

ADDENDUM TO HOUSING ELEMENT

Following a conference call between Jess Negrete (California Department of Housing and Community Development), Barry Miller, and Albany City Staff on November 13, 2014, the following changes are proposed to the Working Draft 2015-2023 Albany Housing Element:

1	<p>HCD Comment: Please clarify the status of the zoning amendments noted in this Draft as “pending” and likely to be completed before January 31, 2015. If any of these action items have not been completed by then, they should be added back in to the Element.</p> <p><i>City Response: The 2007-2014 Housing Element identified five programs requiring changes to the Zoning Ordinance. As of November 18, 2014, four of these programs have been implemented, as noted in the edits below. The fifth program is still being implemented, and will be added back in to the 2015-2023 Element as a program to be completed by 2016.</i></p> <p><i>The following amendments are made to the October 2014 Draft to reflect the status of each program. Page numbers listed below refer to the <u>tracked change</u> version and are highlighted in yellow:</i></p> <p><i>On Page 2-12, the first row of Table 2-4 is amended as follows:</i></p>	
2.A	<p>Amend the Albany zoning regulations to establish minimum densities of 20 units per acre for any mixed use or residential development along the San Pablo and Solano Avenue corridors.</p>	<p><i>ACHIEVED. A minimum density of 20 units per acre has been established for the SC and SPC zoning districts. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading is scheduled for December 1, 2014.</i></p> <p><i>PENDING. The City anticipates bringing this zoning code amendment to the Planning and Zoning Commission in November 2014 and the City Council in December 2014. It will be adopted prior to the end of the current (2007-2014) planning period. This action can be deleted upon adoption.</i></p>
<p><i>On Page 2-13, the first row of continued Table 2-4 (at the top of the page) is amended as follows:</i></p>		
2.D	<p>Maintain a density bonus ordinance consistent with state requirements. Encourage applicants to apply for density bonuses as a tool to produce affordable housing and promote new housing subject to the parking standards defined by state law.</p>	<p><i>ADVANCE. This is an ongoing program that is implemented as applications are received. Density bonuses were provided for the senior housing development at UC Village, enabling housing exceeding the zoning density of 63 units per acre. Bonuses are also available to developers providing affordable units on-site through the Inclusionary Ordinance. In November 2014, the City Council adopted a clarifying amendment to the Density Bonus ordinance by noting that “An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d)”. This makes the City’s density bonus ordinance completely consistent with state requirements, and also clarifies that parking incentives are available to prospective developers of affordable and mixed income projects.</i></p>
<p><i>On Page 2-19, edit the first row of Table 2-6 as follows:</i></p>		
4A	<p>Eliminate the use permit requirement for multi-family development in the R-4 (Residential Towers) zoning district. Multi-family uses should be allowed by right in this district.</p>	<p><i>ACHIEVED. Multi-family housing is now permitted by right in the R-4 District. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading is scheduled for December 1, 2014.</i></p> <p><i>PENDING. The City has initiated work on this action and anticipates bringing it to the Planning Commission in November 2014 and to the City Council in December 2014.</i></p>

Item 1, continued

Second from bottom row on Page 2-19 (Table 2-6) is edited as follows:

4D	Consider modifications to the development standards for mixed use development (e.g., residential over commercial) and revise these standards as appropriate to further incentivize the development of housing on commercially zoned sites. Projects in which at least 49% of the units are affordable to lower income households should be allowed on the ground floor in the SPC zone (with a use permit).	<p><i>ADVANCE. The City commenced work on this action in September 2014, and has had extensive discussion of next steps with the Planning and Zoning Commission and City Council. Given the staffing demands to complete four other zoning code amendments, and the additional level of analysis required to complete this action, it has been postponed to 2015. An action similar to this one will be added to the 2015-2023 Housing Element and prioritized for completion by 2016.</i></p> <p><i>PENDING. The City has initiated work on this action and anticipates bringing it to the Planning Commission in November 2014 and to the City Council in December 2014. A subsequent action should be included in the 2015-2023 Element to look at other mixed use development (SC, SPC zoning district) standards, including setback requirements, daylight plane standards, and height limits.</i></p>
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Bottom row of Page 2-19 (Table 2-6) is edited as follows:

4E	Amend the zoning code to establish a use category for SROs and allow such uses in the San Pablo Commercial (SPC) zone.	<p><i>ACHIEVED. An SRO definition, development standards, and a use permit requirement are now included in the City's Municipal Code. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading is scheduled for December 1, 2014.</i></p> <p><i>PENDING. The City has initiated work on this action and anticipates bringing it to the Planning Commission in November 2014 and to the City Council in December 2014.</i></p>
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Page 5-7, edit third full paragraph on page as follows:

Development standards for residential uses in the SC and SPC district are summarized in Table 5-2. Both districts allow densities of up to 63 units per acre and have a minimum density requirement of 20 units per acre where residential uses are included.

Page 5-9, edit third paragraph as follows:

Multi-family housing is considered a permitted use in the SPC and SC zones, provided it is not on the ground floor facing the street. In the SC zone, ground floor, street-facing housing is allowed with a use permit. ~~A pending (November 2014)~~ In 2015, the City will consider a zoning code amendment to ~~would also~~ allow residential on the ground floor in the SPC zone with a use permit, provided that at least 49 percent of the units are affordable and the parcel is not in the San Pablo/ Solano commercial "node."

Page 5-14, edit footnote (1) as follows:

(1) Zoning Code change is pending and expected to be approved by 2016 before January 31, 2015

Page 5-19, edit second full paragraph as follows:

The City currently has a land use category for boarding homes, which are allowed in residential areas. On November 17, 2014, the City Council approved a zoning amendment creating a new use classification for Single Room Occupancy hotels (SROs). The Zoning Amendment also allows SROs as a conditional use in the San Pablo Commercial (SPC) zoning district. However, there is not a land use definition or category for SRO (single-room occupancy hotels). SRO's are often small in size and used as transitional housing, which include those at risk of becoming homeless. Such units are desirable because their small size and often shared or limited amenities generally make them affordable. ~~At the time of publication of this Housing Element, a Zoning Code amendment to formally define SROs and conditionally allow them in the SPC zoning district was pending.~~

Page 6-33, edit Program 4.D narrative as follows:

At the time of production of the 2015-2023 Housing Element, the City was considering a moving toward completion of zoning amendments that would allow projects that are entirely residential on sections of San Pablo Avenue outside the Solano Avenue commercial node. This provision would apply only to projects in which at least 49 percent of the units were affordable to low or very low income households. This particular amendment had not been completed at the end of the 2007-2014 planning period and is being carried forward to 2015-2023. Completion of the zoning amendment is a high priority and should be completed by 2016. In the interim period, developers of low and very low income housing may apply for an exemption to the ground floor retail requirement through the density bonus ordinance (the exemption would be considered a zoning incentive).

2 HCD Comment: Explain if the policy on displacement is addressing direct displacement (demolition of units) or indirect displacement (gentrification, rising rents, etc.).

City Response: On P. 6-41(tracked change version), Policy 5.7 is amended as follows (new text in highlighted font):

Policy 5.7: Displacement. Work proactively to avoid the displacement of tenants due to rising rents, temporary financial hardship, demolition or conversion of rental housing, and other factors. During the planning period, the City will consider measures to protect tenants from indirect displacement due to very steep rent increases and arbitrary evictions. The risk of direct displacement through demolition is less likely since Albany's housing opportunity sites have very few existing units. However, the City will also work to avoid displacement in the event that lower-cost units are redeveloped with new units at higher densities.

3	<p>HCD Comment: Many programs in Chapter 6 indicate the intent to create “affordable” housing. This term should be defined so it is clear if this refers to all income groups (including above moderate) or specific income groups.</p> <p><i>City Response: Make the following edits:</i></p> <p><i>On Page 6-2, add a new paragraph following the paragraph at the top of the page and before Goal 1 as follows:</i></p> <p><u>Unless otherwise indicated, references to “affordable housing” in this chapter refer to housing that requires no more than 30 percent of a household’s income for extremely low, very low, low, or moderate income households. Occupancy of such housing is typically limited to persons with incomes below thresholds set by the US Department of Housing and Urban Development and the California Department of Housing and Community Development, although some smaller and/or older units may be considered “affordable by design” as their market rents or sales prices place them within the affordability ranges of lower and moderate income households.</u></p>
4	<p>HCD Comment: In Program 1.G (Shared Housing), clarify if there is a particular constraint this program is trying to mitigate, or the City is simply wishing to promote shared housing. Clarify if the intent of this program is to allow people to divide up existing homes to create second units within the home, in the event this is not allowed today.</p> <p><i>City Response: On Page 6-6 (tracked change version), the top paragraph is edited as follows</i></p> <p><u>Shared housing is permitted in Albany and there are no specific regulatory constraints to increasing the number of shared homes in the city. The intent of this program is simply to make clear the City’s support for shared housing as a practical, effective solution to meeting local housing needs. The program complements similar programs supporting second units and programs supporting the construction of larger housing developments with units specifically reserved for persons of low, very low, and extremely low incomes.</u></p>
5	<p>HCD Comment: In Program 2.B (Nexus Study), clarify that once the study is completed the City will take appropriate action based on the findings (such as adopting an impact fee). Indicate a timeline for the subsequent action.</p> <p><i>City Response: Page 6-12 (tracked change version) top paragraph is edited as follows</i></p> <p>In response, this action would conduct a study of the “nexus” between the development of market rate rental housing (and potentially other types of development, such as retail and office space) and the need for affordable housing. <u>The City will take a specific course of action based on the findings of the study, either proceeding to implement a fee, deciding not to implement a fee, or taking an alternative course of action.</u> The findings will be used to determine if there should be an obligation from developers to pay an impact fee to help finance affordable housing. The fee would either be calculated on a per unit or per square foot basis. The decision to apply it a fee to non-residential development would depend on the findings, and further input from the community and City Council.</p> <p><i>P. 6-12, adjust “timing” as follows:</i></p> <p>Timing: 2016 <u>Initiate study in 2016. Take action, if appropriate, by 2018.</u></p>

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HCD Comment: In Program 2.D (Affordable Housing Incentive Program), clarify that the program would not in any way diminish the State's density bonus incentives, and is intended to complement the State density bonus program. Also, note that if the "study" indicates an incentive program is feasible, the City will take action to implement it.

City Response: Page 6-13 (tracked change version) top paragraph is edited as shown below.

The AHIP would establish a set of zoning incentives to new projects in which at least 49 percent of the units are affordable to low or very low income households. It would differ from the state-mandated density bonus program in that: (a) it would provide a guaranteed set of specific zoning incentives, rather than the discretionary incentives associated with the state density bonus program; (b) it would provide relief from the ground floor commercial requirement, without a use permit; and (c) it would allow higher densities than those offered through the state density bonus requirements. The AHIP would be designed so that it augments the state density bonus program, and in no way conflicts with state density bonus standards. If the City determines that an AHIP program will be an effective catalyst for development of affordable housing based on program costs, community feedback, affordable housing development feasibility, and other factors, it will implement the program. The City may also use the findings of the study to make other changes to its zoning standards in order to improve the viability of housing affordable to low, very low, and extremely low income households.