



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
March 4 2015**

**TO:** Mayor and City Council  
**FROM:** Alan Shear, Acting City Manager  
**PREPARED BY:** Dina Tasini, Planning Manager  
Corey Simon, Senior Planner  
**SUBJECT:** Draft Updated Housing Element (2015-2023) of the City’s General Plan  
**DATE:** February 26, 2015

**RECOMMENDATION:**

Motion to direct staff to submit the Draft Housing Element to the State Department of Housing and Community Development (HCD).

**BACKGROUND:**

State law requires each city and county to adopt a general plan containing seven elements including a Housing Element. Rules regarding Housing Elements are found in California Government Code Sections 65580-65589. State law also requires that Housing Elements identify and plan for the existing and projected housing needs of all segments of the community. The law acknowledges that when private and/or nonprofit developers construct housing, local governments need to adopt land use plans and polices that provide housing opportunities for the entire population. At the most basic level, the Housing Element process is designed to insure that adequate inventory of vacant and/or underutilized parcels, with appropriate high density residential development opportunity sites, are maintained by local governments. Housing Elements are reviewed and certified by the California Department of Housing and Community Development (HCD) once the document has met the intent and requirements of State housing regulations.

The revised draft Housing Element Update was reviewed by the Planning Commission at its February 10, 2015 meeting. On February 18, 2015 the City Council reviewed the Draft Housing Element Update and requested that staff revise portions to clarify several issues regarding programs and housing numbers. Staff has revised and updated the document, and as a result, approximately 150 units have been removed from the 2007-2014 housing estimate due to slope or access issues as well as several opportunity sites having been developed (e.g. Berrelessa Palms, The Paseos and the commercial development on Arnold Drive. The remaining opportunity sites still provide for development of additional possibilities of affordable housing to meet the Regional housing numbers.

After the Council has reviewed the update to the Housing Element, staff will submit the document to the Department of Housing and Community Development (HCD) for certification.

After the document is certified by HCD, the Planning Commission will hold a public hearing to review the certified document, and provide a recommendation to the City Council. The Council will then conduct a public hearing to adopt the Housing Element.

In addition to the reasons mentioned above a certified Housing Element Update is required to receive grants and funding from many government agencies such as the Contra Costa County Transportation Authority.

The City's current Housing Element (for the 2007-2014 planning cycle) was certified by HCD in September 2010, and adopted by the City Council on January 19, 2011. Previously, HCD required that jurisdictions update their Housing Element every five to seven years based on an eight-year planning period.

The State has modified the update process for the upcoming planning period of 2015-2023 and created a more streamlined and efficient procedure. If an agency meets all of the requirements of the streamlined update, then the lifespan of an adopted Housing Element will extend from five or seven years to eight years. This extension is contingent upon an agency adopting a certified Housing Element by the middle of 2015. If agencies do not meet this deadline, then an updated Housing Element will be required every four years instead of eight. Therefore, if the Housing Element is certified by HCD and adopted by Council by the middle of 2015, the next Housing Element update will be required in 2023 instead of 2019.

### **Housing Element Public Participation Process:**

State law requires cities and counties to make a significant effort to achieve public participation by all segments of the community in preparing a Housing Element. Section 65583(c) (6) of the California Government Code specifically requires that:

*The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the program shall describe this effort.*

To meet these requirements, the City conducted the following:

- May 13, 2014 - Held a public workshop in the evening. The meeting was advertised in the local paper (Martinez Gazette), on the City's website and announced at a City Council meeting. No one attended the workshop.
- May 28, 2014 - A housing survey was posted on the City's website. The availability of the survey was advertised on the website and was announced during a City Council meeting. The City received 41 responses.
- June 18, 2014 - A roundtable discussion of housing providers (profit and non profit) took place. Individual invitations were sent to 25 housing suppliers and government entities. Only one organization from an adjacent county attended. The City received no public comments.

- February 10, 2015- Planning Commission held a public hearing to review and comment on the proposed update to the Housing Element. Several people attended the meeting and had concerns about the balance between jobs and housing.
- February 18, 2015- City Council held a public hearing to review and comment on the proposed update. The City Council made several changes and directed staff to bring the document back to Council for another review prior to it being sent to HCD for certification. The changes included updating the housing numbers and providing more information on several programs.

In addition to the outreach process outlined above, the City met the other criteria established by HCD for the streamline update. These efforts are detailed within the Discussion section below.

The City submitted an initial Housing Update draft to HCD in mid-2014 for an informal review. Staff has been working with HCD to achieve compliance and respond to comments provided by HCD staff.

#### DISCUSSION:

#### *HCD criteria for streamlined update process and 8-year review cycle*

The eligibility requirements to use the Streamlined Update are:

- A housing element for the previous planning was adopted and found to be in compliance with State housing element law.
- A complete updated housing element is submitted showing all changes. The changes can be shown through a variety of mechanisms as long as the changes can be identified such as by using strikeout, underline, redline, highlighting or other designation
- Completion of the Streamlined Update template (Attachment 3), making revisions to the housing element, as necessary, to analyze changes in conditions, processes and program implementation actions. If it is determined no changes are necessary within a specific section, the Streamlined Update template must indicate such.

Use of the Streamlined Update does not relieve the jurisdiction of its obligation to address all statutory requirements of State housing element law, but rather provides a guide to updating the necessary portions of the housing element and facilitates State review of housing element submittals. For eligible jurisdictions, HCD review will rely upon the element in compliance in the prior planning period and will be limited to changes that have occurred since the prior planning period as indicated in the Streamlined Update template.

HCD will not review areas that have not changed since their content continues to be sufficient to meet statutory requirements. For example, a sites inventory and analysis includes a listing of sites and various analyses demonstrating suitability of those sites for development, among other requirements. The listing may only have minor changes and the various analyses such as how residential capacity is calculated can continue to be used in the updated housing element. HCD will not review the areas that have not changed and will focus its review on the minor updates, if any, to the inventory and analyses. However, any changes to the required analyses must be included for HCD review. HCD will also consider public comments as part of this review. Specifically, the Streamlined Update template option is applicable to the following areas only:

- ☐ Sites Inventory and Analysis
- ☐ Analysis of Governmental and Non-Governmental Constraints
- ☐ Housing Needs Assessment, including special needs groups (excluding the quantification and analysis of homeless individuals and families)
- ☐ Units At-Risk of Conversion to Market Rate
- ☐ General Plan Consistency
- ☐ Coastal Zone Housing

In order to participate in HCD’s new streamlined approach, local governments are also required to demonstrate significant progress in implementing the State mandated programs from the 2007-2014 Housing Element cycle. The following four programs were considered the most fundamental and were adopted within the previous Housing Element cycle:

- Changes to nonresidential zoning regulation, establishing zoning districts where **emergency shelters for the homeless** will be permitted uses (i.e. not subject to use permit review, but may be subject to a set of objective standards).
- Changes to residential zoning regulation, to specifically allow **transitional and supportive housing**, as required by State law, so they are treated as a residential use that will be subject only to the same restrictions that apply to other residential uses of the same type in the same zone.
- Establishment of an internal review procedure or ordinance **to provide individuals with disabilities reasonable accommodation** with respect to rules, policies, practices and procedures that may be necessary to ensure equal access to housing.
- Adoption of **Density Bonus Ordinance** (implementing past and current Housing Elements, and as mandated by State law for Cities to ministerial allow for a “density bonuses,” permitting additional units above and beyond the otherwise general plan and zoning limits, to developers who provide subsidized “below market rate”. and/or senior citizen housing.)

The City Council adopted Ordinance No 1379 C.S. the Ordinance in February 2014, implementing the above programs from the City’s 2007-2014 Housing Element and meeting the requirements that allows the City to use HCD’s streamlined process for the 2015-2023 planning cycle.

***Contents of the Draft Housing Element (2015-2023)***

Unlike past state mandated planning cycle updates, where an entire new housing element was needed, HCD’s 2015 streamlined process allows local governments to simply update the current Housing Element from the 2007 -2014 cycle. The updates being proposed are shown in the “redline” version of the 2015-2023 Housing Element (Attachment A). The Housing Element Update by and large provides an update to the data tables to reflect existing 2015 conditions. The two key substantial changes for the 2015-2023 planning period are:

1. Comparing the 2015-2023 Association of Bay Area Governments’ (ABAG) Regional Housing Needs Allocation (RHNA) to the current (2015) inventory of vacant/underutilized land suitable for below market rate (“affordable”) housing.

The Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element. As part of this process, the California Department of Housing and Community Development (HCD) identify the total housing need for the San Francisco Bay Area for an eight-year period (in this cycle, from 2015 to 2023). ABAG and MTC must then develop a methodology to distribute this need to local governments in a manner that is consistent with the development pattern included in the Sustainable Community Strategy (SCS). Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need.

Projected housing needs, within the RHNA, are described by income categories established by HCD: “very low,” “low,” “moderate” and “above moderate.” For Contra Costa County, these income levels are currently defined as (a more detailed table is provided in the Draft Housing Element):

- **Very Low Income Households:** California Health and Safety Code Section 50079.5 provides that the low-income limits established by the U.S. Department of Housing and Urban Development (HUD) are the state limit for very-low income limits are used, which are households earning less than 50% of the median household income (adjusted as described for low-income households above). As of April 2014, this would be a family of four earning less than \$40,464 per year.

In addition Government Code Section 65583(a) now requires local Housing Elements to provide “documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including **extremely low income households** (GC 65583 (a)(1)). Extremely low income is a subset of the very low-income regional housing need and is defined as households earning less than 30% of the median household income.

- **Low Income Households:** low-income households. HUD limits for low-income household are generally households earning 50-80% of the median household income, adjusted for family size, with some adjustment for areas with unusually high or low incomes relative to housing costs. As of April 2014, a family of four earning between \$44,650 and \$66,250 per year was considered low income.
- **Moderate Income Households:** Defined by Section 50093 of the California Health and Safety Code as households earning 80-120% of the median household income. As of April 2014, a family of four earning between \$70,800 and \$99,120 per year was considered moderate income.
- **Above Moderate Income Households:** Defined as households earning over 120% of the median household income. As of April 2014, a family of four earning more than \$99,120 per year was considered above moderate income.

ABAG's has lowered the RHNA requirements for the City of Martinez, when compared to the 2007-2014 planning cycle, as shown below:

<b>City of Martinez Regional Housing Needs Allocation (2007-2014 &amp; 2015-2023)</b>					
<b>Income Level</b>	<b>2007-2014</b>		<b>2015-2023</b>		<b>Percent</b>
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>	
Very Low	261	25%	124	26%	
Low	166	16%	72	15%	
Moderate	179	17%	78	17%	
Above Moderate	454	43%	195	41%	
<b>TOTAL</b>	<b>1,060</b>	<b>100%</b>	<b>469</b>	<b>100%</b>	

To establish the number of units that can accommodate Martinez's share of the regional housing need for lower-income households (the City's Very Low and Low Income housing need is for 196 units), the Element must include an analysis that demonstrates the identified zone/densities they will encourage and facilitate the development of housing for lower-income households. As allowed Government Code Section 65583.2(c)(3)(B), The City of Martinez is applying what the state has defined as the default density standards deemed adequate to meet the appropriate zoning test, which in Martinez's case are sites designated at 30 units per acre or more.

Since Martinez has adequate sites currently zoned to allow residential development at densities of up to 30 units/acre, no further analysis is required to establish the adequacy of the City's inventory of sites available for lower income housing development (as shown in Tables below). In addition, there must be adequate sites to address the City's unmet housing needs allocation for the 2015-2023 planning period of 469 units, which includes all income groups. Based on the realistic development capacity of potential housing sites (as shown in Tables below), the City has sufficient sites currently planned and zoned at adequate densities to meet its total RHNA for the 2015-2023 planning period. A more detailed analysis is provided in Appendix A of the Housing Element.

**SUMMARY OF RESIDENTIAL DEVELOPMENT CAPACITY IN MARTINEZ ON SITES CURRENTLY ZONED FOR RESIDENTIAL USE**

<b>Site Conditions</b>	<b>Sites Greater than 30 Units/Acre</b>	<b>Sites Less than 30 Units/Acre</b>	<b>Total Units</b>
Vacant Residential	60	391	451
Vacant Mixed Use	30	427	457
Underutilized Sites	235	13	248
<b>TOTAL</b>	<b>325</b>	<b>831</b>	<b>1,156</b>

**RELATIONSHIP OF RESIDENTIAL DEVELOPMENT POTENTIAL IN MARTINEZ TO THE CITY'S REGIONAL HOUSING NEEDS ALLOCATION (RHNA FOR 2014-2022 PLANNING PERIOD) ON SITES CURRENTLY ZONED FOR RESIDENTIAL USE)**

<b>Site Conditions</b>	<b>Sites Greater than 30 Units/Acre</b>	<b>Sites from 20 to 29 Units/Acre</b>	<b>Sites Less than 20 Units/Acre</b>	<b>Total Unit Potential</b>
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**Development Potential**

Vacant Residential	60	0	391	451
Vacant Mixed Use	30	426	1	457
<u>Underutilized Sites</u>	<u>235</u>	<u>0</u>	<u>13</u>	<u>248</u>
Total	325	432	405	1156

**ABAG's RHNA (2014-2022)**

Very Low and Low	196	--	--	196
Moderate	--	78	--	78
<u>Above Moderate</u>	<u>--</u>	<u>--</u>	<u>195</u>	<u>195</u>
Total Need	196	78	195	469

**UNIT POTENTIAL**

<b><u>ABOVE RHNA MINIMUMS</u></b>	<b>+129</b>	<b>+348</b>	<b>+ 210</b>	<b>+687</b>
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2. Review and update of HOUSING PROGRAMS established with 2007-2014 Housing Element.

As a policy document of the City's General Plan, the Housing Element establishes goals, and then lists *Implementing Programs* as the activities the City will need to do to accomplish these goals. The 2007-2014 Housing Element established three main goals, and 27 *Implementing Programs* to achieve them. For the 2015-2023 planning cycle, no changes are being proposed to the main three goals (as listed below), but *Implementing programs* that are no longer feasible (such as creating a Redevelopment District) or ones that have been completed (such as the zoning amendments discussed at the beginning of this report) will be deleted. An overview of goals and programs is provided below:

***Goal #1: Housing Strengthens Our Thriving, Balanced, and Diverse Community.*** *The City has an active role in implementing the Housing Element. There is public participation by all economic segments of the community in the development of the Housing Element and implementation of housing strategies, and there is equal housing opportunity through the elimination of all forms of discrimination in Martinez.*

Implementing Programs

1. ***Review the Housing Element Annually*** [program to be continued]
2. ***Coordinate with Housing Support Service Agencies*** [program to be continued]
3. ***Coordinate with State, Regional and Contra Costa County Agencies on Housing, Transportation and Climate Action Change*** [program to be continued]
4. ***Publicize Fair Housing Laws and Respond to Discrimination*** [program to be continued]
5. ***Provide Information on Housing Programs*** [program to be continued]
6. ***Conduct Community Outreach When Implementing Housing Element*** [program to be continued]
7. ***Update the City's General Plan*** [program to be continued]
8. ***Update the City's Zoning Ordinance*** [program to be continued]
9. ~~***Consider Establishment of a Redevelopment Area***~~ [The City will DELETE the program All existing California Redevelopment Agencies were dissolved as of February 1, 2012, pursuant to the California Supreme Court's resolution of 2011 Legislation (AB 26 & AB 27, and thus no new Agencies can be formed)]

***Goal #2: Our Housing and Neighborhoods Have a High Standard of Quality.*** Assure the fit of new housing with community goals. Protect and conserve the existing housing stock so that it can best serve the needs of Martinez residents, and preserve assisted multi-family rental housing units from conversion to market rate rental units.

Implementing Programs

10. ***Continue to Participate in Neighborhood Preservation and Rehabilitation Programs*** [program to be continued]
11. ***Implement Code Enforcement*** [program to be continued]
12. ***Implement Neighborhood Improvements*** [program to be continued]
13. ***Adopt Ordinance for At-Risk Housing*** [program to be continued]

***Goal #3: We Have a Mix of Housing Types and Choices.*** Provide for an adequate supply of safe, decent and affordable housing for all economic segments of the community and promote throughout the City a mix of housing types responsive to household size, income, age and accessibility needs. Diligently pursue efforts to meet the City's regional housing needs, and expand housing opportunities for low and moderate income families and individuals, and persons with special needs.

Implementing Programs

14. ***Consider Adoption of an Inclusionary Ordinance or Housing Impact Fee*** [program to be continued]
15. ***Continue to Implement the Downtown Specific Plan*** [program to be continued]
16. ***Maintain an up-to-Date Land Inventory*** [program to be continued]
17. ***Encourage Use of Rental Assistance Programs*** [program to be continued]
18. ***Provide Expedited Review, Fee Reductions and Other Support for Affordable Housing.*** [program to be continued]
19. ***Provide Outreach on Homeless Issues*** [program to be continued]
20. ***Encourage Shared Housing*** [program to be continued]
21. ***Investigate Possible Multi-Jurisdictional Emergency Shelter*** [program to be continued]
22. ~~***Consider Enacting Zoning for Emergency Shelter for the Homeless***~~ [This program has been completed, so it will be DELETED from the 2014-2012 planning cycle]
23. ~~***Enact Zoning for Transitional, Supportive Housing and Special Needs Housing***~~ [This program has been completed, so it may be DELETED from the 2014-2012 planning cycle]
24. ~~***Adopt Procedures for Reasonable Accommodation***~~ [This program has been completed, so it may be DELETED from the 2014-2012 planning cycle]
25. ***Encourage Second Units*** [program to be continued]
26. ***Revise Multi-family Parking Requirements'*** [program to be continued]
27. ***Modify Requirements for Group Homes for seven or More Persons*** [program to be continued]

**FISCAL IMPACT:**

There is no fiscal impact associated with this action.

**ACTION:**

Motion to direct staff to submit the Draft Housing Element to State Department of Housing and Community Development (HCD).

Attachment:

1. **DRAFT** 2015-2023 Housing Element of the General Plan
2. Attachment A (Appendix)
3. Housing Element Guidance- Streamline Update Template

**APPROVED BY:**



Acting City Manager