



Memorandum

TO: PLANNING COMMISSION

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

SUBJECT: 2009 HOUSING ELEMENT UPDATE, GENERAL PLAN AMENDMENT (GPA) 10-01

DATE: JUNE 14, 2010

STAFF RECOMMENDATION

That the Planning Commission review the proposed 2009 Revised Draft Housing Element Update and adopt Resolution 10-10 (see **Attachment A**) recommending the City Council approve the Negative Declaration, including the California Environmental Quality Act (CEQA) checklist and initial study, as compliant with the California Environmental Quality Act of 1970 as amended, and recommending adoption of General Plan Amendment (GPA) 10-01 to update the Housing Element of the General Plan.

BACKGROUND

Over the past year, Staff has worked to revise the Housing Element to incorporate an updated assessment of Pinole's existing housing needs, to address the City's share of the Regional Housing Needs Allocation (RHNA) for the current planning period (2007-2014), and ensure that the updated Housing Element is in compliance with State housing law.

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 to review the initial draft and help formulate revisions to the Draft Housing Element document needed to satisfy State legal requirements. The City submitted the draft Housing Element for mandatory State Department of Housing and Community Development (HCD) review in October 2009. In December 2009, the City received comments from HCD, and the Planning Commission serving as the General Plan Update Steering Committee reviewed the comments and the City's proposed responses in February 2010. A Revised Draft Housing Element was submitted to HCD in April 2010. The Revised Draft incorporates the modifications discussed with the Planning Commission in February 2010 as well as responses to additional comments from HCD. A Revised Draft Housing Element was presented to the Planning Commission in May 2010, and is now presented for consideration in substantially the same form.

DISCUSSION

The Housing Element is a required element of the City's General Plan and was last updated in 2003. Unlike the other mandatory General Plan elements, it must be updated approximately every five years and is subject to detailed statutory requirements and mandatory review by 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 complete Revised Draft Housing Element is included as **Attachment B**; the document is also available online at <http://www.ci.pinole.ca.us/planning/housingelement.html>. **Attachment C** summarizes the changes between the adopted 2003 Housing Element and the proposed 2009 Revised Draft Housing Element Update. As detailed in Attachment C, the update makes few changes to the City's adopted housing goals, and primarily incorporates updates that address the following issues: updating the assessment of Pinole's existing housing needs; addressing the City's share of the Regional Housing Needs Allocation (RHNA) for the current planning period (2007-2014); and bringing the Element into compliance with State law. Updates to the proposed Revised Draft Housing Element affecting these areas are discussed below.

1. Housing Needs Allocation

State law requires that the Housing Element include an assessment of Pinole's existing Housing Needs. The Housing Needs Assessment comprises Section 2 of the Revised Draft Housing Element. This section analyzes Pinole's demographic, socioeconomic, and housing characteristics to determine housing needs for current and future residents. Updates to this section incorporate current data to the extent that it is available as an updated U.S. Census has not been produced since the adoption of the 2003 Housing Element.

2. Regional Housing Needs Allocation

HCD allocates the region's share of the statewide housing need to regional Councils of Governments (COGs). The COGs are responsible for developing a Regional Housing Needs Plan (RHNP) allocating the region's share of the statewide need to cities and counties within the region. The Association of Bay Area Governments (ABAG) is the COG responsible for developing the Bay Area's RHNP and determining the Regional Housing Needs Allocation (RHNA) for each city and county.

The RHNA provides a total number of housing units needed, by affordability level, to accommodate expected population growth for the current housing element planning period (2007-2014). In May 2008, the RHNA numbers were finalized for Pinole for the 2007–2014 planning period. The City received a RHNA allocation of 323 total housing units, of which 253 units have not yet been approved or constructed. The total RHNA is summarized in Table A below; the City's progress as of January 1, 2010 is summarized in Table B on the following page.

Table A
City of Pinole 2007-2014 RHNA

Income Category	Allocation	Percentage
Very Low	83	26
Low	49	15%
Moderate	48	15%
Above Moderate	133	56%
Total	323	100%

Table B
City of Pinole RHNA Progress January 2007 through December 2009

	Very Low	Low	Moderate	Above Moderate	Total
Allocation	83	49	48	143	323
2007-2009 Units Approved and/or Built	2	1	10	57	70
Remaining Need	81	48	28	86	253

The City does not currently have sufficient land properly zoned for residential development to meet its remaining RHNA through 2014. Therefore, 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 including future residential use or higher density residential development in order to meet the remaining housing need (Table 38, page HE57). The Housing Element commits to rezoning these sites within one year of adoption of the Housing Element; the rezoning would be accomplished through the adoption of the Three Corridors Specific Plan for San Pablo Avenue, Pinole Valley Road, and Appian Way, which is currently under preparation.

3. Compliance with State Housing Law

The Housing Element update must address revisions to State Housing law, and a number of new Housing Implementation Actions have been included to address recent statutory changes.

- **Emergency Shelters/Transitional and Supportive Housing:** SB 2 requires 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).
- **Reasonable Accommodation:** The Element must address how the City will provide reasonable accommodations to allow modifications to address the needs of persons with disabilities. HIA-18 (page HE 76) commits the City to adopt a Reasonable Accommodation Procedure; this will be adopted as part of the Zoning Ordinance Update which is under preparation.
- **Additional Changes to Goals and Housing Implementation Actions:**
 - **HCD requested emphasis on programs to assist and encourage the development and conservation of multifamily or rental housing for lower income households.** The following Housing Implementation Actions are included in the Revised Housing Element to address how the City plans to encourage the development and conservation of affordable workforce housing opportunities within the City:

- 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 69).
- HIA-7 (Rehabilitation Loan Programs): the City will continue to promote rehabilitation loan and grant programs available to lower income households (page HE 71).
- HIA-11 (Housing Construction): a number of the mechanisms designed to encourage housing construction are designed to also encourage affordable housing production (pages HE 74-75).
- HIA-14 (Homebuyer Programs): the City will continue to promote homebuyer programs that make ownership housing more affordable to lower income households (page HE 75).
- HIA-15 (Below Market Rate Regulations): the City will continue to implement and monitor rental and resale Below Market Rate (BMR) restrictions (page HE 75).
- **New Goal H5: Energy-Efficiency, Conservation, and Sustainable Residential Development.** This new goal reflects the community's growing awareness of sustainability and the importance of resource conservation in the development and ongoing operation of housing within the City. Based on recent feedback from the East Bay Municipal Utility District (EBMUD), the policy that supports this new goal has been modified to address water as well as energy conservation within the Housing Element.

The Planning Commission Acting as the Steering Committee for the General Plan Update, including the Housing Element Update, last reviewed the Revised Draft Housing Element on May 24, 2010. Since that date, Staff has continued to work with HCD to ensure the Housing Element Update is compliant with State housing law. Since the Commission's last review, two revisions have been incorporated to address State concerns:

- The Housing Sites Inventory (Table 38) has been modified to analyze the opportunity site development potential on a parcel-by-parcel basis (previously this number was computed based on the total site acreage). This revision also requires that the development potential for Site 33 (Appian 80 Shopping Center) be calculated at the zoning capacity for Commercial Mixed Use although the rezoning will allow for a portion of the site to be redeveloped as High Density Residential. These calculation changes (stating on page HE 57) result in a 24-unit reduction in the development capacity for the Opportunity Sites, which continues to satisfy the City's obligation to plan for the RHNA.

A summary of development potential planned in the Housing Element to meet the remaining 253-unit housing need can be found on pages HE 55 through HE 60 of **Attachment B**.

- Housing Implementation Action 6, Adequate Sites to Meet Regional Fair Share of Housing Growth, has been expanded to include additional information previously included in Section 3 (Housing Opportunities). The additional information includes the zoning designation and number of acres to be rezoned and a commitment that the standards in place or proposed for the district are designed facilitate the development of housing to meet the needs of Pinole's current and future residents.

HCD has indicated that with these changes, the Revised Draft Housing Element complies with State housing law.

ENVIRONMENTAL REVIEW

An Initial Study has been prepared analyzing potential environmental impacts resulting from the Housing Element Update and no significant impacts were identified. These documents are included as **Attachment D**. A Notice of Public Review and 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 documents extends through June 10, 2010. The City received three comment letters as of June 9, 2010. The letters were from the California Energy Commission, the East Bay Municipal Utility District (EBMUD), and Chevron, and are included as **Attachment C**. The letters do not relate to the adequacy of the Negative Declaration and provide information relating energy conservation, water conservation, and past crude oil pipeline use and crude oil releases to be aware of during future construction. These letters have been made available for public review at the Community Development Department. Any comments received after June 9, 2010 will be provided at the June 14, 2010 public hearing.

NEXT STEPS

City Council action is scheduled for the July 6, 2010 meeting. The City Council will consider the Planning Commission's recommendation. Following Council action, Staff will forward the adopted Housing Element to HCD for final review and certification.

ATTACHMENTS

- A. Resolution
 - Exhibit A:** Proposed Negative Declaration and Initial Study
 - Exhibit B:** Revised Draft Housing Element
- B. Housing Element Changes Matrix
- C. Negative Declaration Comment Letters (received through June 9, 2010)