



CONCORD HOUSING ELEMENT UPDATE 2014-2022

Overview



- **Housing Elements in California and the Bay Area**
- **Housing Element Update Cycle 5**
- **Demographic Trends in Concord**
- **Housing Trends in Concord**
- **Discussion**

What is a Housing Element?

- **California State Law requires that each city & county create a plan to meet projected housing needs**
 - ▣ California HCD identifies the total projected housing need for each region
 - Called Regional Housing Need Allocation (RHNA)
 - ▣ In the Bay Area, ABAG and MTC work with local jurisdictions to distribute the RHNA total between cities and counties
 - ▣ RHNA figures account for projected need among households at all income levels
 - ▣ Each city and county must update its Housing Element to plan for projected need by income level
 - Very low income = 0-50% of AMI
 - Low income = 51-80% of AMI
 - Moderate income = 81-120% of AMI
 - Above moderate = over 120% of AMI

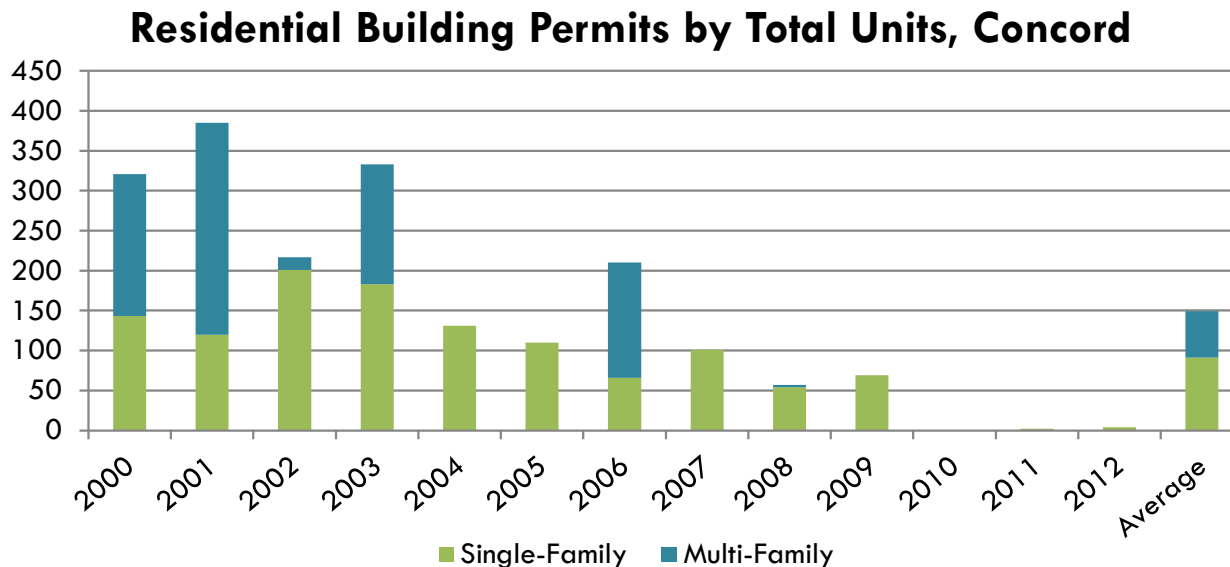
5th Cycle Housing Element Update

- **The 5th Cycle of the Housing Element Update covers the 2014-2022 period**
- **Due to SB 375, which seeks to reduce greenhouse gas emissions from cars and light trucks, the RHNA for the 5th Cycle has an increased emphasis on infill development, particularly near transit**
- **The RHNA for Concord between 2014 and 2022 totals 3,478 units**

Affordability	Number of Units	% of Total
Very low Income	798	22.9%
Low Income	444	12.8%
Moderate Income	559	16.1%
Above Moderate Income	1,677	48.2%
Total	3,478	100.0%

Building Permit Trends

- **On average, Concord issued building permits for 149 residential units per year between 2000 and 2012**
 - ▣ Units permitted in individual years ranged from zero in 2010 to 385 in 2001
- **An average of 435 units per year will need to be permitted in Concord to meet RHNA goals for the 5th Housing Element Update cycle**



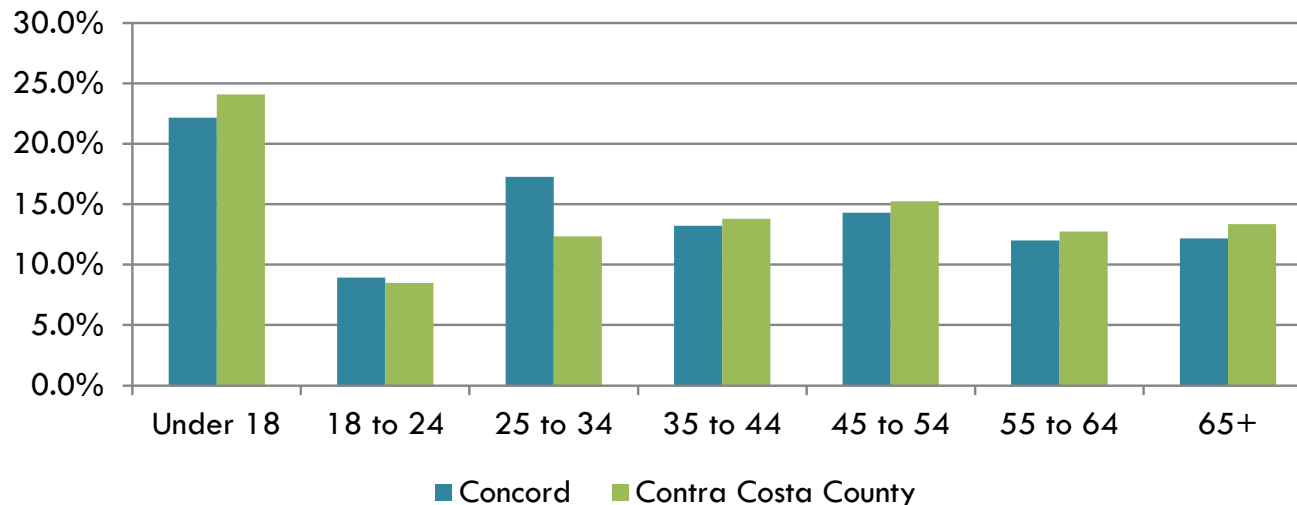
Demographic Trends

- **Concord has approximately 123,800 residents and 44,600 households**
- **Between 2000 and 2012, Concord had limited growth**
 - ▣ Population increased only 2.4%
 - ▣ Households increased only 1.4%
 - ▣ During the same time period, Contra Costa County had a 14% increase in population and an 11% increase in households
- **Household size increased between 2000 and 2012**
 - ▣ In Concord, average size increased from 2.74 to 2.77 people per household
 - ▣ Larger household sizes may be partly due to the effects of the recession

Demographic Trends

- **Concord has a relatively young population, due mostly to large population concentration between the age of 25 and 34 (17% of Concord's population)**
 - ▣ Median age is 36 years in Concord compared to 39 years for County overall

Age Distribution, 2012

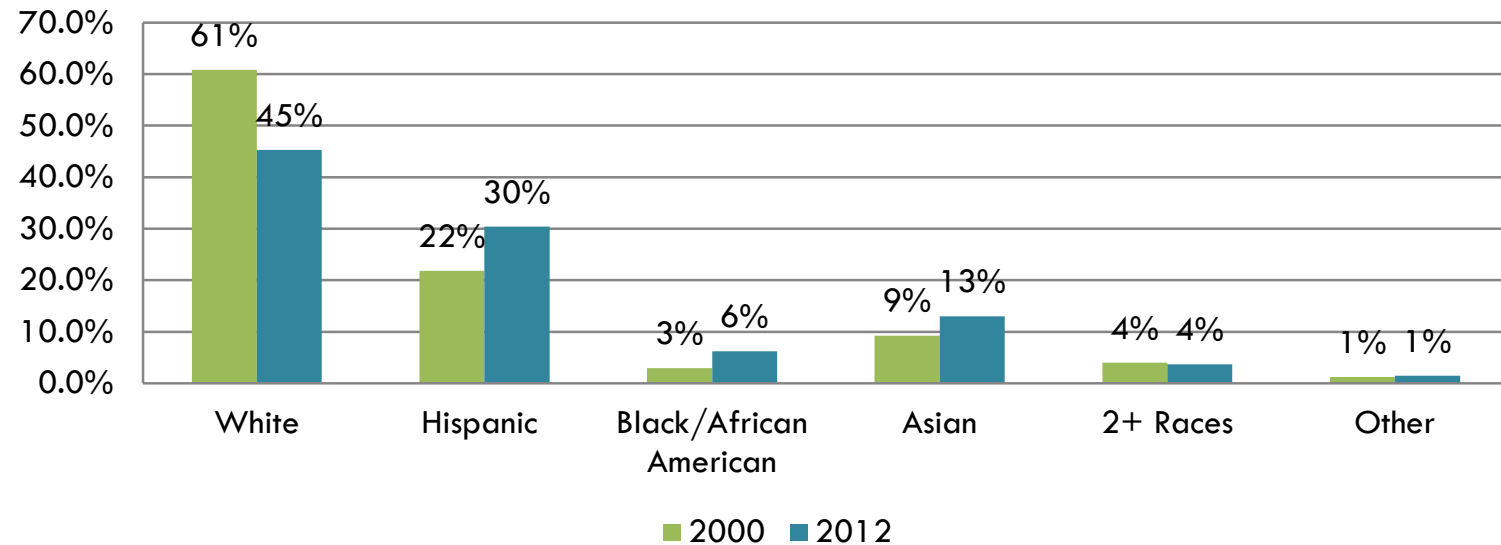


Sources: ACS, 2012; BAE, 2013.

Demographic Trends

- **Concord's population is becoming increasingly diverse**

Race & Ethnicity, Concord

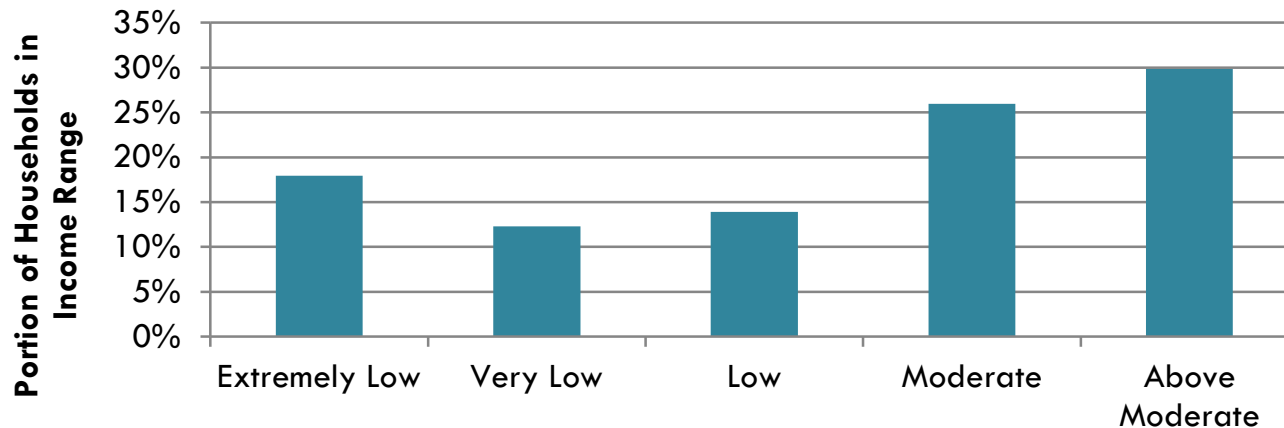


Sources: US Census, 2000; ACS, 2012; BAE, 2013.

Demographic Trends

- **Household incomes slightly lower in Concord, compared to surrounding areas**
 - ▣ Median household income is roughly \$64,000 in Concord compared to \$74,000 Countywide
- **Distribution of income segmented by HCD AMI income limits for 3-person household in 2012:**

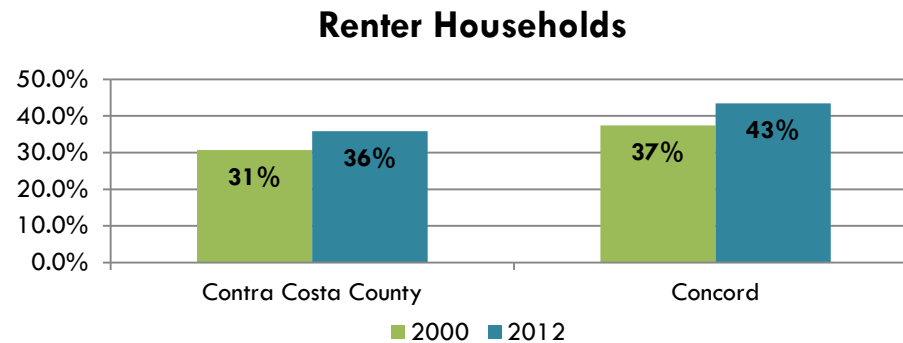
Household Income Distribution, Concord, 2012



Sources: ACS 2012; BAE, 2013.

Housing Trends

- **A significant and growing share of Concord households are renters**

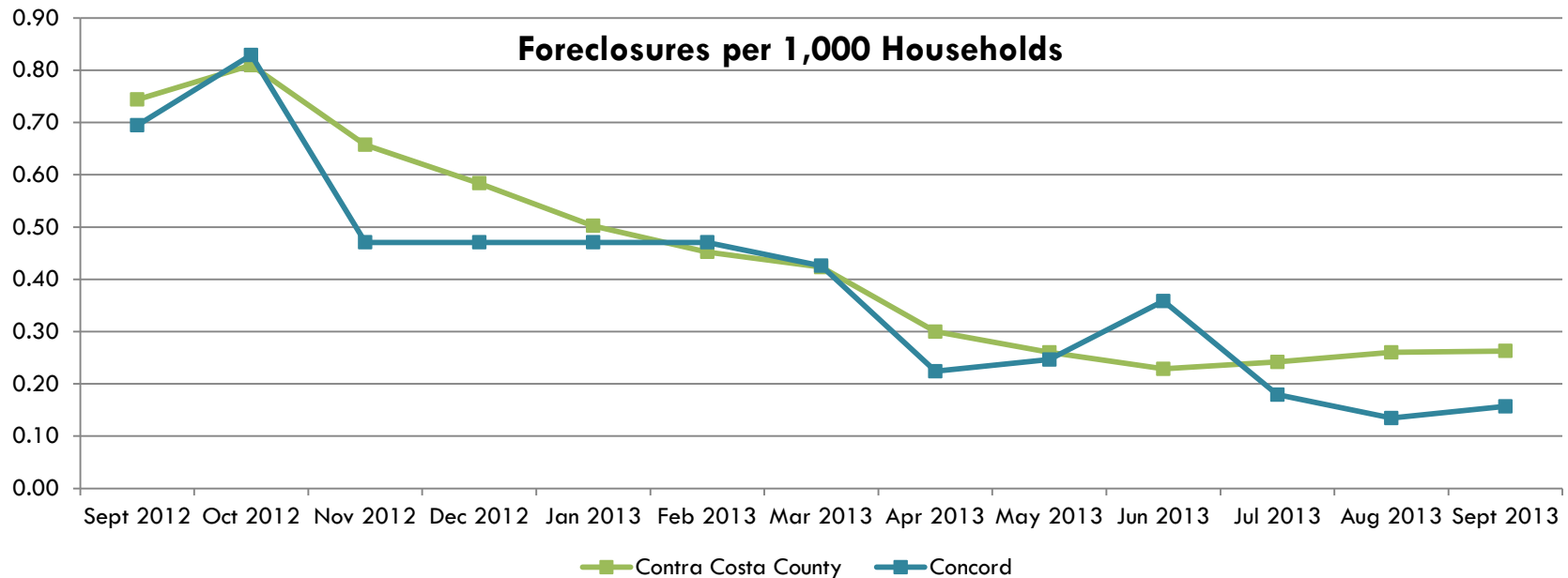


Sources: US Census, 2000; ACS, 2012; BAE, 2013.

- **Most housing units in Concord are single-family homes (65%)**
 - This is a smaller share than in the County overall, where single family homes constitute 74 percent of all housing units
- **Low for-sale and rental vacancy**
 - 1% of for-sale units are vacant (ACS, 2009-2011)
 - 4% of rental units are vacant (RealFacts, Q3 2013)

Housing Trends - Foreclosures

- **Foreclosure rates in Concord are relatively low, and have dropped significantly during the past year**
 - ▣ In September 2013, there were 0.16 home foreclosures per 1,000 households in Concord, a 77% decrease from September 2012

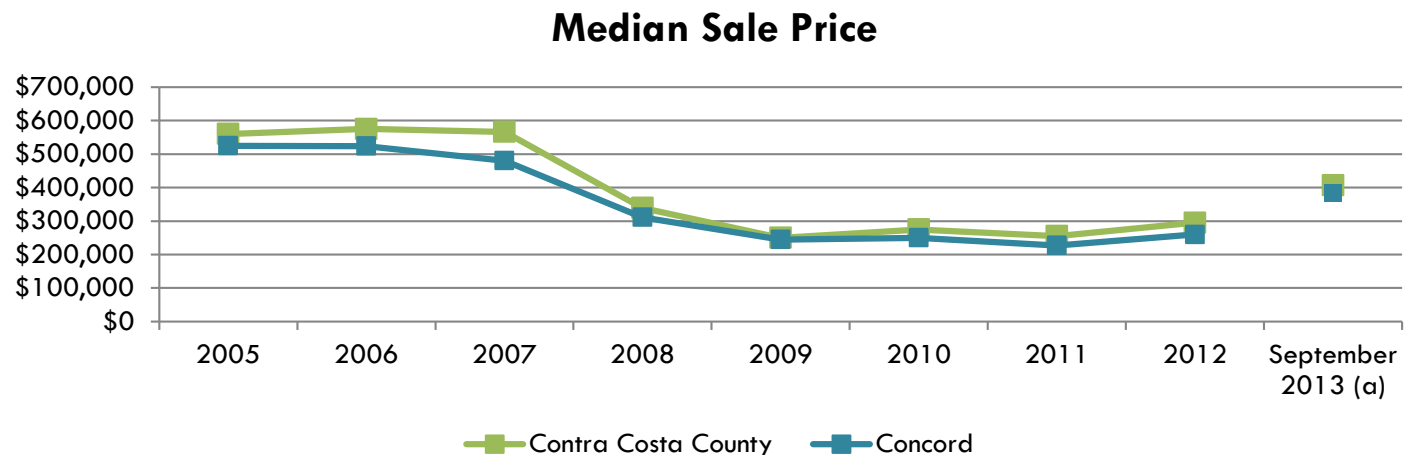


Notes: Foreclosures include the sum of Bank REOs and third party sales.

Sources: PropertyRadar.com 2013, BAE 2013

Housing Trends – Sale Prices

- **Concord home sale prices dropped significantly during the recession**
 - ▣ The median sale price was \$525,000 in 2005, but dropped between 2007 and 2011, with a low of \$227,500 in 2011
 - ▣ Concord median was slightly lower than the County median during this period
- **However, recent data suggest the beginning of a recovery**
 - ▣ Median sale price for Concord was \$385,000 in September 2013



Note:

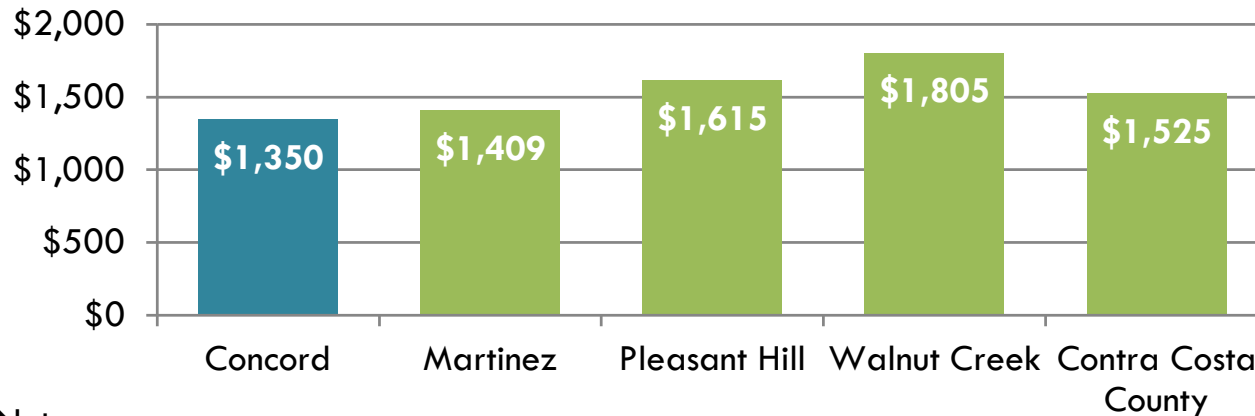
(a) September figures represent data from a single month only and therefore are not directly comparable to annual figures:

Sources: DataQuick News, 2005-2013; BAE, 2013

Housing Trends – Rental Rates

- **Concord has relatively low residential rents compared to neighboring cities**
 - ▣ Concord's comparatively low rental rates are consistent with the City's younger population and lower household incomes

Average Monthly Rent, Q3 2013



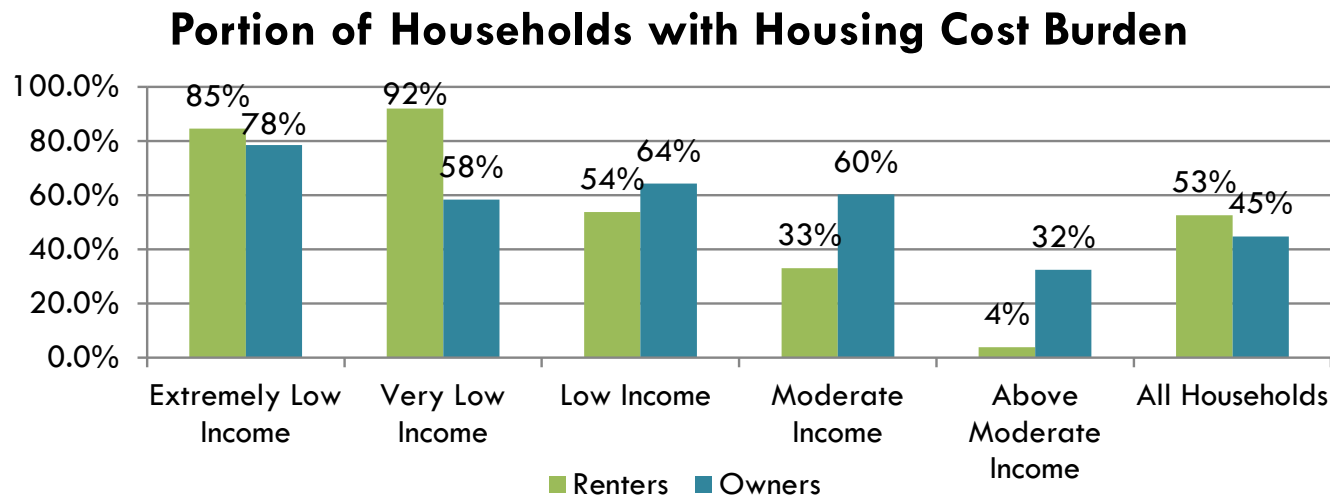
Note:

(a) Data are for apartment complexes with 50 units or more

Source: RealFacts, 2013; Nielsen, 2013; BAE, 2013

Housing Trends – Cost Burden

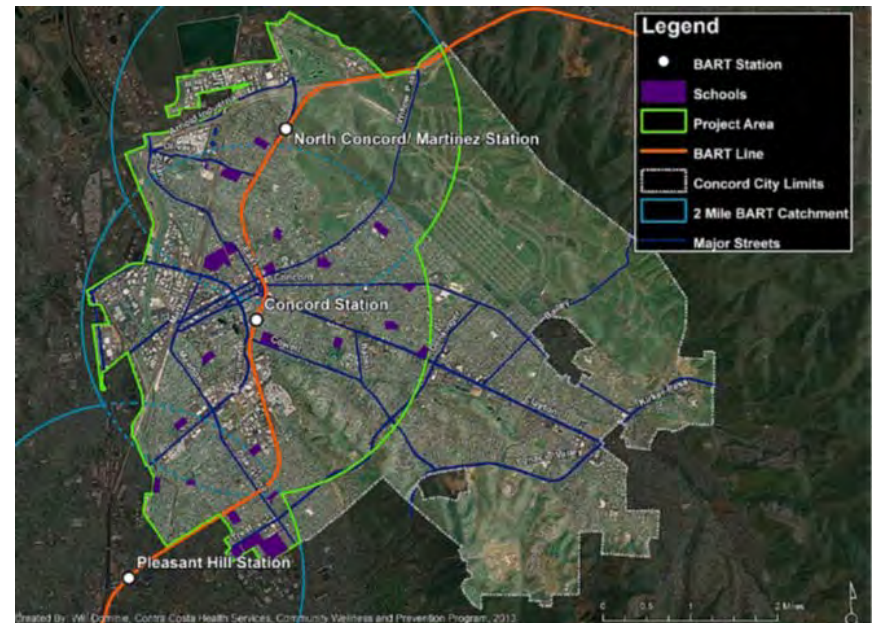
- **Despite moderate housing costs, a large portion of Concord households experience a housing cost burden**
 - ▣ Cost-burdened households spend more than 30% of household income on housing costs
 - ▣ Cost burden is more prevalent among renter households and lower-income households



Sources: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Potential for Residential Growth

- **The City has sites available for housing development, many of which are close to a BART station**
- **The Downtown Specific Plan and plans for the Concord Reuse Area will allow for additional development sites in the City**
 - ▣ The Downtown Specific Plan will be the primary location for new development in the near term
- **Concord's Housing Element Update will further analyze sites available for future residential development**



Downtown Concord Specific Plan

- **Concord is in the process of developing a Specific Plan for the area surrounding the Concord BART station**
- **The Preferred Land Use Strategy plans for 4,020 additional housing units in the Plan Area**
 - ▣ 3,500 apartments
 - ▣ 220 townhomes
 - ▣ 300 work-live lofts
- **Preferred Land Use Strategy also plans for 1.6 million square feet of office space and 743,200 square feet of retail space**
- **Plan adoption is anticipated in Summer 2014**

Concord Community Reuse Project

- **The Concord Community Reuse Area offers a large amount of future development potential**
- **The current Plan calls for:**
 - ▣ 12,270 housing units, including 25% for affordable housing
 - ▣ 6.1 million square feet of commercial space
 - ▣ 3,501 acres of parks and open space
- **The Concord Community Reuse Area is a long-term development opportunity, likely beyond the current Housing Element plan cycle**
 - ▣ Resolutions adopted by City Council in 2012 show that the Reuse Area at build-out will have 3,020 affordable units including facilities for homeless and transitional housing
 - ▣ Additional planning and site work is needed prior to development, making development unlikely in the near term

Discussion

- **Concord has had a relatively modest rate of new multifamily development in the past decade, yet there are numerous sites with sufficient land use designations to enable additional projects.**
 - ▣ What factors make Concord a desirable location to develop market-rate multifamily projects?
 - ▣ How could the City attract additional new market-rate development?
- **Concord has had a strong record of subsidizing and encouraging affordable housing development, but with the loss of redevelopment, the City has fewer tools and resources.**
 - ▣ What policies could the City implement that would encourage and/or facilitate more affordable housing development?
- **Market-rate rental prices in Concord are relatively affordable in comparison to neighboring communities.**
 - ▣ What can the City do to retain the relative affordability of existing units while providing a range of housing choices for households at all income levels?