



Agenda Date: 10/14/2014
Agenda Item: 7.1

STAFF REPORT

Date: Tuesday, October 14, 2014
To: Bryan H. Montgomery, City Manager
From: Joshua McMurray, Senior Planner
Subject: **Work Session Regarding the State-Mandated Housing Element Update**

Approved and Forwarded to City Council:


Bryan H. Montgomery, City Manager

Summary

At the September 9, 2014 City Council work session Staff presented the City Council with six sites to satisfy the Regional Housing Needs Allocation (RHNA) for the Housing Element update. The City Council expressed a desire to have more sites analyzed at a future work session. Staff held a public meeting with the Housing Element Update Citizen Advisory Committee (CAC) on September 22, 2014. A variety of sites were discussed using the direction received from the City Council. Staff along with the City's CAC and the Housing Element Consultant has come up with twelve additional sites for the City Council to consider. In total, Staff is presenting seventeen sites, which includes five of the six sites presented at the last work session. Based on the feedback from the City Council, the site at 901 E. Cypress Road has been removed from the list of eligible sites. The Staff report containing the background and technical information related to the Housing Element update has been attached for reference.

Two of the twelve additionally proposed sites are zoned M-12 (Multi-Family Residential), one of the sites is zoned R-B (Retail Business), and nine of the sites are zoned C (General Commercial). In total, the City needs to identify sites that total be at least 14.85-acres. This acreage anticipates that the remaining 386 units are accommodated by the Affordable Housing Overlay (AHO) designation which allows a range from the minimum 24 to the maximum 32.4 dwelling units per acre and is based on a realistic capacity of 80% of the maximum density. Another point to keep in mind is that at least half of the City's very-low and -low income sites need to be limited to residential only (no mixed use). That means the City cannot choose all commercial sites or other sites that allow a mix of uses for application of the AHO. It should also be noted that the AHO allows a property owner or developer an option to either build at the density allowed by the underlying zoning or build at a higher density for a qualifying affordable project, but in no case can the densities from both the underlying zone and the AHO be combined.

An option to consider in looking at grouping appropriate sites together is grouping several of the properties proposed along East Cypress Road. The City Council previously looked at three sites in this area identified as sites 1, 2 and 3 on the attached map. At the last work session the property owner at 67 Van Pelt Lane expressed interest in having his property included in the Housing Element as an adequate site, and has since contacted

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three of the other four property owners (indicated on the attached map as Sites 1, 2, 3, 6, and 7) who appear to have the same interests. If combined, the total combined acreage for the five parcels would be 10.47-acres. If the City Council chooses to include these five parcels as adequate sites, then approximately 4.5-acres of additional land would be needed. As mentioned above, the City needs to provide no less than 50% of the acreage needed to accommodate the RHNA on sites with only a residential zoning. That means the remaining 4.5-acres could be accommodated using commercially zoned land. There are several sites along Main Street, north of Delta Road, zoned commercial. In particular, sites 13 and 14 would most likely meet the requirements of HCD as well as fill the need for the remaining 4.5-acres as discussed above. Staff has provided a table to visually show how the RHNA can be accommodate using the sites mentioned above.

APN	Zoning	Map #	Acreage	Current Use	Potential AHO Units	Maximum AHO Units
033-012-004	M-12	1	3.46	Vacant	90	112
033-012-005	M-12	2	2.39	1 single family residence	61	76
033-012-007	M-12	3	2.40	1 single family residence	61	77
033-012-009	M-12	6	1.11	1 single family residence	28	35
033-012-008	M-12	7	1.12	1 single family residence	28	35
034-200-023	C	13	2.33	1 single family residence	59	74
034-200-024	C	14	2.33	1 single family residence	59	74
Totals			15.03		386	483

It should also be noted that although sites 16 and 17 are up for consideration it is unlikely that HCD would consider these sites suitable for the AHO as they are both just slightly over an acre and both have existing single family units on them.

Conclusion

Staff recommends the City Council review the information provided, through the Staff Report and Power Point presentation, and provide Staff with direction on determining where the remaining RHNA need can be accommodated.

Attachments

1. September 9, 2014 Work Session Staff Report
2. Vacant and Underdeveloped Property Map
3. Housing Element Site Table



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Bryan H. Montgomery, City Manager

Summary

The City has initiated a State Mandated Housing Element update required by Government Code Section 65583. The new Housing Element must be updated to comply with the 2014-2022 Regional Housing Needs Allocation (RHNA), as determined by the Bay Area Association of Governments (ABAG), and new statutory requirements. The final RHNA was adopted by ABAG on July 18, 2013. The Housing Element update will provide the capacity for the City's fair share of affordable housing for the next eight years. The City's Housing Element needs to be adopted by the City Council by January 31, 2015.

Background

The City adopted the Oakley General Plan in 2002, and in 2006, the State Department of Housing and Community Development (HCD) certified Oakley's first Housing Element, and in 2009, HCD certified the current 2007-2014 Housing Element. In August of 2013 the City Council approved an agreement for consulting services with De Novo Planning to facilitate the Housing Element Update. Within the Housing Element, the City must demonstrate it has capacity or adequate sites to accommodate the projected RHNA need through the 2014-2022 planning period.

The Bay Area Association of Governments, the Council of Governments (COG) representing the region, in cooperation with local jurisdictions, is responsible for allocating the region's projected new housing demand in each jurisdiction. This process is known as the RHNA and the goals are referred to as the RHNA goals or the "regional share" goals for new housing construction. The allocation takes into account factors such as employment opportunities, market demand for housing, availability of suitable sites and public facilities, community patterns, types and tenure of housing needs and others. The allocation is divided into five income categories: In determining a jurisdiction's share of new housing needs by income category, the allocation is adjusted to avoid an over-concentration of lower-income households in one jurisdiction. The RHNA prepared by

ABAG for the planning period of January 2015 through January 2023, identifies Oakley's projected regional share need as 1,168 new housing units.

To assist and provide recommendations to the City Council in the update process, a five member 2014-2022 Housing Element Update Citizen Advisory Committee (HECAC) was appointed in August of 2013. Since the committee was formed; a total of three meetings have been held in addition to one public workshop where the committee and community stakeholders were invited to share their thoughts on the housing element update. The last meeting held was on August 18, 2013 where the focus centered on the sites needed to accommodate the RHNA allocation.

Work Session Focus

The City will have to accommodate sites to meet the RHNA need in all income categories. The City has sufficient entitled land through the East Cypress Corridor as well as other entitled residential projects throughout the City to accommodate the need for the Moderate and Above-Moderate units. The focus of this work session centers on the 489 Low, Very-Low, or Extremely-Low income units. The first table below (City of Oakley 2014-2022 RHNA Allocations) shows the RHNA allocation to Oakley of 1,168 total units, with the breakdown of the 489 low income units. The table also shows the five income categories as well as the income ranges for each of the categories.

City of Oakley 2014-2022 RHNA Allocations

Income Category	Annual Income Range	Oakley Regional Share (units)
<i>Extremely-Low¹</i>	<i><30% MFI</i>	<i>158</i>
Very-Low	0%- 50% MFI	157
Low	31%- 80% MFI	174
Moderate	81%- 120% MFI	175
Above-Moderate	>120% MFI	502
Total		1,168

¹ Regional share of extremely low-income units is assumed to be 50% of the very low-income units.

The second table (Adjusted RHNA Need) details Oakley's RHNA minus the units either under construction or that have been constructed since January 1, 2014, that can be used to count towards the RHNA total. Based on the RHNA assigned by ABAG, the total number of affordable units allocated to Oakley was 489. The Corporation for Better Housing site had 29 units under construction and there is additional capacity of 75 units on the CBH site. Those units can be used to reduce the 489 affordable units. There is a remaining need of approximately 386 affordable units (defined by either being Low, Very-

Low, or Extremely-Low income). This means the City will need to identify sites able to accommodate the need, not necessarily meaning those units will be constructed.

Adjusted RHNA Need

Income Category	RHNA Allocation RHNA Need	Dwelling Units		Remaining RHNA Need
		Units Constructed	Units Under Construction	
Extremely-Low ¹	158	0	3 ²	155
Very-Low	157	0	15 ²	142
Low	174	0	11 ²	163
Moderate	175	29	4	142
Above-Moderate	502	41	15	446
Total	1,168	70	48	1,048

¹ Regional share of extremely low-income units is assumed to be 50% of the Very Low-income Units.
² CBH Project – Carol Lane

The City's Housing Consultant in conjunction with input and direction received by both the Housing Element Update Citizen Advisory Committee and Staff, have outlined a plan to satisfy the sites needed to accommodate the remaining RHNA need within the Preliminary Draft Housing Element as follows:

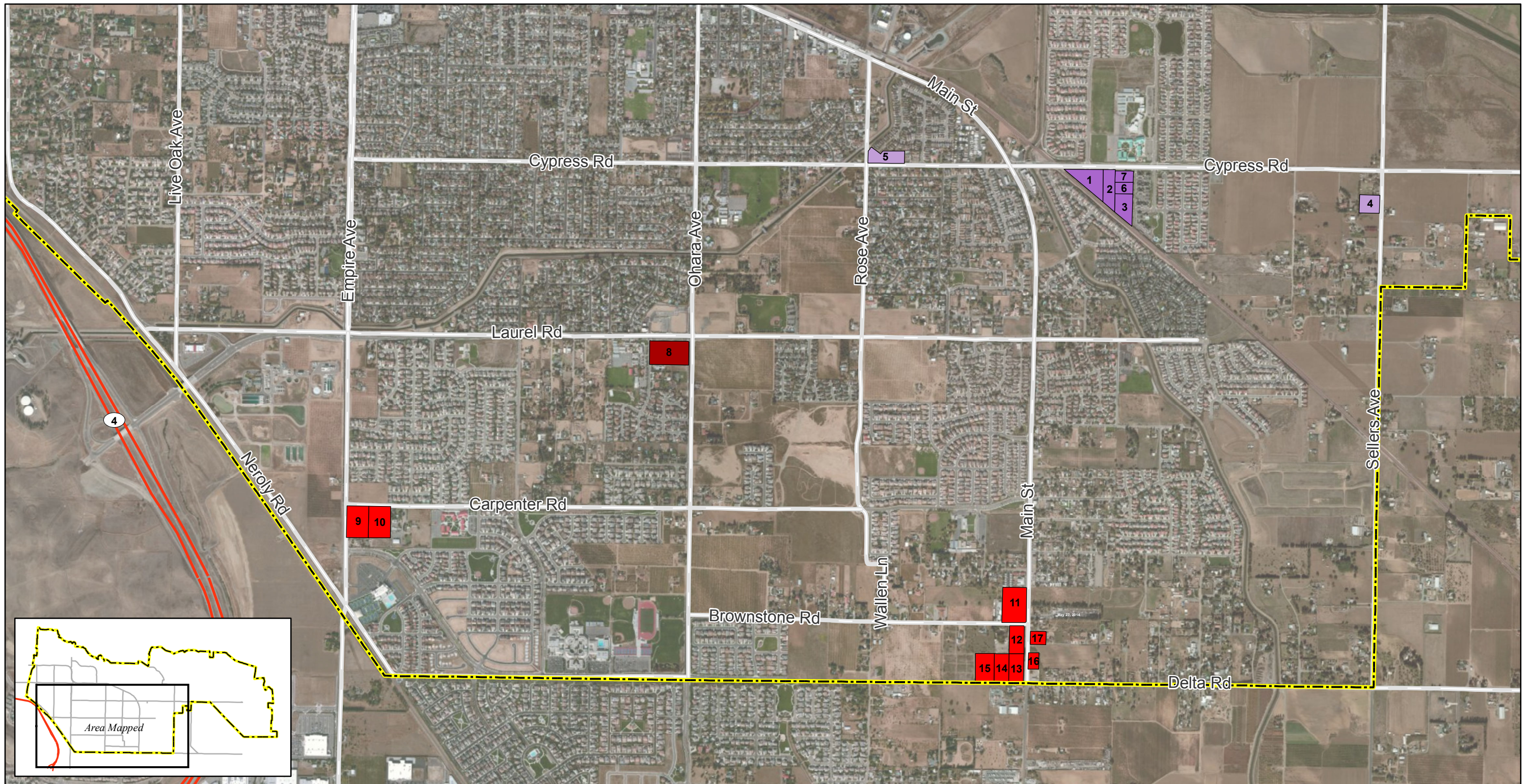
- Page 10.VI-1 of the Preliminary Draft Housing Element contains Policy Action 1.1. This action requires the City to identify sites used to accommodate the remaining adjusted RHNA allocation of 386 units. The proposal includes 6 parcels where the existing zoning is M-9 or M-12 (already a multi-family zone) and proposes to apply the Affordable Housing Overlay (AHO) on the parcels. The AHO is an overlay district already contained within Oakley Municipal Code section 9.1.410. This overlay brings the minimum density on these parcels to 24 dwelling units per acre, and with a State mandated Density Bonus applied, the effective density goes up to 32.4 dwelling units per acre. The proposal does not include a plan to rezone a parcel to change the underlying zone (which could mean taking a R-6 single family parcel allowing a maximum of 5.5 dwelling units per acre and rezoning the site to allow 30+ dwelling units per acre). Applying the AHO to these six sites would allow for up to 419 units, which slightly exceeds the 386 needed to comply with State requirements.






Conclusion

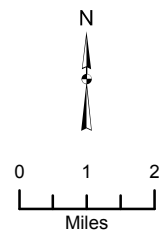
Staff recommends the City Council review the information provided, through the Staff Report and Power Point presentation, and provide Staff with direction on determining where the remaining RHNA need can be accommodated. Thereafter, Staff and De Novo Planning will finalize a Draft Housing Element that will be submitted to HCD, and released

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for formal public review. It typically takes HCD sixty (60) days to respond to the City on the Draft Housing Element. Staff plans to bring a Final Housing Element back to the City Council, for adoption by resolution, by January 2015.



-  Oakley City Boundary
- Sites by Zoning Designation
-  R-B
-  C
-  M-9
-  M-12I



CITY OF OAKLEY, CALIFORNIA
Potential Affordable Housing Overlay Sites

Sources: Contra Costa County; City of Oakley; ArcGIS Online World Imagery Map Service. Map date: September 29, 2014.

Attachment 3

APN	Zoning	Map #	Acreage	Current Use	Notes	Potential AH	Maximum AHO Units
033-012-004	M-12	1	3.46	Vacant		90	112
033-012-005	M-12	2	2.39	1 single family residence		61	76
033-012-007	M-12	3	2.40	1 single family residence		61	77
033-180-007	M-9	4	1.98	3 single family residences		48	61
035-282-054	M-9	5	2.46	Miscellaneous improvements, no structures		64	80
033-012-009	M-12	6	1.11	1 single family residence		28	35
033-012-008	M-12	7	1.12	1 single family residence		28	35
034-080-031	R-B	8	5.71	1 single family residence		147	184
034-030-007	C	9	3.66	1 single family residence		94	118
034-030-008	C	10	3.66	Vacant		95	119
034-210-006	C	11	4.56	Miscellaneous improvements, no structures		118	148
034-200-022	C	12	2.22	Vacant		58	72
034-200-023	C	13	2.33	1 single family residence		59	74
034-200-024	C	14	2.33	1 single family residence		59	74
034-200-026	C	15	2.97	1 single family residence		76	95
033-110-004	C	16	1.07	1 single family residence		27	34
033-110-017	C	17	1.08	1 single family residence		27	34