



**ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY
PLANNING DEPARTMENT**

STAFF REPORT

TO: Members of the Planning Commission
FROM: Liz McElligott, Assistant Planning Director
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MEETING DATE: December 5, 2022
RE: Update on progress on the preparation of the Housing Element

GENERAL INFORMATION

This is an update on the Planning Department's progress on the Housing Element for unincorporated county.

State law requires each local jurisdiction to revise its housing element every eight years. All cities and counties within a region must update their housing elements on the same eight-year cycle. The next cycle for the Bay Area is from 2023-2031. The deadline to complete the final housing element is January of 2023. However, due to the loss of staff over the past two years, Planning Department staff is behind schedule in the preparation of the document to meet this deadline. Staff is working diligently to complete the document and anticipates finishing an initial draft in late March 2023.

The Housing Element must include the following components:

- Evaluation of the implementation of programs in the existing 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 Commission 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 additional information on the progress made to date on the preparation of the Housing Element. The following text describes each chapter of the Housing Element, as well as community engagement to date.

Housing Element Update

Prospective Policies and Programs

This section of the Housing Element sets forward policies and corresponding programs to enact over the 8-year implementation period. Some will be continued on from the current Housing Element (5th Cycle), such as Code Enforcement's work. Some are necessary to comply with current housing-related state laws, such as:

- Rezoning sites to meet the RHNA, with specific actions towards sites included in the 4th and 5th Cycles
- Tracking ADU permit issuance and ensure they meet projected goals
- Creating a process for SB 9 lot splitting

Other actions staff is considering include the following:

- Finding ways to address potential displacement within Unincorporated areas
- Targeting additional community resources in lower resource areas with additional prospective housing
- Updating the building code for maintenance and code enforcement
- Passing an inclusionary zoning ordinance or other community benefit program
- Protecting tenants rights through rent stabilization, a rental registry, and establishing a rental inspection process
- Working with BART to facilitate the development of housing at the Castro Valley and Bay Fair BART stations.

Staff anticipate there being other programs not listed here in the Housing Element draft. Other jurisdictions have received feedback on their drafts from state HCD requiring specific timelines for project implementation as well as specific consideration for how programs affirmatively further fair housing in correspondence with AB 686.

Housing Needs Assessment:

The Housing Needs Assessment examines demographic, employment, and housing trends and conditions that affect the housing needs of the community. Below are some of the initial findings about housing needs in unincorporated Alameda County:

- Seniors (65 years and above) make up approximately 14.7% of the population. Out of the total senior population, 36.8% are cost burdened.
- There are 128 subsidized, deed-restricted housing units located in six different residential developments that are at risk of being converted to market-rate housing by 2033.
- Approximately 28.9% of unincorporated Alameda County homeowners and 51.5% of renters are cost burdened, meaning they spend 30% or more of gross income on housing costs. Additionally, 26.3% of renters spend 50% or more of their income on housing, compared to about 10.6% of homeowners.
- Approximately 14.1% of households in unincorporated Alameda County are extremely low-income, and 41.1% of Unincorporated Alameda County households are low-income households (earn less than 80% of Area Median Income [AMI]).

Needs analysis based on census data will be 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 higher total regional housing need. State HCD’s oversight was also expanded to include approval of the allocation methodology in each region.

The Final Regional Housing Needs Allocation (RHNA) Plan for the 2023-2031 Housing Element cycle was approved by the Association of Bay Area Governments (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 current 2015-2022 Housing Element cycle. 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 No Net Loss Law (SB 166) ensures that jurisdictions maintain a sufficient supply of adequate sites in the Inventory throughout the planning period. To ensure this, staff have also located sites for about an additional 700 units, totaling just over 5100 units or 115% of the RHNA. This is reflected in the Site Inventory information below.

The inventory of sites available for residential development must provide an estimate of the number of additional 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. Recent state legislation placed substantial restrictions on the sites that can be included in the site inventory in future housing element updates. These restrictions include limits on the reuse of inventory sites not developed in the previous housing element cycle and the use of non-vacant sites for low- and very low-income units

Staff has spent approximately 4 months identifying potential sites to meet the sixth cycle RHNA. There are currently 460 prospective sites corresponding with 5,141 units. Although still in a draft form, the 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 majority empty or parking with older (pre-1980) buildings and closed commercial buildings.

After identifying sites, staff then identified which prospective sites could be rezoned 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 towards the sixth cycle RHNA. Planning Department staff anticipate including approximately 304 ADUs towards meeting the RHNA, based on ADU construction numbers from 2018 to 2022. Projected ADUs are assigned to income categories in accordance with ABAG guidance.

Below is the breakdown of units by unincorporated communities.

<i>6th Cycle Sites Inventory Distribution by Community– Admin Draft</i>		
	<i>Total Prospective Units Identified</i>	<i>Percentage of Total Prospective Units Identified</i>
<i>Unincorporated Alameda County</i>	5,141	100.0%
<i>Ashland</i>	1,482	28.8%
<i>Cherryland</i>	361	7.0%
<i>San Lorenzo</i>	415	8.1%
<i>Hayward Acres</i>	40	0.8%
<i>Eden Area Subtotal</i>	2,298	44.7%
<i>Castro Valley</i>	2,089	40.6%
<i>Fairview</i>	560	10.9%
<i>East County</i>	194	3.8%

The majority of RHNA units are in the Eden Area General Plan (44.7%) and Castro Valley (40.6%) with the remainder in Fairview and East County.

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

- The Bay Fair and Castro Valley BART station parking lots. Many BART parking lots throughout the Bay Area are long-term intended by BART as sites for transit-oriented development (TOD). Both sites default to a minimum density of 75 units per acre by AB 2923. Bay Fair and Castro Valley were both considered developable in the mid-term future when BART wrote its TOD workplan several years ago. Planning staff believe it is possible to develop both with dedicated

programming, and within the planning period staff will continue discussions and coordination with BART representatives and developers pursuing TOD projects.

- The Castro Valley Boulevard Rite Aid. Staff are 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 site adjacent to the 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 near the City of Pleasanton.

Together, these prospective sites account for 56% of all units identified in Castro Valley and 46% 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 being 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.

The table below includes a more detailed breakdown of the distribution of prospective sites by community and income category.

6th Cycle Sites Inventory Distribution by Income Category – Admin Draft				
	<i>Number of Units</i>	<i>Low and Very Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>
<i>Ashland</i>	1,482	42.5%	17.5%	39.9%
<i>Cherryland</i>	361	51.0%	38.0%	11.1%
<i>Castro Valley</i>	2,089	50.7%	10.6%	38.6%
<i>Fairview</i>	560	7.7%	3.2%	89.1%
<i>Hayward Acres</i>	40	15.0%	52.5%	32.5%
<i>San Lorenzo</i>	415	33.3%	30.4%	36.4%
<i>East County</i>	194	0.0%	0.0%	100.0%
<i>Total</i>	5,141	40.1%	15.2%	44.7%

Other prominent underutilized potential sites include the parking around the Lewelling Boulevard Crunch Fitness and the village center in San Lorenzo. Vacant land throughout the communities was included in the inventory as infill development, and there are significant large sites (both vacant and not) located throughout the unincorporated area.

Constraints:

The Constraints section of the update analyzes and recommends solutions to existing and future governmental and nongovernmental barriers to housing development. Some of the known constraints include:

- Need for consistent objectivity in residential design standards, especially lot size analysis
- Amending zoning code for consistency with State law.
- Process for implementing 100% residential projects in mixed-use zones without requiring rezoning.

- Requirements for creation of private streets

Staff anticipate augmenting this research with conversations from nonprofit and for-profit developers.

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 programs' and policies completion and efficacy; whether it will be continued into the next Housing Element; or, if not, why.

The 2015-2021 Housing Element had 7 goals, 79 policies, and 31 corresponding programs. They reflect the work of multiple departments, and Planning staff are working to coordinate with others to obtain feedback to inform the review.

Affirmatively Furthering Fair Housing (AFFH)

Planning staff have been compiling the information necessary to prepare the AFFH Assessment, a new requirement for this Housing Element Cycle, put in place by AB 686 (2018). The law 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 are in the process of contacting organizations and agencies that represent and serve these demographics, as well as other vulnerable populations. This portion of the work is expected to take roughly three months.

Community Engagement

Community engagement is an integral part of the Housing Element. As of mid-November, staff have reached out to community members in the following ways:

- Presented to EMAC, CVMAC, FVMAC, Sunol CAC, AAC, USC, and this body about ongoing updates to the General Plan, including the Housing Element
- Hosted three 3-hour ‘office hour’ style sessions for residents to chat with planning staff. Preparation for these office hours included emailing 900+ engaged residents, preparing materials in English and Spanish, and engaging an interpreter.
- Met with the “Environmental Justice Bucket” of the Ashland Cherryland Healthy Communities Collaborative (ACHCC) to introduce the Housing Element. Members include staff from various County agencies and departments, different service providers, and community-based organizations (CBOs).
- Opened a venue for residents to share their housing stories. To supplement staff’s research into the history of fair housing in unincorporated county for the AFFH, staff are inviting residents to submit their own housing stories and housing challenges via this form: <https://bit.ly/achousingstory>.

The following are engagement activities that are in process:

- Reaching out to key landowners to determine their interest in developing housing during the planning period.
- Scheduling one-on-one and small group meetings with key stakeholders, including those representing populations with ‘special housing needs’ as defined by state HCD, and housing developers.
- Publicizing the AFFH housing story survey
- Developing and publicizing a more detailed quantitative survey

Future engagement for the Housing Element will likely include:

- One or more in-person gallery walks, to enable deeper discussion of the Site Inventory
- A panel featuring housing leaders from unincorporated communities with discussion of housing needs and challenges
- And a large, virtual, feedback forum where staff will describe how comments and input from throughout the update process has informed the public review draft.

To ensure easy communication, a generic Housing Element email address was set up for the public, housingelement@acgov.org. Planning staff are also maintaining a webpage on the department site, located here: <https://www.acgov.org/cda/planning/housing-element/housing-element.htm>.

Housing Element Schedule

Planning staff expect to continue engagement and outreach work through at least February 2023. Staff and consultants are diligently researching and writing all sections of the Housing Element and expect to have a completed draft for public review by the end of Q1 in 2023. Once the draft is completed, it will be open for public comment for at least 30 days then submitted to State HCD for a 90-day review.

Staff have spoken several times to the likely reviewer at State HCD and intend to meet with him during the initial review period for feedback. Responding to feedback before the 90-day period ends will hopefully shorten subsequent review periods.

CONCLUSION

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