



MEMORANDUM

DATE: June 15, 2021

TO: Housing Advisory Committee

FROM: Pierce Macdonald-Powell, Senior Planner

SUBJECT: STAFF REPORT – Informational Report on the Implementation of Piedmont’s Current Housing Element for the 5th Cycle, 2015-2023

AGENDA ITEM NUMBER 1

RECOMMENDATION:

None. This report is informational. Comments from Committee Members and the public on this agenda item are welcomed and encouraged.

EXECUTIVE SUMMARY:

Staff will provide an informational report on the current Housing Element for the years 2015-2023 (referred to as the 2015 Housing Element), including terminology, the Housing Element’s organization and goals, and the implementation projects currently underway related to accessory dwelling units and objective design standards. The report outlines how the Housing Element is used by City officials and staff and the steps required to add or change its provisions. City efforts to develop new ADU programs and new objective design standards for multi-family apartment buildings are consistent with the 2015 Housing Element.

BACKGROUND AND ANALYSIS:

Part I, Common Terms

Successful community planning efforts rely on robust and constructive discussions with residents so that City officials and staff can learn from a wide range of perspectives and backgrounds. In order to foster these discussions, the City’s housing team has prepared the following list of terms frequently used in housing discussions in Piedmont.

General Plan and General Plan Map - A General Plan sets forth a city’s long-range planning policies that reflect the aspirations and values of residents, land owners, businesses, and organizations within the community. City Councils and Planning Commissions rely on the general plan in considering land use and planning-related decisions, and City staff use the General Plan day-to-day in administering land use and development activities. A General Plan is a legal document, and much of its content, such as background data, analysis, maps, and exhibits, is established by law. California law requires every city and county to prepare and adopt a comprehensive long-range General Plan to form the basis for zoning, subdivision, and public works actions. A General Plan is considered comprehensive because it addresses a wide range of issues that affect a city such as the physical development of the jurisdiction or economic and social

concerns that can affect the overall quality of life. It is considered long-term because it looks 20 years or more into the future. The General Plan Map designates permitted land uses and densities on each parcel of land in Piedmont. General Plans may be amended up to four times per year.

Housing Element – California law requires each jurisdiction to have a Housing Element. The Piedmont Housing Element is one of the required elements (chapters) of the Piedmont General Plan. The Element includes the City's policies for housing construction, conservation, and affordability. Every eight years, cities must update their Housing Elements to identify the sites and programs that enable the production of the housing unit quotas established by the State of California's regional housing needs allocation (RHNA) process. As required by state law, Piedmont must update the Housing Element to demonstrate that there is the capacity to meet its housing quota and is pro-actively facilitating housing production for all income groups. The 2015 Housing Element was adopted by the City Council on December 1, 2014, was certified by the California Department of Housing and Community Development (CA HCD), and is provided on the City website at:

http://piedmont.hosted.civicleve.com/UserFiles/Servers/Server_13659739/File/Government/Projects/General%20Plan%20and%20Housing%20Element/housing_element.pdf

There are repercussions if a Housing Element is not certified by CA HCD. A list of incentives and repercussions is available at:

https://abag.ca.gov/sites/default/files/documents/2021-04/HE_Compliance_One-Pager.pdf

Regional Housing Needs Allocation (RHNA) - the RHNA process occurs in California every eight years and involves the assignment of housing quotas to each city and county in the state. Cities and counties must update their Housing Elements to demonstrate that each jurisdiction has the capacity to meet its housing quota and is proactively facilitating housing production for all income groups. The RHNA process has been in place for five decades. The Council of Governments in each region (ABAG, in the Bay Area) assign RHNA shares to the cities and counties.

Housing Element Sites Inventory/Available Land Inventory/Opportunity Sites (Sites Inventory) – The sites inventory is a crucial part of the Housing Element. In the sites inventory, a jurisdiction identifies where it has capacity to meet the housing production quotas assigned by the State of California through ABAG for all income categories. It is typically in the form of a map and table listing features and characteristics of the properties. State law regulates which sites are eligible for inclusion on the sites inventory, including minimum and maximum size, potential displacement of existing occupants, whether or not redevelopment is feasible on the site, etc.

Fair Housing / Housing Equity - With the power to issue building permits for the construction of housing comes the responsibility to ensure that housing is available in Piedmont without discrimination. This is known as fair housing. On April 11, 1968, President Lyndon Johnson signed the Civil Rights Act of 1968, as a follow-up to the Civil Rights Act of 1964. The 1968 Act expanded on previous acts and prohibited discrimination concerning the sale, rental, and financing of housing based on race, religion, national origin, sex, (and as amended) handicap and family status. The U.S. Department of Housing and Urban Development (HUD) and State of California Department of Housing and Community Development (CA HCD) set certain benchmarks for cities to meet to prove that local housing policy is fair and non-discriminatory. Housing in Piedmont must be truly equitable, which includes a responsibility to provide safe and stable housing for

people of all income groups, races, national origins, religions, genders, disabilities, or family status. Federal and state law require jurisdictions to affirmatively further fair housing.

Senate Bill 2 (SB 2) Planning Grants Program - On September 16, 2019, the City Council authorized the City's application for a SB 2 grant. To be eligible for the SB 2 planning grant, the City's proposed scope of work had to demonstrate a direct connection to housing production acceleration. In the SB 2 grant program, CA HCD prioritized accessory dwelling units (ADUs) and development of objective design standards. Planning programs that could not be finished by June 2022 and that did not accelerate housing production in the near term were not eligible for grant funding. California Senate Bill 2 (SB 2), the Building Homes and Jobs Act, is a state law that was signed into law by Governor Brown on September 29, 2017 and took effect January 1, 2018. As a one-time component of SB 2, 50% of the fees collected from all counties in 2018 were allocated to fund the SB 2 Planning Grants Program. Additional information on the SB 2 PGP program can be found on the program webpage: <http://www.hcd.ca.gov/grantsfunding/active-funding/planning-grants.shtml>

Fiscal Impact Study – a fiscal impact study evaluates the costs of public infrastructure and services associated with a development proposal.

Feasibility Study – a feasibility study evaluates the costs of land, construction, and on-going operation and maintenance as compared to the expected rents that could be generated by a development proposal, as well as sources of gap-funding such as grants, credits, and state and federal funding.

Zoning Ordinance and Zoning Map – Chapter 17 of the Piedmont City Code is the zoning ordinance in Piedmont. The zoning ordinance must be consistent with the General Plan and serves as one of the tools by which the City implements the goals and actions included in the General Plan and its Housing Element. The zoning ordinance regulates development, including application processes, allowed building sizes, allowed land uses, signs, and aesthetics. The zoning map assigns a land use zone to each parcel in Piedmont. The land use zones in Piedmont are: zone A (single-family); zone B (public facilities), zone C (multi-family); zone D (commercial mixed-use); and zone E (single family estate). Visit the City webpage on zoning for more information and a link to the zoning map at:

http://piedmont.hosted.civiclive.com/services_departments/planning_building/about_planning/zoning_ordinance

City Charter - The City of Piedmont has been a charter city since 1923. The City Charter is essentially Piedmont's city constitution and reserves specific topics, legally known as municipal affairs, to city governance. Provisions in the charter will sometimes supersede state law in areas where there are differences. Charter cities are not exempt from state laws regarding housing. The Charter was last amended in 2018. Pursuant to Section 9.02 of the Charter, a ballot measure passed by a majority of voters is required to reduce, enlarge, or reclassify a zoning district. A ballot measure is not required to amend the General Plan Map. The City Charter is available on the City website at:

https://piedmont.ca.gov/UserFiles/Servers/Server_13659739/File/Government/City%20Charter%20&%20Code/charter.pdf

Multi-family – Multi-family housing means apartment buildings. Multi-family housing is permitted in zone C in Piedmont. Multi-family housing is also permitted in Zone D as part of a

mixed-use development with ground floor commercial uses.

Mixed-use – Mixed-use development means apartment buildings with ground-floor businesses, such as retail shops, offices, restaurants, banks, cafes, and other local-serving uses.

Affordable Housing – Affordable housing means homes and apartments that can be rented by people earning up to 120% of the area median income (AMI) and where no more than 30% of the household's income is used to pay for housing.

Subsidized Housing – Subsidized housing is affordable housing in which tax credits, tax exempt bonds, grants, HUD Section 8 vouchers, and other sources of public funds help residents afford the cost of housing without paying more than 30% of income for housing.

Policy – City long-range planning policy is established in the Piedmont General Plan and its Housing Element. City policy is the result of open and transparent public processes that ensure that City policy is lawful, equitable, and does not break the public's trust.

Programs – City programs are the public services that City staff provide to the community, including the regulations and procedures required to establish and implement the services. An examples of a City program includes Renew AC, an affordable housing program offered in Piedmont through the County of Alameda that funds repairs to low-income residences and constructs new ADUs within existing homes. Information about Renew AC is at:

<https://www.renewac.org/>

Part II, Organization of the 2015 Housing Element

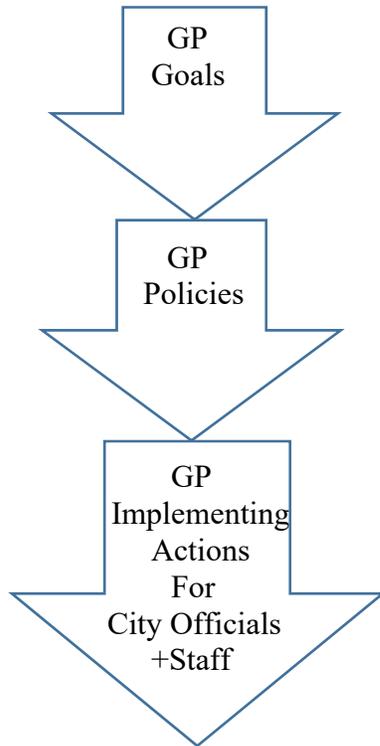
Page 1-6 of the 2015 Housing Element, adopted by the City Council in December of 2014, provides the summary and organization of the Housing Element, as follows:

ORGANIZATION OF THE ELEMENT

This Housing Element has been organized into seven chapters, as follows:

- Chapter 1, Introduction, provides an overview of the Element.
- Chapter 2, Evaluation of the 2011 Housing Element, describes the factors which influence the Piedmont housing market and presents an evaluation of the 2011 Element.
- Chapter 3, Demographics and Housing Needs, includes an analysis of Piedmont's population and housing characteristics and projections of future housing needs.
- Chapter 4, Analysis of Housing Capacity, identifies the potential sites in Piedmont where new housing may be built and discusses opportunities for second units.
- Chapter 5, Constraints to Housing Production, describes the governmental and non-governmental factors that may inhibit housing construction and conservation in Piedmont.
- Chapter 6, Goals, Policies, and Actions, presents quantified targets for housing conservation and production, as well as policies to guide day-to-day decisions pertaining to housing.
- Chapter 7, Five-Year Action Program, summarizes 2015-2023 housing programs and establishes a timeline and responsible party for implementing each action.

Decisions made by City officials and staff must be consistent with the General Plan and Housing Element. Chapter 6 direct the City to pursue specific goals, policies, and actions. The goals and policies are broad and far-reaching but the actions are specific measurable steps that the City must take to be in conformance with its General Plan and Housing Element.



Housing Element actions are the products of public participation and serve as “marching orders” for City officials and staff to follow. Pursuant to state law, each jurisdiction in California must report its progress in meeting the actions outlined in the Housing Element in the jurisdiction’s Annual Progress Report, submitted to CA HCD.

Amendments to the Housing Element require public participation and hearings at the Planning Commission and City Council, which is the decision-making body. This public process ensures that government does not act arbitrarily nor break the public’s trust. In 2021 the City Council established Housing Advisory Committee to assist in the development of housing policy, including the Housing Element update for the 2023-2031 term.

Work to prepare new programs and regulations to support ADUs – such as those being developed with the support of SB 2 grant funds – is consistent with the 2015 Housing Element Goal #3 policies and actions specifically created to support ADUs, which were previously titled “second units,” as follows:

- 3.A: Second Unit Ordinance assessment – Complete a 5-year assessment of the Piedmont Second Unit Ordinance , with a focus on the incentives that are being used to promote rent-restricted units and the steps that can be taken to increase second unit production and occupancy rates.

3.B: Affordable second unit public information campaign – Initiate a public information and education campaign about second units, including definitions, regulations for their use, opportunities for their construction, and the various incentives offered by the City to create rent-restricted units.

Programs and regulations to support new objective designs standards for apartment buildings – such as those being developed with the support of SB 2 grant funds – are consistent with the following 2015 Housing Element actions:

Action 1.E.: Allowing multi-family housing and mixed-use in in the Commercial Zone – Amend the Piedmont Zoning Ordinance to add multiple family housing and mixed-use development to the list of conditionally permitted uses in the Commercial Zone (Zone D).

Action 1.G: Facilitating multi-family development – Develop incentives which would facilitate multi-family development on land zone for multi-family or commercial uses in Piedmont, including modifications to lot coverage requirements for multi-family uses in Zones C and D, and modifications to permitted and conditionally permitted use requirements for Zones C and D. The City will also consider potential ways to streamline environmental review in the event future multi-family uses are proposed in these areas.

Action 2.E: Streamlining design review – Conduct a Planning Commission study session to identify steps that might be taken to expedite and improve the design review process. Following this session, develop amendments to the Design Review process consistent with Action 28.C of the General Plan (Design and Preservation Element).

CONFORMANCE WITH GENERAL PLAN:

This item is in conformance with the Piedmont General Plan because it is an informational report about the organization and content of the Housing Element, which is an element of the General Plan.