

**REPORT TO MAYOR AND CITY COUNCIL AND
PLANNING COMMISSION**

**TO THE HONORABLE MAYOR AND CITY COUNCIL
AND CHAIR AND MEMBERS OF THE PLANNING COMMISSION:**

DATE: February 2, 2009

**SUBJECT: HOUSING ELEMENT STUDY SESSION ON PROPOSED GOALS, POLICIES,
PROGRAMS AND HOUSING SITE INVENTORY**

Report in Brief

The City Council and the Planning Commission are convening a joint Study Session to review proposed goals, policies and programs and housing site inventory for the Housing Element update. The *Proposed Policies and Programs* paper (Attachment A) provides the policy framework for the Council's and Commission's review and discussion of proposed Housing Element goals, policies, programs and housing site inventory. The *Proposed Policies and Programs* paper incorporates existing goals, policies and programs to be carried forward and presents specific recommendations for new goals, policies and programs, based on an analysis of the prior Housing Element, review of latest State and Federal requirements, and community outreach conducted in September 2008.

Staff recommends that the Council and Commission consider the staff report and supporting documents, the staff and consultant's presentations, and take public comment. It is further requested that the Council and Commission provide policy direction on the proposed Housing Element goals, policies, programs, and housing site inventory. Based on the Council's and Commission's direction, staff and the consultant will further refine the goals, policies, and programs and housing site inventory and prepare a Draft Housing Element. The Draft Housing Element will then be submitted for the State Department of Housing and Community Development's (HCD's) first review. HCD has 60 days to report their preliminary findings and comments on the draft Housing Element. The City will respond to HCD's preliminary findings and comments by incorporating revisions into a final Housing Element. The Council and Commission will review and consider the final Housing Element for adoption. The adopted Housing Element will be submitted to HCD for a second review. HCD then has a 90-day response period to determine if the final Housing Element substantially complies with State law.

Background

On June 9, 2008, the City Council and the Planning Commission convened a joint Study Session to review the Housing Element update project. The Council and Commission discussed tasks accomplished to date, including the March 2008 Housing Element Surveys conducted by Godbe Research, *Housing Needs and Constraints Working Paper*, and *General Plan Housing Development Potential: A Preliminary Assessment Working Paper*. The *Housing Needs and Constraints Working Paper* provided background information on demographics and housing characteristics, needs and constraints, and opportunities for energy conservation.

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The *General Plan Housing Development Potential: A Preliminary Assessment* Working Paper assessed the availability of housing sites to accommodated development in Concord for the 2007-2014 Housing Element Planning period.

In September 2008, the City conducted community outreach that included a Community Workshop with Concord residents and a Focus Group meeting with housing developers and providers, and special interest groups. The *Community Workshop and Focus Group Summary* Report (Attachment B) provides a detailed summary of both the Community Workshop and the Focus Group meeting. The Community Workshop was held on September 27, 2008 at the Concord Senior Center. The purpose of the Workshop was to engage Concord residents in the public participation process and collect their input on housing issues. The Workshop was attended by ten Concord residents that included Councilmember Guy Bjerke and Planning Commission Chair Kevin Costa.

The Focus Group meeting was held on September 29, 2008 with housing developers and providers, and special interest groups to discuss possible strategies and approaches to meeting housing challenges in Concord. The Focus Group meeting was attended by seven individuals consisting of representatives from the East Bay Housing Organization, International Brotherhood of Electrical Workers L.U. 302, Public Advocates, Shelter Inc., Eden Housing, and the Monument Community Partnership.

Discussion

The City's Housing Element consultant, Dyett & Bhatia, has prepared a *Community Workshop and Focus Group Summary* Report and a *Proposed Policies and Programs* Paper. These documents will provide the policy framework for the Council's and Commission's review and discussion of proposed Housing Element goals, policies, programs, and housing site inventory. The following section provides a brief summary of these two documents.

Workshop and Focus Group Meeting Summary Report

The *Community Workshop and Focus Group Meeting Summary* Report provides a summary of the Community Workshop and the Focus Group meeting. The Report summarizes public comments and feedback to guide Council and Commission decision making on goals, policies and programs for the Housing Element update.

Community Workshop

The purpose of the September 27 Community Workshop was to gather information on the community's housing needs and issues. The City's outreach effort to invite the public to attend the Workshop included a special feature article in City's Annual Report describing the Housing Element update project and announcing the Workshop event; advertisements in the Contra Costa Times and Concord Transcript newspapers; an invitation flyer circulated to over 750 Concord residents; a public service announcement that was aired approximately 160 times on the City's cable station; and information distributed to several of the local elementary school parent clubs. In addition, the Workshop materials were translated into Spanish and invitations were distributed to various public services agencies and church organizations.

The Workshop provided an opportunity for Concord residents and other interested parties to give input on the Housing Element update project. The Workshop was designed as an "open house" with three major components: information stations, a panel discussion, and a small group activity and discussion. The information

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stations provided information on the City's existing housing programs, recently approved residential projects, the process for obtaining residential construction permits, and code enforcement programs. The panel discussion included presentations about new trends in residential design and development by Carl Campos, from Loving & Campos Architects, and Curtis Caton, from Pyatok Architects. And lastly, the small group activities included a game quiz regarding housing design and a survey to collect participant opinions regarding housing. The Workshop concluded with a small group discussion for participants to provide input on the issues and priorities for the Housing Element update project. The following is a summary of the feedback received from the Workshop participants on the small group discussion questions:

Question 1: What do you like most about living in Concord?

Workshop participants provided a variety of answers when asked about what they like most about living in Concord. Their comments ranged from Concord's safety to its beautiful weather. The most cited reason was the City's convenience and accessibility to services. The participants' words used to describe what they liked about Concord were "diversity," "lack of congestion," "good civic leadership," "good combination of small town and big city," and "good place to raise kids."

Question 2: What type of "affordable housing" do you see that Concord has a need for (i.e. senior, family, special needs, etc.)?

Workshop participants cited the need for more affordable housing for seniors and young adults. Many in the group expressed concerns that both seniors and young adults may not be able to afford detached single-family homes. The participants highlighted the need for housing options such as condominiums near transit or the center of town. Also, participants believed that the City should provide assistance to people in the community to purchase homes through programs such as the City's 'first time home buyer program.'

Question 3: What is your preference for type of housing that you would like to live in (i.e., single family detached, townhomes, apartments, etc.)?

Workshop participants were split on the type of housing they prefer to live in. About half the group expressed a preference for single-family housing, while the other half expressed the desire for a variety of housing types, including mixed-use and condominiums. Those that like the idea of mixed-use stressed the importance of placing mixed-use in practical and economically viable locations.

Question 4: What are the most important housing issues facing Concord in the next 10 years?

Workshop participants indicated that the most important issue facing Concord in the next 10 years was affordability. Most of the participants were concerned about the cost of housing, especially as the population gets older. A few participants raised the issue of transit and the need for convenient access to other places, such as the BART station and Downtown.

Focus Group Meeting

The purpose of the September 29 Focus Group meeting was to provide housing developers and providers, and special interest groups an opportunity to learn more about the City's Housing Element update. Also, the Focus Group meeting provided an opportunity for interested parties to give input on the Housing Element update.

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Participants responded to some specific questions that related to housing needs, housing affordability and programs the City offers. The participants provided input on Concord's housing needs including identifying ways the City could best respond to those needs and establishing priorities for the Housing Element update. The following is a summary of the feedback received from the Focus Group participants on the small group discussion questions:

Question 1: What are the critical housing needs?

The Focus Group participants were interested in affordable housing and housing for the homeless. The participants indicated that the goals and progress of the last Housing Element were not as good for the very low and low income residents. Also, the participants asked the City to be "forward looking" and embrace light-rail, electric vehicles, and other transit options.

Question 2: How can the City best respond to these needs?

The Focus Group participants suggested that the City could respond to critical housing needs by encouraging transit-oriented development (TOD) with mixed income housing to address the needs of working households. Having housing in close proximity to transit and services helps non-profit housing providers secure financing.

Question 3: What should the priorities be for this Housing Element update?

The Focus Group participants suggested that special needs housing should be a priority, especially large/extended families and over crowded households. The participants also suggested that the City be more aggressive in pursuing private-public partnerships.

Proposed Policies and Programs Paper

The *Proposed Policies and Programs Paper* is organized to correspond with the legislative requirements of the Housing Element that includes Housing Goals, Policies, Programs and Quantified Objectives; Review of Achievements of the Previous Housing Element; and Site Inventory Analysis. The Paper organizes information as it relates to the City's current housing programs, including needs that are being addressed effectively and those that are unmet, and proposed goals, policies, and programs. The following section provides a brief summary of the items being covered in the Report.

Housing Goals, Policies, Programs and Quantified Objectives

The 'Housing Goals, Policies, Programs and Quantified Objectives' section provides recommended goals, policies and programs for the Housing Element update. The information is generally organized to relate to the City's current housing programs, including new program initiatives that the City may want to consider. This section identifies new housing programs to meet the housing needs for the City based on feedback from the Community Workshop, Focus Group meeting, and the assessment of current programs. The current Housing Element has also been reviewed to confirm which policies and programs have been completed, which ones have been working well and should be carried forward in the new Housing Element, and which ones need to be refined or eliminated.

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The Housing Element update proposes to add one goal, three policies, and 11 programs that were not included in the previous Housing Element. The intent of the new goal, policies and programs is to better facilitate the creation and retention of housing for lower income households and households with special needs, as well as promote energy conservation in the City. The total number of programs is 67, three less than the previous Housing Element. The existing policies and programs being incorporated into Housing Element update are consistent with the community vision established in the *Concord 2030 Urban Area General Plan*. Attachment C provides a description of the new goals, policies and programs being added, and the goals, policies and programs of the 1999-2006 Housing Element that are either being deleted or amended.

Review of Achievements of the Previous Housing Element

The Housing Element update process requires the evaluation and review of the previous Housing Element according to the criteria of State of California Government Code Section 65588 (a) and (b). The evaluation process requires the following three criteria:

- “*Effectiveness of the Element*” (Section 65588 (a)(2)): This criterion prescribes a review of the actual results of the previous Element’s goals, objectives, policies and programs.
- “*Progress in Implementation*” (Section 65588 (a)(3)): This criterion requires an analysis of the significant difference between what was projected or planned in the previous Element and what was achieved.
- “*Appropriateness of Goal, Objectives and Policies*” (Section 65888 (a)(1)): This criterion describes how the goals, objectives, policies and programs of the updated Element incorporate what has been learned from the result of the previous Element.

The ‘Review of Achievements of the Previous Housing Element’ section provides in greater detail the accomplishment of City housing policies and supporting programs during the previous housing period. It includes in quantitative terms, the amount by which the City was able to meet previous Regional Housing Needs Allocation goals (RHNA) and other City objectives. The following section provides a summary of Concord’s progress in meeting the RHNA and a few highlights of Concord’s housing accomplishments during the 1999-2006 Housing Element Planning Period:

Concord’s Progress in Meeting Regional Housing Needs for the Housing Element Planning Period

As shown in **Table 1**, the City has already built, approved or rehabilitated 2,578.25 housing units (2,501 have been approved or built and 309 units have been rehabilitated for which HCD only grants a “new unit” credit of 77.25¹). This was 259 units *above* the City’s total Regional Housing Needs Allocation (RHNA). However, while Concord met its RHNA overall, it did not meet its very low-, low-, and moderate-income unit targets. HCD does not count the excess units produced in the above-moderate income category towards meeting the need in the lower income categories.

¹ The City rehabilitated a total of 309 units affordable to very-low, low- and moderate-income households. However, HCD allows a limited credit toward counting acquisition and rehabilitation projects. The State allows a 1:4 ratio only if the rehabilitated units were in severely deteriorated condition at the time of acquisition. Therefore, the City only counts 77.25 units of rehabilitated units for this program.

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Table 1. Housing Units Produced in Concord, 1999-2006

<i>Income Category</i>	<i>Regional Housing Needs Allocation</i>	<i>Total Units Produced¹</i>	<i>Remaining Need</i>
Very Low Income	453	171.25	281.75
Low Income	273	115	158
Moderate Income	606	76	530
Above Moderate Income	987	2,216	0
Total	2,319	2,578.25	969.75

¹*Includes rehabilitated units counted per HCD's formula at a 0.25 equivalent.*

Highlight's of Concord's Housing Accomplishments

Below is a list of the City's significant achievements in improving the quality and standards of housing in Concord during the 1999-2006 Housing Element planning period:

- *Inclusionary Housing* – The City adopted an Inclusionary Housing Ordinance in September, 2004 which has facilitated 12 Inclusionary Housing units.
- *Second Units* – 22 second units have been developed from 2002-2006.
- *Multi-Family Housing* – The City facilitated or provided financial incentives to 788 multi-family housing units.
- *Market rate housing in Downtown* – The City approved 693 units of market rate projects in Downtown.
- *Rehabilitation of old units* – The City facilitated the rehabilitation of a total of 309 housing units affordable to very-low, low- and moderate-income households.
- *Rehabilitation of large units* – The City provided loans to rehabilitate Lakeside Apartments, an affordable housing complex (13 three-bedroom units).

Site Inventory Analysis

The 'Site Inventory Analysis' section of the *Proposed Policies and Programs* Paper identifies potential housing sites on vacant and underutilized parcels, and assesses the amount of housing units that can be developed on these sites based on the 2030 General Plan land use densities. The site inventory has been developed from information based on the City's GIS system, aerial photographs and site visits. *Appendix A: Concord Housing Sites* in the Paper provides a detailed list of housing sites and *Appendix B: Housing Element Land Inventory Assessment Map* provides the location of these sites.

Table 2 provides a summary of new housing units based on the average expected density and total acreage of the 2030 *Urban Area General Plan* land use categories. A preliminary review of housing sites indicates a potential of **3,664** housing units, which provides sufficient land inventory to meet the City's RHNA of 3,043 housing units. The Housing Element land inventory is based on the assumption that the Zoning Ordinance will implement land use and housing densities adopted in the *Concord 2030 Urban Area General Plan*.

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Table 2: Housing Element Land Inventory Summary

General Plan Land Use Category	Density Range Permitted (units/acre)	Average Expected Density (units/acre)	Total Acres	Total Units
Rural Residential	<2.5	2	24	31
Low Density Residential	2.5 – 10	5	81.5	300
Medium Density Residential	11-32	24	15.9	263
High Density Residential	Up to 100	65	11.6	403
Industrial Mixed Use	n/a	12	20.8	187
Neighborhood Commercial	Up to 24	12	2.5	22
Commercial Mixed Use	Up to 40	36	33.6	813
Downtown Mixed Use	Up to 100	65	35.9	1,612
Downtown Pedestrian District	Up to 100	50	0.9	33
TOTAL			227 acres	3,664 units

Housing Needs by Income Level

In addition to providing a listing of parcels to satisfy the RHNA, the ‘Site Inventory Analysis’ section provides an analysis to demonstrate that the identified sites can accommodate the housing needs by income level. The housing sites for the very low- and low-income households are grouped and analyzed as one category because very-low and low-income housing can be developed in areas where the density is equal or above 30 dwelling units per acre. This assumption is consistent with HCD’s memorandum entitled “Default Densities Appropriate to Accommodate Housing for Lower-Income Households by Region” that specifies the minimum residential densities deemed necessary to accommodate lower-income households.² Parcels of at least 30 du/acre densities are located in the Downtown Mixed Use, Downtown Pedestrian District, and High Density Residential General Plan land use designations.³ These land use categories have the greatest potential to accommodate very low- and low-income housing because they offer the possibility for lower, per unit construction costs when housing is built at higher densities.

Table 3: Concord’s RHNA and Housing Sites by Income Level

Income Level	RHNA Units	Potential Units from Available Sites
Very Low-Income	639	1,858
Low-Income	426	1,219
Moderate-Income	498	587
Above Moderate-Income	1,480	
Total	3,043	3,664

**The 2007 County Area Median Income was \$83,800, as determined by HUD.*

Sources: California Department of Housing and Community Development; ABAG 2007

² “Memorandum: Amendment of State Housing Element Law – AB 2348.” From Cathy E. Creswell, Deputy Director, Division of Housing Policy Development, HCD. June 9, 2005.

³ In addition to the General Plan land use designations stated above, the ‘Commercial Mixed Use’ category also allows up to 40 du/acre. Its average density is expected to be 36, and it is included in the calculation for potential housing units for Moderate-Income Households instead of Very Low- and Low-Income Households. Nonetheless, the potential exists for lower-income housing to be located in the ‘Commercial Mixed Use’ area.

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Table 3 shows a total of 1,858 very low- and low-income units can be built if all identified parcels are fully developed during the planning period. This is greater than the RHNA requirement for 1,065 units. This would allow the City to comply with total RHNA allocations as well as specific RHNA allocations for lower-income groups. According to **Table 3**, housing sites suitable for moderate-income households are sufficient to meet RHNA requirement for that income category. An estimated total of 1,219 units can be produced from available land.

Table 3 also shows only 587 units of above moderate-income units can be produced from parcels located in the Low Density Residential and Rural Residential General Plan land use areas. The remaining above-moderate income units do not have to be developed in areas zoned for Low Density Residential. It is anticipated that the remaining above moderate-income units would be developed in the Medium Density Residential, High Density Residential and Mixed-use zoning districts. Therefore, making it possible to meet the RHNA requirement of 1,480 units.

Next Steps

After the City Council/Planning Commission study session, staff and the consultant will further refine the goals, policies, and programs and housing site inventory for the Draft Housing Element. The Draft Housing Element will incorporate background information from the June 9 *Housing Needs and Constraints* Working Paper (Attachment D) that includes demographics and housing characteristics, housing needs, housing constraints, and opportunities for energy conservation. The Draft Housing Element will then be submitted to the State Department of Housing and Community Development's (HCD's) for their first review HCD has 60 days to report their preliminary findings and comments on the draft Housing Element. The City will respond to HCD's findings and comments by incorporating revisions into a final Housing Element. The Council and Commission will review and consider the final Housing Element for adoption. The adopted Housing Element will then be submitted for HCD's second review, to determine if the Housing Element substantially complies with State law.

Environmental

An Initial Study and Environmental Determination for the Draft Housing Element will be prepared in accordance with the California Environmental Quality Act of 1970, as amended. It will be acted on at the time when the Council and Commission review the final Housing Element for adoption.

Fiscal Impact

On July 24, 2007, the Council approved a consultant agreement with Dyett & Bhatia to update the City's Housing Element for an amount not to exceed \$190,000.

Public Contact

Notice of the Study Session was published in both the *Contra Costa Times* and the *Transcript* and posted. Copies of agendas and reports have been sent to several interested individuals and organizations.

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Alternative Courses of Action

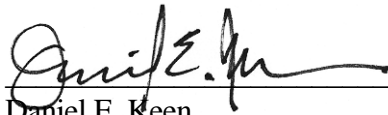
1. Review and provide policy direction on the proposed Housing Element goals, policies, programs, and housing site inventory, supporting materials, listen to public comment, and direct staff and the consultant to the prepare a Draft Housing Element to be submitted to the State Department of Housing and Community Development.
2. Review the proposed Housing Element goals, policies, programs, and housing site inventory, supporting materials, listen to public comment, and request additional time and/or information prior to recommending policy directions for the Draft Housing Element.

Recommendation for Action

Staff recommends the City Council and the Planning Commission review and provide policy direction on the proposed Housing Element goals, policies, programs, and housing site inventory, supporting materials, listen to public comment, and direct staff and the consultant to the prepare a Draft Housing Element to be submitted to the State Department of Housing and Community Development.

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Attachments:

- A: *Proposed Policies and Programs Paper*
- B: *Housing Workshop and Focus Group Summary Report*
- C: *Proposed Housing Element Goals, Policies, and Programs*
- D: *June 9 Housing Needs and Constraints Working Paper*