

City of Albany



TO: ALBANY PLANNING & ZONING COMMISSION
FROM: BARRY MILLER, GENERAL PLAN CONSULTANT
SUBJECT: 2015-2023 HOUSING ELEMENT UPDATE
DATE: SEPTEMBER 10, 2014

REQUEST

This Agenda Item concerns the 2015-2023 Albany Housing Element Update, which is now underway. A more detailed study session on the Housing Element is planned for September 24, 2014. The September 10 meeting is intended to include a short status report on the project, an opportunity for public comment, and a review of proposed changes to the City's Housing Opportunities Sites list.

STAFF RECOMMENDATION

This is an informational report and no Commission action is required.

SITE LOCATION

The Housing Element applies to all property in the City of Albany.

BACKGROUND

All cities and counties in the Bay Area are required by State law to adopt updated Housing Elements by January 31, 2015. Although the City of Albany adopted a Housing Element in March 2014, that document focused on housing needs for 2007-2014 and short-term actions to be completed during 2014. The revised Housing Element will look ahead to 2015-2023. Much of the content of the 2007-2014 document will be carried forward. However, certain chapters must be updated to reflect the new planning interval.

The Planning and Zoning Commission conducted a Study Session on the Housing Element update on July 23. At that session, the Commission discussed the status of key actions in the 2014 Element and the process for updating the document. Ideas for new housing policies and actions also were discussed. In addition, the City convened a "Town Meeting" on housing on July 22, 2014. Further opportunities for public outreach are planned in the coming months, including another Planning Commission study session on September 24, a Housing "Symposium" on September 30, a City Council study session on October 6, and formal public hearings in December and January.

ANALYSIS

The Housing Element must demonstrate that the City has the capacity to accommodate its “fair share” of the region’s housing needs during the 2015-2023 time period. The “fair share” for each city and county in the Bay Area is determined by the Association of Bay Area Governments (ABAG) through a process called the Regional Housing Needs Allocation (RHNA). The RHNA “assignment” is broken down by income categories, with numeric targets set for very low, low, moderate, and above moderate income households.

The RHNA for Albany for the previous (2007-2014) Housing Element was 276 units. The RHNA for the new Housing Element period has increased by 21 percent and is now 334 units, an increase of 58 units. The 334 units include 145 above moderate income units, 57 moderate income units, 53 low income units, and 80 very low income units.

The previous (2014) Housing Element indicated that the City had capacity for 359 housing units, including 175 in the approved senior housing development at UC Village and another 184 on scattered vacant and underutilized sites within the City. As of September 2014, all of this capacity still remains available, and the existing list of housing sites will be carried forward.

Because the RHNA is 334 units and the City has capacity to build at least 359 units, no further identification of housing sites is required. However, the City recognizes that because the RHNA has increased by 58 units, it is appropriate to expand the list of potential housing sites. As noted at previous meetings, the placement of a parcel on the Opportunity Site “list” has no impact on the site’s development potential or zoning, nor does it obligate the owner to build housing. It is merely an acknowledgement that the site’s zoning would enable housing to be built, and that economic conditions are favorable for the site’s reuse.

Staff has identified three potential new housing sites, with a combined total potential of 61 units. The sites are described below:

- (a) Goodwill Industries (former Blockbuster Video) at 505 San Pablo (corner of Brighton). This site consists of three contiguous parcels under one owner (APNs 67-2826-1, 67-2827-27, and 67-2827-28). Total site area is approximately 20,000 square feet. The existing use is a one-story 7,500 square foot retail store, with more than half the lot is used for surface parking. The floor area ratio on the site is 0.375. The site is relatively large, and has good potential for reuse with mixed uses (including housing) similar to the Portland Gardens and Albany Gardens developments two blocks away. Although zoning would theoretically allow 63 units per acre, a more realistic estimate of 33 units per acre has been used based on comparable projects nearby (Albany Gardens). This yields 15 potential units on this site.
- (b) Mary and Joe’s Sporting Goods at 911 San Pablo Avenue (east side, south of Solano). This site consists of five contiguous parcels under one owner (APNs 66-2661-3, 66-2661-5, 66-2661-6, 66-2661-57, 66-2661-54). The site includes one commercial building (containing Mary and Joe’s, a photography studio, and a hair salon), a parking lot, and two rental homes along Kains Avenue (contiguous parcels to the rear of the retail uses). The total assessed improvement value for the five parcels is \$92,000 while the assessed land value is \$233,000. The resulting Improvement/Land Value ratio of 0.39 suggests a relatively high potential for redevelopment. The five parcels comprise 26,400 square feet. Although zoning would

theoretically allow 63 units per acre, a more realistic estimate of 32 units per acre has been used based on nearby projects (Villa de Albany across the street is built at a density of 30 units per acre). The yield would be 18 units, minus the two existing rental units for a net of 16 units.

- (c) Albany Town Centre at 950 San Pablo Avenue (west side, north of Buchanan). This is a single parcel with a total area of about 56,000 square feet (1.3 acres). The site includes an older shopping center including Round Table Pizza, a donut shop, a veterinary clinic, a realtor, a nail salon, a hair salon, a TV repair shop, a laundromat and a physical therapy office. There are also two single family rental homes on this property facing Adams Street, and several apartments facing Adams Street. This site was included in the 1992 Housing Element but not in the 2014 Element. The assessed value of the land is twice the assessed value of the improvements, and the floor area ratio on the site is less than 0.5. These are both strong indicators of underutilization. Although zoning densities would permit 68 units on this site, a more conservative estimate has been used based on nearby development (Villa de Albany). In addition, the portion of the site containing existing residences has been subtracted out, leaving a remainder area of 43,600 square feet. Based on 30 units per acre, the yield would be 30 units.

All three of these sites could potentially be developed with affordable units at densities greater than 20 units per acre (the “default” figure used by the State to determine if a site is zoned in a manner that facilitates affordable housing).

The revised Housing Element also will acknowledge the potential for residential and/or mixed use development on several other sites. These include the 11-acre parcel on the west side of Albany Hill and the Safeway on Solano Avenue. On the Albany Hill site, the Housing Element will acknowledge ongoing discussions about potential opportunities to cluster the site’s development potential along the street frontage, enabling the upper part of the site to be preserved as open space. On the Safeway site, the Housing Element will acknowledge past proposals to incorporate housing as part of a site redevelopment plan. Although no units are being assumed on this site for the 2015-2023 Element, the Element will explicitly recognize that current zoning would enable some number of units on this property in the future.

NEXT STEPS

Staff’s goal is to bring a “Working Draft” of the 2015-2023 Housing Element to the Commission on September 24 for discussion. This will essentially be a “redlined” version of the document adopted on March 3, 2014, highlighting the changes needed to reflect the new planning period. The document will be forwarded to the City Council for their consideration on October 6. The initial HCD review will take place in October and November, with HCD’s comment letter issued in early December. The City will revise the document as needed in December in response to the State’s comments. It is expected that an “Adoption Draft” of the Element will be presented to the Commission in December 2014, and to the City Council in January 2015. Appropriate CEQA documents will accompany the Adoption Draft.