



**ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY
PLANNING DEPARTMENT**

STAFF REPORT

TO: Members of the Castro Valley Municipal Advisory Council
FROM: Liz McElligott, Assistant Planning Director
MEETING DATE: February 27, 2023
RE: Update on progress on the preparation of the Housing Element

GENERAL INFORMATION

Your Council was last updated on the status of preparation of the County's Housing Element on August 8, 2022. Since that time, Planning Department staff and our consultant team have been working diligently to complete the draft document and expect to have a completed draft for public review by the end of March 2023. Once the draft is completed, it will be distributed for public comment for at least 30 days during which time additional public meetings will be held to provide opportunity for input from the community and decision-makers. The draft will then be submitted to State HCD for a 90-day review.

State law requires each local jurisdiction to revise its Housing Element every eight years. The Housing Element must include the following components:

- Evaluation of the implementation of programs in the previous Housing Element
- Assessment of housing need, including existing and projected demand and populations with special needs (defined as the elderly, people with disabilities, large families, farmworkers, families with female heads of households, and families and people in need of emergency shelter)
- Sites inventory and analysis to demonstrate adequate capacity to accommodate the Regional Housing Needs Allocation (RHNA) assigned to the County
- Governmental and non-governmental constraints that impede the development of housing
- Affirmatively Furthering Fair Housing (AFFH) Assessment
- Programs required to implement stated policies and achieve stated goals and objectives
- Community Engagement
- Board of Supervisors approval
- Certification by the State Department of Housing and Community Development (State HCD)

STAFF RECOMMENDATION

Staff requests that your Council hear a presentation by staff on the status of the preparation of the Housing Element, take public testimony, and provide comments on the Housing Element update.

STAFF ANALYSIS

This report provides information on the progress made so far on the preparation of each chapter of the Housing Element, as well as community engagement to date.

Prospective Policies and Programs

Planning staff is working closely with the consultant team to formulate policies for the revised Housing Element based on the results of the analysis included in the other chapters being prepared. Some policies and programs will be continued on from the current Housing Element (5th Cycle). Some are necessary to comply with current housing-related state laws, such as:

- Rezoning sites to meet the RHNA, with specific actions toward sites included in the 4th and 5th Cycles
- Tracking ADU permit issuance to ensure projected goals are met
- Creating a process to comply with state law for SB 9 lot splits in single-family residential neighborhoods

Other actions staff is developing include:

- Preventing potential displacement of current residents within unincorporated areas where new housing is developed
- Focusing additional community resources in lower resource areas where additional housing is likely to be built
- Passing an inclusionary zoning ordinance or other community benefit program
- Working with BART to facilitate the development of housing at the Castro Valley and Bay Fair BART stations.

Housing Needs Assessment

Staff is in the process of reviewing an administrative draft Housing Needs Assessment provided by the consultant team. The draft examines demographic, employment, and housing trends and conditions that affect the housing needs of the unincorporated communities. The needs analysis is based on census data, augmented with feedback gathered through community engagement.

Regional Housing Needs Allocation (RHNA) and Sites Inventory

The RHNA is based on estimates produced by the State Department of Finance (DOF) of the level of residential construction necessary to accommodate projected population growth during the planning period and to make up for current deficiencies in housing supply for existing residents. DOF determines the housing need for each region in the state and the Council of Governments for each region allocates a share of the regional housing need to each city and county in the region. The Association of Bay Area Governments (ABAG) is responsible for determining the RHNA for each local jurisdiction in the San Francisco Bay Area. As a result of recent state legislation, the new RHNA process placed greater emphasis on social equity and the existing shortage of housing units available. State HCD's oversight was also expanded to include approval of the allocation methodology in each region.

The Final RHNA Plan for the 2023-2031 Housing Element cycle was approved by the ABAG Executive Board on December 16, 2021 and by State HCD on January 12, 2022. For Unincorporated Alameda County, the final RHNA 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 described in the table below.

<i>Unincorporated Alameda County RHNA</i>					
<i>Cycle</i>	<i>Very Low Income (<50% of Area Median Income)</i>	<i>Low Income (50-80% of Area Median Income)</i>	<i>Moderate Income (80-120% of Area Median Income)</i>	<i>Above Moderate Income (>120% of Area Median Income)</i>	<i>Total</i>
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%

The inventory of sites available for residential development must provide 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 to accommodate the Regional Housing Needs Allocation (RHNA) assigned to the County. Staff has spent approximately seven months identifying potential sites to meet the sixth cycle RHNA. There are currently approximately 460 prospective sites corresponding with approximately 5,000 units. Although still in a draft form, 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 prospective 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 then identified prospective sites that would be suitable for rezoning to meet the RHNA.

In addition to these sites, projected development of accessory dwelling units (ADUs) over the eight-year planning period can be counted toward the sixth cycle RHNA. Planning Department staff anticipate including approximately 304 ADUs toward meeting the RHNA, based on ADU construction numbers from 2018 to 2022. Projected ADUs are assigned to income categories in accordance with ABAG guidance. The majority of RHNA units are in the Eden Area (approximately 45%) and Castro Valley (approximately 40%) with the remainder in Fairview and East County.

Below is a short list of major sites that account for most of these units:

- Bay Fair and Castro Valley BART (Bay Area Rapid Transit District) Station Parking Lots. 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. The required minimum residential density is 75 units per acre. The TOD workplan BART prepared as a companion document to the technical guide identified the parking lot areas at both the Bay Fair and Castro Valley stations as developable in the mid-term future. Planning staff believe it is possible to develop both station sites within the Housing Element cycle with dedicated programming; and staff will continue discussions and coordination with BART representatives and developers pursuing TOD projects. Replacement parking would need to be included in any future development plans.

- Castro Valley Boulevard Rite Aid. Staff is in the process of communicating with site owners to determine the feasibility of development at this site.
- The County Radio Communications station at Foothill Boulevard and 150th Avenue. The Sheriff’s office 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.
- The First Presbyterian Grove Way site, adjacent to Trader Joes in Castro Valley. Staff have been informed by First Presbyterian of interest in developing housing at this location.
- A large site in East County inside the Urban Growth Boundary to the east of the City of Pleasanton.

Together, these prospective sites account for approximately 55% of all units identified in Castro Valley and 45% of all units identified in Ashland. State HCD generally directs jurisdictions to use unit density as a proxy for income category, with more densely zoned areas assigned to the Low- and Very Low-Income categories. Because the prospective sites listed above are all higher densities, most of their units are assigned to the Low- and Very Low-Income categories.

Constraints

The Constraints section of the update analyzes and recommends solutions to existing and future governmental and nongovernmental barriers to housing development. The consultant has completed an administrative draft of this section and staff is in the process of reviewing the document and augmenting it based on their specific knowledge of the unincorporated communities.

Program Review

The Program Review is a brief analysis of the previous Housing Element’s policies and programs. State HCD requires jurisdictions to report on implementation and continued efficacy of programs and policies; whether it will be continued into the next Housing Element; or, if not, why. Planning staff is conferring with staff from multiple county departments to complete the review.

Affirmatively Furthering Fair Housing (AFFH)

Planning staff has compiled the information necessary to prepare the AFFH Assessment and is in the process of completing the analysis and preparing the text. This new requirement for this 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. The assessment includes a narrative of fair housing history. Staff have visited the Hayward Area Historical Society to research housing history and are actively reaching out to the public for their own housing stories. The assessment also includes a quantitative analysis of race, income, housing, and other data at both the local and regional levels. In 2021 ABAG staff shared jurisdiction-specific analyses of relevant data that county staff will be using.

To inform fair housing goals as well as other programs, State HCD strongly encourages targeted engagement to individuals with specific housing needs. These groups include:

- renters
- large families
- single-parent families
- agricultural workers
- elders
- people with disabilities
- people experiencing homelessness

Planning staff is in the process of contacting organizations and agencies that represent and serve these demographics, as well as other vulnerable populations.

Community Engagement

Community engagement is an integral part of the Housing Element. To ensure easy communication, a Housing Element email address was set up for the public, housingelement@acgov.org.

Planning staff is also maintaining a webpage on the department site, located here: <https://www.acgov.org/cda/planning/housing-element/housing-element.htm>. A link is available on the website to sign up for email notices for future meetings and a survey has been posted to give everyone the opportunity to provide input. The table below includes an outline of the various community engagement efforts staff has used in recent months to reach out to community members.

Community Engagement	
July-Oct 2022	Updates to EMAC, CVMAC, FVMAC, Sunol CAC, AAC, USC, and PC
Nov 2022-Jan 2023	Hosted online office hours (2 three-hour sessions in November and once per week through January)
Nov 2022-Present	One-on-one & small group interviews with key stakeholders, including those representing populations with ‘special housing needs’ as defined by state HCD
Nov 2022-Present	Contacted key landowners to determine interest in including their property in inventory.
Dec 2022	Met with the “Environmental Justice Bucket” of the Ashland Cherryland Healthy Communities Collaborative (ACHCC)
Ongoing	On-line survey https://bit.ly/unincorporatedhousingelementsurvey
Ongoing	“Share your housing stories” online template https://bit.ly/achousingstory
Feb 2023	Updates to EMAC, CVMAC, FVMAC, Sunol CAC, AAC, USC, and PC
March-April 2023	Public Review Period <ul style="list-style-type: none"> • Community Workshops for input on draft housing element • Presentations to EMAC, CVMAC, FVMAC, Sunol CAC, AAC USC, PC, T&P, BOS

Staff is in the process of providing updates on the status of the progress on the draft Housing Element at the meetings listed in the table below. A summary of the comments received at these meetings will be provided at your February 27th Council meeting.

February 7	Fairview MAC
February 14	Eden Area MAC
February 21	Planning Commission
February 22	Board Unincorporated Services Committee
February 27	Castro Valley MAC

CONCLUSION

Staff requests that your Council accept this report and provide comments on the Housing Element process to date. As the process progresses, we will continue to keep your Council informed and seek your input and direction.