CIP are funded through the County’s resources, at least \$4 million of funding would be available through this source.

County Fund for Housing (CFH)

The Sonoma County Community Development Commission administers a locally-funded housing trust fund that provides assistance to developers of rental and ownership housing for very low- and low-income households. CFH funds can be used for pre-development, acquisition, and construction costs to support development and preservation of affordable housing units in the unincorporated areas of the County.



Capital Improvement Program dollars could be used for infrastructure upgrades along Highway 12.



Mello-Roos Community Facilities Districts can help to pay for a variety of public services, including police.

Mello-Roos Community Facilities Districts

The Mello-Roos Community Facilities District (CFD) is one of the most common financing mechanisms to fund both capital and maintenance costs of a new development. California's Mello-Roos Community Facilities Act of 1982 allows for the creation of a special district authorized to levy a special non-ad valorem tax and issue tax-exempt bonds to finance public facilities and services. A CFD may be initiated by the legislative body or by a property-owner petition, then it must be approved by a two-thirds majority of either property owners or registered voters (if there are more than 12 registered voters living in the area).

Special taxes are collected annually along with property taxes, and the special tax amount is based upon a tax lien against the property. Because there is no requirement to show direct benefit, Mello-Roos levies may be used to fund improvements that provide general benefit to the area.

A CFD can provide a stable and predictable revenue source as well as increased bonding capacity for capital improvements and a source of revenue for ongoing services. For example, if the housing units in the Redevelopment Area were levied an annual CFD tax of \$150, this would generate a total annual income of \$225,000. This annual revenue stream would be able to support roughly \$2.7 million 30-year bond. If the fee can be doubled, the bonding capacity would increase to \$5.4 million.

This financing mechanism allows a highly flexible use of funds to pay for a variety of services that go beyond capital improvements. Public services that can be funded through this special tax include:

- Police;
- Fire;
- Ambulance and paramedic;
- Flood and storm protection;
- Environmental hazard clean-up;
- Recreation programs;
- Library services; and
- Parks and open space maintenance.

CFDs also offer a high degree of flexibility with regard to the apportionment of the tax and may be apportioned in any reasonable manner and can vary by land use, area, etc. The levy of special taxes is flexible and can vary from year to year up to the maximum special tax rate. It may also be structured to decline and expire as the tax base grows and can fund service costs.

Special Assessment Districts

Special assessment districts, also known as benefit assessment districts, are historically popular techniques for financing construction and maintenance of physical improvements that benefit distinct areas, such as:

- Sidewalks;
- Sewers;
- Streets;
- Storm drains;
- Lighting; and
- Flood control.

Special assessment districts must be based on a determination that the assessment for each parcel is proportional to the benefit received by that parcel and are subject to majority vote of property owners. Votes are weighted according to the amount of the proposed assessment on the parcel to which the ballot pertains. Assessments are levied on real property or a business within a predetermined district and distributed in proportion to the benefits received by each property as determined by engineering analysis and form a lien against property. Special assessments are fixed dollar amounts and may be prepaid, although they are typically paid back with interest over time by the assessed property owner.

A common example of special assessment districts is a Landscape and Lighting District (LLD). LLDs may be used for installation, maintenance, and servicing of landscaping and lighting through annual assessments on benefiting properties. LLDs may also provide for construction and maintenance of appurtenant features, including curbs, gutters, walls, sidewalks or paving, and irrigation or drainage facilities.



A BID or PBID could help to finance public art installations, such as this mural in San Jose.

Business Improvement Districts

The Area currently lacks either a business improvement district (BID), or a property-based business improvement district (PBID). Accordingly, the creation of a BID or a PBID would offer another local financing option. The BID or PBID is a self-help organization that property owners and businesses can create to fund physical and organizational improvements. A BID or PBID typically funds or augments established improvement programs such as security, maintenance, and marketing. Allowed under California law since 1994, BIDs and PBIDs have become an established tool to fund commercial revitalization improvements. Funds to support BIDs and PBIDs are raised in the form of additional taxes and/or fees that are reinvested back into a commercial area.

The assessments generated for BIDs and PBIDs are reinvested into commercial areas for beautification efforts, increased maintenance, additional security, local promotion, special events, and other improvement efforts. The differences between a BID and PBID are described below.

A BID is a self-help, self-taxing, merchant-based entity organized with the cooperation of local government. Typically, BID funds are used for smaller, more retail-oriented revitalization and economic development programs in downtowns and commercial corridors, including farmers' markets. Funds are often limited to approximately \$10,000 per year. In most communities, the BIDs are renewed on an annual basis and merchants typically see their money go to work for them quickly.

A PBID is a property-based assessment district with sufficient resources to supplement the services provided by municipal government. PBIDs can raise funds by directly assessing property owners who have a long-term stake in the area. Advantages of a PBID rather than a standard BID are listed below.

- A PBID allows a wide range of service options, including security, maintenance, marketing, economic development, and special events among others.
- The PBID is designed and created by those who will pay the assessment.

- The PBID is governed and implemented by those who pay through a property and business owner advisory board that supervises operations and submits a yearly service plan. PBIDs are established for a set term by those who pay the assessment and must be reestablished by petition on a periodic basis.

A PBID is usually established for up to five years and is often used for larger districts with higher budget requirements. PBIDs are relatively easy to establish, especially when compared to the process of creating a new Redevelopment Area. The process of forming a PBID takes from 9-12 months. In most cities, organizers just need to prove they have contacted every property owner within the proposed district. If a majority agrees, then each owner pays a special assessment on their property tax.

Low-Income Housing Tax Credits

The LIHTC is an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing. Typically, affordable rental housing projects do not generate sufficient profit to warrant private investment. Therefore, the LIHTC gives investors a dollar-for-dollar reduction in their federal tax liability in exchange for financing affordable rental housing. Investors' equity contributions subsidize low-income housing development, thus allowing some units to rent at below-market rates. In return, investors receive tax credits paid in annual allotments, generally over ten years.

The LIHTC is designed to subsidize either 30 percent or 70 percent of the low-income unit costs in a project. The 30 percent subsidy, which is known as the so-called automatic four percent tax credit, covers new construction that uses additional subsidies or the acquisition cost of existing buildings. The 70 percent subsidy, or nine percent tax credit, supports new construction without any additional federal subsidies. The LIHTC is a complex income tax area, which requires the selection of a developer experienced with the program. Developers may claim LIHTCs directly; however, most developers sell the tax credits for cash.

To benefit from economies of scale, syndicators pool several LIHTC projects into one equity fund, which spreads risk across multiple LIHTC projects. In order to build a LIHTC project, a developer must leverage multiple financial resources from both the public and private sector.



Low income housing tax credits were used to finance this townhome project in Sacramento.

Rental properties that qualify for the LIHTC tend to have both lower debt service payments and lower vacancy rates than market rate housing. LIHTC properties typically experience a relatively quick lease-up, and offer strong potential economic returns, primarily due to the existence of the credit.

Multifamily Housing Program (MHP)

Using State of California Proposition 46 bond funds administered through the Dept of Housing and Community Development, this program provides financing for rental housing developments targeted to households with incomes at or below 60% of AMI. MHP funds are widely used by affordable housing developers in Sonoma County to augment four percent Low-Income Housing Tax Credits financing.

Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to entitled cities and counties for housing and economic development projects targeted for low and moderate income persons. CDBG funds received by the County of Sonoma are administered and distributed by the Sonoma County Community Development Commission (CDC). CDBG entitlement funds can be used for the following types of activities:

- Real property acquisition, relocation, or demolition;
- Residential or commercial building rehabilitation;
- Construction of public facilities and improvement systems such as water, sewer, and neighborhood centers;
- Public services delivery;
- Energy conservation; and
- Business assistance.

HOME Investment Partnerships Program (HOME)

The HOME funds granted by HUD are intended to create and preserve affordable housing by providing acquisition, development or rehabilitation financing targeted to assist very low- and low-income households. HOME funds received by the County of Sonoma are administered and distributed by the CDC.

In Sonoma County, HOME funding can be used to build or rehabilitate rental, or reduce the costs of site acquisition, demolition, or relocation expenses for rental housing developments. The County provides the assistance in the form of low interest, deferred-payment loans to developers, as a gap-financing tool for larger projects funded from several sources. The CDC also uses HOME funds to pay monthly rental subsidies to make market-rate units affordable to lower-income households.

Emergency Shelter Grants

This program provides funds to agencies that offer basic shelter and essential supportive services to homeless persons. The ESG funds can be used to remodel a building used as a shelter, or reduce the operational costs of the shelter facility, and assist with case management or other essential supportive services, homeless prevention, and grant administration. The ESG grants also provide short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.

Special Economic Development Initiative program (EDI)

The EDI grant funds allow for the funding of landscaping, lighting, pedestrian walk areas, and other streetscape improvements.

Other Grant and Funding Options

There are many other grant sources that can be accessed to help fund the revitalization effort. Lending programs through the Federal Housing Authority (FHA) and California Housing Finance Agency (CalHFA) are viable funding options for improvements. The FHA 203K loan program allows a prospective homeowner to apply for a single mortgage at long-term rates to finance both property acquisition and necessary improvements. This method protects the prospective owner from high interest rates typically associated with short-term property improvement loans. CalHFA finances below market-rate loans to fund the acquisition, rehabilitation, or construction of affordable rental units. The Agency also offers loan programs for low and moderate-income first-time homebuyers.