



STAFF REPORT

TO: PLANNING COMMISSION

MEETING DATE: May 5, 2015

PREPARED BY: Planning Staff

**SUBJECT: Recommendation to City Council for adoption of the
2015-2023 Housing Element Update of the City's General
Plan**

GENERAL INFORMATION

APPLICANT: City of Martinez

LOCATION: Citywide

ENVIRONMENTAL REVIEW: The Housing Element update is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines which states the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The Draft Housing Element Update 2015-2023 does not propose any new policies or programs that would change any land use or portend new development that was not already considered in the 2007-2014 Housing Element. Therefore, adoption of the- Housing Element Update with certainty will not have a significant effect on the environment.

PROPOSAL: The Planning Commission is required to conduct a public hearing on the Draft Updated Housing Element (2015-2023), as certified by the Department of Housing and Community Development (HCD), at make its recommendation to the City Council.

RECOMMENDATION

Staff recommends the Planning Commission consider all information provided and take public comment and/or testimony and adopt Resolution 15-01, recommending the City Council find the Housing Element update is exempt from the requirements of the California Environmental Quality Act (CEQA), and adopt the Housing Element Update (2015-2023) of the City's General Plan.

BACKGROUND

On February 10, 2015, The Planning Commission reviewed and commented on the Draft Housing Element Update (.Attachment B). Subsequent to the Commission's review, the City Council reviewed the Draft Housing Element update on February 18, 2015 and gave staff direction to: a) update the housing sites inventory to better represent current conditions and provide a more realistic maximum development potential and b) include the possible adoption of an Inclusionary Housing Ordinance, as a work program, to provide additional affordable housing opportunities.

On March 4, 2015 Staff provided the City Council with the requested modifications, at which time the Council directed staff to submit the Housing Element Update to the Department of Housing and Community Development (HCD), for review and certification. HCD staff completed its review mid April, and HCD certified the document (Attachment C).

DISCUSSION

KEY MODIFICATIONS TO FINAL DRAFT HOUSING ELEMENT (2015-2025)

1. Updating "site inventory" background data from previous Draft

The Housing Element must include an analysis that identifies zoning districts and associated permitted densities to encourage and facilitate the development of housing for lower-income households. 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 pursuant to Government Code Section 65583.2(c)(3)(B).

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 revised realistic development capacity of potential housing sites (as shown on Table 1). 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 (as per FINAL draft Housing Element)**

Site Conditions	Sites Greater than 30 Units/Acre	Sites Less than 30 Units/Acre	Total Units
Vacant Residential	60	391 [468]	451 [528]
Vacant Mixed Use	30	427 [362]	457 [392]
Underutilized Sites	235	13 [86]	248 [324]
TOTAL	325	831 [916]	1,156 [1,244]

**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) (as per FINAL draft Housing Element)**

Site Conditions	Sites Greater than 30 Units/Acre	Sites from 20 to 29 Units/Acre	Sites Less than 20 Units/Acre	Total Unit Potential
Development Potential				
Vacant Residential	60	0	391 [468]	451 [528]
Vacant Mixed Use	30	426 [362]	1 [0]	457 [392]
Underutilized Sites	235	0 [79]	13 [16]	248 [324]
Total	325	426 [432]	405 [432]	1,156 [1,244]
ABAG's RHNA (2014-2022)				
Very Low and Low	196	--	--	196
Moderate	--	78	--	78
Above Moderate	--	--	195	195
Total Need	196	78	195	469
UNIT POTENTIAL ABOVE RHNA MINIMUMS				
	+129	+348 [+354]	+ 210 [+289]	+ 687 [+772]

2. Updating "at risk housing inventory" from previous Draft

Government Code Section 65583 requires each City and County conduct an analysis and identify programs to preserve assisted housing developments. The analysis is intended to identify any low income units that are at risk of losing subsidies over the next 10 years (2015-2025). This analysis is necessary and required because any termination of Federal mortgage and/or rent is a potential threat to the number of available housing units throughout the country.

The scope of the analysis also includes units developed pursuant to inclusionary housing and density bonus programs. In addition, this analysis takes into account the estimated cost of preserving versus replacing the units and includes existing programs designed to preserve the affordable units.

The inventory of assisted units includes a review of all multi-family rental units under Federal, State and/or local programs, including HUD programs, State and local bond programs, redevelopment programs, and local in-lieu fees (inclusionary, density bonus, or direct assistance programs). The inventory also covers all units that are eligible to change to non-low-income housing units because of termination of subsidy contract, mortgage prepayment, or expiring use restrictions.

Table 2 on the next page provides a listing of assisted rental units as well as the status of at-risk housing for 2015-2025 period.

Assisted Rental [and CO-OP]Units [FOR 2015-2025 FINAL draft Housing Element]

Project Name/Address	Ownership	Units	Assisted Units	Subsidy	Risk Status
Emerson Arms Apartments	Non-Profit (Eden Housing)	32	32	HUD 226/221(d)(3) and Section 8	Low Risk (Section 8 Preservation Project-preserved in 2000)
Riverhouse Hotel	Non-Profit (Eden Housing)	73	73	CDBG, LIHTC	Not at risk (30-year affordability restrictions Expire in 2041)
Alhambra Terrace	CCC Housing Authority	46	46	HUD (Public Housing)	Not at risk (based on ownership)
Hacienda Apartments	CCC Housing Authority	50	50	HUD (Public Housing)	Not at risk (based on ownership)
Muirwood Gardens Apartments	CCC Housing Authority	210	42	CDBG	Not at risk (Based on ownership)
[John Muir Homes I]	Non-Profit [CO-OP]	[53]	[53]	HUD 221(d)(3) BMIR	Lower Risk
[John Muir Townhouses II]	Non-Profit [CO-OP]	[54]	[54]	HUD 236(j)(1)	Lower Risk
Ridgecrest Apartments	For-Profit	72	14	HUD 221(d)(4) MKT	AT RISK (Funding Expires 2016)
Berrellesa Palms	Non-Profit (RCD)	49	48	HUD, CBDG, HOME and HOPWA	Not at risk
TOTAL		639	412		

Sources: California Housing Partnership Corporation, November 2009; Contra Costa Housing Authority and Housing Department, November 2009 AND April 2015 and current building permits 2014

Of the total 412 assisted rental and co-op units, 241 are family units and 171 are senior and/or disabled units. These projects were funded with a variety of local and Federal sources. Except for the 14 assisted units within the 72 unit Ridgecrest Apartment apartments, none of the subsidized units are at-risk of conversion to market rate rental housing due to their ownership and management status (Housing Authority owned/managed) or the funding source affordability requirements.

As required by Government Code Section 65836.10, the property owner of Ridgecrest Apartments, Sequoia Equity, notified the City in February that notice was given to 14 below market rate tenants and Sequoia will be ending participation in its affordable housing program effective February 29, 2016. Termination of the program is permitted, as the regulatory agreement has expired between the owner and City.

Per Housing Program 12, the City can assist tenants of existing rent restricted units to obtain Priority Status on Section 8 Waiting List. HUD has set aside special Section 8 vouchers for existing tenants in Section 8 housing that opt out of low-income use, the existing tenants may stay in the units, those units will remain affordable after termination of an agreement for below market rents for as long as they occupy the unit.. Once a unit is vacated and new tenants move in, the unit will convert to market-rate housing.

3. Updating Housing Programs from previous Draft

Based on direction from HCD staff, the following modifications to the Housing Programs and they have been integrated into the Housing Element Update 2015-2023:

- *At Risk Housing*

Program 12 which previously only addressed the adoption of an ordinance to address At Risk Housing, has been modified as follows (modification in *italics*)

Implement measures for relocation of tenants from At-Risk Housing and consider adoption of an Ordinance for At-Risk Housing. Assist Tenants of Existing Rent Restricted Units to Obtain Priority Status on Section 8 Waiting List - HUD has set aside special Section 8 vouchers for existing tenants in Section 8 projects that are opting out of low-income use. . If such vouchers are acquired by the tenants, the units will stay affordable to the existing tenants, upon termination of the original below market rate program, as long as they stay. Once a unit is vacated and new tenants move in, the unit will convert to market-rate housing In addition, consider adoption of an ordinance requiring a one year notice to residents, the City, Contra Costa County Housing Authority, and Contra Costa County Redevelopment Agency of all conversions of Below Market Rate housing units to market rates. Monitor the status of the units at risk. Establish regular contact with the owners of these units. If the units appear to be in danger of converting, establish contact with public and nonprofit agencies who may be interested in managing or purchasing the units to inform them of the projects status and inform tenants of any assistance available.

Responsibility: Community and Economic Development Department; City Attorney; Planning Commission; City Council

Timing: 2015 with other Zoning Ordinance updates

Funding: General Fund

Target: While there are only 14 known units at risk of losing subsidies , the City's efforts could preserve up[to 522 assisted units in Martinez, including an estimated 75 units extremely low income, 200 units very low income, and 200 low units and 47 moderate income units.

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- HOUSING NEEDS FOR RESIDENTS WITH DISABILITIES.

As part of its review, HCD staff informed City that a program needed to be included to address the housing needs for the developmentally disabled. Senate Bill (SB) 812 requires that local agencies include such an analysis. According to Section 4512 of the Welfare and Institutions Code, a developmental disability means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual, which includes mental retardation, cerebral palsy, epilepsy and autism. The terms also includes disabling conditions found to be closely related to mental retardation or require treatment similar to that for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

The California Department of Developmental Services currently provides community-based services to approximately a quarter of million persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of the East Bay is one of 21 regional centers in California that provides point of entry services for people with developmental disabilities. The Center’s 2015 data shows that within the 94553 zip code there are 99 developmentally disabled persons less than 18 years for age, and 149 developmentally disabled persons 18 or older, receiving services. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating “barrier-free” design in all new multi-family housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choices for disabled residents.

The following Work Program has been added:

“Program 24”, Continue to make available, information and permits, so that new and modified housing is made suitable for residents with disabilities. Promote program on reasonable accommodations and continue to implement universal design building code requirements

Responsibility: Community and Economic Development Department; Public Works Department (Building Division)

Timing: Ongoing

Funding: General Fund and County Programs

Target: Conduct outreach and distribute materials. :

- FARM WORKER HOUSING.

- As part of its review, HCD staff informed City staff that because the City now has agriculturally zoned property within its City limits due to the 2012 Alhambra Valley Annexation (the de facto estate residential lots of the Alhambra Valley Ranch Subdivision - AV/AS; Alhambra Valley/Agricultural. Minimum 5 ac lot size) the City must now address the needs of farm worker housing in its Housing Element, as per the following Work Program:

*“Program 25”, **Modify Allowances for Farm worker and Employee Housings.** Enact Zoning code amendment to explicitly define, and provide zoning provisions for, farm worker and employee housing in accordance with California Health and Safety Code Sections 17021.5 and 17021.6.*

Specifically, the Zoning Code shall be amended to include the following:

- *Any employee housing providing accommodations for six or fewer employees shall be deemed a single family structure. Employee housing shall not be included within the definition the definition of a boarding house, rooming house, hotel, dormitory, or other similar term.*
- *No conditional use permit, zoning variance or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone.*
- *Any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be permitted by-right in any zone(s) permitting agricultural use by-right. In any zone(s) where agricultural use is permitted subject to a conditional use permit, such employee housing shall be subject to a conditional use permit.*
- *Permitted occupancy in employee housing in an agricultural zone shall include agricultural employees who may or may not work on the property where the employee housing is located.*

Responsibility: Community and Economic Development Department; City Attorney; Planning Commission; City Council
Timing: 2016 (with Zoning Ordinance revision – Program 8)
Funding: General Fund
Target: Zoning Ordinance amendment.

- DEFINITION OF “FAMILY”

- As a final recommendation, HCD staff informed City staff that its current definition of “family” is not consistent with recent court cases and HCD policy, and thus the following Work Program will be required to update the Zoning Code and include a revised definition of family.

*“Program 26”, **Update Zoning Code’s definition of “Family” to be consistent with current HCD guidelines and recent court cases.** Amended definition shall consider these three major points to consider when writing a definition of family must*

- *Jurisdictions may not distinguish between related and unrelated individuals.*
- *The definition may not impose a numerical limit on the number of persons in a family.*
- *Land use restrictions for licensed group homes for six or fewer individuals must be the same as those for single families.*

Responsibility: Community and Economic Development Department; Public Works Department (Building Division)
Timing: Ongoing
Funding: General Fund and County Programs
Target: Zoning Ordinance amendment.

ATTACHMENTS

- A. 2015-2023 Draft Housing Element
- B. PC staff report (February 10, 2015) and CC staff report (March 4, 2015)
- C. Housing and Community Development Letter of Certification

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