



WS#3

DATE: December 9, 2008
TO: Mayor and City Council
Planning Commission
FROM: Development Services Director
SUBJECT: Joint Work Session to Introduce the Housing Element Update

RECOMMENDATION

That Council and the Planning Commission read and comment on this report.

SUMMARY

The work session will allow staff to summarize the requirements of the Housing Element and the City's housing needs as determined by the State and by the Association of Bay Area Governments (ABAG). The meeting will also provide the Council and the Commission with the opportunity to provide suggestions and direction to staff regarding particular strategies that should be considered while meeting the legal requirements of the Housing Element.

BACKGROUND

State law requires every California city to adopt a General Plan, which must contain seven elements, including housing. Unlike other mandatory general plan elements, the Housing Element, which is required to be updated every five years, is subject to detailed statutory requirements, housing element law, and a mandatory review by the State Department of Housing and Community Development. The requirements in place reflect the State's recognition that the availability of housing is a matter of statewide importance. The current Housing Element was adopted by the Council on October 21, 2003 and certified by the State on January 22, 2004.

On September 16, 2008, the Council authorized the City Manager to execute a contract with Veronica Tam and Associates (VTA) to assist staff with the preparation of the Housing Element update. Since early October, VTA has been reviewing the City's General Plan, including the existing Housing Element, the zoning ordinance, and other housing-related background data.

Each housing element planning period begins with the State allocating each region its share of the statewide housing need. Housing element law requires the Association of Bay Area Governments (ABAG) to prepare a Regional Housing Needs Plan. This Plan details the number of housing units

allocated to each city and county in the Bay Area and specifies the number of units that must be accommodated in each of four affordability categories. Hayward's previous and current Regional Housing Needs Allocation (RHNA), as well as the actual number of units constructed during the previous planning period are detailed below:

Previous Planning Period (1999 – 2006)

	Number of Housing Units				TOTALS
	Very Low	Low	Moderate	Above Moderate	
1999-2006 Allocation	625	344	834	1,032	2,835
Units constructed during '99 – '06	40	24	831	1,724	2,619
% of allocation constructed	6.4	6.9	99.6	167	92.4

Of the 101 cities in the Bay Area, only 8 cities met the RHNA in the very low category, 28 cities met the RHNA in the low category, and 15 cities met the RHNA in the moderate category. Of the 14 cities in Alameda County, no cities met the RHNA for the very low category, one city (Berkeley) met the RHNA in the low category, and no cities met the RHNA in the moderate category (though Hayward nearly did so). There are currently no penalties in place for cities that do not meet the RHNA.

The RHNA for the 2007-2014 planning period is a 20 percent increase over the 1999 – 2006 allocation. The current allocation, which is 7.6 percent of the County's total and generally proportional to population, is the fourth largest in Alameda County – behind Oakland, Fremont and Livermore. Cities receive credit for units for which building permits have been issued since January 1, 2007. The table below shows building permits issued in Hayward between January 1, 2007 and August 25, 2008.

Current Planning Period (2007 – 2014)

	Number of Housing Units				TOTALS
	Very Low	Low	Moderate	Above Moderate	
2007-2014 Allocation	768	483	569	1,573	3,393
Permits issued in 2007	59	0	17	213	289
Permits issued since Jan. 1, 2008	0	0	5	11	16
Total	59	0	22	224	305
% of allocation constructed	7.7	0	3.9	14.2	9.0
Permits needed per year (2009 – 2014)	118	81	91	225	515

Permits issued in 2007 include the "C & Grand" senior housing project, Garden Walk, and Crossings at Eden Shores. Permits issued in 2008 include Garden Walk and Eden Shores.

DISCUSSION

The updated Housing Element would establish City housing policies and programs for the planning period of July 1, 2009 through June 30, 2014. It is to serve as a guide to City officials in decision making and sets forth an action plan to implement the housing goals. This Housing Element is intended to direct residential development and preservation in a manner consistent with the General Plan and overall requirements of the State Housing Element law.

The Housing Element will identify local housing issues within the broader regional context, determine associated housing needs, and set forth a housing strategy that is designed to address those needs, consistent with adopted goals and policies. The Housing Element is required to demonstrate that the City has identified and zoned land to sufficiently and appropriately accommodate the development of the housing units identified in Hayward's allocation, which is considered the City's fair share of regional housing needs. The RHNA is not a production quota, but the City must show that the housing units can be *accommodated*. There is no mechanism at the State, regional or City level that requires the units identified in the RHNA to be constructed.

The Housing Element must be reviewed by the State Department of Housing and Community Development (HCD) for compliance with State laws. Statutory requirements for a Housing Element include:

- Identification of adequate sites that will be made available through appropriate zoning and development standards and with services and facilities to facilitate and encourage the development of a variety of types of housing for all income levels
- Assistance in the development of adequate housing to meet the needs of lower- and moderate-income households
- Discussion of constraints, and where appropriate and legally possible, steps needed to remove governmental constraints to the maintenance, improvement, and development of housing
- Policies that conserve and improve the condition of the existing affordable housing stock
- Promotion of housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, or sexual orientation

Additional statutory requirements are the result of recent changes to State Law:

- *Housing for Extremely Low Income Households:* AB 2634 requires quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single room occupancy (SRO) units.
- *Provisions for transitional housing, supportive housing, and SRO housing for the Homeless:* SB 2 requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit, and allowing transitional and supportive housing types as residential uses.

- *Housing for Persons with Disabilities:* SB 520 requires the Housing Element to address constraints to housing for persons with disabilities.
- *Adequate Sites Analysis:* AB 2348 requires a more detailed inventory of sites to accommodate projected housing needs and provide greater development certainty.
- *Coordination between transportation and housing plans:* SB 375 was signed into law on September 30, 2008, and will not need to be addressed in the current update of the Housing Element. The bill will change the RHNA planning process to align with the regional transportation planning process to create an eight-year planning period with the intent to reduce vehicle miles traveled and related greenhouse gas emissions on a regional basis.

In addition to the above, the Housing Element will contain the following discussions:

- Population and employment trends
- Household characteristics
- Special housing needs
- Governmental and non-governmental constraints
- Opportunities for energy conservation
- Existing assisted housing developments
- Goals, policies, and quantified housing objectives
- Five-year housing programs (Government Code Section 65583)
- Land resources – vacant and underutilized land available to meet the (RHNA)
- Financial and administrative resources that may be utilized to help meet the RHNA
- Review of past accomplishments -- whether the City has been successful in implementing programs in the current Housing Element
- Housing Plan, including:
 - Preservation of existing housing
 - Provision of assistance to lower and moderate income households and households with special needs
 - Development of housing for all income groups
 - Quantified objectives with respect to financial resources available

FISCAL IMPACT

The City's adopted budget includes \$100,000 for the housing element update. The Advanced Planning Division budget provides \$75,000; \$25,000 has been allocated from Redevelopment Agency's low and moderate housing fund. Consultant services will cost \$71,830 and material costs will be approximately \$5,000, leaving \$23,170 available from these line items. Although the amount budgeted for the Housing Element was not anticipated to cover staff costs associated with the project, the remaining funds can be applied toward staff time.

PUBLIC CONTACT

Section 65583 (c)(6)(B) of the Government Code states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element and the program shall describe this effort." Public

participation will play an important role in the formulation of Hayward's housing goals and policies.

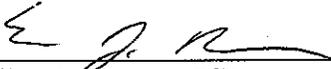
Two community meetings are planned, the first of which is to occur on December 15th of this year. The City's Citizens Advisory Commission, which advises the City Council on the use of Community Development Block Grant funds and housing programs, will consider the Housing Element at their December 17 meeting. During the week of December 15, Veronica Tam and Associates will also conduct interviews with local stakeholders and housing developers to gain additional perspective and feedback on local housing issues. The public will also have an opportunity to comment on the document at work sessions with the Planning Commission and City Council, and two public hearings before both the Planning Commission and City Council. The consultant will conduct focus group meetings that will reach out to service providers, housing professionals, developers, and community groups.

In addition to public meetings, a survey that can be distributed at community meetings and neighborhood locations will solicit comments from the community. Finally, to facilitate timely dissemination of information on the Housing Element update, staff has created a Housing Element webpage on the City's website. The webpage includes an on-line version of the survey in both English and Spanish. The webpage will be updated frequently with agendas, public notices, minutes, draft and final documents, and other pertinent information.

SCHEDULE

As indicated in the attached timeline (Exhibit A), a community meeting will be held on December 15, 2008. A work session with the Planning Commission is scheduled for February 19, 2009, and a Council work session is scheduled for February 24, 2009 to present the draft Housing Element. Also, a second community meeting is planned for late February to present the draft Housing Element. As indicated in the attached timeline, an Initial Study will be completed per the requirements of the California Environmental Quality Act (CEQA) after comments are received from HCD. The adopted housing element is required to be submitted to the State by June 30, 2009.

Prepared by:



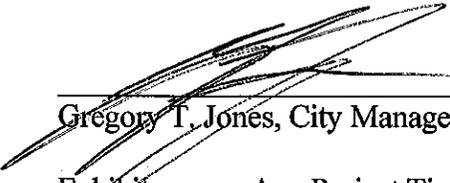
Erik J. Pearson, AICP
Senior Planner

Recommended by:



David Rizk, AICP
Director of Development Services Department

Approved by:



Gregory T. Jones, City Manager

Exhibits: A. Project Timeline

11/24/2008

Schedule for City of Hayward Housing Element Update

2008	
Joint PC/CC Work Session	December 9
First Community Meeting	December 15
Focus Group Meetings	December 15 - 16
Citizens Advisory Committee	December 17
2009	
First draft of Housing Element Update (HEU), by:	January 30
Citizens Advisory Committee	February 18
Planning Commission Work Session (present first draft)	February 19
City Council Work Session (present first draft)	February 24
Second Community Meeting	Late February
First Draft submitted to State Department of Housing and Community Development (HCD) by:	March 6
Release of draft Initial Study/Mitigated Negative Declaration (IS/(MND)	May 8
Receive comments on First Draft of HEU from HCD	May 8
Second draft of HEU update prepared by: (assumes 30 days to respond to HCD comments)	June 5
Final Draft of HEU and CEQA Document to Planning Commission	June
Final Draft of HEU and CEQA Document to City Council for adoption	June
ADOPTED HOUSING ELEMENT DUE TO STATE HCD BY:	June 30

If a second set of comments are received from HCD, then the following schedule will apply:

Receive comments on 2nd Draft of HEU from HCD	August 7
Final Draft of HEU and CEQA Document to Planning Commission	September
Final Draft of HEU and CEQA Document to City Council for adoption	September
Send Final Draft Adopted by Council to HCD by:	September 30