



MEMORANDUM

DATE: January 12, 2023

TO: Planning Commission

FROM: Kevin Jackson, Planning & Building Director
Pierce Macdonald, Senior Planner

SUBJECT: Recommendation – Initial Study and Negative Declaration
and 2023-2031 6th Cycle Housing Element

AGENDA ITEM NUMBER 1

RECOMMENDATION:

1. Conduct a public hearing.
2. Adopt the draft resolution recommending that the Piedmont City Council adopt the Initial Study and Negative Declaration prepared by staff for the 2023-2031 6th Cycle Housing Element and recommending that the City Council amend the General Plan by adopting the 2023-2031 6th Cycle Housing Element.

EXECUTIVE SUMMARY:

The City of Piedmont has prepared a draft update to the Housing Element of the General Plan to affirmatively further fair housing and accommodate the 587-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. The content of the draft 2023-2031 6th Cycle Housing Element (Attachment A) is structured for consistency with the requirements set forth in State of California fair housing law. In addition to responding to requirements of State law, the draft 6th Cycle Housing Element also demonstrates the City of Piedmont's strategy to meeting the City's locally determined housing needs, and that these needs are addressed through policies and programs outlined within the 6th Cycle Housing Element. Public review and input have been a critical component of this 6th Cycle Housing Element update process.

This staff report provides a summary of the Housing Element requirements, an overview of the status of the City of Piedmont's draft 6th Cycle Housing Element, and the reasons that the City of Piedmont believes that the draft 6th Cycle Housing Element substantially complies with State law.

BACKGROUND:

The State continues to pass new housing legislation since the 5th Cycle Housing Element planning period (2013-2021). In addition, California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of Housing Elements statewide. The State law requires that the City update its General Plan Housing Element every 8 years. State law further requires the jurisdictions in the Association of Bay Area Governments (ABAG) region to adopt Housing Elements consistent with State law by January 31, 2023.

New Housing Legislation

The State continues to pass new housing legislation since the 5th Cycle Housing Element planning period (2013-2021), including:

- AB 1397: Adequate Housing Element Sites (§ 65583)
- SB 166: No Net Loss in zoning density law limiting down-zonings and density reductions (§ 65863)
- AB 686: Affirmatively Furthering Fair Housing (§ 65584)
- AB 72: Housing Element Enforcement (§ 65585)
- AB 671: Accessory Dwelling Units (§§ 65852.152 and 65852.2)
- AB 879: Annual Reporting Requirements (§ 65400)
- AB 1763: Enhanced Density Bonus (§ 65915)
- AB 2162: Supportive Housing Streamlined Approval (§ 65913.4)
- SB 6: Residential Development: Available Land (§ 65583.3)
- AB 1851: Religious Institutions Affiliated Housing (§ 65913.6)
- AB 1398: Deadlines for Updating Housing Elements (§ GC 65583(c)(1)(A))
- AB 725: Moderate and Above Moderate Housing (§ 65583.2)

The State Legislature's new requirements have meant new changes to Housing Elements being prepared statewide and changes to the housing programs and strategies available to local jurisdictions. Piedmont's draft 6th Cycle Housing Element complies with State law, including the new bills listed above.

Project Timeline

Beginning with a citywide fair housing survey in March 2021, the City of Piedmont's draft 2023-2031 6th Cycle Housing Element was prepared with the benefit of input from the community, the Planning Commission, the Housing Advisory Committee, the Recreation Commission, the Park Commission, and City Council, at two community workshops, three City Council meetings, 13 Planning Commission meetings, two meetings of the Housing Advisory Committee, a meeting of the Recreation Commission, a meeting of the Park Commission, two online forums, two open houses, and tables at community events, over the course of 21 months. Public engagement included online engagement tools, regular news stories in local media, email newsletters to over 4,000 email subscribers, emails to the School District employees and City employees, correspondence with Piedmont religious institutions, meetings with property owners in Zones A, B, C, and D, citywide streetlight banners announcing the Housing Element website, and posters at local businesses. Guidance was also provided by HCD staff throughout the process. Appendix E of the draft 6th Cycle Housing Element (Attachment A) includes the summary of public meetings and events.

On May 12, 2022, the Planning Commission reviewed the 6th Cycle Housing Element at a public meeting, took public comment, and adopted a resolution recommending City Council authorize staff to submit the draft 6th Cycle Housing Element to HCD with several revisions. These revisions

were reviewed by the City Council at their meetings on June 20, August 1, and November 15, 2022. The majority of Planning Commission suggested revisions were incorporated into the draft accepted by the City Council at its meeting on November 15, 2022, and published to the City website on December 9, 2022, as noted below.

On November 18, 2022, the City submitted the draft 6th Cycle Housing Element to HCD for its review. In December 2022 and January 2023, HCD reached out to the City with a number of questions about the draft 6th Cycle Housing Element. Based upon those questions, staff expects that HCD will find that Piedmont's draft 6th Cycle Housing Element is in substantial compliance with Article 10.6 subject to some non-substantive changes.

On December 9, 2022, the City published the final revised draft 6th Cycle Housing Element on the City website and requested public comment on those changes. The City has received over 500 comments during the public review period since April 2022, showing the successful results of the City's public engagement strategy. Based upon those comments, staff made substantial revisions to the Sites Inventory and various housing programs.

The sections below summarize the required components of Housing Element updates per State law, new requirements included since the 5th Cycle Housing Element Update (2015-2023), and penalties for non-compliance with Housing Element laws. Appendix E of the draft 6th Cycle Housing Element includes a summary of public meetings related to the 6th Cycle Housing Element update process prior to today's meeting.

ANALYSIS:

HOUSING ELEMENT REQUIREMENTS

This section summarizes the required components of Housing Element updates per State law, new requirements included since the 5th Cycle Housing Element update (2015-2023), and penalties for non-compliance with Housing Element laws.

Pursuant to Government Code Section 65583, local governments are required to include the following items as components within their Housing Elements, and subsequent updates, thereto. Newly required components, introduced as part of the 6th Cycle, are included in **bold font** and discussed in further detail within the "New Requirements for the 6th Cycle Housing Element Update" section below. The Piedmont 6th Cycle Housing Element's compliance with State requirements follows immediately afterwards.

1. **Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities). This Section includes a community's Regional Housing Needs Allocation (RHNA) as determined by a community's regional planning body in partnership with HCD.
2. **Evaluation of Past Performance:** Review the prior Housing Element to measure progress in implementing policies and programs.
3. **Housing Sites Inventory:** Identify locations of available sites for housing development or redevelopment to demonstrate there is enough land zoned for housing to meet future need at

all income levels. **The standards for designating adequate sites were substantially changed from the 5th Cycle, particularly for non-vacant sites.**

4. Community Engagement: Implement a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community plus historically underrepresented groups.
5. Constraints Analysis: Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. Policies and Programs: Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.
7. **Affirmatively Further Fair Housing (AFFH): Analyze and address significant disparities in housing needs and access to opportunity by proposing housing goals, objectives, and policies that aid in replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.**

New State Requirements for the 6th Cycle Housing Element

Pursuant to recent State legislation, the following items are now required as part of the Housing Element Update process:

- **Affirmatively Furthering Fair Housing (AFFH).** Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, affirmatively furthering fair housing means to take “meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics” and is Federally mandated by the 1968 Fair Housing Act. Piedmont’s 6th Cycle Housing Element complies with these new requirements, as summarized on page 11 of this staff report and in Appendix F of the draft 6th Cycle Housing Element. The four main goals are to:
 - Address significant disparities in housing needs and in access to opportunity, and
 - Replace segregated living patterns with truly integrated and balanced living patterns, and
 - Transform racially and ethnically concentrated areas of poverty into areas of opportunity, and
 - Foster and maintain compliance with civil rights and fair housing laws.
- **Public Comment on Draft Revisions.** Assembly Bill 215 (AB 215), passed in 2021, requires additional time for public review and comment. The draft Piedmont 6th Cycle Housing Element complies with these new requirements. AB 215 requires local governments to make the first draft revision of their Housing Element update available for public comment for at least 30 days. Further, if any comments are received, a local government must take at least 10 additional business days to consider and incorporate public comments into the draft revision before submitting to HCD. HCD must review the draft and report its written findings to the planning agency within 90 days of receiving the first draft submittal for each housing element revision or within 60 days of its receipt for a subsequent draft amendment or adoption.

Penalties for Non-Compliance

In the 6th Cycle, cities and counties face a number of new consequences for not having a certified Housing Element. Under legislation enacted in recent years, if a jurisdiction does not comply with State housing law, HCD may refer the city to the Attorney General. Significant fines may be imposed if a city does not comply with a court order for one year. A court finding a Housing Element inadequate may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance, or local governments may lose the right to deny certain projects, such as the provision of State law called “the builder’s remedy.”

Conversely, an HCD-certified Housing Element makes a city eligible for, or with higher priority for, numerous sources of funding, such as Local Housing Allocations, Affordable Housing and Sustainable Communities Grants, SB 1 Transportation Planning Grants, CalHOME Program Grants, Infill Infrastructure Grants, Pro-Housing Design funding, Local Housing Trust Funds, and Regional Transportation Funds (such as MTC’s OneBayArea Grants).

In addition to the penalties for a jurisdiction not having a certified Housing Element, there are penalties for adopting a certified Housing Element later than 120 days after the January 31, 2023, deadline for jurisdictions in the ABAG region, such as the City of Piedmont. With the enactment of AB 1398 in 2021, the penalty for failure to adopt a Housing Element in a timely manner has been revised to require expedited rezoning for non-compliant jurisdictions.

The new law removed the requirement that non-compliant jurisdictions update their Housing Element every 4 years. State law now requires jurisdictions that do not have an adopted Housing Element that is found to be in substantial compliance by HCD within statutory deadlines (120 calendar days grace period), to complete all necessary rezoning within 1 year of the Housing Element due date, which is January 31, 2023. Jurisdictions that timely adopt a compliant Housing Element by May 31, 2023, will have 3 years after adoption to complete the necessary rezoning. Cities are also required to report annually to HCD regarding their progress in implementing the policies and programs contained in the Housing Element.

If a Housing Element is not adopted within 120 days of the deadline, or May 31, 2023, an ABAG city will have only until January 2024 to make all of the changes to its municipal code to bring the code into compliance with the Housing Element. If a city adopts before the end of the 120-day grace period, the city has 3 years to make the changes to its city code.

The following section summarizes the contents of the City of Piedmont 6th Cycle Housing Element for the 2023-2031 Planning Period.

Housing Element Content

Piedmont’s draft 2023-2031 6th Cycle Housing Element is comprised of the following chapters:

- Introduction and overview of Housing Element content and requirements (Section I);
- Analysis of population, household and employment trends, characteristics of the housing stock, and a summary of current and projected housing needs (Section II);
- Evaluation of resources and opportunities that will facilitate the development and preservation of housing for all economic segments of the community (Section III);

- Review of potential constraints to meeting identified housing needs (Appendix C);
- A housing plan to address identified needs, including housing goals, policies, programs and quantified objectives (Section IV);
- Quantifiable housing program objectives (Section VI.B)
- Housing needs assessment (Appendix A);
- Inventory of potential sites for residential development (Appendix B);
- Existing programs review (Appendix D);
- Public participation summaries (Appendix E); and
- Affirmatively Furthering Fair Housing AFFH assessment (Appendix F and throughout)

Housing Needs Assessment

As part of the 6th Cycle Housing Element update process, the City of Piedmont is required to analyze the existing and projected housing needs of the City of Piedmont, including its fair share of the regional housing needs allocation (RHNA) requirements. The City of Piedmont's analysis of housing needs is required to include an assessment of detailed demographic data, including population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including racial minorities, the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. Utilizing the *Housing Needs Data Report* provided by ABAG and approved in advance by HCD, the 6th Cycle Housing Element outlines the following housing needs of the City of Piedmont. This assessment is provided in Appendix A and summarized in Section II of the Draft Housing Element.

A key determination of the housing needs is the RHNA. The total demand for housing in the Bay Area region over the 8-year planning period as determined by the State of California is 441,176 housing units in order to ensure the economy and public health are not negatively impacted. The following table describes the housing need in the region and county and Piedmont's allocation resulting from the RHNA methodology (Table II-2 on page 23 of the draft 6th Cycle Housing Element).

	ABAG Region	Alameda County	Piedmont	
	Total	Total	Total	Percent
Extremely and Very Low 30-50% MFI	114,442	23,606	163	28%
Low 50-80% MFI	65,892	13,591	94	16%
Moderate 80-120% MFI	72,712	14,438	92	16%
Above Moderate >120% MFI	188,130	37,362	238	40%
Total	441,176	88,997	587	100%

Further analysis of the RHNA is described in the following section of this staff report.

In addition to the RHNA, the types of housing needs in Piedmont reflect the City's demographics. Piedmont's population continues to become more diverse. Since 2000, the percentage of residents in Piedmont identifying as White has decreased – and at the same time the percentage of residents of all other races and ethnicities has increased – by 8.1 percentage points (see Figure A-5, page A-8), with the total population of all other races and ethnicities at 3,292 in 2019. However, due to the desirability of Piedmont and the history of institutional racism at the national, state, and local levels, Piedmont's demographics do not align with the diversity of incomes, backgrounds, and races in Alameda County or the Bay Area region. Local housing needs are summarized in Appendix A, starting on page A-2, and outlined below, using 2019 data.

- Piedmont has a higher income population than Alameda County. Piedmont's 2019 median household income was \$224,659, or 126 percent higher than the County (\$99,406). However, nearly 6 percent of households in Piedmont are extremely low-income, and approximately 16.1 percent of Piedmont households are low-income households (earn less than 80 percent of Area Median Income (AMI))
- Home prices are higher in Piedmont than in the County. Households must earn \$251,200 (over 200 percent of AMI) to be able to afford to buy an average priced home in the City. A household must have an annual income of \$123,650 (120 percent of AMI) to be able to afford market rent in Piedmont.
- Approximately 21.29 percent of Piedmont homeowners and 21.08 percent of renters are cost burdened, meaning they spend 30 percent or more of gross income on housing costs. Additionally, 12.5 percent of renters spend 50 percent or more of their income on housing, compared to about 8.4 percent of homeowners. Piedmont has a lower proportion of cost-burdened households compared to the County (37 percent).
- Renter householders are more likely to be living in overcrowded conditions than owner-occupied households. However, in Piedmont there is no reported overcrowding by renters.
- Piedmont's population is 71 percent White, 18 percent Asian, 6 percent two or more races, 4.15 percent Hispanic/Latino, and 1.4 percent African American. People of Color comprise a lower proportion of Piedmont's population compared to the Bay Area. Hispanic or Latino identified residents experience the highest rates of poverty in Piedmont.
- Piedmont's median age is 47.4, nearly ten years higher than the County (38 years). Seniors (65 years and above) make up approximately 21.5 percent of the population. Out of the total senior population, approximately 33 percent are cost burdened.
- Piedmont's other special housing needs populations include persons with a disability that may require accessible housing (7.1 percent of residents) and female-headed households who are often at greater risk of housing insecurity (5.6 percent of households).
- Piedmont has 371 large households (five or more people), which are generally served by three-bedroom or larger units. Piedmont's housing mix of three-bedroom or larger units (3,374 units) can sufficiently accommodate the number of larger families.
- A variety of housing types is important to meet the needs of all members of the community. Over 93 percent of Piedmont's housing stock is single-family (attached and detached). Single-family attached homes have experienced the most growth over the last decade in Piedmont. In addition, the rate of housing production in Piedmont is relatively slow. The largest proportion of Piedmont's housing stock was built in 1939 or earlier.

Regional Housing Needs Allocation (RHNA)

In January of 2022, HCD approved ABAG’s adopted *Final RHNA Plan for the San Francisco Bay Area: 2023-2031*, which establishes a total RHNA for the San Francisco Bay Area of 441,176 residential units for the 6th Cycle Housing Element update for the 2023-2031 planning period. ABAG’s *Plan* further distributes this RHNA across the Bay Area’s nine counties, and 101 cities, based on demographic and population data received from the California Department of Finance. Local jurisdictions must then utilize their ascribed RHNA to update the Housing Elements of their General Plans for the 2023-2031 planning period, inclusive of identifying eligible land resources to accommodate this RHNA. See the Sites Inventory Section below.

RHNA requirements for are organized into four affordability categories, established according to the Area Median Income (AMI) of a geography. These categories include very low-income residential units, which are affordable to households earning less than 50% of AMI; low-income residential units, which are affordable to households earning between 50% and 80% of AMI; moderate income residential units, which are affordable to households earning between 80% and 120%; and above moderate-income residential units which are affordable to households earning upwards of 120% of AMI. The City of Piedmont’s RHNA requirements are included below in Figure 1.

Figure 1: City of Piedmont Regional Housing Needs Allocation (RHNA)

Income Category	City of Piedmont RHNA	
	Previous 5 th Housing Element Cycle (2015-2023)	6 th Cycle RHNA (2023-2031)
Very Low (less than 50% of AMI)	24	163
Low (50-80% of AMI)	14	94
Moderate (80-120% of AMI)	15	92
Above Moderate (More than 120% of AMI)	7	238
Total	60	587

Source: Final RHNA Plan for the San Francisco Bay Area: 2023-2031

RHNA Buffer

New “no net loss” provisions of Government Code Section 65863 require the City of Piedmont to ensure an adequate supply of land resources is made available for housing development throughout the duration of the 2023-2031 planning period. This means if housing sites identified within the 6th Cycle Housing Element are developed with non-residential uses, lower residential densities, or residential uses at affordability levels higher than anticipated by the Housing Element, the City of Piedmont’s Housing Element could be determined to be out of compliance. Accordingly, the proposed 6th Cycle Housing Element meets the RHNA requirement with an additional 58 housing units identified in the sites inventory, Appendix B, representing a 10% buffer.

Constraints Analysis

In addition to analyzing the existing and projected housing needs of the City of Piedmont, the 6th Cycle Housing Element must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for residents of all incomes in the Community, regardless of protected class. A summary of constraints to the development and improvement of housing in City of Piedmont is included in Appendix C of the 6th Cycle Housing Element, starting on page C-2, along with descriptions of local efforts to lessen these constraints.

A. Governmental Constraints

- Piedmont is considerably built-out, with few vacant parcels available and suitable for higher density residential development. The City will conduct further study to understand viability of multi-family and/or affordable housing development on small lots or develop a program to help facilitate the consolidation of land to realize the potential in areas designated for multi-family.
- Subjective design guidelines and findings for approval, while not temporarily applicable to multi-family projects due to State law (SB 330), could result in uncertainty for developers and a longer permit review process in the future. The City is currently preparing objective design standards for multi-family and residential mixed-use projects to comply with SB330 as well as SB35.
- Certain zoning provisions will need to be updated to comply with State law, including allowing Low Barrier Navigation Centers by-right in residential zones (AB 101), allowing qualifying transitional and supportive housing by-right in residential zones (AB 2162), allowing employee housing for six or fewer employees by-right in residential zones which allow single-family uses, allowing manufactured homes in residential zones as a primary structure, permitting residential care facilities for six or fewer persons by-right in residential zones, and including regulations for the provision of housing types designed for persons with disabilities.
- Piedmont's City Charter requires a majority of voters to approve the reduction, enlargement, or reclassification of zones in a general or special election. However, the City can update the zoning text, including residential density increases and development regulations, if consistent with the intent of the land use classification of the General Plan, through legislative action by the City Council. Continued monitoring is needed to determine if the Charter presents constraints to the development of housing.

B. Nongovernmental Constraints

- Economic conditions in Piedmont reflect a competitive housing market for both for-sale and rental housing.
- Piedmont has little undeveloped land available, so future housing development will be constrained by existing development or require demolishing existing structures, improvements, and uses. The shortage of available vacant land may constrain housing production due to the increased costs associated with redevelopment

Housing Resources and Sites Inventory

The 6th Cycle Housing Element identifies resources available to the City of Piedmont for the preservation, rehabilitation, and production of housing throughout the community in compliance with State law. This includes programmatic and financial resources, such as those offered locally or through State or Federal partners. These resources also include land resources within the City of Piedmont that were identified as eligible for accommodation of the City of Piedmont's RHNA goals. Pursuant to Government Code Section 65583.2(a) the following land resources are eligible for accommodation of the City of Piedmont RHNA: vacant sites zoned for residential use; or vacant sites zoned for nonresidential use that allows residential development; or residentially zoned sites that are capable of being developed at a higher density; or sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site.

The City of Piedmont's Housing Element Sites Inventory is summarized below and in Table B-9: Residential Development Potential and RHNA, provided on page B-16 of the draft 6th Cycle Housing Element.

Table B-9: Residential Development Potential and RHNA

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
RHNA	See Very Low	163	94	92	238	587
Approved/Entitled Projects	-	-	-	-	1	1
Remaining RHNA		163	94	92	237	586
ADUs	See Very Low	48	48	48	16	160
Site Inventory ^{1,2}	180 ³			67	237	484
Total Capacity		276		115	253	644
Surplus		19		23	16	58
<p>Source: City of Piedmont, LWC</p> <p>1. See Table B-10 for the complete inventory</p> <p>2. See Section B.3.1 for information on the Specific Plan</p> <p>3. For calculation purposes, extremely low, very low, and low income totals were grouped.</p>						

As shown in Table B-9 above, the draft 6th Cycle Housing Element demonstrates that there is enough land capacity in the City of Piedmont to comply with the RHNA. Land resources identified within the Sites Inventory summary are included on a map entitled **Figure B-2: Draft 6th Cycle Housing Element Sites Inventory by Income Category** (page B-20 of the draft 6th Cycle Housing Element) and listed on Table B-10 (starting on page B-22).

Housing Element Policies and Programs

The Piedmont draft 6th Cycle Housing Element includes a set of goals, policies, and implementing programs intended to promote the preservation, rehabilitation, and production of housing throughout the City of Piedmont. Goals are long-range, broad, and comprehensive targets that describe future outcomes the City desires. A policy is a specific instructional guideline that seeks

to promote goals. Together, the seven goals and 56 policies in the draft Piedmont 6th Cycle Housing Element are implemented through a series of programs that identify specific, quantifiable actions the City will undertake during the 6th Cycle planning period. The 6th Cycle housing plan, pages 36 to 78 of the 6th Cycle Housing Element, provides the proposed 64 new housing programs. The Housing Element housing plan expands on programs that were successful in the 5th Cycle, like ADU construction, and introduces new programs to generate housing production. Exhibit B to the draft resolution (Attachment B), describes how these programs help the City meet State requirements. New housing programs would increase the permitted residential density in Zone A (program 1.D), Zone B (program 1.F), Zone C (program 1.G), and Zone D (program 1.H), as well as guide the development of a new specific plan for City-owned land in Moraga Canyon (program 1.L). New programs would increase incentives for ADU production (programs including 1.B, 1.E, 3.B, 3.C, 3.D, and 3.F). New programs would implement State laws, such as SB 9 (program 1.J). The staff report prepared for the November 15, 2022, meeting of the City Council (Attachment C) provides additional information about proposed Housing Element housing programs. Exhibit B of the draft resolution (Attachment B) outlines how the housing programs make the 6th Cycle Housing Element compliant with State law.

AB 686 and AFFH

Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing (AFFH) as part of the Housing Element update process. These requirements found in Government Code Section 8899.50 are intended to address racial inequalities, seen today throughout the Bay Area, which developed through historical policies and practices enacted at federal, state, regional and local levels and across the public and private sectors. Though many of these explicit forms of historical discrimination have been outlawed, the results of these systems have left a lasting imprint on both the Bay Area region and City of Piedmont. Racially explicit practices (e.g., racial covenants) which excluded people of color from predominately White neighborhoods have been replaced with race-neutral land use policies that continue to exclude these same groups. Furthermore, rapidly increasing housing costs have deepened racial and economic disparity and segregation, displacing many low income and People of Color to the peripheries of the region or out of the Bay Area all together.

Accordingly, the City of Piedmont must incorporate fair housing considerations into its 6th Cycle Housing Element to increase housing opportunities in high resource neighborhoods and bring additional resources to traditionally under-resourced neighborhoods. In Piedmont's case, the entire City of Piedmont is designated a high resource area by the State of California.

The following section summarizes the components of the required AFFH component of Piedmont's 6th Cycle Housing Element.

1. Targeted Community Outreach

Piedmont must demonstrate "meaningful, frequent, and ongoing community participation, consultation and coordination" as part of the 6th Cycle Housing Element Update Process. This is intended to ensure that input has been received from groups historically and presently most impacted by fair housing issues and that local knowledge is incorporated into Housing Elements.

Over the last 21 months, City of Piedmont has conducted a comprehensive community engagement and outreach strategy, as required by Government Code, to assist in informing the 6th Cycle

Housing Element update process. This strategy has included a series of community meetings, workshops, and study sessions with the Planning Commission, the Housing Advisory Committee, the Recreation Commission, the Park Commission, and City Council.

Accordingly, Piedmont's targeted community outreach efforts included the following strategies. Website communication and informational materials were made available in English, Spanish, and simplified Chinese. No member of the community requested translation services. Opportunities to participate in Housing Element events were emailed to School District and City employees (the employees of the two largest employers in Piedmont), as well as employees of businesses in the commercial districts. The Piedmont Racial Equity Campaign and Piedmont Anti-Racism and Diversity Committee participated in a continued dialogue with City staff and officials throughout the preparation of the 6th Cycle Housing Element.

For COVID safety reasons and for the convenience of the public, outreach and engagement conducted for the 6th Cycle Housing Element included virtual and in-person events, and online engagement tools like Youtube videos, an online survey, pinnable map on Social Pinpoint software, and the Piedmont Housing Puzzle on Balancing Act software. Participation was much higher in the 6th Cycle than in prior Housing Element updates. For the 6th Cycle, participation can be measured by attendance and traffic to City websites. Analysis of the traffic to Housing Element online tools is provided as Attachment H.

These meetings and events are summarized in Appendix E of the 6th Cycle Housing Element. Feedback received throughout the ongoing community engagement and outreach process has assisted staff and the consulting team in preparing the draft 6th Cycle Housing Element update and related items.

2. Assessment of Fair Housing

Piedmont must also describe and analyze the unique housing circumstances of the Piedmont community. This analysis is referred to as an Assessment of Fair Housing (AFH) and analyzes circumstances within the City of Piedmont pertaining to Fair Housing issues including:

Fair Housing Outreach Capacity and Enforcement: Piedmont's AFH includes information regarding the City of Piedmont's Fair Housing Outreach Capacity and Enforcement methods. Piedmont refers discrimination complaints to ECHO Housing, a countywide non-profit agency. If mediation fails and enforcement is necessary, tenants may be referred to the State Department of Fair Employment and Housing or HUD, depending on the complaint. In the 5th Cycle, ECHO Housing reported one complaint filed by a Piedmont resident. The complaint was resolved with mediation.

Fair housing outreach and education includes flyers and handouts at the public counter and postings to the Fair Housing Program webpage of the City website.

The City of Piedmont does not have any pending lawsuits, enforcement actions, judgements, settlements, or findings related to fair housing and civil rights

HUD Fair Housing & Equal Opportunity (FEHO) complaints filed over last planning period are outlined in Figure 4, below.

Figure 4: City of Piedmont FEHO Cases Filed (2015-2021)

Year	# Of Cases Filed	Disability	Race	National Origin	Sex	Familial Status	Total
2015	0	-	-	-	-	-	-
2016	0	-	-	-	-	-	0
2017	0	-	-	-	-	-	0
2018	0	-	-	-	-	-	0
2019	0	-	-	-	-	-	0
2020	0	-	-	-	-	-	0
2021	1	1	-	-	-	-	1
Total	1	1	-	-	-	-	1

Source: ECHO Housing, 2022

Segregation and Integration Patterns: The City of Piedmont’s AFH also analyzes segregation and integration patterns within the jurisdiction as well as regionally. Segregation and integration patterns are analyzed by evaluating the concentration (or lack thereof) of protected groups within the community, relative to their distribution across a larger geography.

Racially and/or Ethnically Concentrated Areas of Poverty (R/ECAPS): The City of Piedmont’s AFH includes an analysis of possible Racially and or Ethnically Concentrated Areas of Poverty (R/ECAPS) which are areas defined by HUD as (1) having a non-White population of 50 percent or more, and (2) having extreme levels of poverty, meaning either: (a) At least 40 percent of the population lives at or below the federal poverty line, or (b) The poverty rate is three times the average census tract level poverty rate in the region, whichever is less. The City of Piedmont has no areas of racially or ethnically concentrated areas of poverty as shown on Figure F-9: Racially/Ethnically Concentrated Areas of Poverty (2009-2013) on page F-14 of Appendix F. The entire City is designated a highest resource area.

However, according to the United States Census, American Community Survey (ACS), approximately 25.5 percent of the Piedmont population belonged to a racial minority group in 2019. Piedmont has less than half of the proportion of population of non-White racial and ethnic groups than Alameda County where non-White racial and ethnic groups comprises 59.5 percent of the County’s total. Piedmont has a larger proportion of White, non-Hispanic residents at 71 percent of the population rather than the County at 31 percent (see Appendix F, page F-3, and Appendix A, Housing Needs Assessment, Section A.2.3). According to the March 2022 U.C. Merced Urban Policy Lab and ABAG-MTC AFFH Segregation Report, the most isolated racial group (in Piedmont) is White residents. According to the report, “Piedmont’s isolation index of 0.627 for [non-Hispanic] White residents means that the average White resident lives in a neighborhood that is 62.7% White... the White population’s isolation index has changed the most over time, becoming less segregated from other racial groups between 2000 and 2020.”

Disparities In Access to Opportunity: The City of Piedmont’s AFH also evaluates disparities in access to opportunity within the City of Piedmont which are areas within a city that have substantial differences in access to education, transportation, economic and environmental outcomes than other areas as identified by the California Tax Credit Allocation Committee (TCAC). The TCAC identified all parts of Piedmont as highest resource, meaning all areas have access to education, transportation, and the best economic and environmental outcomes.

Disproportionate Housing Needs (For Low-Income Households and Protected Classes): The City of Piedmont's AFH also evaluates disproportionate housing needs among low-income households and protected classes within the City of Piedmont. Disproportionate housing needs are evident when members of a protected group disproportionately experience a housing need in comparison to other groups or the total population. Disproportionate housing needs typically refer to the risk of displacement, over-crowding, or cost-burden, among others. The TCAC identified all parts of Piedmont as highest resource, meaning all areas have access to opportunity, which correlates relative place-based characteristics of an area, such as education, employment, safety, and the environment, with critical life outcomes, such as health, wealth, and life expectancy.

In the City of Piedmont, more than 20 percent of residents are cost-burdened, meaning that they pay more than 30 percent of their income for rent or mortgage. Non-White residents are disproportionately impacted by housing cost burden, over-payment, and overcrowding, as well as other burdens. Access to opportunity in Piedmont is approximately evenly distributed across the City, as evidenced by each TCAC score which is relatively consistent in both census tracts in the City. However, the City meets the criteria to be considered a racially concentrated area of affluence (RCAA) and several datasets suggest that non-White residents generally experience different economic conditions than White residents. Latinos experience higher rates of poverty relative to their overall proportion of the City's population than White residents. Latinos comprise about 4.2 percent of the City's population, but 7.0 percent of Latinos live below the poverty level, an estimated 33 residents.

More non-White residents are located in the western-most census block group of the City. The census tract that overlaps this block group also contains the highest amount of lower and moderate-income population at about 11 percent and exhibits the highest amount of overpayment by renters in Piedmont. Further, this western census tract contains the highest level of persons with a disability at about eight percent.

Another citywide fair housing issue is high rates of overpayment by homeowners. Also, the City experiences high to very high Location Affordability Index rates. The primary fair housing issue in Piedmont is disproportionate housing needs, meaning certain groups experience housing challenges (like cost-burden and overpayment) at a greater rate than other groups, because it affects the most residents and protected classes.

The contributing factor to this primary issue is land use and zoning laws limiting where multifamily housing can be built. This contributing factor is evident due to the high levels of overpayment by homeowners and renters within both higher and lower income households. These indicators suggest that both higher and lower income households, encompassing various household sizes and characteristics, may choose more affordable housing if available.

The second fair housing issue is also disproportionate housing needs because of the contributing factor of a lack of available affordable units in a range of sizes. A combination of very high Location Affordability Index rates and high levels of overpayment indicate the need for more affordable housing. High levels of overpayment by renters in the western census tract and high rates of overpayment by homeowners on both tracts in the City indicates that many residents may be struggling to afford housing costs.

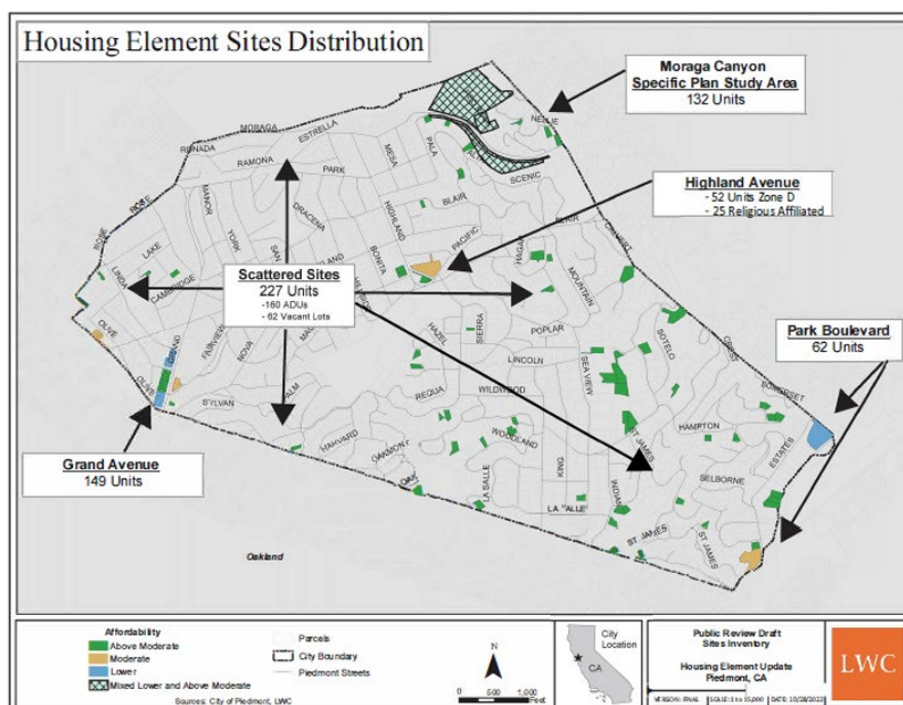
The third fair housing issue is segregation and integration due to the contributing factor of limited options for affordable housing within Piedmont where both census tracts meet the criteria of a RCA.

The fourth fair housing issue is also segregation and integration because of a history of community opposition to building more housing in Piedmont. Evidence of past opposition is demonstrated by the Charter requirement preventing any zone reclassification without voter approval and the continued quantity of City land resources that are restricted to single-family zoning.

Sites Inventory: State law requires the City of Piedmont to evaluate whether housing sites identified as suitable for accommodation of the City of Piedmont’s RHNA requirements are identified relative to the full scope of the assessment of fair housing (e.g., segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, etc.). Housing Element housing opportunity sites were identified consistent with AFFH requirements including improved conditions, not exacerbated conditions, not isolation of the RHNA, and local data and knowledge. For the following reasons, the draft 6th Cycle Housing Element sites inventory affirmatively furthers fair housing and does not exacerbate segregation or isolation of special needs groups.

- As shown in the TCAC analysis, the entire City of Piedmont is a highest resource area, meaning that the entire City has the characteristics that lead to positive life outcomes for lower income people. The entire City of Piedmont is served by excellent schools, public services, and parks, and has low exposure to environmental pollutants. New affordable housing production is every part of Piedmont improves the diversification of the Community, which is currently developed primarily with single-family detached houses.
- The 6th Cycle Housing Element distributes new housing production throughout every neighborhood in Piedmont. Figure A describes the distribution of new housing programs.

Figure A: Housing Element Sites Distribution



- The robust public engagement strategy employed by the City of Piedmont during the Housing Element update process, was able to draw from the local knowledge of Piedmont community members both living and working in Piedmont and from the affordable housing development community.
- All parts of Piedmont are within 1 mile of the Piedmont Civic Center and no highways, train tracks, and non-residential land uses divide neighborhoods, meaning that the neighborhoods in the City of Piedmont are interconnected geographically, reducing possible isolation of the new housing to be built in Piedmont neighborhoods.

Goals, Policies, and Actions: The following table, Table F-10 (page F-41 of Appendix F), summarizes the policies and programs required by State law to demonstrate the City of Piedmont’s commitment to affirmatively further fair housing as part of the 6th Cycle Housing Element update process.

Table F-10: Meaningful Actions

Contributing Factor	AFFH Strategy	Housing Implementation Programs
Land use and zoning laws	Modify land use and zoning laws to be less restrictive	1.D Allow Religious Institution Affiliated Housing Development in Zone A 1.F Increase Allowances for Housing in Zone B 1.G Facilitating Multi-Family Development in Zone C 1.H Increase Allowances for Housing in Zone D 1.I Lot Mergers to Facilitate Housing in Zone D 1.Q Density Bonus Ordinance 2.C Use of Original Materials and Construction Methods 4.G Monitoring the Effects of the City Charter 4.H. Modify Charter Regarding Zoning Amendments 4.L Allow Parking Reductions for Multi-Family, Mixed-Use, and Affordable Projects 4.M Facilitate Multi-Family and Residential Mixed-Use Projects by Right Subject to Objective Standards 4.N Allow Transitional and Supportive Housing by Right in Zones that Allow Residential Uses 4.O Allow Low Barrier Navigation Centers by Right in Zones that Allow Residential Uses 4.P Residential Care Facilities 4.Q Parking Reductions for Persons with Disabilities, Seniors , and Other Housing Types 4.R Permit Streamlining
Availability of affordable units in a range of sizes	New Housing Choices and Affordability in Areas of Opportunity	1.B Market Rate Accessory Dwelling Units 1.E Require ADUs for New Single-Family Residence Construction 2.A CDBG Funding 2.B Preservation of Small Homes 3.C Monitoring Affordable Accessory Dwelling Unit Missed Opportunities 3.D Monitoring Additional Accessory Dwelling Unit Development Opportunities 3.E Affordable Housing Fund 3.F Incentives for Rent-Restricted ADUs 4.J Small Lot Housing Study 4.K Small Lot Affordable Housing Study

		<p>4.S Prioritize Sewer Hookups for Residential Development for Lower-Income Housing</p> <p>5.A Shared Housing Publicity and Media Initiative</p> <p>5.B Shared Housing Matching Services</p> <p>5.H Housing for Extremely Low-Income Individuals and Households</p> <p>5.I Housing for Extremely Low-Income Families</p>
Location and type of affordable housing	Provide Choice of Different Affordable Housing Types	<p>1.J SB9 Facilitation Amendments</p> <p>1.L Specific Plan</p> <p>1.M Manufactured and Mobile Homes</p> <p>1.R Lower-Income Sites Modifications to Address Shortfall</p> <p>2.D Condominium Conversions</p> <p>3.B Increase Number of Legal Accessory Dwelling Units</p> <p>3.G Inclusionary Housing</p>
Community opposition	Provide Information Regarding Affordable Housing to Educate Community	<p>1.C Public Engagement for Accessory Dwelling Units</p> <p>3.A Affordable Accessory Dwelling Unit Public Information Campaign</p> <p>4.A Media Strategy</p> <p>5.A Shared Housing Publicity and Media Initiative</p> <p>5.G Faith Community Participation</p> <p>7.A Public Information</p> <p>7.C Housing Equity</p>

Evaluation of Past Housing Element Progress

Pursuant to State of California law, the Appendix D of the 6th Cycle Housing Element summarizes the implementation status of Goals, Policies and Programs from the City of Piedmont’s 5th Cycle Housing Element. In the 5th Cycle, the City of Piedmont surpassed the 5th Cycle RHNA of 60 housing units, producing 96 new housing units, mainly in the form of ADUs. The City reports progress implementing the RHNA on an annual basis as part of the Annual Progress Report. The City is in the process of compiling the final housing unit production data for 2022. In the last Annual Progress Report, presented to the City Council on September 19, 2022, staff reported that the City had surpassed the 5th Cycle RHNA targets for the Low, Moderate, and Above Moderate income categories. However, the City was less successful producing the required number of Very Low Income housing units, producing 18 where the 5th Cycle RHNA required 24.

Community Engagement

Consistent with State law, the City of Piedmont has conducted ongoing community outreach efforts throughout the 6th Cycle Housing Element update process. These efforts, inclusive of City Council, Planning Commission, Park Commission, and Recreation Commission meetings held prior to today, are summarized within Appendix E of the 6th Cycle Housing Element.

HCD REVIEW PROCESS

On November 18, 2022, the City of Piedmont submitted the draft 6th Cycle Housing Element to HCD for a mandatory 90-day review. Since then, staff has had virtual meetings with HCD staff to clarify how Piedmont’s 6th Cycle Housing Element complies with State law. HCD has not yet provided a comment letter on Piedmont’s 6th Cycle Housing Element. However, Piedmont’s 6th Cycle Housing Element has been reviewed for compliance by a third-party independent planning firm, described below.

Attached to the draft resolution recommending adoption of the Housing Element is Exhibit B, demonstrating how the proposed Housing Element complies with State law. Exhibit B shows that the Housing Element conforms with each provision contained in the housing element statutes. Exhibit B was prepared by City staff using third-party independent review of Piedmont's 6th Cycle Housing Element prepared by Urban Planning Partners, Inc. (UPP), a planning firm under contract with ABAG/MTC. UPP applied HCD's Housing Element compliance checklist to the draft Piedmont 6th Cycle Housing Element. UPP determined Piedmont's 6th Cycle Housing Element to comply with State law, with a few areas and issues highlighted for further clarification and analysis. Staff response to these issues identified by UPP are provided in the section of this staff report, below.

**Findings Pursuant Government Code Title 7, Division 1, Chapter 3, Article 10.6
[65580 – 65589.11]**

To be in substantial compliance with State law, the 2023-2031 Piedmont 6th Cycle Housing Element must contain all of the components mandated by State housing element law. (*See Fonseca v. City of Gilroy* (2007) 148 Cal.App.4th 1174, 1191-92.) The table attached to this report, Conformance of Housing Element with State Law Requirements Checklist, (Exhibit B to the draft resolution, Attachment B) demonstrates that the Piedmont Housing Element contains each of the components mandated by State law. Urban Planning Partners, Inc. (UPP), under contract with ABAG/MTC, conducted an independent third-party review of Piedmont's draft 6th Cycle Housing Element. UPP's analysis informs Exhibit B to the draft resolution. UPP raised minor issues which have been resolved by Piedmont staff. The potential issues and staff's response are provided below (these statutes shown with an asterisk (*) in Exhibit B).

1. **Issue:** Regarding Housing Needs Assessment – Quantification and Analysis of Need, Government Code section 65583, subdivision (a)(1)(2) and section 65583.1, subdivision (d), the Draft Piedmont Housing Element Appendix A must outline the 6th Cycle RHNA by income group, including projected extremely low-income households.
Staff Response: During its review, UPP raised a possible concern that Appendix A (Demographics and Housing Needs) of the Piedmont 6th Cycle Housing Element did not outline 6th cycle RHNA. However, the 6th Cycle Housing Element complies with these requirements in Section II.C, page 23, of the draft 6th Cycle Housing Element. No revisions are necessary.

2. **Issue:** Regarding Housing Needs Assessment – Quantification and Analysis of Need, Government Code section 65583, subdivision (a)(1)(2) and section 65583.1, subdivision (d), UPP raised a possible concern that Appendix A (Demographics and Housing Needs) of the draft 6th Cycle Housing Element did not outline estimated number of units in need of replacement or rehabilitation.
Staff Response: Page A-49 of the 6th Cycle Housing Element provides this information. The 6th Cycle Housing Element notes that there is one code violation complaint, and that staff is aware of one to two housing units per year that need support in rehabilitation. The 6th Cycle Housing Element states that staff works with property owners to identify funds for improvements. In an 8-year period, that is approximately 16 units in need of

improvement, of a housing stock of over 3,900. This is well below 1 percent of the housing stock in Piedmont. Staff's knowledge of homes combined with code enforcement complaints is a common reliable source for this analysis. No revisions are necessary.

3. **Issue:** Regarding Affirmatively Further Fair Housing, Government Code section 65583, subdivision (c)(10)(A), the Draft Piedmont Housing Element must provide an analysis of local data as it compares on a regional level.

Staff response: the AFFH standards include a requirement to look at fair housing issues at a regional scale and to consider if the policies would improve or worsen regional inequalities in terms of fair access to housing. The draft Piedmont 6th Cycle Housing Element compares local conditions in Piedmont to those in Oakland and Berkeley, because the Bay Area region and Alameda County are so large, and the types of development are varied. The 6th Cycle Housing Element is conservative in its application of State law by comparing Piedmont's diversity to two of the most densely developed and diverse communities in the Region and County (Berkeley and Oakland). The comparison of Piedmont to Berkeley and Oakland makes clear the disparities in access to opportunities, and segregation impacts on disability, familial status, low- and moderate-income persons.

4. **Issue:** Regarding Affordable Housing Units At-Risk of Conversion to Market Rate, Government Code section 65583, subdivision (a)(9), why does the Draft Piedmont Housing Element not include an estimate or comparison of replacement costs versus preservation costs?

Staff Response: This requirement does not apply to Piedmont because there are no rent-restricted affordable multifamily housing units in the City, currently. During its review, UPP noted that the Piedmont 6th Cycle Housing Element did not include an estimate or comparison of replacement costs vs. preservation costs of affordable housing units. Replacement vs. preservation cost analysis is only required if a) a jurisdiction has assisted housing development, and b) there are units at risk of conversion in 10 years.

From HCD's website: "For the purpose of housing-element law, assisted housing developments (or at-risk units) are defined as multifamily, rental housing complexes that receive government assistance under any of the federal, state, and/or local programs (listed below) or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs."

With HCD's definition, staff's interpretation is that affordable ADUs do not qualify as assisted housing development for this analysis. In addition, City staff and consultants have not seen ADUs classified as requiring this analysis in other communities that have received letters of substantial compliance. Therefore, this section is not applicable. No revisions are required.

5. **Issue:** Regarding Affordable Housing Units At-Risk of Conversion to Market Rate, Government Code section 65583, subdivision (a)(9), why does the 6th Cycle Housing

Element not address at-risk affordable housing or identify qualified entities to acquire and manage affordable housing by name?

Staff Response: This requirement does not apply to Piedmont because there are no rent-restricted affordable multifamily housing units in the City, currently. See response #4, above.

6. **Issue:** Regarding Analysis of Potential and Actual Nongovernmental Constraints, Government Code section, 65583, subdivision (a)(6), the draft 6th Cycle Housing Element must describe the process for developing housing below identified densities in the Housing Element sites inventory and analysis.

Staff Response: Appendix B Housing Capacity Analysis and Methodology analyzes densities and assumed capacities. If there is a process to request to develop housing below identified densities in the sites inventory and analysis, the Housing Element must consider including an explanation of process. City staff have confirmed the following approach with the City's team of housing staff and consultants.

According to State law, the 6th Cycle Housing Element must document whether there have been requests by developers to develop at residential densities lower than those anticipated in the proposed Housing Element Sites Inventory. If there is consistent evidence of developers building well below the maximum density allowed, this trend would need to be taken into consideration when determining a realistic capacity for sites in the Housing Element Sites Inventory.

Section B.2.3 (page B-6, or 152 of the PDF) describes the only recent multifamily project in Piedmont which was built at 100% of its allowed capacity. The densities assumed in the Sites Inventory are not yet adopted, so there is no evidence of developers building at or below the assumed realistic capacity (80% of maximum allowed density) in Piedmont.

Lacking other local examples, the 6th Cycle Housing Element includes Tables B-5 and B-8 to demonstrate regional evidence of both: a) projects being built at densities proposed in the Sites Inventory; and b) projects being built at capacities at 80% of maximum allowed densities.

Section C.2.2.3 (page C-8, or page 181 of the PDF format) also discusses the cumulative role of development standards in limiting achievement of maximum densities and Piedmont's proposed housing programs to facilitate achievement of higher densities. No revisions are required.

7. **Issue:** Regarding Government Code section, 65583, subdivision (a)(6), the draft 6th Cycle Housing Element must include the typical timeframe between planning approval and application for building permit.

Staff Response: UPP raised a possible issue that the 6th Cycle Housing Element does not include outline of typical timeframes between approval and application for a building permit over the 5th Cycle time period. City staff has reviewed this concern, and the draft

Piedmont 6th Cycle Housing Element complies with this requirement. The Housing Element is required by Government Code section, 65583, subdivision (a)(6), to include the typical timeframe between project approval and building permit issuance. The 6th Cycle Housing Element section C.2.4 (page C-17, or page 190 of the PDF format) provides the information as available, based on construction activity in Piedmont. The Housing Element acknowledges that timeframes are not solely based on City review procedures, but also based on the timing of permit application submittal by the applicant. No revisions are required.

8. **Issue:** Regarding Government Code, section 65583, subdivision (a)(3), section 65583.1, the Draft 6th Cycle Housing Element must report the progress of implementation of the 5th Cycle housing programs and revise Appendix D to include a table of the number of pending, approved, or permitted units outlined by income group.

Staff Response: During its review, UPP raised an issue with Appendix D and the evaluation of progress made during 5th Cycle. The draft 6th Cycle Housing Element complies with this State requirement. The number of pending, approved, or permitted units are outlined by income group is in the evaluation of progress made in the 5th Cycle. Section A.4.3 (page A-48, or page 132 of the PDF format) provides building permit activity between 2015 and 2019 by income group. No revisions are necessary to bring the draft 6th Cycle Housing Element into compliance with State law.

9. **Issue:** New for the 6th Cycle is compliance with AB 725. AB 725 requires that at least 25% of a metropolitan jurisdiction's share of the regional housing need for moderate-income housing be allocated to sites with zoning that allows at least 4 units of housing, but no more than 100 units per acre of housing. The law requires that at least 25% of a metropolitan jurisdiction's share of the regional housing need for above moderate-income housing be allocated to sites with zoning that allows at least 4 units of housing.

Staff Response: Section B.3 (Pg B-16, or Pg 162 of the PDF) provides the required analysis and notes a majority of both the City's above moderate and moderate income RHNA are satisfied on sites that accommodate 4 or more units. No revisions are necessary to bring the draft 6th Cycle Housing Element into compliance with State law.

10. **Issue:** Regarding Gov. Code 65915(c)(3) and Gov. Code 65583.2(g)(3), during informal discussions with HCD staff, an issue was raised regarding the City's 6th Cycle Housing Element programs to replace lower income housing on non-vacant sites included in the Housing Element Sites Inventory.

Staff Response: The draft 6th Cycle Housing Element complies with this State requirement. None of the non-vacant sites identified in the Sites Inventory provide lower income housing and haven't provided it within 5 years preceding 2023. The sites in Zone D are a mix of commercial uses with no residential land uses and single-family homes affordable to above-moderate income residents only. Religious institutions in Zone A do not provide residential uses. There are no residential uses currently in Zone B. Although developed with a mix of residential uses, no sites in Zone C are included in the Sites Inventory. No revisions are necessary.

CONFORMANCE WITH THE 2009 PIEDMONT GENERAL PLAN:

The Housing Element is one of seven mandatory Elements of the City's General Plan, a long-range vision document that provides guidance for future development in Piedmont. City Council adopted its revised General Plan in 2009. For the General Plan to provide effective guidance on land use issues, the goals, policies, and programs of each Element must be internally consistent with other Elements. The draft 6th Cycle Housing Element builds upon the existing General Plan and is consistent with its goals and policies. Proposed Housing Element program 1.P (page 47) directs the City to study amendments to the Land Use Element and other Elements to ensure consistency with the General Plan. Various Housing Element programs require City Code amendments, and some will require amendments to the General Plan for consistency (e.g., permitted residential density and housing associated with religious institutions). As those Housing Element programs are implemented, the General Plan will be amended concurrently to ensure consistency across planning documents. In the event that an Element of the General Plan is amended, the City will consider the impacts of the amendment on the other Elements to maintain consistency across all documents.

ENVIRONMENTAL REVIEW:

The City of Piedmont has prepared the necessary environmental review, consistent with CEQA, for the Draft 2023–2031 6th Cycle Housing Element. The proposed project consists of a comprehensive update to the Piedmont Housing Element. The City of Piedmont has prepared the 2023-2031 6th Cycle Housing Element update to comply with the legal mandate that requires each local government to identify adequate sites for housing to meet the existing and projected housing needs for varying income-levels in the community. It provides the City of Piedmont with a comprehensive strategy for promoting the production of safe, decent, and affordable housing, and for affirmatively furthering fair housing during the housing cycle. The 6th Cycle Housing Element update establishes goals, policies, and actions to address the existing and projected housing needs in Piedmont. The 6th Cycle Housing Element does not propose any specific development project and adoption of the proposed 6th Cycle Housing Element would not approve any physical development (e.g., construction of housing or infrastructure). The goals, policies, and actions in the 6th Cycle Housing Element are required to meet Piedmont's Regional Housing Needs Allocation (RHNA). Piedmont's RHNA requires 587 new housing units, including 257 new units for residents in the extremely low, very low, and low-income categories.

The City of Piedmont has completed an Initial Study and Negative Declaration (IS-ND) for the proposed project. The IS-ND concluded that the project would have no impacts in the various topic areas required by CEQA Guidelines Appendix G, including Aesthetics, Agriculture / Forestry Resources, Air Quality, Biological Resources, Cultural Resources, Energy, Geology / Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology/Water Quality, Land Use / Planning, Mineral Resources, Noise, Population/Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, Utilities/Service Systems, and Wildfire as the project involves only feasibility or planning studies for possible future actions which have not been approved or adopted. As such, the City of Piedmont has determined that an Initial Study and Negative Declaration is the appropriate CEQA assessment for the adoption of the 6th Cycle Housing Element.

The public comment period for the Initial Study and Negative Declaration was December 9, 2022, to January 8, 2023. Comments received from the public are included as Attachment F. The Initial Study and Negative Declaration is linked to this staff report as Attachment D.

CONCLUSION:

The Planning Commission is required to hold a public hearing and make a recommendation to the City Council regarding the Draft 6th Cycle Housing Element. Staff is confident that the 6th Cycle Housing Element update meets the requirements of State law and addresses Piedmont's housing needs. Staff recommends the Commission adopt the attached resolution, which includes findings in support of a recommendation that the City Council adopt the Initial Study and Negative Declaration prepared by staff for the 6th Cycle Housing Element, and includes findings in support of a recommendation that the City Council hold a public hearing and adopt the 2023-2031 6th Cycle Housing Element.

ATTACHMENTS:

- A *Online* 2023-2031 6th Cycle Housing Element, submitted to HCD on November 18, 2022
https://www.piedmont.ca.gov/government/city_news_notifications/draft_housing_element_released
- B *Pages 24 to 41* Draft Resolution recommending adoption of the Draft 6th Cycle Housing Element and its associated Initial Study/Negative Declaration, including Exhibit B
- C *Online* City Council Staff Report for November 15, 2022, including public comment received prior to November 10, 2022.
<https://static1.squarespace.com/static/5fdea2c9d61098631976bacc/t/636de9efcf72a108dee572a1/1668147698474/Housing-Element-Piedmont-City-Council-Special-Meeting-2022-11-15.pdf>
- D *Online* Initial Study and Negative Declaration for 2023-2031 6th Cycle Housing Element
<https://static1.squarespace.com/static/5fdea2c9d61098631976bacc/t/639241da18f6fd6896260b65/1670529501158/Public+Review+Draft+IS-ND+Piedmont+Housing+Element.pdf>
- E *To be forwarded* UPP Analysis of HCD Checklist for Housing Element Compliance
- F *To be forwarded separately* Public Comment on the Initial Study/Negative Declaration
- G *To be forwarded separately* Public Comment on the 6th Cycle Housing Element, received November 10, 2022, to January 6, 2023.
- H *To be forwarded separately* Analysis of Electronic Media Traffic and Page Views, prepared by City staff

RESOLUTION No. _____

**A RESOLUTION OF
THE PLANNING COMMISSION OF THE CITY OF PIEDMONT
RECOMMENDING THAT THE CITY COUNCIL
ADOPT AN INITIAL STUDY-NEGATIVE DECLARATION AND ADOPT A GENERAL
PLAN AMENDMENT TO UPDATE THE HOUSING ELEMENT OF THE GENERAL
PLAN FOR THE PERIOD OF 2023-2031, TO AFFIRMATIVELY FURTHER FAIR
HOUSING, AND TO COMPLY WITH STATE HOUSING ELEMENT LAW**

WHEREAS, State of California housing element law, as set forth in Government Code §§ 65302 and 65580, et seq., requires the City of Piedmont to periodically prepare and update its Housing Element in its General Plan, and to establish goals, policies, and programs to accommodate the maintenance, diversification, and expansion of the City’s housing supply to accommodate the City of Piedmont’s regional housing needs allocation (RHNA) of 587 housing units, comprised of 238 above moderate income units, 92 moderate income units, 94 low income units, and 163 extremely and very low income units; and

WHEREAS, Piedmont’s prior 5th Cycle Housing Element was last certified by the California Department of Housing and Community Development (HCD) in 2014, and Government Code section 65588 requires local agencies to update their housing element at least every eight years; and

WHEREAS, the Association of Bay Area Governments (ABAG) adopted a final methodology and RHNA for every local government in the Bay Area Region in January 2022, and the RHNA assigned to Piedmont was 587 new housing units across various income categories; and

WHEREAS, to comply with State housing element law, the City of Piedmont has prepared the 2023-2031 6th Cycle Housing Element (the 6th Cycle Housing Element); and

WHEREAS, as provided in Government Code Section 65350 et. seq., the 6th Cycle Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5, the City of Piedmont referred the Housing Element to all California Native American tribes on the contact list provided by the Native American Heritage Commission and to other entities listed, and no California Native American tribe requested consultation; and

WHEREAS, California Government Code Section 65583 requires that the Housing Element Update contain: (i) an assessment of the City’s housing needs and an analysis of the resources and constraints, both governmental and non-governmental, relevant to the meeting of these needs; (ii) an inventory of land suitable and available for residential development and an analysis of the development potential of such sites; (iii) a statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing; and (iv) programs that set forth a schedule of actions the local government is

undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the 6th Cycle Housing Element; and

WHEREAS, State law requires that the City take meaningful steps to promote and affirmatively further fair housing (Gov. Code Section 65583(c)(5)); and

WHEREAS, State law requires that the City make zoning available for all types of housing, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the 6th Cycle Housing Element must be adopted to comply with State law, accommodate the RHNA, affirmatively further fair housing, and facilitate and encourage a variety of housing types for all income levels, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the 6th Cycle Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted extensive community outreach in support of the Housing Element update process over the last 22 months with an innovative and robust public engagement process, including two community workshops, three City Council meetings, 13 Planning Commission meetings, two meetings of the Housing Advisory Committee, a meeting of the Recreation Commission, a meeting of the Park Commission, two online forums, two open houses, and tables at community events, as well as online engagement tools, regular news stories in local media, email newsletters to over 4,000 email subscribers, emails to the School District employees and City employees, correspondence with Piedmont religious institutions, meetings with property owners in Zones A, B, C, and D, citywide streetlight banners announcing the Housing Element website, and posters at local businesses; and

WHEREAS, the 2023-2031 6th Cycle Housing Element was prepared for the City of Piedmont based on input from the public, the City Council, the Planning Commission, the Housing Advisory Committee, the Recreation Commission, the Park Commission, and the California Department of Housing and Community Development (HCD), and is attached as Exhibit A to this Resolution; and

WHEREAS, the City of Piedmont's 2023-2031 6th Cycle Housing Element includes updated data in compliance with the State of California housing laws and provides a wide range of programs and strategies to address citywide housing needs and priorities; and

WHEREAS, a draft City of Piedmont 2023-2031 6th Cycle Housing Element was released for 60-day public review on April 8, 2022, and a revised Housing Element that integrated public comments received during public review and City Council direction was published for a second public review on December 9, 2022, in compliance with State law; and

WHEREAS, on May 12, 2022, the Planning Commission considered the draft 2023-2031 6th Cycle Housing Element, took public comment, and recommended City Council authorize staff to

transmit the Draft Housing Element, along with Planning Commission-recommended revisions, to California HCD, making the following findings, as summarized:

1. The public engagement conducted for the Draft Housing Element has successfully reached all segments of the Piedmont community.
2. The Draft Housing Element presents a reasonable and equitable approach to work with the private sector to enable the construction of new housing.
3. The Draft Housing Element presents a thoughtful and careful consideration of the potential obstacles to growth in Piedmont and presents new policies and programs to remove or reduce these obstacles.
4. The Draft Housing Element utilizes a sufficient realistic capacity for growth projections.
5. The Draft Housing Element affirmatively furthers fair housing by providing sites, policies, and programs that assure households of all incomes and social and racial backgrounds have access to high resources areas, economic and educational opportunities, and areas with low exposure to environmental hazards.
6. As outlined in the staff report and presentation, the Draft Housing Element complies with housing element law, as set forth in Government Code §§ 65302 and 65580, et seq.

WHEREAS, the City Council considered the 6th Cycle Housing Element at a public meeting held on November 15, 2022, took public comments, and adopted a resolution authorizing staff to submit the 6th Cycle Housing Element to HCD with revisions outlined in the resolution; and

WHEREAS, a draft 2023-2031 6th Cycle Housing Element was submitted to HCD on November 18, 2022, and staff has met several times since with the HCD reviewer, including on January 6, 2023, and the City has reason to expect HCD certification of the 2023-2031 6th Cycle Housing Element, as submitted with no substantive changes; and

WHEREAS, Urban Planning Partners, Inc., prepared an independent, third-party review of the draft City of Piedmont 2023-2031 6th Cycle Housing Element in December 2022 and outlined how it was in substantial compliance with State of California housing law; and

WHEREAS, on January 12, 2023, the Planning Commission held a duly noticed public hearing at which time it reviewed the 6th Cycle Housing Element and all pertinent maps, documents and exhibits, the staff report and all attachments, and oral and written public comments; and determined the Housing Element to be consistent with State law and the General Plan of the of the City of Piedmont, and made the following findings:

1. An Initial Study and Negative Declaration for the 2023-2031 6th Cycle Housing Element (attached to this Resolution as Exhibit B) has been prepared pursuant to California Environmental Quality Act (CEQA), public Resources Code Section 21000 et seq., and CEQA Guidelines Section 15070, assessing the potential environmental impacts that might result from the adoption of the 2023-2031 6th Cycle Housing Element, and the Planning

Commission recommends that there is no substantial evidence that adoption of the 2023-2031 6th Cycle Housing Element may have a significant effect on the environment for the reasons documented in the Notice of Intent to Adopt a Negative Declaration, the Initial-Study Negative Declaration, and the staff report.

2. The 2023-2031 6th Cycle Housing Element is consistent with the City Charter because Section 9.01 of the City Charter directs the City Council to adopt and modify the General Plan setting forth policies to govern the development of the City.
3. The 2023-2031 6th Cycle Housing Element is consistent with the General Plan and City of Piedmont Municipal Code because the Housing Element includes implementation programs to study amendments to ensure consistency with the General Plan and Municipal Code.
4. Based on the underutilization of sites (e.g. land developed with large areas of surface parking lots, single-story buildings, low improvement values), existing building age and condition, and/or uses of marginal economic viability on identified housing sites, combined with the significant demand for housing, the local trends for converting existing non-vacant land into residential and residential mixed-use, and the new 2023-2031 6th Cycle Housing Element programs to encourage the redevelopment of non-vacant sites with significantly higher-density housing and mixed-use multifamily residential housing, the existing uses on the sites identified in the sites inventory to accommodate the lower income RHNA housing goals are likely to be discontinued in their current form and location during the planning period (as documented in the 2023-2031 6th Cycle Housing Element Appendix B, Sites Inventory and Methodology), and therefore, these existing uses do not constitute an impediment to additional residential development during the planning period; and
3. The 2023-2031 6th Cycle Housing Element utilizes a sufficient realistic capacity for growth projections by using an 80% cap on projected growth, resulting from Draft Housing Element policies and programs, and by including a 10% buffer of surplus units above the RHNA of 587 housing units (58 housing units).
4. The public engagement conducted for the 2023-2031 6th Cycle Housing Element has successfully reached all segments of the Piedmont community, including residents in affected neighborhoods and people working, attending school, and visiting Piedmont from other areas.
5. The 2023-2031 6th Cycle Housing Element presents a reasonable and equitable approach to work with the private sector to enable the construction of new housing to meet the Regional Housing Needs Allocation of 587 new housing units in all income categories.
6. The 2023-2031 6th Cycle Housing Element presents a proactive and innovative approach to use City-owned surplus land to plan for the development of a minimum of 132 housing units, 60 of which will be affordable to resident households earning 80 percent or less of the Area Median Income.

7. The 2023-2031 6th Cycle Housing Element affirmatively furthers fair housing by providing sites, policies, and programs that assure households of all incomes and social and racial backgrounds have access to high resources areas, economic and educational opportunities, and areas with low exposure to environmental hazards.
8. As outlined in the 2023-2031 6th Cycle Housing Element, the staff report, presentation, and Exhibit B, a checklist prepared by staff using analysis completed by an independent third-party planning firm, Urban Planning Partners, Inc., the 2023-2031 6th Cycle Housing Element complies with housing element law, as set forth in Government Code §§ 65302 and 65580, et seq.

WHEREAS, once adopted and certified, the 2023-2031 6th Cycle Housing Element would supersede and replace the existing 2014 5th Cycle Housing Element of the General Plan; and

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Piedmont does hereby resolve, declare, determine, and order, based on substantial evidence in the record, as follows:

SECTION 1. Findings.

- A. That the above recitations are true and correct.
- B. That the 2023-2031 6th Cycle Housing Element addresses all of the requirements as set forth in Government Code Section 65302 and 65580.
- C. That the Planning Commission recommends that the 2023-2031 6th Cycle Housing Element is compatible with, consistent with, and integrated with all other elements of the City's General Plan because the Housing Element includes new policies and programs directing the City to amend the General Plan Land Use Element and other Elements to ensure consistency.
- D. That in exercising its independent judgement, the Planning Commission recommends that the City Council adopt the Initial Study and Negative Declaration for the 2023-2031 6th Cycle Housing Element (Exhibit B).
- E. That the Planning Commission recommends that the City Council adopt the 2023-2031 6th Cycle Housing Element with revisions necessary to obtain certification from HCD (Exhibit A)
- F. That the Planning Commission recommends that the City Council adopt the 2023-2031 6th Cycle Housing Element in such a manner that the 2014 5th Cycle Housing Element is repealed upon certification by HCD of the 6th Cycle Housing Element without further action by the City Council.

SECTION 2. All portions of this resolution are severable. If an individual component of this Resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.

[END OF RESOLUTION]

Exhibit B: HCD Housing Element Checklist

Public Participation

Government Code section 65583, subdivision (c)(8)

Description of Requirement	Page Number
Description of the diligent efforts the jurisdiction made to include all economic segments of the community and/or their representatives in the development and update of the housing element.	E-3:E-4
Summary of the public input received and a description of how it will be considered and incorporated into the housing element.	E-4:E-6

Review and Revise

Government Code section 65588, subdivision (a)

Description of Requirement	Page Number
<u>Progress in implementation</u> – A description of the actual results or outcomes of the previous element’s goals, objectives, policies, and programs (e.g. what happened).	D-3:D-28
<u>Effectiveness of the element</u> – For each program, include an analysis comparing the differences between what was projected or planned in the element and what was achieved.	D3:D-28
<u>Appropriateness of goals, objectives, policies, and programs</u> –A description of how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from the results of the previous element. (e.g. continued, modified, or deleted.)	D-3:D-28
<u>Special needs populations</u> – Provide a description of how past programs were effective in addressing the housing needs of the special populations. This analysis can be done as part of describing the effectiveness of the program pursuant to (2) if the jurisdiction has multiple programs to specifically address housing needs of special needs populations or if specific programs were not included, provide a summary of the cumulative results of the programs in addressing the housing need terms of units or services by special need group.	D-19:D-25
<u>AB 1233 – Shortfall of sites from the 5th cycle planning period</u> – Failure to implement rezoning required due to a shortfall of adequate sites to accommodate the 5th cycle planning period RHNA for lower- income households triggers the provisions of Government Code section 65584.09.	N/A

Housing Needs Assessment – Quantification and Analysis of Need

Government Code section 65583, subdivision (a)(1)(2) and section 65583.1, subdivision (d)

Description of Requirement	Page Number
Population (e.g., by age, size, ethnicity, households by tenure) and employment trends	A-4:A-14
Household characteristics including trends, tenure, overcrowdings and severe overcrowding	A-15:A-22
Overpayment by income and tenure	A-53:A-61
Existing housing need for extremely low-income households	A-31
Projected housing needs: Regional Housing Needs Allocation (RHNA) by income group, including projected extremely low-income households	Section II.C, 23*
Housing stock conditions, including housing type, housing costs, vacancy rate	A-41:A-48
Estimate of the number of units in need of replacement and rehabilitation	A-48:A-49*

Identification and Analysis of the Housing Needs for Special Needs Populations

Government Code section 65583, subdivision (a)(7)

Description of Requirement	Page Number
Elderly	A-26
Persons with Disabilities, including Developmental Disabilities	A-28:A-30
Large Households	A-22:A-25
Farmworkers (seasonal and permanent)	A-32:A-33
Female Headed Households	A-27:A-28
Homeless (seasonal and annual based on the point in time count)	A-34:A-38
Optional: Other (e.g. students, military)	A-31:A-38

Affirmatively Further Fair Housing - An Assessment of Fair Housing

Government Code section 65583, subdivision (c)(10)(A)

Part 1 Outreach

Description of Requirement	Page Number
Does the element describe and incorporate meaningful engagement that represents all segments of the community into the development of the housing element, including goals and actions?	E-3:E-162

Part 2 Assessment of Fair Housing

Description of Requirement	Page Number
Does the element include a summary of fair housing enforcement and capacity in the jurisdiction?	F-2:F-3
The element must include an analysis of these four areas:	
Integration and segregation patterns and trends	F-3:F-13
Racially or ethnically concentrated areas of poverty	F-13:F-15
Disparities in access to opportunity	F-16:F-23
Disproportionate housing needs within the jurisdiction, including displacement risk	F-23:F-32

Each analysis should include these components:

- Local: Review and analysis of data at a local level
- Regional impact: Analysis of local data as it compares on a regional level
- Trends and patterns: Review of data to identify trends and patterns over time
- Other relevant factors, including other local data and knowledge
- Conclusion and findings with a summary of fair housing issues

Part 3 Sites Inventory

Description of Requirement	Page Number
Did the element identify and evaluate (e.g., maps) the number of units, location and assumed affordability of identified sites throughout the community (i.e., lower, moderate, and above moderate income RHNA) relative to all components of the assessment of fair housing?	B-20:B-26
Did the element analyze and conclude whether the identified sites improve or exacerbate conditions for each of the fair housing areas (integration and segregation, racially and ethnically concentrated areas of poverty, areas of opportunity, disproportionate housing needs including displacement)?	F-33:F-37

Part 4 Identification of Contributing Factors

Description of Requirement	Page Number
Did the element identify, evaluate, and prioritize the contributing factors to fair housing issues?	F-40

Part 5 Goals and Actions Page

Description of Requirement	Page Number
Did the element identify, goals and actions based on the identified and prioritized contributing factors?	F-40:F-42
Do goals and actions address mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for preservation and revitalization, displacement protection and other program areas?	F-41:F-42

Programs must include the following components:

Actions must be significant, meaningful, and sufficient to overcome identified patterns of segregation and affirmatively further fair housing.

Metrics and milestones for evaluating progress on programs/actions and fair housing results.

Affordable Housing Units At-Risk of Conversion to Market Rate

Government Code section 65583, subdivision (a)(9)

Description of Requirement	Page Number
Provide an inventory of units at-risk of conversion from affordable to market-rate rents within 10 years of the beginning of the planning period. The inventory must list each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year.	A-62
Provide an estimate and comparison of replacement costs vs. preservation costs	N/A*
Identify qualified entities to acquire and manage affordable housing	N/A*
Identify potential funding sources to preserve affordable housing	N/A*

Analysis of Actual and Potential Governmental Constraints

Government Code section, 65583, subdivisions (a)(5), (a)(4), (c)(1), and section 65583.2, subdivision (c)

Description of Requirement	Page Number
Land use controls (e.g. parking, lot coverage, heights, unit size requirements, open space requirements, Accessory Dwelling Unit (ADU) requirements, floor area ratios, growth controls (e.g., caps on units or population or voter approval requirements, conformance with the requirements of SB 330), inclusionary requirements, consistency with State Density Bonus Law and Housing Accountability Act, and consistency with zoning and development standard website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(B)).	C-4:C-13
Local processing and permit procedures (e.g., typical processing times, permit types/requirements by housing type and zone, decision making criteria/findings, design/site/architectural review process and findings, description of standards [objective/subjective], planned development process). Element should also describe whether the jurisdiction has a process to accommodate SB 35 streamline applications and by-right applications for permanent supportive housing and navigation centers.	C-16
Building codes and their enforcement (e.g., current application of the California Building Code, any local amendments, and local code enforcement process and programs)	C-16:C-24

On and Off-Site improvement requirements (e.g., street widths, curbing requirements)	C-24:C-25
Fees and other exactions (e.g., list all fees regardless of entity collecting the fee, analyze all planning and impact fees for both single family and multifamily development, provided typical totals and proration to total development costs per square foot, and consistency with fee website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(A)).	C-21:C-24
Housing for persons with disabilities (e.g. definition of family, concentrating/siting requirements for group homes, reasonable accommodation procedures, application of building codes and ADA requirements, zoning for group homes and community care facilities)	C-13:C-15
Analysis of locally-adopted ordinances that directly impact the cost and supply of housing (e.g. inclusionary ordinance, short-term rental ordinance)	C-15

An Analysis of Potential and Actual Nongovernmental Constraints

Government Code section, 65583, subdivision (a)(6)

Description of Requirement	Page Number
Availability of financing	C-27:C-28
Price of land	C-26
Cost of Construction	C-27
Requests to develop housing below identified densities in the sites inventory and analysis	B-6:B-8 C-8*
Typical timeframes between approval for a housing development project and application for building permits	C-17 *

Does the analysis demonstrate the jurisdiction's action(s) to mitigate nongovernmental constraints that create a gap between planning for housing to accommodate all income levels and the construction of housing to accommodate all income levels?

Zoning for a Variety of Housing Types

Government Code section, 65583, subdivisions (a)(4), (c)(1), and subdivision 65583.2 subdivision (c)

Provide an analysis of zoning and availability of sites for a variety of housing types including the following:

Description of Requirement	Page Number
Multifamily Rental Housing	C-10
Housing for Agricultural Employees (permanent and seasonal) (compliance with Health and Safety Code sections 17021.5, 17021.6, and 17021.8)	C-12
Emergency Shelters (including compliance with new development/parking standards pursuant to AB 139/Gov. Code § 65583 subd. (a)(4)(A))	C-10:C-11
Low Barrier Navigation Centers	C-10
Transitional Housing	C-11
Supportive Housing (including compliance with AB 2162, statutes of 2019)	C-11
Single-Room Occupancy Units	C-12
Manufactured homes, including compliance with Gov. Code § 65852.3	C-12
Mobile Home Parks	C-12
Accessory Dwelling Units	C-10

Site Inventory and Analysis

Government Code, section 65583, subdivision (a)(3), section 65583.1, subdivision

Site Inventory

Description of Requirement	Page Number
<i>Sites Inventory Form Listing:</i> Parcel listing by parcel number, size, general plan and zoning, existing uses on non-vacant sites, realistic capacity, level of affordability by income group, publicly owned sites (optional).	B-22:B-26
<i>Prior Identified Sites:</i> Address whether sites are adequate to accommodate lower income needs based on identification in the prior planning period for non-vacant sites or two or more for vacant sites.	B-11
Map of Sites	B-20

Did the jurisdiction use the sites inventory form adopted by HCD?

(City staff has confirmed with LWC staff that the Housing Element Sites Inventory will be transcribed onto HCD adopted forms prior to submittal to HCD for certification.)

Site Inventory Analysis and Methodology

Description of Requirement	Page Number
<i>RHNA Progress</i> : List the number of pending, approved or permitted units by income group based on actual or anticipated sales prices and rents since the beginning of the projection period	A-48; D-2*
<i>Environmental Constraints</i> : Address any known environmental or other constraints, conditions or circumstances, including mitigation measures, that impede development in the planning period	C-29:C-30
<i>Appropriate density</i> : Identification of zoning to accommodate RHNA for lower-income households: <ul style="list-style-type: none"> • Identify zones meeting the “default” density (Gov. Code § 65583.2 subd.(c)(3)(B)) or; • Identify and analyze zones with densities less than the “deemed appropriate”(default) density that are appropriate to accommodate lower RHNA. 	B-9

Description of Requirement	Page Number
<i>Capacity</i> : Describe the methodology used in quantifying the number of units that can be accommodated on each APN: <ul style="list-style-type: none"> • If development is required to meet a minimum density, identify the minimum density, or; • Describe the methodology used to determine realistic capacity accounting for land use controls and site improvement requirements, typical density trends for projects of similar affordability, and current or planned infrastructure. • For sites with zones allowing non-residential uses, demonstrate the likelihood of residential development 	B-8:B-11
<i>Infrastructure</i> : Existing or planned infrastructure to accommodate the regional housing need, including water, sewer and dry utilities	C-29:C-30
<i>Small and large sites</i> : Sites identified to accommodate lower RHNA that are less than one-half acre or larger than 10 acres require analysis to establish they are adequate to accommodate the development of affordable units.	B-15
<i>Affirmatively Furthering Fair Housing</i> : Identified sites throughout the community that affirmatively furthers fair housing (see page 5 of checklist)	F-33:F-34

<p><i>Nonvacant Sites Analysis:</i> For nonvacant sites, demonstrate the potential and likelihood of additional development within the planning period based on extent to which existing uses may constitute an impediment to additional residential development, past experience with converting existing uses to higher density residential development, current market demand for the existing use, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites</p>	B-12:B-15
<p>If nonvacant sites accommodate 50 percent or more of the lower-income RHNA, demonstrate the existing use is not an impediment to additional development and will likely discontinue in the planning period, including adopted findings based on substantial evidence.</p>	N/A
<p>Nonvacant sites that include residential units (either existing or demolished) that are/were occupied by, or subject to, affordability agreements for lower-income households within 5 years are subject to a housing replacement program. (Gov. Code § 65583.2 subd. (g)(3))</p>	N/A
<p>Compliance with zoning for sites accommodating the moderate and above moderate income pursuant to AB 725 (2020)</p>	B-16*

Alternative Methods to Accommodate the RHNA: Optional

Description of Requirement	Page Number
<p>Accessory Dwelling Units: Analyze the number and affordability level of ADU units projected to be built within the planning period, including resources and incentives and other relevant factors such as potential constraints, and the likelihood of availability for rent</p>	B-16
<p>Existing Residential Units: number and affordability level of units rehabilitated, converted or preserved that meet the provisions of alternative adequate sites. In addition, this includes units in a motel, hotel, or hostel that are converted to residential units and made available to persons experiencing homelessness as part of a COVID-19 response and acquisition of mobile home park. If using this option, the adequate site alternative checklist must be provided.</p>	B-5
<p>Other: Jurisdictions are encouraged to consult with HCD regarding other alternative methods options including new manufactured housing park hook-ups, floating homes/live aboard berths, conversion of military housing, adaptive reuse of commercial uses, or other housing opportunities unique to the community to ensure their adequacy to accommodate RHNA.</p>	E-51

Other Miscellaneous Requirements

Description of Requirement	Page Number
Description of the means by which consistency with the general plan will be achieved and maintained. (Gov. Code § 65583 subd. (c)(8))	20
Description of construction, demolition, and conversion of housing for lower- and moderate-income households within the Coastal Zone (if applicable). (Gov. Code § 65588 subds. (c) and (d))	N/A
Description of opportunities for energy conservation in residential development. (Gov. Code § 65583 subd. (a)(8))	32-35
Description of consistency with water and sewer priority requirements pursuant to SB 1087 (Gov. Code § 65589.7)	20-21
Other elements of the general plan triggered by housing element adoption: <ul style="list-style-type: none"> •Disadvantaged Communities (Gov. Code § 65302.10) •Flood Hazard and Management (Gov. Code § 65302 subds. (d)(3) and(g)(2)(B)) •Fire Hazard (Gov. Code § 65302 and 65302.5) •Environmental Justice (Gov. Code § 65302 subd. (h)) •Climate Adaptation 	N/A

Schedule of Actions/Programs

Government Code, section 65583, subdivisions (c)(1 – 7), and (10)

Description of Requirement	Program numbers	Page Number
<i>Program(s) to provide adequate sites (large/small sites, incentives for mixed use/nonvacant sites, publicly owned sites, annexation, etc)</i>	1.A – 1.R	38-48
If required: Program to accommodate a shortfall of adequate sites to accommodate the lower RHNA. This program must meet the specific criteria identified in Gov. Code § 65583.2 subd. (h)and (i).	1.R	48
If required: Program to accommodate an unaccommodated need from the previous planning period pursuant to Gov code § 65584.09	N/A	N/A

If required: Program when vacant/nonvacant sites to accommodate lower RHNA have been identified in multiple housing elements, if needed. (Gov. Code § 65583.2 subd. (c))	N/A	N/A
If required: Program to provide replacement units when occupied by, or deed restricted to lower-income households within the last 5 years, if needed. (Gov. Code § 65583.2 subd. (g)(3))	N/A	N/A
<i>Program(s) to assist in the development of housing to accommodate extremely-low, very-low, low or moderate-income households, including special needs populations</i>	3.E, 4.G, 5.A, 5.B, 5.C, 5.F, 5.H, 5.I, 5.K	52, 54, 60, 69-71, 73-74
<i>Program to address governmental and nongovernmental constraints to the maintenance, improvement, and development of housing</i>	4.A-4.T	58-68
<i>Program(s) to conserve and improve the condition of the existing affordable housing stock</i>	2.A-2.D	49-51

Description of Requirement	Program numbers	Page Number
<i>Program(s) to promote and affirmative further fair housing opportunities</i>	7.A-7.C	79
<i>Program(s) to preserve units at-risk of conversion from affordable to market-rate rents</i>	2.D, 3.F	51, 55
<i>Program(s) to incentivize and promote the creation of accessory dwelling units that can be offered at an affordable rent</i>	3.A-3.D	52-55

Do programs specify specific clear commitment, meaningful actions, that will have beneficial impact within the planning period?

Do programs identify timing, objectives (quantified where appropriate), and responsible parties, if appropriate for implementation?

Quantified Objectives

Government Code, section 65583, subdivisions (b)

Description of Requirement	Page Number
Estimate the number of units likely to be constructed, rehabilitated and conserved or preserved by income level, including extremely low-income, during the planning period	80

HCD Checklist Supplement: Housing Replacement Program

Gov. Code 65915(c)(3) and Gov. Code 65583.2(g)(3)

Description of Requirement	Page Number
Non-vacant sites that include residential units, either existing or demolished, that are/were occupied by, or subject to affordability agreements, for lower income households within 5 years preceding the beginning of the planning period are subject to a housing replacement program consistent with the requirements listed in Gov. Code 65915(c)(3) and Gov. Code 65583.2(g)(3)	N/A*

*The Planning Commission staff report provides further clarification regarding the draft 6th Cycle Housing Element's compliance with this statutory requirement.