

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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February 18, 2010

Mr. Terry Blount
Planning Manager
Community and Economic Development Department
City of Martinez
525 Henrietta Street
Martinez, CA 94533

Dear Mr. Blount:

RE: Review of the City of Martinez' Draft Housing Element

Thank you for submitting the City of Martinez' draft housing element received for review on December 22, 2009 along with additional revisions on February 11, 2010. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). Communications with you and your consultant, Mr. Jeffery Baird of Baird and Driskell Community Planning, facilitated the review.

The Department recognizes the City's recent adoption of land-use strategies, including the Downtown Specific Plan, which promotes higher-density mixed-uses. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). For example, the element must include a complete analysis of sites and potential governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates yours as well as Mr. Baird's cooperation and assistance throughout the course of the review and is committed to assist Martinez in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,

Cathy E. Creswell
Deputy Director

Enclosure

APPENDIX CITY OF MARTINEZ

The following changes would bring Martinez's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The City has a regional housing needs allocation (RHNA) of 1,060 housing units, of which 427 are for lower-income households. To address this need, the element relies on vacant and underutilized sites, including sites in the Downtown Specific Plan Area. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses as follows:

Sites Inventory: While the General Plan designations for some sites are included in Appendix A, the General Plan designations for vacant mixed-use sites (pages A-8 and A-9) must also be included.

Realistic Capacity: The inventory must include a determination of the number of housing units that can be accommodated on each specific site. Appendix A lists both the minimum and maximum capacity for each site but does not estimate the number to be accommodated on each site. The element must describe the methodology for determining the residential capacity and include analysis as appropriate to support the assumptions of the methodology (Government Code Section 65583.2(c)(1 and 2)). Refer to the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php.

For non-residentially zoned and/or mixed-use sites, the capacity estimate must account for the potential of non-residential development. Projected residential development capacity of mixed-use sites should not, for example, assume residential-only development of all non-residentially zoned sites.

Suitability of Non-Vacant Sites: The element (Appendix A) provides very general descriptions of reasons for redevelopment on underutilized sites (e.g., market factors, ownership) and a general statement that “redevelopment...is a real option due to market conditions and/or the condition of the structure.” However, the element does not describe the actual existing uses on identified sites or include analysis to support the redevelopment assumptions. The element must sufficiently detail existing uses on identified sites to demonstrate the potential for redevelopment and evaluate the extent to which existing uses may impede additional residential development. For sites with residential uses, the inventory could generally describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For non-residential sites, the inventory could generally describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment. Refer to the sample analysis on the *Building Blocks*’ website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#nonvacant.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Local Processing and Permit Procedures: While the element generally describes the sequence of reviews and approvals (page 103), it must specifically describe and analyze processing procedures and time for typical single- and multi-family projects, including type of permit, level of review, and any decision making criteria, such as approval findings for their impacts on cost, supply, timing and approval certainty. For further assistance, refer to the *Building Blocks*’ website at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php.

Constraints on Persons with Disabilities: The element includes an analysis of standards and requirements such as the definition of family and separation and parking requirements. However, the element states group homes for seven to fifteen persons are permitted only in the R-1.5 and R-2.5 zones. The element should evaluate the impacts of limiting group homes for seven to fifteen persons to these residential zones. Further information can also be found on the *Building Blocks*’ website at http://www.hcd.ca.gov/hpd/housing_element2/CON_disabilities.php.

On/Off-Site Improvements: While the element concludes site improvement standards “...are not unreasonable in relation to the health and safety goals...” (page 107), it should identify actual standards (e.g., 40-foot minimum street width) and analyze potential impacts on the cost and supply of housing. Refer to the *Building Blocks*’ website at http://www.hcd.ca.gov/hpd/housing_element2/CON_offsite.php.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including factory-built housing, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A-1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition:

Mixed-Use and Infill Incentives: The element describes the community's vision and focus to promote infill, higher density, and mixed-use development, especially downtown. For example, public comments include using housing to jumpstart development downtown (page B-5), energizing the economy with higher density development downtown (page B-11), and focusing on priority sites (page B-20). However, the element does not include any specific actions to promote mixed-use, infill, and higher density development. The element includes only two programs: 1) to consider creating a redevelopment agency with no commitment to subsequent action upon consideration; and, 2) to continue the downtown specific plan without any new action to promote development downtown. Given the importance of infill, higher density, and mixed-use development to the community's values and addressing other issues such as climate change, preserving open space and facilitating economic development, the City should consider including specific actions to promote such uses. Examples of incentives could include: 1) organizing special marketing events geared towards the development community; 2) posting the sites inventory on the local government's webpage; 3) identifying and targeting specific financial resources; and, 4) reducing appropriate development standards.

In addition, the element notes the need for lot consolidation (page 88) and development opportunities with adjacent sites (Appendix A). As a result, the element could include programs to encourage lot consolidation, such as allowing density bonuses and modifications above State density bonus law, or targeting financial or other resources.

Emergency Shelters (Program 22): While Program 22 (page 41) proposes to amend zoning to permit emergency shelters without a conditional use permit or other discretionary action, it should also commit to establish development standards that encourage and facilitate the use and only subject shelters to the same development and management standards that apply to other allowed uses within the identified zones. See the Department's Chapter 633, Statutes of 2007 (SB 2), technical assistance memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

2. *The housing element shall contain programs which “assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households (Section 65583(c)(2)).*

While Program 18 commits to “...apply for funding or support funding applications and other actions...” to assist in the development of housing for extremely low-income (ELI) households, it should describe when or how often (e.g., at least bi-annually) the City will apply for funding or support funding applications. In addition, the Program could clarify “other actions”. For example, the Program could commit granting concessions and incentives.

3. *The housing element shall contain programs which “address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing” (Section 65583(c)(3)).*

As noted in Finding A-2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

In addition, since the element notes the City is considering modifications to parking requirements, it could include a program to commit to revising multifamily parking requirements. This is particularly important given public comment regarding parking requirements (page B-20).

C. Other

The City should also note recent statutory changes to Government Code Section 65302 (Chapter 369, Statutes 2007 [AB 162]) which requires amendment of the safety and conservation elements of the General Plan to include analysis and policies regarding flood hazard and management information upon the next revision of the housing element on, or after, January 1, 2009. For additional information, refer to Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_162_stat07.pdf.

D. For Your Information

The City is considering a citywide inclusionary ordinance (Program 14). Please be aware, if the City adopts an inclusionary ordinance, the element should be amended to evaluate the requirement for potential impacts on the cost and supply of housing. This analysis is particularly important given current market conditions. For example, the evaluation should address whether sufficient regulatory and financial incentives are offered to facilitate compliance with the requirements.