

City of Albany



TO: ALBANY PLANNING & ZONING COMMISSION

FROM: BARRY MILLER, GENERAL PLAN CONSULTANT

SUBJECT: PUBLIC HEARING ON 2015-2023 HOUSING ELEMENT

DATE: JANUARY 7, 2015

REQUEST

The Planning and Zoning Commission will conduct a public hearing to consider the Draft 2015-2023 Albany Housing Element and accompanying environmental review document. The Commission is requested to make a recommendation on the Element and environmental review document to the Albany City Council. Two resolutions have been included for Commission consideration.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the two resolutions (labelled Attachments 1 and 2) and forward the Housing Element and Initial Study/Mitigated Negative Declaration (IS/MND) to the City Council for adoption. The item is tentatively scheduled for City Council action on February 2, 2015.

SITE LOCATION

The General Plan applies to all property in the City of Albany.

BACKGROUND

The Housing Element is one of the seven mandated elements of the Albany General Plan. It includes goals, policies, and action programs to conserve existing housing, produce new housing, provide housing for persons with special needs, and ensure equal access to housing by all residents. The contents of the Element are set by State law, and include a needs assessment, a sites inventory, an evaluation of constraints, and an evaluation of progress on implementing the previous Element. The Housing Element is the only part of the General Plan subject to review and certification by a state agency. Cities and counties must periodically submit their Elements to the State

Department of Housing and Community Development (HCD) for a compliance determination.

The Draft Housing Element updates the 2007-2014 Albany Housing Element, which was adopted by the City Council on March 3, 2014 and certified by the state on June 3, 2014. Because the existing Element is still very recent, much of the background data has been carried forward and many of the policies are the same. The focus of the update is on actions to be implemented during 2015-2023 and an evaluation of recent achievements.

One of the requirements for the Housing Element is that it shows that Albany is able to meet its “fair share” of the region’s housing need for the next eight years. The “fair share” is calculated by the Association of Bay Area Governments (ABAG) through a process called the Regional Housing Needs Allocation (RHNA). A RHNA assignment is given to each Bay Area city and county using a formula that considers population size, land area, vacant land, employment growth, proximity to public transit, environmental constraints, and similar factors. During the last planning period (2007-2014), the RHNA for Albany was 276 units. During the upcoming planning period (2015-2023), the RHNA is 335 units. The assignment has increased by 21 percent, in part to support California’s efforts to reduce greenhouse gas emissions by concentrating growth in the core of the state’s metropolitan areas.

The RHNA is further broken down into four income categories. Albany’s assignment includes 145 above moderate income units, 57 moderate income units, 53 low income units, and 80 very low income units. Through its Housing Element, the City must show that it has a sufficient amount of land zoned to accommodate this assignment. State law does not require cities to build the housing—however, it does require that the City adopt zoning regulations, permitting procedures, and other programs which facilitate housing construction for each income group by the private and non-profit sectors.

The Draft Housing Element indicates that the City has capacity for at least 448 housing units, which exceeds the RHNA by 34 percent. This includes 175 units in the approved senior housing development at UC Village and another 273 units on scattered vacant and underutilized sites within the City. Most of these sites are located along San Pablo Avenue, with a few along Solano Avenue and in the R-3 zoning district. 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 enables housing to be built, and that economic conditions are favorable for the site’s reuse.

HOUSING ELEMENT PROCESS

Albany adopted its previous (2007-2014) Housing Element in March 2014 and received State certification of that document on June 3, 2014. Thus, the 2015-2023 Housing Element update was carried out as a continuation of the 2007-2014 update process. Because the 2007-2014 Element is recent, much of that document was carried forward. Programs were updated to reflect the longer time horizon, the higher Regional Housing Needs Allocation, and additional community input. Key opportunities for community

input included a Town Meeting on July 22, 2014 an Affordable Housing Symposium on September 30, 2014 an exhibit booth at the Solano Stroll, five Planning and Zoning Commission study sessions, and a City Council Study Session.

The State has created a two-step process for Housing Element certification. The first step is to submit a "working draft" of the Housing Element to HCD for administrative review. HCD provides feedback on the working draft, and the City has an opportunity to make edits in response. The second step is to adopt the Element, inclusive of these edits, and then resubmit it to HCD for their final determination.

In Albany's case, the City submitted its "Working Draft" on October 22, 2014. The State provided comments on November 13, and the City issued an Addendum on November 19. On December 1, the State issued a letter indicating the City's Draft Element (inclusive of the Addendum) would be found in compliance. The City is now proceeding with adoption. A study session was held on December 10 to review the state comments and take additional public comment. Extensive comment was provided by members of the Diverse Housing Working Group, a housing advocacy group comprised of Albany residents. At the conclusion of the Study Session, the Commission directed staff to make appropriate changes to the document to respond to the public comments.

OVERVIEW OF DOCUMENT

The Housing Element is organized into six chapters, summarized below.

- The first chapter (Introduction) describes the requirements for the Housing Element and the process used to develop the document.
- The second chapter (Review of Previous Housing Element) corresponds to a state requirement to evaluate the effectiveness of the previous Housing Element and identify the steps needed to address any deficiencies. This chapter includes a series of tables that describe the progress that has been made in carrying out the previous (2007-2014) Element.
- The third chapter (Needs Assessment) includes an analysis of demographics, income, affordability, employment, special housing needs, housing stock characteristics, and energy conservation. This information is used to assess current and anticipated housing needs in the city.
- The fourth chapter (Analysis of Housing Sites) describes the inventory of sites in Albany that could potentially support new housing during the planning period. It also includes an assessment of the potential for second units in the city. This chapter demonstrates the City's ability to accommodate Albany's "fair share" of the region's housing needs for 2014-2022, which is defined by ABAG as being 335 units.
- The fifth chapter (Analysis of Constraints to Housing Production) identifies possible governmental and non-governmental constraints to housing development in the city. Among the governmental constraints analyzed are the zoning ordinance,

standards for special housing types, design review requirements, building code and permit processing requirements, local fees, and site improvement requirements. The non-governmental constraints that are analyzed include infrastructure, environmental hazards, land and construction costs, financing, and public opinion.

- The sixth chapter (Housing Goals, Policies, and Actions) presents the City's official housing policies along with a series of measurable targets for 2015-2023.

Policies and actions are organized under five broad goals which address: (1) conservation of existing housing; (2) production of new housing; (3) special needs housing; (4) reducing housing constraints; and (5) equal access and enforcement of fair housing laws. A summary of the policies and action programs under each goal is provided below.

Conservation of Existing Housing

The first goal recognizes Albany's diverse mix of housing units, ranging from single family homes to high-rise apartments. The policies strive to maintain the affordability of this housing stock in the future, particularly for existing lower income renters. Policies also support continued investment in the city's housing to maintain its physical condition and reduce home energy costs.

Production of New Housing

This goal recognizes opportunities for new construction, and encourages the City to add housing in the future to meet local demand and regional growth. The emphasis is on providing more affordable housing opportunities and greater housing diversity. Innovative housing types such as live-work units, cooperatives, shared housing, second units, and manufactured homes are supported. The actions under this goal promote public acceptance and awareness of the benefits of affordable housing, and incentives to build such housing in the future.

Special Housing Needs

The third goal recognizes that certain subsets of the population have special housing needs that are difficult to meet by the private market alone. These populations include seniors, persons with disabilities, persons experiencing homelessness, and extremely low income households. Programs in this section support housing that meets the needs of these particular groups, such as emergency shelter, senior housing, and transitional and supportive housing. The programs also support home sharing, and other initiatives which ensure that all persons have access to stable housing.

Reducing Housing Constraints

This goal recognizes the obstacles to building housing in Albany, including the lack of large developable sites, the high cost of land and construction, the cost of fees and infrastructure, and various zoning requirements such as parking standards. The programs

explore possible changes to zoning to make it easier and more cost-effective to build housing in the future.

Fair Housing

The final goal relates to the enforcement of state and federal housing discrimination laws, as well as actions to reach non-English speaking household, and steps to prevent the displacement of lower income households due to demolition and rising rents. Programs in this section support landlord-tenant mediation services, the removal of impediments to fair housing, and the consideration of rent review programs to reduce displacement.

MODIFICATIONS TO HOUSING ELEMENT SINCE OCTOBER 2014

Changes in Response to HCD Comments

HCD's comments on the October Draft were minor and administrative in nature. The City's proposed edits to the document in response to these comments were issued on November 19 (see Attachment 3 to this staff report). The key changes were:

- The "Evaluation of the Prior Housing Element" (Programs 2.A, 2.D, 4.A, and 4.E) was updated to reflect the approval of the zoning text changes considered by the Planning and Zoning Commission in October and approved by the City Council in November.
- The text for Program 4.D was updated to reflect the fact that the City has not yet amended the SPC zoning regulations to allow ground floor residential uses (with a use permit) on San Pablo Avenue. This is "carried forward" as an action for 2015-2023.
- New Policy 5.7 (to avoid displacement of tenants) has been clarified to note that its primary focus is on indirect displacement (due to rising rents) rather than direct displacement (due to demolition).
- A definition of "affordable housing" has been added to the first page of Chapter 6
- New Program 1.G (shared housing) has been edited to provide a more affirmative statement of support for this housing type, and clarify the distinction between shared homes and homes with interior second units.
- New Program 2.B (nexus study) was expanded to indicate the City will take appropriate action following the completion of the study
- New Program 2.D (Affordable Housing Incentive Program) was clarified to note that this program will in no way conflict with the state density bonus program.

After reviewing the proposed November 19 Addendum, HCD indicated that the changes were acceptable. They issued a decision letter on December 1, 2014 stating that the City would remain in compliance with State Housing Element law upon adoption of the new Housing Element (see Attachment 4).

Changes in Response to Additional Public Comment

As the Commission is aware, a group of concerned Albany residents and housing advocates have organized the “Diverse Housing Working Group” (DHWG) to discuss housing-related issues. The DHWG convened three public meetings in November focusing on Housing Element proposals. On December 9, the City received a comment letter from Alexa Hauser on behalf of the DHWG. Several other letters were received expressing support for the positions in the letter. A comment letter from Loni Gray also was received.

At the Planning and Zoning Commission meeting of December 10, 2014 the DHWG was given an opportunity to review its recommendations with the Planning and Zoning Commission and provide additional testimony on the October Draft. The Commission provided feedback on the 21 points in Ms. Hauser’s letter, including the 16 points agreed upon by the DHWG and five additional points that had been discussed by the Committee. Testimony from seven other speakers was also received at the Commission meeting.

Addendum 2 (Attachment 5) identifies the changes proposed in response to the public comment and Commission direction. The changes are summarized below.

DHWG Changes Made as Suggested

- Policy 2.11 was edited to add community land trusts (and also to define Community Land Trusts) *(DHWG Comment 1)*
- References to “the homeless” and “homeless residents” have been changed throughout the document to use the more positive language requested (persons experiencing homelessness) *(DHWG Comment 6)*
- Program 4.G has been revised to add an evaluation of the effectiveness of housing incentives every four years. *(DHWG Comment 11)*
- Policy 5.6 has been modified to encourage local organizations to help implement housing programs *(DHWG Comment 12)*
- Program 5.A has been modified to make fair housing materials available to local organizations for distribution to their members *(DHWG Comment 15)*
- Program 2.E has been modified to indicate City support for the development of an information “toolkit” by local housing advocates describing how Albany residents and businesses can help address homelessness *(DHWG Comment A)*
- Program 4.D has been edited to specifically note opportunities for extremely low, very low, and low income housing in Mixed Use areas. *(DHWG Comment B)*

DHWG Changes Made with Modifications

- A request was made to expedite the Affordable Housing Impact Fee nexus study (Program 2.B) to 2015 instead of 2016. Due to resource limitations and competing priorities, it is unlikely this study can be initiated in 2015. The City’s focus in 2015 is on completion of the General Plan and parking study (both underway) as well as several “carry-over” tasks from the 2007-2014 Housing Element (SPC zoning text changes, etc.). In recognition of the request, the text commits to starting the nexus

study process in 2015 by developing a work plan and funding plan. (DHWG Comment 2)

- A request was made to create a new City Committee to do marketing and public relations around the issue of development opportunities and affordable housing programs (Program 2.E). There are limited City staff resources to support such a Committee, so this action has been stated in a more general way. The Program has been edited to incorporate the spirit of the DHWG comment and the language put forward. It recognizes the potential for future committees and working groups to contribute to public information and outreach efforts without proposing an “official” new City Committee. (DHWG Comment 3)
- A request was made to add a new Program (2.M) to explore the use of the Pierce/Cleveland Street parcel as a housing site or a drop-in center for persons experiencing homelessness. Rather than adding such a program, the City has added text to Page 4-34 (the analysis of Housing Sites) which acknowledges the presence of this property and the need for further community dialogue regarding its potential use for housing. The October Draft had not acknowledged this possibility, so this change is a step toward the action requested. (DHWG Comment 4)
- A request was made to modify Program 3.G (EveryOne Home) to endorse the “Housing First” approach and to add a rent subsidy strategy. The Program has been edited to acknowledge the “Housing First” approach as requested, but it does not include a long-term commitment to a local rent subsidy. This could be explored in the future, but would have substantial fiscal impacts and require further evaluation depending on budget capacity. (DHWG Comment 5).
- A request was made to add a new Program to create a home sharing network. Rather than creating a new program, the existing Program 3.C has been expanded to incorporate the same proposal. Program 3.C supports room rentals and shared housing. New narrative has been added to acknowledge the HIP housing model and the potential for such a program to operate in Albany. (DHWG Comment 7)
- A request was made to add a new Program to encourage community groups and/or businesses to establish a homeless drop in center. Rather than adding a new program, the narrative for Program 3.H was expanded. This Program already calls for exploration of a drop-in center. The language has been expanded to incorporate ideas in the DHWG comment and define the City’s role. (DHWG Comment 8)
- A request was made to revise Policy 4.7 to add “mobile homes” and “live-work.” The Addendum instead added the terms “modular and pre-fabricated homes.” Housing Element Policy 2.6 already supports mobile homes and Policy 2.9 encourages live-work. (DHWG Comment 9)
- A request was made to revise Action 4.B (on second units) to add “mobile homes.” The revised text instead uses the language “manufactured, modular, and pre-fabricated dwellings” (DHWG Comment 10)

- A request was made to add a mid-year report on Housing Element implementation, in addition to the already-required annual report. Text has been added to page 6-40 describing the annual reporting process and committing to do mid-year reports for the next two years. Beyond 2016, the effectiveness of the mid-year report will be evaluated and a decision will be made to either continue or discontinue the process. (*DHWG Comment 16*)
- A request was made to do fair housing training (Program 5.E) on an annual basis. This was added to the Program 5.E language, with the additional words "if feasible" (*DHWG Comment D*)
- Program 3.I (Boomerang Funds) was edited to note that the funds could also be used as incentives (loans, grants, fee waivers) for individual households to undertake projects to meet affordable housing goals. (*Loni Gray letter*)

DHWG-Requested Changes Not Made

- A request was made to change the wording of the new policy on displacement (Policy 5.7) to say "Approach development with an anti-displacement orientation." This change was not made, as it is less clear than the current language could be interpreted as narrowing the focus only to development-related displacement. The intent of this policy is broader, with its primary focus on indirect displacement. It should be noted that this policy was also modified in response to HCD's comments in Addendum 1. (*DHWG Comment 13*)
- A request was made to add a new Program (5.E) which would require developers to mitigate any losses of housing resulting from their projects. The Planning and Zoning Commission did not support this recommendation. HCD would potentially object to it as well, as it could discourage development and represent a constraint (or increased cost) for market-rate housing. (*DHWG Comment 14*)
- A request was made to add a "Just Cause for Eviction Ordinance." The Commission had reservations about this action, and several members of the public concurred further study was needed. (*DHWG Comment C*)
- A request was made to change the proposal to study the feasibility of a "Rent Review Board" to instead consider a "Rent Stabilization" Board. This was not endorsed by the Planning and Zoning Commission. (*DHWG Comment E*)

ENVIRONMENTAL REVIEW

Because the Housing Element is considered a "project" under CEQA, an Initial Study was prepared to evaluate its potential impacts on the environment. The analysis considers the potential effects of adopting Housing Element policies and programs, and any mitigation measures that may be necessary to reduce potentially significant impacts. This potential is substantially reduced by the fact that no rezoning is proposed through the document. In addition, any development projects that may be proposed in the future would be subject to their own environmental review processes and studies.

A number of potentially significant impacts are identified, and mitigation measures are prescribed. These impacts include construction-related air emissions such as dust, air

quality issues due to the proximity of some sites to major roadways, seismically-related dam safety issues associated with a water tank in the Kensington area, and the proximity of one site to the 100-year flood plain of Codornices Creek. Mitigation measures are prescribed to ensure that these impacts will be less than significant.

The Initial Study was circulated to agencies, cities, and interested parties. The comment period will close on December 30, 2014. Any comments will be communicated to the Planning and Zoning Commission at their January hearing.

NEXT STEPS

A resolution recommending Council adoption of the Housing Element is attached to this staff report. As noted above, the Commission's recommendation will be forwarded to the City Council, which is scheduled to consider the Housing Element on February 2, 2014. The Council will also consider the IS/MND at that time. If the Council adopts the Element, it will be forwarded to HCD for certification. HCD has 90 days to issue their compliance letter.

Attachments

1. Resolution 2015-01 recommending City Council adoption of the Initial Study and Mitigated Negative Declaration (IS/MND) on the 2015-2023 Housing Element Update with Exhibit A the full text of the IS/MND
2. Resolution 2015-02 recommending City Council adoption of the 2015-2023 Housing Element Update with Exhibit A the full version of the Adoption Draft 2015-2023
3. November 19 Housing Element Addendum submitted to HCD
4. "Pre-Compliance" Letter from California Department of Housing and Community Development
5. December 17 Housing Element Second Addendum