

HCD Review of Draft Housing Element

April 30, 2012



Review Process Summary

- * February 3, 2012 - Draft HE sent for review
- * Conference calls for clarification
- * March 27, 2012 - factual / State mandated revisions sent to HCD
- * April 3, 2012 - HCD Review Letter released



Factual and State Mandated revisions

sent March 27, 2012

- * Developmental disabilities
- * Extremely low income households
- * Site Inventory: Clearer explanation on how higher density could be achieved on existing substandard parcels
- * Site Inventory: Clearer demonstration that small scale infill projects were viable.



City's submitted HE analysis to meet RHNA for two planning periods (1999-2006, 2007-2014)

1999-2014

Table 4.1: Potential Housing Units during 1999-2014 Planning Period

Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	
RHNA TARGETS	81	47	84	160	372	
Approved/Built	22	0	1	29	52	12%
R-1 District Capacity	0	0	0	19	19	4%
R-2-5 District Capacity	0	0	0	16	16	4%
R-2-2.5 District Capacity	6	6	38	0	50	12%
R-3 District Capacity	19	19	0	0	38	9%
Commercial District Capacity	17	17	13	0	47	11%
Existing Liveaboards	12	64	0	0	76	18%
Future Liveaboards	0	55	0	0	55	13%
New Accessory Dwelling Units	14	27	7	0	48	11%
Existing Accessory Dwelling Units	7	15	4	0	26	6%
TOTALS	97	203	63	64	427	
Percentage Over Target	20%	332%	-25%	-60%	15%	BUFFER
Difference	16	156	-21	-96	55	

1999-2006

Table 4.2: Potential Housing Units during 1999-2006 Planning Period

Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	
RHNA TARGETS	36	17	50	104	207	
Approved/Built	22	0	0	20	42	20%
R-1 District Capacity	0	0	0	19	19	9%
R-2-5 District Capacity	0	0	0	16	16	8%
R-2-2.5 District Capacity	6	6	38	0	50	24%
R-3 District Capacity	19	19	0	0	38	18%
Commercial District Capacity	17	17	13	0	47	22%
Existing Liveaboards	0	0	0	0	0	0%
Future Liveaboards	0	0	0	0	0	0%
New Accessory Dwelling Units	0	0	0	0	0	0%
Existing Accessory Dwelling Units	0	0	0	0	0	0%
TOTALS	64	42	51	55	212	
Percentage Over Target	78%	147%	2%	-47%	2%	BUFFER
Difference	28	25	1	-49	5	

Note: As the ADU and Liveboard policies are not yet in place for the prior 1999-2006 planning period, all of the units under those strategies are placed in the calculations for the current 2007-2014 planning period.

2007-2014

Table 4.3: Potential Housing Units during 2007-2014 Planning Period

Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	
RHNA TARGETS	45	30	34	56	165	
Approved/Built	0	0	1	9	10	5%
R-1 District Capacity	0	0	0	0	0	0%
R-2-5 District Capacity	0	0	0	0	0	0%
R-2-2.5 District Capacity	0	0	0	0	0	0%
R-3 District Capacity	0	0	0	0	0	0%
Commercial District Capacity	0	0	0	0	0	0%
Existing Liveaboards	12	64	0	0	76	35%
Future Liveaboards	0	55	0	0	55	26%
New Accessory Dwelling Units	14	27	7	0	48	22%
Existing Accessory Dwelling Units	7	15	4	0	26	12%
TOTALS	33	161	12	9	215	
Percentage Over Target:	-27%	437%	-65%	-84%	30%	BUFFER
Difference:	-12	131	-22	-47	50	



HCD's recommended approach to meeting RHNA for two planning periods

Table 4.1: Unaccommodated Housing Need Analysis – 1999-2006 RHNA

Income Levels	Very Low	Low	Moderate	Above Moderate	Total
RHNA	36	17	50	104	207
Units Approved/Built	34	26	0	20	80
Existing Residential Zoning					
R-1	0	0	0	19	19
R-2-5	0	0	0	16	16
R-2-2.5	6	6	38	0	50
R-3	19	19	0	0	38
CN-1/CR	17	17	13	0	47
Total	76	68	51	55	250
Remaining Need	-40	-51	-1	49	0

Approved/
Built units
+
Galilee
Liveboards

Residential &
Commercial
Infill

Therefore no carryover into the
current 2007-2014 planning
period.

HCD's recommended approach to meeting RHNA for two planning periods

Table 4.2: Potential Housing Units during 2007-2014 Planning Period

Table 4.2: Potential Housing Units during 2007-2014 Planning Period						
Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	% Total Units
RHNA TARGETS	45	30	34	56	165	
Approved/Built	0	0	1	9	10	3%
R-1 District Capacity	0	0	0	19	19	5%
R-2-5 District Capacity	0	0	0	16	16	4%
R-2-2.5 District Capacity	6	6	38	0	50	14%
R-3 District Capacity	19	19	0	0	38	11%
Commercial District Capacity	17	17	13	0	47	13%
Existing Liveaboards	0	38	0	0	38	11%
Future Liveaboards	0	55	0	0	55	15%
New Accessory Dwelling Units	14	27	7	0	48	14%
Existing Accessory Dwelling Units	7	15	4	0	26	7%
TOTALS	63	177	63	44	347	
Percentage Over/Under RHNA Target:	40%	490%	85%	-21%	110%	BUFFER
Unit Capacity Over/Under RHNA Target:	18	147	29	-12	182	

Approved / Built units

Residential & Commercial Infill

Existing and future liveaboards

Existing and future ADUs

Other Required HCD Revisions

sent March 27, 2012

- * **Program 6 – Preservation of Existing Affordable Rental Housing:** Distinction between extremely low income and low income levels for liveboards.
- * **Program 11 – Liveboards and Houseboats:** Accurate future reporting of liveboards to DOF.
- * **Program 18 – Fee deferrals and/or Waivers for Affordable Housing:** Encourage provision of housing for ELI households. Suggested by State: City could address by waiving 100% of application fees for projects with minimum 5% ELI units.



Next Steps toward Revision and Certification



Strategy decisions highlighted for discussion

- * Role of Task Force:
 - * Respond to suggested direction by HCD/staff/consultants (recommended actions at the end of presentation)
 - * Highlight any perceived issues

Existing Sites Inventory in Draft Housing Element revisions sent to HCD 3/27/12

Table 4.2: Potential Housing Units during 2007-2014 Planning Period

Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	% Total Units
RHNA TARGETS	45	30	34	56	165	
Approved/Built	0	0	1	9	10	3%
R-1 District Capacity	0	0	0	19	19	5%
R-2-5 District Capacity	0	0	0	16	16	4%
R-2-2.5 District Capacity	6	6	38	0	50	14%
R-3 District Capacity	19	19	0	0	38	11%
Commercial District Capacity	17	17	13	0	47	13%
Existing Liveboards	0	38	0	0	38	11%
Future Liveboards	0	55	0	0	55	15%
New Accessory Dwelling Units	14	27	7	0	48	14%
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Recommended Changes to Sites Inventory to address HCD comments

TOTAL HOUSING PLANNED FOR 2007-2014 PLANNING PERIOD

TARGETS:	Very Low & Low	Very Low & Low	Moderate	Above Moderate	TOTALS	
	45	30	34	56	120	
Approved/Built	0	0	1	19	20	7%
New Accessory Dwelling Units	3	7	2	0	12	4%
Existing Accessory Dwelling Units	3	7	2	0	12	4%
Existing Liveboards (with BCDC permits, not counted in 2000 Census)	0	38	0	0	38	12%
Future Liveboards (remaining capacity in marinas with BCDC permits)	0	30	25	0	55	18%
R-1 Capacity	0	0	0	19	19	6%
R-2-5 Capacity	0	0	0	16	16	5%
R-2-2.5 Capacity	0	0	50	0	50	16%
R-3 Capacity	11	0	27	0	38	12%
Commercial Zone Capacity	16	0	31	0	47	15%
Rezone Properties Capacity	0	0	0	0	0	0%
	115	30	138	54	307	
Percentage Over Target:	53%		306%	-4%	156%	BUFFER
Difference:	40		104	-2	187	

PRELIMINARY --
SUBJECT TO
FURTHER
MODIFICATIONS

Strategy decisions required: Liveboards

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
1a, ii. Projected Future Berths: The element must demonstrate that the projected new berths for liveboards are available within the planning period.	Include a specific program to make berths available within the planning period.

Strategy decisions required: Liveboards

Section in HCD Letter Appendix	Work required for clarification purposes
A. Housing Needs, Resources, and Constraints	
1a, iii. The element should support the affordability assumptions for liveboard units.	Modify affordability methodology to assume a portion of new liveboards would include moderate or above-moderate income households.

Direction suggested by consultants / staff:

A portion of new liveboards need to be moved to moderate income.



Strategy decisions required: ADUs

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
<p>1b, i. Second units: Account for timeframe for development and adoption of ordinance and amnesty program, actual second unit development and implementation of amnesty program.</p>	<p>Consultants recommend</p> <ul style="list-style-type: none"> •reducing goals for new ADUs (through 2014) from 48 to 8 - 12 units, and •Reducing goals for amnesty ADUs from 26 to 12, <p>with anticipation of receiving majority of ADU RHNA credit in next Housing Element cycle.</p>

* Preliminary chart of revised numbers will be later.

Strategy decisions required: ADUs

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
1b, ii. Demonstrate how proposed amnesty program and standards for new ADUs will encourage and facilitate production.	Describe and analyze amnesty program and draft ADU development standards, and demonstrate through incentives how the program will encourage and facilitate housing for lower-income households.

Strategy decisions required: Affordability of Small Sites

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
1d, ii. Affordability of Small Sites: Demonstrate feasibility of developing affordable multi-family rental on small sites in inventory.	<p>Given difficulty to demonstrate affordability of very small projects, HCD and consultants recommend treating small multi-family sites with less than 8 unit capacity to fulfill the RHNA at the moderate income level.</p> <p>Evaluate incentives for lot consolidation and development on mixed use sites.</p>

Recommended Changes to Sites Inventory to address HCD comments

TOTAL HOUSING PLANNED FOR 2007-2014 PLANNING PERIOD

TARGETS:	Very Low & Low	Very Low & Low	Moderate	Above Moderate	TOTALS	
	45	30	34	56	120	
Approved/Built	0	0	1	19	20	7%
New Accessory Dwelling Units	3	7	2	0	12	4%
Existing Accessory Dwelling Units	3	7	2	0	12	4%
Existing Liveboards (with BCDC permits, not counted in 2000 Census)	0	38	0	0	38	12%
Future Liveboards (remaining capacity in marinas with BCDC permits)	0	30	25	0	55	18%
R-1 Capacity	0		0	19	19	6%
R-2-5 Capacity	0		0	16	16	5%
R-2-2.5 Capacity	0		50	0	50	16%
R-3 Capacity	11		27	0	38	12%
Commercial Zone Capacity	16		31	0	47	15%
Rezone Properties Capacity	0	0	0	0	0	0%
	115		138	54	307	
Percentage Over Target:	53%		306%	-4%	156%	BUFFER
Difference:	40		104	-2	187	

PRELIMINARY --
SUBJECT TO
FURTHER
MODIFICATIONS

Strategy decisions required:

Facilitating housing in Mixed-Use zones and non-vacant sites

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
1c. Realistic Capacity: account for potential development of non-residential uses and performance standards.	Describe proposed regulatory incentives and standards to facilitate housing in mixed-use zones and non-vacant sites.

Direction suggested by consultants / staff:

Include a new program offering “Mixed Use Opportunity” incentives for development on identified parcels.

Details on MUO will be shown later.

Strategy decisions required: Multifamily zones

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints	
1f. Lack of higher density housing: State law mandates jurisdictions to demonstrate how zoning encourages and facilitates a variety of housing types. Consider adding programs to achieve this.	Consider adding programs to increase capacity in multifamily zones to address current and future planning period.

Critique by HCD:

Draft HE relies on liveaboard units and second units to address need for housing for lower income households. Add programs to promote a variety of housing types, address housing for large families. Identify additional acreage allowing higher density housing. Add programs to increase capacity in multi-family zones.

Mixed Use Opportunity Incentives

Suggested direction by consultants / staff:

- Alternative to State density bonus law.
- Existing zoning left intact.
- Additional set of development options for property owners to utilize.

- By right allowance for **ground floor residential use**.
- **Allowable density up to 50% above** the base R-3 (29 du/ac) density

- Projects to dedicate a minimum of **50% of units as affordable** to households earning low incomes (up to 80% AMI).
- **Half of the affordable units** would be affordable to very low income households (up to 50% AMI).

- Reduced on-site parking requirements:
 - Studio and one bedroom units - 1 parking space
 - Two to three bedroom units - 2 parking spaces
- Waived or reduced planning and building fees

Mixed Use Opportunity Incentives

Example Project:

Max Density = **8 units**

With MUO incentives (add 50% to base number) = **12 units**

Affordable (50%): **6 units**

Very Low: **3 units**; Low: **3 units**.

Market rate: **6 units**

Sites within Site Inventory
possibly suitable for
Mixed Use Opportunity incentives

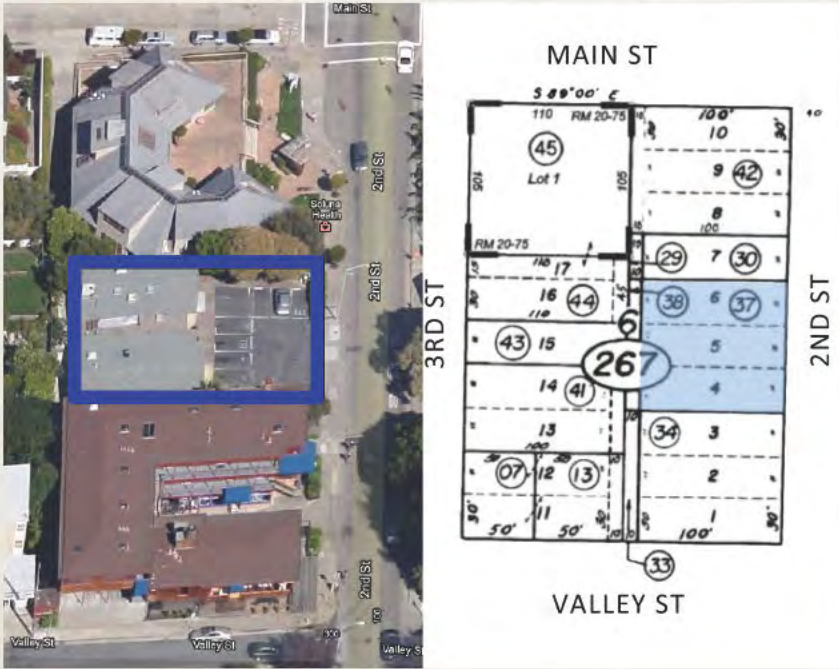
Sites within Site Inventory possibly suitable for Mixed Use Opportunity incentives



2015 Bridgeway
1901 Bridgeway

217 Second St
107 Second St

107 Second St



Site Information

Parcel Size: 9,900 sf

Average Slope: 10.1 %

General Plan Designation: Neighborhood Commercial

Zoning Designation: Neighborhood Commercial (CN-1)

Maximum Density: 29 du/ac or 1 du/ 1,500 sf

Existing Residential Units: 0

Construction or Effective Year: 1967

Assessment of Development Potential:

One story offices with ground floor parking. To add residential units, both buildings would be reconfigured and a new structure up to three stories would be built, with ground-floor commercial and upper floor residential. As an example, the building next door has parking spaces and commercial on the ground floor partially sunk into the site.

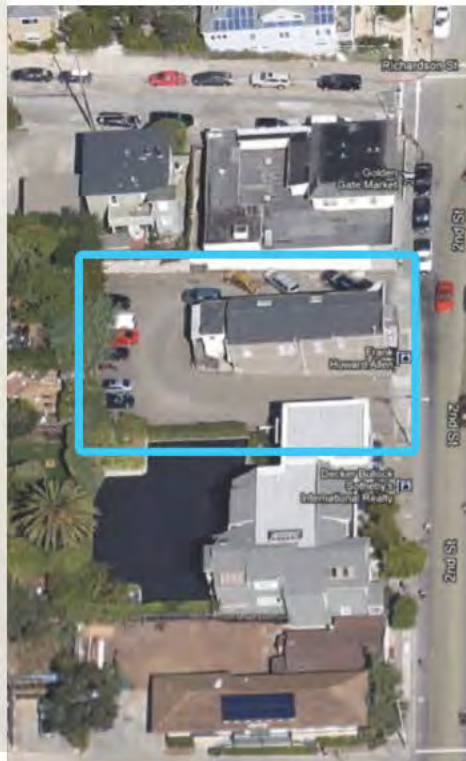
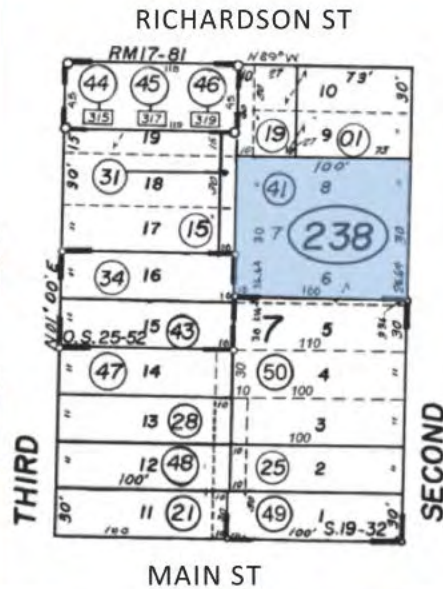
Visual Condition:

Buildings are in satisfactory condition.

Total Units possible under existing zoning: 4

Resulting Density: 17.6 du/ac

217 Second St



Site Information

Parcel Size: 9,526 sf

Average Slope: 14.5 %

General Plan Designation: Neighborhood Commercial

Zoning Designation: Neighborhood Commercial (CN-1)

Maximum Density: 29 du/ac or 1 du/ 1,500 sf

Existing Residential Units: 2

Construction or Effective Year: 1909

Assessment of Development Potential:

This site has infill potential. There is an existing 2-story building surrounded by parking spaces. There are also two existing units at the back and on the upper floor, and therefore only one more unit can be counted. New buildings up to 3 stories could be built adjoining the current building, and there can still be spaces reserved for parking either at the back or on the side. An example is the building just south of this site.

Visual Condition:

Building is in good condition.

Total Units possible under existing zoning: 3

Resulting Density: 13.7 du/ac

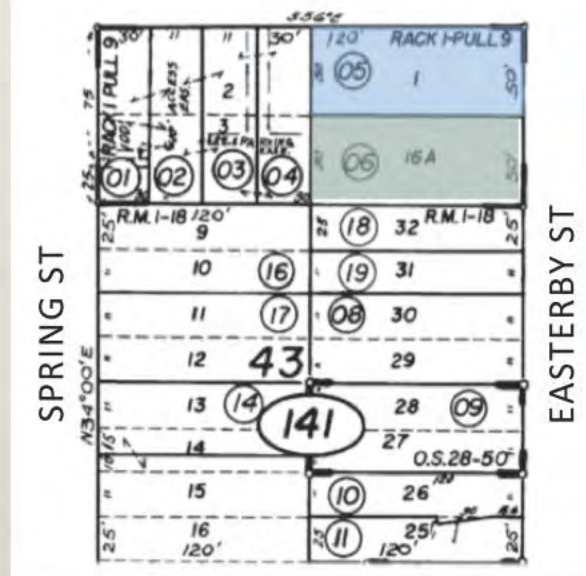
Income Level according to Default Density:

Moderate

1901 Bridgeway and 510 Easterby



BRIDGEWAY



Site Information

Parcel Size: 12,000 sf combined; 6,000 sf each

Average Slope: 7.3 %

General Plan Designation: Neighborhood Commercial

Zoning Designation: Neighborhood Commercial (CN-1)

Maximum Density: 29 du/ac or 1 du/ 1,500 sf

Existing Residential Units: 0

Construction or Effective Year: 1966

Assessment of Development Potential:

Existing businesses at this address include: Integrated fitness, a coin laundry, and 7-eleven. This parcel will need to be reworked together with its parking lot on 1901 Bridgeway. The current buildings on both lots could be replaced by new buildings with ground-floor retail and residential units on the top.

Visual Condition:

Buildings are in satisfactory condition.

Total Units possible under Existing Zoning: 4 (both parcels)

Resulting Density: 14.5 du/ac

2015 Bridgeway, Cross street Olive



Site Information

Parcel Size: 12,000 sf (two parcels combined, each 6,000 sf)

Average Slope: 13.6 %

General Plan Designation: Neighborhood Commercial

Zoning Designation: Neighborhood Commercial (CN-1)

Maximum Density: 29 du/ac or 1 du/ 1,500 sf

Existing Residential Units: 0

Construction or Effective Year: 1975

Assessment of Development Potential:

Existing three-story office building on the site that appears to look like former apartment building. Total of 8 potential apartment units, 4 on each lot.

Visual Condition:

Building is in good condition.

Total Units possible (both parcels) under existing zoning: 4

Resulting Density: 29.0 du/a

Income Level according to Default Density:

Very Low/Low

Strategy decisions required: Sites Inventory

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
B. Housing Programs	
<p>1a. Inadequate site inventory analysis: If Element relies on small and underutilized residential and mixed use sites, it must contain strong program actions to facilitate affordable development. Otherwise, the City must identify an additional multi-family site through rezoning.</p>	<p>Specific program actions required to promote re-use of underutilized sites and lot consolidation. Examples of incentives provided in HCD letter.</p>

Direction suggested by HCD:

- 1) Organize special marketing events geared toward development community
- 2) Post sites inventory on City's webpage
- 3) Identify and target specific financial resources
- 4) Reduce appropriate development standards

Strategy decisions required: Governmental Constraints

Section in HCD Letter Appendix	Decisions required to meet HCD standards for certification
B. Housing Programs	
2. Complete analysis of potential governmental constraints.	Depending on completed analysis, revise or add programs to address constraints.

To be completed by consultants.



Recommended Actions

- Agree in-principle to work towards RHNA number modifications, including:
 - reduction of projected ADU numbers
 - moving of small sites that yield less than 8 units to moderate income level
- Agree in-principle to develop Mixed Use Opportunity incentives further.
- Agree in-principle to four identified sites for MUO incentives:
 - 107 Second St
 - 217 Second St
 - 1901 Bridgeway
 - 2015 Bridgeway



We're here to listen.

This is a time for the Task Force to ask questions and give directions to staff and consultants.

Continue meeting to May 7th.

