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# Memorandum

**TO:** STEERING COMMITTEE MEMBERS

**FROM:** WINSTON RHODES, AICP, PLANNING MANAGER  
LESLIE CARBAHAL, REDEVELOPMENT ANALYST

**SUBJECT:** HOUSING ELEMENT UPDATE WORKSHOP

**DATE:** MAY 24, 2010

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## **BACKGROUND**

The Housing Element is a required element of the City's General Plan. Unlike the other mandatory General Plan elements, the Housing Element must be updated approximately every five years and is subject to detailed statutory requirements and mandatory review by the State Department of Housing and Community Development (HCD) prior to and following adoption. Housing Element compliance with State housing law is frequently a prerequisite for eligibility for various grant funding opportunities, and noncompliance may leave the City vulnerable to potential litigation affecting our land use approval authority.

The Steering Committee has reviewed Housing Element requirements and the Draft Housing Element document throughout the Housing Element Update process. In addition, a subcommittee of Steering Committee members met with Staff multiple times to formulate revisions to the Draft Housing Element document.

The City submitted the draft Housing Element for mandatory HCD review in October 2009. In December 2009, the City received comments from HCD, and the Planning Commission reviewed the comments and the City's proposed responses in February 2010. This information was used to prepare a Revised Draft Housing Element.

## **DISCUSSION**

Staff has continued to work with HCD to address revisions necessary before HCD will certify that the City's Housing Element is in compliance with State housing law. A Revised Draft Housing Element was submitted to HCD in April 2010. The Revised Draft incorporates the updates discussed with the Planning Commission in February 2010 as well as responses to additional comments from HCD received via conference call in March 2010. The complete Revised Draft Housing Element is included as Attachment A and has also been made available for review on the City's website at <http://www.ci.pinole.ca.us/planning/housingelement.html>.

Substantive changes to the draft Housing Element incorporated since the Steering

Committee's February 2010 review are summarized in Attachment B. These include the following topics:

- **Candidate Sites for Rezoning** (Addressed in Section 4: Housing Opportunities): The City does not currently have sufficient land properly zoned for residential development to meet its Regional Housing Needs Allocation (RHNA) as determined by the Association of Bay Area Governments (ABAG) through 2014. The Housing Element must identify candidate or "opportunity" sites to rezone for planned residential development to meet this need. The Revised Draft Housing Element identifies six sites along the proposed Specific Plan Corridors (San Pablo Avenue, Pinole Valley Road, and Appian Way), and recommends rezoning them for mixed use or high density residential development in order to meet the RHNA (see Table 38, pages HE57-60).

The proposed Sites Inventory identifies a surplus of sites to meet Pinole's RHNA. This provides flexibility to ensure adequate sites are available for a variety of types of housing development and provides flexibility in the event that a housing site is desired for another proposed land use in the future.

The Revised Element includes a number of related changes to the Housing Sites Inventory that are designed to help clarify and implement the opportunity sites approach based on HCD feedback. The changes are mentioned below:

- Expanded description of each site, including parcel and aggregate descriptions of size, existing development, and future development potential.
  - Added action Item HIA-12 (Parcel Consolidation, page HE-77) to facilitate parcel consolidation and encourage development/redevelopment of opportunity sites containing several different parcels and/or owners.
  - Added action Item HIA-6 (Adequate Sites to Plan for the City's Regional Fair Share of Regional Housing Growth) to ensure rezoning occurs within timeline acceptable to State.
- **Emergency Shelters/Transitional and Supportive Housing:** Changes in State Housing Law (SB 2) require that the City identify at least one zone where emergency shelters are permitted by right without a conditional use permit, and demonstrate that the zone has sufficient capacity to accommodate the shelter need. The Revised Draft Housing Element identifies the proposed Three Corridor Specific Plan Office Industrial Mixed Use (OIMU) Zone as appropriate to meet this need (See Section 3: Housing Constraints, pages HE48-50).
  - **Local Processing and Permit Procedures:** Clarified and analyzed processing procedures for typical single-family and multi-family projects; removed erroneous reference to use permit requirement for multi-family development (Section 3: Housing Constraints, pages HE37-42) in multi-family zoning districts.

- **On/Off Site Improvements:** Added new description and analysis of standards for on and off site improvements (i.e., street widths, curb and gutter requirements, etc.) (pages HE39-40).
- **Quantified Objectives:** The quantified objectives for housing units projected to be constructed, rehabilitated, or conserved over the next five years have been modified to include an objective for “extremely low-income households” (page HE68) as required by State law.
- **Programs to Assist in the Development of Lower Income Housing:** HCD noted that programs to assist in the development of multifamily or rental housing for lower income households is particularly important for Pinole given the amount of new housing construction affordable to lower-income households provided in the previous planning period (1999-2006). The following Housing Implementation Actions address how the City plans to assist development to meet lower-income workforce housing needs:
  - HIA-2 (Explore Housing Development Partnerships): the City commits to seek out opportunities to work with other public agencies and developers to encourage new residential development providing affordable housing (page HE 71).
  - HIA-7 (Rehabilitation Loan Programs): the City will continue to promote rehabilitation loan and grant programs available to lower income households (page HE 73).
  - HIA-11 (Housing Construction): a number of the mechanisms designed to encourage housing construction are designed to also encourage affordable housing production (pages HE 76-77).
  - HIA-14 (Homebuyer Programs): the City will continue to promote homebuyer programs that make ownership housing more affordable to lower income households (page HE 77).
  - HIA-15 (Below Market Rate Regulations): the City will continue to implement and monitor rental and resale Below Market Rate (BMR) restrictions (page HE 77).
- **Reasonable Accommodation:** HCD requires that the Element address how the City will provide reasonable accommodations to allow modifications to address the needs of persons with disabilities. HIA-18 (page HE 78) commits the City to adopt a Reasonable Accommodation Ordinance; this will be completed as part of the Zoning Ordinance Update.

The Revised Draft Housing Element was submitted to HCD for review in April 2010. Preliminary feedback from HCD Staff reviewing the document indicates that only minor changes will be necessary in order for HCD to certify that the Element is in compliance.

Following submittal of the Revised Draft, Staff has continued to revise the Housing Element with the goal of ensuring consistency between the updated Housing Element and the other planning documents currently under draft review, including the Corridor Specific Plan for

San Pablo Avenue, Pinole Valley Road, and Appian Way, the draft Zoning Ordinance, and the General Plan Update. Updates made to the Revised Draft Housing Element following submittal to HCD in April are shown as underlined track changes in Attachment A. The two substantive changes are noted below.

- **Removal of Duncan Canyon from Housing Sites Inventory** (Revised Draft Element Site 24). The Draft General Plan Update proposes modifying the current land use designation for the Duncan Canyon area from Suburban/Rural Residential and Open Space to a new Rural land use category allowing a maximum of one unit per five acres. The draft Zoning Ordinance Update includes a rezoning for the Duncan Canyon area from Suburban Rural (SR) to a Rural Zoning designation consistent with the proposed General Plan land use designation. Removing Duncan Canyon from the Sites Inventory reduces zoned potential land for housing included in the Inventory by eight units.

Based on the land use and zoning designation changes for the site proposed in the draft General Plan and Zoning Ordinance updates, Staff is proposing the removal of the site from the Housing Sites Inventory. This recommendation is designed to ensure that the City meets the requirements of California Government Code Section 65863, which mandates that no local government action shall reduce, require, or permit the reduction of the residential density or allow development at a lower density for any parcel identified in the sites inventory for the adopted Housing Element unless the local government makes written findings that the reduction is consistent with the General Plan, and the remaining sites identified in the Housing Element are adequate to meet the jurisdiction's share of the regional housing need. As defined by statute, "lower residential density" refers to allowing fewer units on site than were projected within the sites inventory of the Housing Element.

Because the actions proposed in the Draft General Plan and Zoning Ordinance update would require these additional findings, Staff recommends removing the Site from the Housing Sites Inventory. After removing the eight dwelling unit capacity from the Duncan Canyon area, the proposed Housing Sites identified in Table 38 continues to meet the City's RHNA obligation.

- **New Housing Implementation Action (HIA-23): Conservation of Affordable Units.** The City's supply of affordable housing units is largely composed of units with covenants in place that ensure affordability at a specific income level for a set period of time following the provision of financial assistance to the project, generally from the Redevelopment Agency. A number of the covenants were recorded prior to changes in State law that require minimum thresholds for affordability and are now nearing their expiration dates. Through this new action, the City commits to take appropriate steps to ensure that the units with covenants close to expiration are conserved and will retain affordability. In this Housing Element cycle, the City must conserve two low-income units with covenants set to expire in 2014.

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**ENVIRONMENTAL REVIEW**

An Initial Study has been prepared analyzing potential environmental impacts resulting from the Housing Element Update and no significant impacts were identified. A Notice of Intent to Adopt a Proposed Negative Declaration was posted on May 11, 2010, and all documents are available on the Housing Element Update webpage at <http://www.ci.pinole.ca.us/planning/housingelement.html>. The period for accepting public comments on the adequacy of the environmental document extends through June 10, 2010. Any public comments received in response to the Initial Study and Negative Declaration will be forwarded along with the environmental documents to the Planning Commission prior to Commission action.

**STAFF RECOMMENDATION**

Staff is requesting the Planning Commission review and comment on the Revised Draft Housing Element to ensure that it reflects local concerns in addition to satisfying State legal requirements. Recommended changes will be incorporated prior to bringing the item back for Planning Commission action next month.

**NEXT STEPS**

Planning Commission action is scheduled for the June 14, 2010 meeting. The Planning Commission will make a recommendation to the City Council; Council action is planned for July 6, 2010. Once adopted, Staff will forward the Housing Element Update to HCD for final review and certification.

**ATTACHMENTS**

- A. Revised Draft Housing Element in Track Changes
- B. Revised Draft Housing Element Responses to HCD Comments