

# ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY PLANNING DEPARTMENT

#### STAFF REPORT

**TO:** Members of the Castro Valley Municipal Advisory Council

**MEETING DATE:** August 26, 2024

**RE:** Update on the Third Draft of the Sixth Cycle Housing Element of the

County General Plan

# **GENERAL INFORMATION**

Your Council was last updated on the status of preparation of the revised Housing Element of the County's General Plan at the March 21, 2024 joint meeting with the Eden Area and Fairview Municipal Advisory Councils (MACs). The third draft of the Sixth Cycle Housing Element was posted on the Planning Department webpage on August 16<sup>th</sup> (<a href="http://www.acgov.org/cda/planning/housing-element/housing-element.htm">http://www.acgov.org/cda/planning/housing-element/housing-element.htm</a>). Public comments will be accepted on the draft through September 23<sup>rd</sup>, 2024, during which time public meetings will be held to provide opportunity for input from the community and decision-makers. The draft will then be submitted to the State Department of Housing and Community Development (State HCD) for a 60-day review, as prescribed by state law. After the State HCD informs the County that the draft Housing Element is consistent with state statute, another round of public meetings will be held, and the Board of Supervisors will be asked to approve the final document and proposed rezonings necessary to implement the sites inventory in the Housing Element.

## STAFF RECOMMENDATION

Staff requests that your Council hear a presentation by staff on the third draft of the Housing Element, take public testimony, and provide comments on the draft document.

#### STAFF ANALYSIS

The draft Housing Element was prepared in accordance with State HCD guidelines for the 6th Housing Element Cycle, incorporating additional considerations required under recent state housing-related legislation. Section I of the draft Housing Element provides an overview of the document and relevant regulation. Section II provides a summary of the projected housing need. Section III summarizes the adequacy of available housing sites and housing resources with reference to relevant appendices. Section IV contains goals, policies, and actions related to housing in Alameda County. The comprehensive research and analysis supporting the development of the goals, policies, and programs in Section IV are compiled in the appendices to the Housing Element.

<u>Appendix A: Housing Needs Assessment</u> – Appendix A is an analysis of the existing and projected housing needs of the community. It provides a profile of socio-demographic information, such as population characteristics, household information, housing stock, tenure, and housing affordability. The assessment also considers groups with special housing needs, such as seniors, farmworkers, the homeless, large households, and female-headed households.

<u>Appendix B: Sites Inventory and Methodology</u> – Appendix B includes an inventory listing adequate sites zoned for residential uses and available for development within the planning period to meet the County's fair share of regional housing needs across all income levels.

<u>Appendix C: Housing Constraints</u> – This appendix contains an assessment of impediments to housing production across all income levels covering both governmental (e.g., zoning restrictions, fees, etc.) and nongovernmental (e.g., market, environmental, etc.) constraints.

<u>Appendix D: Existing Programs Review</u> – Appendix D is an evaluation of the results of the goals, policies, and programs adopted in the previous Housing Element that compares projected outcomes with actual achieved results.

<u>Appendix E: Public Participation Summaries</u> – This appendix includes a detailed summary of public outreach conducted during the preparation of the Housing Element. This section is not yet complete since the outreach process will continue through adoption of the Element.

Appendix F: Affirmatively Furthering Fair Housing Assessment — To ensure that sites for housing, particularly lower-income units, provide access to amenities and opportunities, the analysis in this appendix assesses accessibility to jobs, transportation, good education, and health services relative to the housing sites identified in Appendix B to determine how the inventory affects fair housing conditions and access to opportunity.

<u>Appendix G: Housing Resources</u> – Appendix G provides a list of financial, administrative, and other resources at the local, regional, state, and federal levels to help the County address its housing needs.

### **Regional Housing Needs Allocation (RHNA)**

The RHNA for Unincorporated Alameda County for the 2023-2031 Housing Element cycle is a total of 4,711 new housing units, 2.66 times higher than the RHNA of 1,769 units for the previous 2015-2022 Housing Element cycle. The County's RHNA by income category is provided in the table below.

|            | U   | Unincorporated .                                   | Alameda County RH                                     | INA  |             |
|------------|---|--|---|--|-------------|
| Cycle      | Very Low<br>Income<br>(<50% of Area<br>Median Income) | Low Income<br>(50-80% of<br>Area Median<br>Income) | Moderate Income<br>(80-120% of Area<br>Median Income) | Above Moderate<br>Income<br>(>120% of Area<br>Median Income) | Total       |
| 2015-2023  | 430 units   | 227 units  | 295 units   | 817 units  | 1,769 units |
| 2023-2031  | 1,251 units   | 721 units  | 763 units   | 1,976 units  | 4,711 units |
| % Increase | 191%  | 218%   | 159%  | 142%   | 166%        |

### **Sites Inventory**

The inventory of sites available for residential development provides an estimate of the number of housing units that could be constructed on each parcel, based on the zoning, general plan designation, and physical conditions on the site; to demonstrate that there is adequate capacity in the Unincorporated Area to accommodate the RHNA assigned to the County. A total of 536 sites have been identified throughout the Unincorporated Area to accommodate 5,431 units. Planning staff used the following methodology to prepare the Sites Inventory:

- 1. Identified projects in the development pipeline
- 2. Identified vacant public and private parcels, using assessor's data, satellite imagery, and local knowledge
- 3. Identified underutilized parcels. 'Underutilized' is defined as the land itself being worth more than the existing improvements (pavement, buildings, etc.). Most of the underutilized sites included in the inventory are large parking lots, sites that are mostly vacant or parking with older (pre-1980) buildings and vacant commercial buildings.

After identifying vacant and underutilized sites, staff identified prospective sites that would be suitable for rezoning to meet the RHNA. The number of sites proposed for rezoning has increased over the earlier iterations of the Housing Element Draft to account for previous comments from residents and State HCD, staff's ability to demonstrate sites' likelihood of development within the planning period (2023-2031), and changes in the availability of land while also maintaining a minimum of 4,711 estimated units to fulfill RHNA and buffer sites.

In the third Draft Sites Inventory, there are 536 total sites, which includes 113 parcels proposed for rezoning either to increase the density allowed or to add housing as an allowed use, 24 parcels identified as underimproved, 179 vacant parcels, and 220 parcels that have housing projects in the "pipeline" meaning that an application for a housing development has been submitted or a housing project has already been approved.

The majority of RHNA units are in the Eden Area (approximately 43.3%) and Castro Valley (approximately 32.9%) with the remainder in Fairview and East County (see table below).

In addition to the sites listed in the inventory, projected development of accessory dwelling units (ADUs) over the eight-year planning period can be counted toward the sixth cycle RHNA. Planning staff anticipate including 427 ADUs toward meeting the RHNA, based on ADU construction numbers from 2018 to 2023. These ADUs are expected to be distributed throughout the urban unincorporated area. Projected ADUs are assigned to income categories in accordance with ABAG guidance.

Below is a short list of major sites that account for many units in the Sites Inventory:

- Bay Fair BART Station Parking Lots. Alameda County Planning staff have begun working with the City of San Leandro and BART to coordinate pre-development studies for housing development on both sides of the Bay Fair BART Parking Lot. State law requires that local jurisdictions ensure that zoning on BART-owned property within a half-mile of a BART station supports transit-oriented development (TOD) by complying with the standards set in BART's June 2021 Technical Guide to Zoning for AB 2923 Conformance. The standards address four elements of zoning: residential density, building height, floor area ratio (FAR), and parking for both motor vehicles and bicycles. To account for AB 2923 requirements and TOC zoning recommendations, proposed densities are 75-125 units per acre for a total of 448 estimated units.
- The County Sheriff Substation at Foothill Boulevard and 150<sup>th</sup> Avenue. The General Services Agency has informed CDA that they intend to stop using this property, and there is extensive guidance from State HCD for publicly owned vacant and underutilized sites to be listed in the Sites Inventory. Proposed densities are 75-100 units per acre for a total of 96 estimated units.
- Cherryland Place at Mission Blvd. and Hampton Rd. The county-owned property was removed from the second draft sites inventory as it was being considered as a potential site for a new sheriff's substation. Staff was informed that the site is no longer under consideration for the substation, and it was added back into the third draft sites inventory. Proposed densities are 43-86 units per acre for a total of 145 estimated units.
- The First Presbyterian Grove Way site, adjacent to the Trader Joe's in Castro Valley. Staff have been informed by First Presbyterian of interest in developing housing at this location. The existing Trader Joe's would not be affected by this potential development (260 estimated units).
- <u>Builders' Remedy Project</u>. The County received an application for a "Builders' Remedy Project" which proposes the construction of 569 units of senior housing to be located east of Pleasanton. The "Builders' Remedy" is a component of the Housing Accountability Act (Government Code Section 65589.51) which requires local jurisdictions that do not have a compliant housing

element to approve housing development projects with 20 percent of the total units available to lower income households or with all of the units available for moderate- or middle-income households, regardless of the local zoning. This project was added to the sites inventory as a "pipeline" project.

| Estimated Sites Inventory units by Community (August 13, 2024) |                            |                                      |                             |  |                            |  |
|--|----------------------------|--------------------------------------|-----------------------------|--|----------------------------|--|
|  | Total<br>Proposed<br>Units | Above<br>Moderate<br>Income<br>Units | Moderate<br>Income<br>Units | Low and<br>Very Low<br>Income<br>Units | % Units<br>from<br>Rezones | % Units<br>from<br>Permitted<br>Projects |
| Eden Area  | 2,358                      | 772                                  | 401                         | 1,185                                  | 76.0%                      | 13.9%                                    |
| Ashland  | 1,489                      | 351                                  | 282                         | 856                                    | 80.6%                      | 10.1%                                    |
| Cherryland   | 197                        | 56                                   | 54                          | 87                                     | 43.7%                      | 7.8%                                     |
| San Lorenzo  | 614                        | 352                                  | 41                          | 221                                    | 75.6%                      | 24.4%                                    |
| Hayward Acres  | 58                         | 13                                   | 24                          | 21                                     | 65.5%                      | 22.4%                                    |
| Castro Valley  | 1,777                      | 734                                  | 344                         | 699                                    | 67.1%                      | 17.5%                                    |
| Fairview   | 524                        | 489                                  | 26                          | 9                                      | 78.8%                      | 5.2%                                     |
| East County  | 772                        | 653                                  | 3                           | 116                                    | 0.0%                       | 100.0%                                   |
| Projected ADU count  | 427                        | 42                                   | 128                         | 257                                    | -                          | -  |
| Total (no ADU projections)                                     | 5,431                      | 2,648                                | 774                         | 2009                                   | 62.5%                      | 26.7%                                    |
| <b>Total (with ADUs)</b>                                       | 5,858                      | 2,690                                | 902                         | 2,266                                  | -                          | -  |
| RHNA   | 4,711                      | 1,976                                | 763                         | 1,972                                  | -                          | -  |

Below is a summary of the sites inventory in Castro Valley. Maps showing the sites are attached.

### In the specific plan areas:

- In the Castro Valley Central Business District Specific Plan Area, there are 12 parcels (522 estimated units) in the sites inventory. 4 parcels (83 units) have projects in the permitting process. 6 parcels (436 estimated units) are proposed for rezoning, all at 40-86 units/acre. The Planning Department anticipates any future development at the Lucky's Grocery Store to include both housing and the supermarket.
- In the Madison Avenue Specific Plan Area, there are 5 parcels (20 estimated units) in the sites inventory, all assumed to be 'Above Moderate Income:' 2 parcels (4 units) are in the permitting process, and one parcel (1 unit) is included at current zoning. 2 parcels (15 units) are proposed for rezonings at up to 17 units per acre. The Madison Avenue area is considered high resource due to the area median income, the low pollution levels, and the school district. Ensuring that there is the possibility for new housing in high resource areas is necessary to increase housing mobility and to respond to state comments on previous Housing Element drafts.
- While not included in the estimated unit numbers or sites inventory, the Castro Valley BART Station will be rezoned through the Housing Element to comply with state law AB 2923, including updating the allowed residential density to 75-86 units per acre.

# Outside of the specific plan areas:

- There are 111 sites (239 units) associated with projects currently being permitted. 65 units are Accessory Dwelling Units (ADUs).
- 91 parcels (293 estimated units), 86 of which (280 units) are vacant residential sites, are included in the sites inventory with the existing zoning. Many of these sites are in northern Castro Valley
- 30 parcels (703 estimated units) are proposed for rezoning. These include The Sheriff Substation (adjusted for proximity to fault line and freeway, 75-86 units/acre, totaling 96 units) and the closed school at 2652 Vergil Ct (proposed rezoning to up to 22 units/acre, 75 estimated units).
- 12 parcels in northern Castro Valley are proposed for rezoning for up to 17 units/acre. None are located in Very High Fire Hazard areas.

# **Affirmatively Furthering Fair Housing (AFFH)**

This new requirement for the Sixth Housing Element Cycle, put in place by AB 686 (2018), requires that housing elements demonstrate that the local jurisdiction is "affirmatively furthering fair housing." Jurisdictions need to show compliance with the statute by:

- analyzing existing fair housing and segregation issues,
- identifying fair housing goals,
- developing strategies to implement these goals, and
- ensuring sites in the inventory are identified in such a way that promotes AFFH

AFFH needs to be considered in virtually every chapter of the element in addition to having its own chapter, the Fair Housing Assessment (Appendix F). The assessment includes a narrative of fair housing history in the Unincorporated County and a quantitative analysis of race, income, housing, and other data at both the local and regional levels. The assessment is based in part on jurisdiction-specific analyses of relevant data provided by ABAG staff.

The AFFH analysis was used to inform fair housing goals, policies, and programs in the draft Housing Element, focusing on groups identified by the state as having special housing needs. These groups include:

- renters
- large families
- single-parent families
- agricultural workers

- seniors
- people with disabilities
- people experiencing homelessness

In this Housing Element Cycle, State HCD has put significant importance on the results of the AFFH analysis, and programs (described further below) are required to respond to these findings. Specifically, Planning staff have been directed to ensure there are multiple programs regarding following topics:

- Place-Based Improvements: improving the conditions of neighborhoods and individual houses through beautification, infrastructure improvements, programming, and more.
- Displacement Risk: limiting the risk existing residents face of losing their housing
- Housing Mobility: ensuring current and future residents, specifically lower-income households, have housing choices throughout the unincorporated communities, specifically in higher resource areas.<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup> The California Tax Credit Allocation Committee methodology for determining opportunity and resources levels for at the census tract level can be found here: <a href="https://www.treasurer.ca.gov/ctcac/opportunity.asp">https://www.treasurer.ca.gov/ctcac/opportunity.asp</a>

# **Draft Housing Plan**

The Housing Plan of the Housing Element serves as the County's strategy for addressing its housing needs. It describes the housing goals, policies, and programs for the County. The goals indicate the County's direction and intent on housing-related needs. Each goal encompasses several policies, which are statements that describe the County's preferred course of action among a range of other options. Each goal also includes programs, which provide actionable steps to implement the County's goals and to further the County's progress towards meeting its housing allocation. Some programs contain quantified objectives, which represent measurable outcomes that can be used to benchmark the success of each program.

The Housing Element contains actions intended to significantly increase the amount and types of housing for all income levels in the Unincorporated County. These efforts are expected to be initiated throughout the planning period, through January 31, 2031. In accordance with state law, the County will also evaluate the progress and effectiveness of Housing Element programs on an annual basis. Together, these actions reflect the County's commitment to increasing affordable housing and improving existing housing conditions. The goals, policies, and programs comprise a combination of strategies, including a continuation of existing successful policies and programs as well as new policies and programs to tackle emerging opportunities and constraints, address changes in state law, and provide innovative approaches to accommodate the larger RHNA.

As directed by state HCD, staff have updated the drat Housing Plan to expand housing access to lower-income households by enabling the construction of higher density housing throughout the unincorporated communities. The following programs touch will help expand Housing Mobility in the unincorporated communities:

- Rezoning parcels in the sites inventory, particularly rezonings in the northern areas of Castro Valley and Fairview. (Programs 1.A, 1.B, 1.C, 1.L, and 1.O.)
- Adopting an ordinance to allow up to four housing units in single-family zones consistent with SB 9 (Program 1.M)
- Adopting an inclusionary housing ordinance to better produce low-income units and units for special needs groups throughout unincorporated Alameda County (Program 6.J)
- Streamlining the permitting of tiny homes and other innovative housing types (Program 6.L)
- Encouraging and streamlining ADUs and JADUs in residential districts by preparing standardized ADU/JADU pre-approved plans with a variety of unit sizes (Programs 1.K, 2.C, and 2.J.)

Collectively, these programs, if enacted, will enable landowners in higher-income and lower-density areas to construct more, denser housing than is currently allowed under local ordinances, meeting the Housing Mobility requirement of the Housing Element.

In response to the July 9, 2024, letter from HCD commenting on the second Draft Housing Element (attached) and subsequent conversations with state HCD staff, Planning staff have also made the following additions and edits to the programs in the Housing Element:

- Program 6.O: Renter Protections dependent on the tenant protections the Board of Supervisors passes, staff will evaluate the program on a bi-annual basis.
- Program 6.P Additional Housing Opportunities Near Transit proposed zoning ordinance amendment for single family neighborhoods within ½ mile of BART stations to allow additional units by-right, exact number of units to be determined upon drafting of the ordinance.
- Program 7.E: Park Permitting proposed zoning ordinance amendment to remove the discretionary review process for public parks to better support community desire for additional parks.

## **Program Implementation**

While editing the Housing Element Draft, staff and other responsible parties have continued to implement programs. These include the following:

- Program 3.B: Planning Commission Streamlining Subcommittee the Planning Commission has requested staff to present the proposed changes to the MACs
- Program 4.E: Farmworker Housing Analysis Planning staff is working with the U.C. Cooperative Extension, the County Agriculture/Weights and Measures Department, and the Tri-Valley Conservancy to assess the need for farmworker housing in the County.
- Program 6.N: Mobile Home Overlay In response to community input, staff are currently drafting a zoning overlay and park closure/conversion ordinance to be combined with the existing zoning district for existing mobilehome parks within unincorporated Alameda County to preserve the land for the construction, use and occupancy of mobilehome parks.

## **Opportunities for Public Input**

Members of the public can submit written comments on the third draft Housing Element to the following email address: <a href="housingelement@acgov.org">housingelement@acgov.org</a>. Comments are welcome through September 23<sup>rd</sup>.

More information about the Housing Element process and links to the third draft documents are provided on the Planning Department website, located here: <a href="https://www.acgov.org/cda/planning/housing-element/housing-element.htm">https://www.acgov.org/cda/planning/housing-element.htm</a>. A link is also available on the website to request email notices for future meetings and other housing element news.

The table below includes a list of public meetings where both decision-makers and members of the public will be asked to provide comments on the third draft Housing Element before it is submitted to HCD for review.

| Public Meeting Schedule |                     |  |  |  |
|-------------------------|---------------------|--|--|--|
| August 26               | Castro Valley MAC   |  |  |  |
| September 3             | Fairview MAC        |  |  |  |
| September 10            | Eden Area MAC       |  |  |  |
| September 16            | Planning Commission |  |  |  |

After the Planning Commission meeting, staff will respond to and incorporate comments. Staff anticipate submitting the third draft for state review at the end of September.

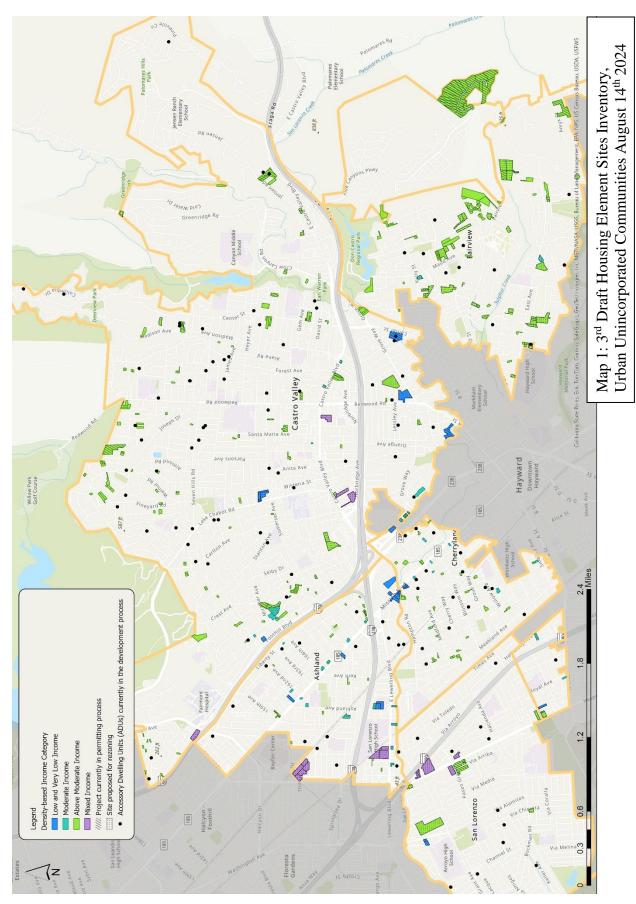
#### **CONCLUSION**

Staff requests that your Council accept this report and provide comments on the draft Housing Element and the process to date. After State HCD informs the County that the draft Housing Element is consistent with state statute, another round of public meetings will be held before the Board of Supervisors is asked to approve the final document and proposed rezonings necessary to implement the sites inventory in the Housing Element.

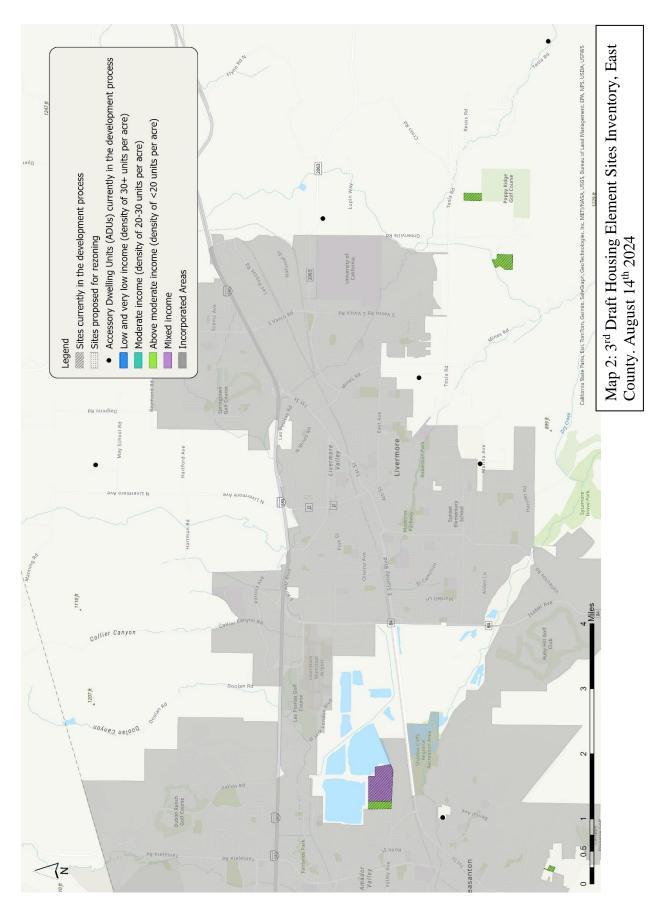
#### Attachments:

Maps showing Castro Valley Inventory Sites and Sites Inventory overall

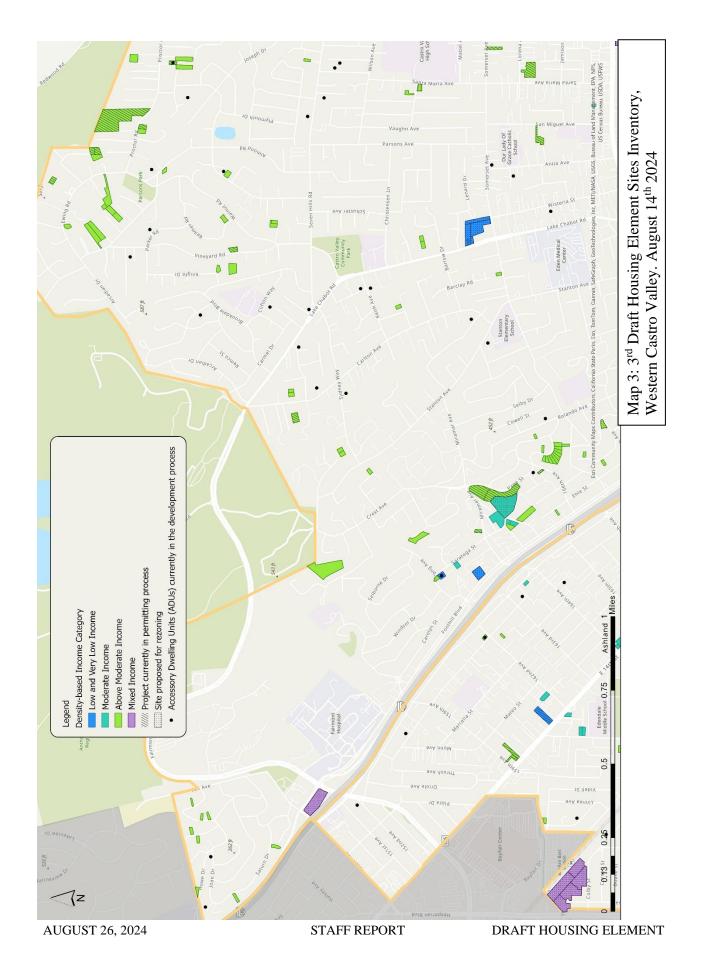
| • | July 9 <sup>th</sup> letter from the State Department of Housing and Community Development re: County of Alameda's 6th Cycle (2023-2031) Revised Draft Housing Element |
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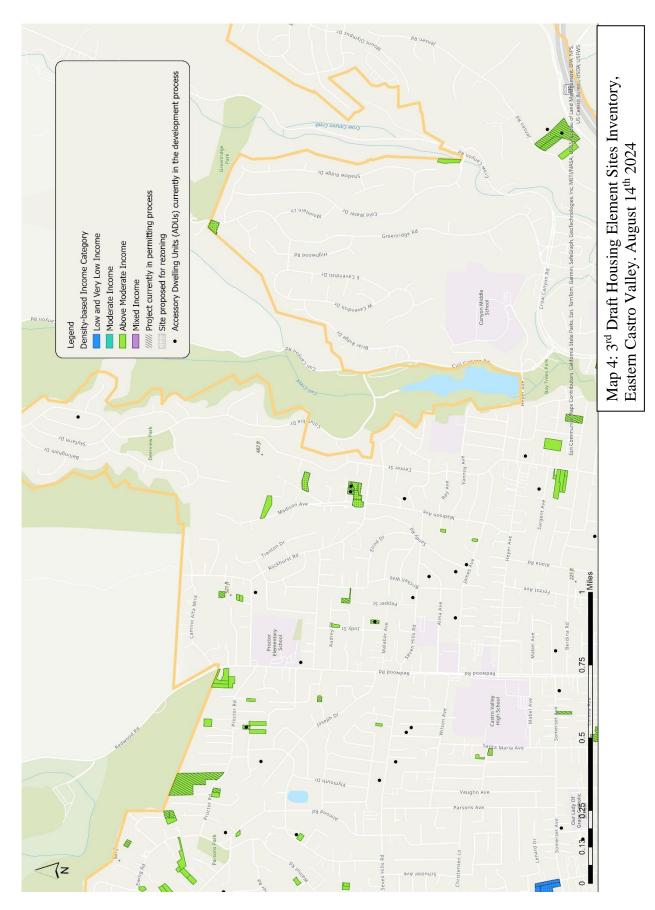


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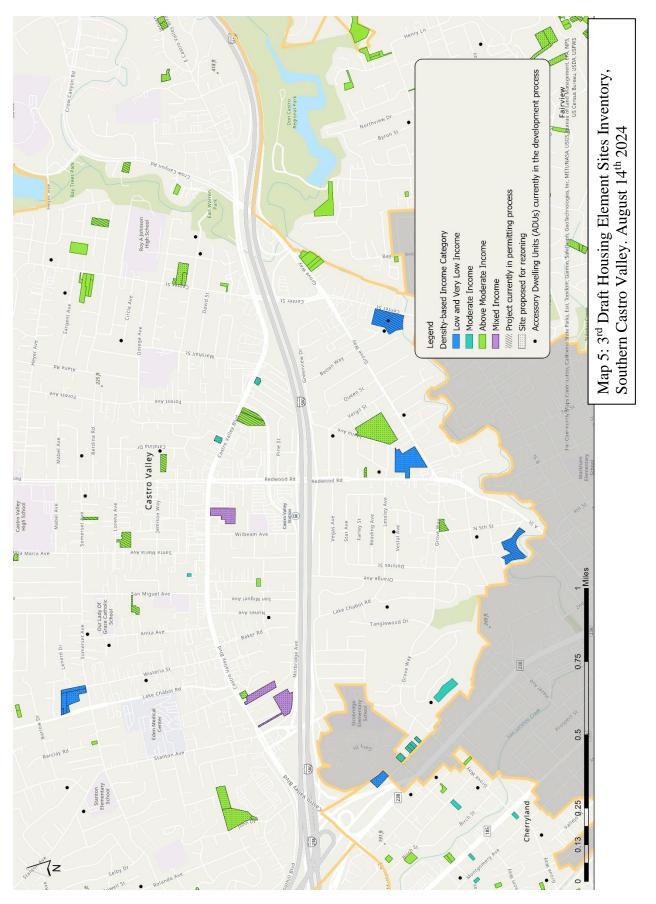


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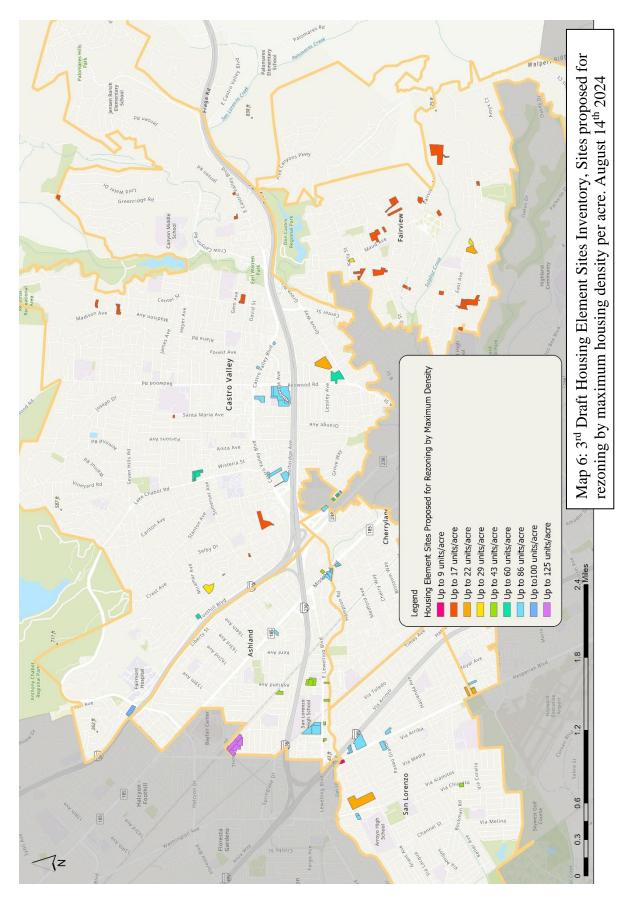




AUGUST 26, 2024 STAFF REPORT DRAFT HOUSING ELEMENT



AUGUST 26, 2024 STAFF REPORT DRAFT HOUSING ELEMENT



AUGUST 26, 2024

STAFF REPORT

# DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

651 Bannon Street, Suite 400 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



July 9, 2024

Albert Lopez, Director Planning Department Community Development Agency County of Alameda 224 West Winton Avenue, Room 111 Hayward, CA 94544

Dear Albert Lopez:

# RE: County of Alameda's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the County of Alameda's (County) revised draft housing element received for review on May 10, 2024 along with revisions received on July 5, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Alameda County Planning Commission Chair Marc Crawford, the Alameda County Planning Commission, GKW Architects, Lori Taylor, Evan Lyall, Mr. Harris and a coalition letter led by My Eden Voice pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

 Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)

<u>Enforcement and Outreach</u>: The element generally was not revised to address this requirement. The element should still address compliance with existing fair housing laws as well as any past or current fair housing lawsuits, findings, settlements, judgments, or complaints. For example, in many cases, the element

includes a description of fair housing laws but does not describe how the County complies with fair housing laws.

Local Data and Knowledge: The element describes overlapping census tracts and provides a discussion of areas (e.g., Ashland, Cherryland) within the unincorporated County based on state and federal data. However, the element should also incorporate local data and knowledge into the discussion of areas to better understand fair housing issues. For example, the element should particularly utilize local data and knowledge to better understand any patterns or differences or lack of differences from neighborhood to neighborhood. For example, the element could utilize information from County or City officials (e.g., planners, code enforcement, civil engineers, local legislators), past surveys and assessments, data used for applications for funding, service providers, developers, school representatives, regional planners, service districts, neighborhood groups and advocacy organizations. Under separate cover, HCD will send a local data and knowledge guide to assist the County with this analysis.

<u>Contributing Factors</u>: Upon a complete analysis of affirmatively furthering fair housing (AFFH), the element should re-assess and prioritize contributing factors to fair housing issues, as appropriate.

Goals, Actions, Metrics, and Milestones: As noted above, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the County may need to add or revise programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement (housing choices and affordability across geographies), new housing choices and affordability in relatively higher opportunity or income areas, place-based strategies for community preservation and revitalization, and displacement protection.

In addition, as noted in HCD's prior review, the County should add programs, including, but not limited to, increasing tenant protections, enhancing place-based strategies for community revitalization and improving housing mobility through expanding housing choices in lower-density areas of the County, and providing new housing opportunities in relatively higher income or higher resourced communities. HCD will send sample programs under separate cover.

 An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level... ...encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)

Progress in Meeting the Regional Housing Need Allocation (RHNA): The element now describes that affordability for 21855 Hathaway Avenue and 16490 E 14<sup>th</sup> St is based on a survey of available rentals. While the element may utilize a survey to demonstrate affordability, it should also account for building age, location and other relevant factors that might influence rental prices. For example, the element describes a significant range of available rental prices (e.g., \$2,795 to \$6,500 for four bedrooms) which may be influenced by the age, condition and location of the structure. Based on the outcomes of this analysis, the element should adjust affordability assumptions as appropriate.

<u>Publicly-Owned Sites</u>: The element must include additional discussion on each of the publicly-owned sites identified to accommodate the RHNA, including the BART Bay Fair site and excess state sites. The analysis should specifically address the anticipated schedule for development and any known conditions that preclude development in the planning period.

<u>Suitability of Nonvacant Sites</u>: The element notes three criteria (improvement-to-land value ratio of less than one, owner interest in development, and structure age 30 years or older) to justify the likelihood of redevelopment of nonvacant sites. However, as noted in the prior review, the element should consider additional factors (e.g., existing versus allowable floor area) and must support the validity of added factors based on trends and the County's experience in redevelopment.

In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

<u>Electronic Sites Inventory</u>: Pursuant to Government Code section 65583.3, subdivision (b), the County must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the County has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

<u>Programs:</u> As noted above, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the County may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

In addition, Program 4.C (Transitional and Supportive Housing) commits to permit transitional and supportive housing up to six persons in some residential zones if the housing development complies with Government Code section 65651. The Program also commits to allow transitional and supportive housing in multifamily and mixed-use zones if the housing development complies with Government Code section 65651. However, permanent supportive housing pursuant to Government Code section 65651 is a unique type of supportive housing and in addition to broader provisions related to transitional and supportive housing. The Program should commit to permitting transitional and supportive housing in all zones allowing residential uses similar to other residential uses of the same type in the same zone and not subject to special requirements such as limits on the number of persons.

- 3. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)
  - <u>Program 3.H (Housing Element Overlay Combining District)</u>: As noted on page C-23, Program 3.H should specifically commit to modify building height, lot coverage and open space standards to address identified constraints on housing.
- 4. Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

As noted in HCD's January 4, 2024, review, the County's consideration of public comments must not be limited by HCD's findings in this review letter and demonstrate how public comment is incorporated into future versions of the housing elements. However, public comment received by HCD suggests that the County Planning Commission has not had an opportunity to review the full

housing element and will not have an opportunity to do so until HCD finds the draft meets statutory requirements. In addition, the County continues to receive many comments that are meaningful and reflective of the community's needs, however, the revisions in the element are not commensurate to the input received.

While HCD has sent further correspondence requesting a timeline for obtaining compliance with State Housing Element Law, this should not be construed in a manner to disregard the public input process. As such, HCD urges the County to schedule a hearing at the Planning Commission to solicit feedback from the community and Commissioners prior to re-submittal to HCD. HCD's future review will consider the extent to which the revised element documents how the County solicited, considered, and addressed public comments in the element.

The element will meet the statutory requirements of State Housing Element Law once it has been revised, adopted, submitted to, and reviewed by HCD to comply with the above requirements pursuant to Government Code section 65585.

As a reminder, the County's 6th cycle housing element was due January 31, 2023. As of today, the County has not completed the housing element process for the 6th cycle. The County's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the County to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government does not adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). As this year has passed and applicable programs (e.g., Programs 1.A, 1.C, 1.G, 1.H, 1.J and 1.L) have not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning have been completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the County should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the County will meet housing element requirements for these and other funding Communities sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <a href="https://www.opr.ca.gov/planning/general-plan/guidelines.html">https://www.opr.ca.gov/planning/general-plan/guidelines.html</a>.

HCD appreciates the hard work and dedication during the housing element update and review. We are committed to assisting the County in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact me at <a href="mailto:paul.mcdougall@hcd.ca.gov">paul.mcdougall@hcd.ca.gov</a>.

Sincerely,

Paul McDougall

Senior Program Manager