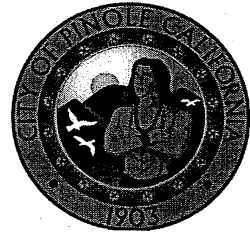


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# Memorandum



**TO:** PLANNING COMMISSION MEMBERS  
**FROM:** WINSTON RHODES, AICP, PLANNING MANAGER  
**SUBJECT:** REVIEW OF HOUSING ELEMENT REQUIREMENTS  
**DATE:** June 8, 2009

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## BACKGROUND

The Housing Element is one of seven required elements of a City's General Plan. Unlike the other mandatory General Plan elements, the Housing Element must be updated approximately every five years, and is subject to detailed statutory requirements and mandatory review by a State agency (State Department of Housing and Community Development). The Housing Element has been a mandatory element of the General Plan since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and that cooperation between government and the private sector is critical to attainment of the State's housing goals. The regulation of the housing supply through planning and zoning powers affects the State's ability to achieve its housing goal of "decent housing and a suitable living environment for every California family" and is critical to the State's long-term economic competitiveness.

The Housing Element reflects the potential for new housing development on land designated for such development in the General Plan. The Housing Element must be consistent with the overall vision for the community established in the General Plan and all General Plan elements must be internally consistent.

The policies and programs for housing bear a close relationship to City policies contained in the Land Use Element. The amount of housing needed, for example, depends in part on the amount of commercial and industrial development planned. A direct link exists between jobs and the demand for housing. The Land Use Element also identifies the distribution and density of housing throughout the City. In sum, the Housing Element determines how much and what type of housing is needed, while the Land Use Element provides for the location, distribution, and density of housing.

The Housing Element addresses housing development, rehabilitation, and conservation. It sets forth actions the City will undertake to assist residents to maintain their homes and to help ensure that there is an adequate supply of safe, affordable housing for existing and future residents. The Housing Element also addresses the special housing needs of individuals requiring assistance, such as elderly residents, persons with disabilities, large families, female heads of households, and persons in need of emergency shelter.

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need. Housing element law is the State's primary market-based strategy to increase housing supply and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and development regulations that provide opportunities for, and do not unduly constrain, housing development.

The City's existing General Plan Housing Element was adopted in June 2003 and was found to be in compliance with State law. State law requires Bay Area jurisdictions to have an approved Housing Element Update by July 1, 2009. The City will be out of compliance as of July 1 but will seek to minimize the amount of time that we are out of compliance by completing the Housing Element Update in advance of other elements included within the General Plan Update.

## **HOUSING ELEMENT REQUIREMENTS OVERVIEW**

### Public Participation

The Housing Element must describe the public participation process utilized to obtain input from all economic segments of the community in the preparation of document.

### Evaluation of Existing Housing Element

The Housing Element must include a discussion about the effectiveness and results of the existing housing element including the progress made during the past planning period on quantified objectives including new housing units, production of housing for all income levels, and the number of units rehabilitated. This evaluation must analyze differences between what was planned and what was achieved. The evaluation must include a discussion of the lessons learned that are utilized to prepare the goals, objectives, policies, and programs of the updated Housing Element.

### Existing Housing Needs Assessment

The needs assessment must include a discussion of population and employment trends and household characteristics. Household characteristics discussed must include the number of households overpaying for housing, living in overcrowded conditions, or with special housing needs (e.g., the elderly, large families, homeless). The needs assessment must analyze housing stock characteristics including housing conditions, housing tenure, the number of housing units that need rehabilitation, housing costs, housing types, vacancy rates, and assisted affordable units at-risk of converting to market-rate.

### Regional Housing Need Allocation

The State Department of Housing and Community Development (HCD) is required to allocate the region's share of the statewide housing need to Councils of Governments (COG) based on State Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. For Pinole, the Association of Bay Area Governments (ABAG) is the

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agency that develops a Regional Housing Need Plan (RHNP) allocating the region's share of the statewide need to the cities and counties within the Bay Area region.

Each city receives a Regional Housing Need Allocation (RHNA) that provides a total number of housing units needed, by affordability level, to accommodate expected population growth for the current housing element planning period (2007-2014). The RHNA provides HCD with a benchmark for evaluating the adequacy of local zoning and regulatory actions to ensure each local government is providing sufficient appropriately designated land and opportunities for housing development to address population growth and job generation.

In 2007 HCD and the Association of Bay Area Governments (ABAG) initiated the regional housing needs allocation process for the Bay Area region including the City of Pinole. The RHNA numbers were finalized for Pinole in May 2008 for the 2007 – 2014 planning period. The City's 2007-2014 RHNA numbers and current progress through 2008 is attached (see Attachment A).

#### A Sites Inventory and Analysis

The element must include a detailed land inventory and analysis including a sites specific inventory listing properties, zoning and general plan designation, size and existing uses; a general analysis of environmental constraints and the availability of infrastructure, and evaluation of the suitability, availability and realistic development capacity of sites to accommodate the jurisdiction's share of the regional housing need by income level.

The City is required to plan for the future development of the RHNA and ensure that there is adequate land zoned to accommodate the allocated housing units. In addition, Housing Element law requires cities to zone a sufficient number of acres at minimum densities to accommodate the very low and low income housing units included in the RHNA.

If the site inventory analysis does not demonstrate adequate sites, appropriately zoned to meet the jurisdictions share of the regional housing need, by income level, the element must include a program to provide the needed sites. The program must include providing zoning that allows owner-occupied and rental multifamily uses "by-right" with minimum densities and development standards that allow at least 20 units per acre for suburban jurisdictions with populations of 25,000 or less and 30 units per acre for cities in metropolitan counties, such as Contra Costa County.

#### Emergency Shelter Planning

The Housing Element must identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.

#### An Analysis of Constraints on Housing

Governmental constraints on the maintenance, improvement, or development of housing for all income levels must be analyzed. The analysis needs to include land-use controls, fees and exactions, on- and off-site improvement requirements, building codes and their enforcement, permit

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and processing procedures, and potential constraints on the development or improvement of housing for persons with disabilities.

Nongovernmental constraints on the maintenance, improvement, or development of housing for all income levels must be analyzed. The analysis needs to include the availability of financing, the price of land, and the cost of construction.

#### Housing Goals, Policies and Implementation Program

The Housing Element must include a statement of goals, policies, and actions. The goals describe the desired end results of the Housing Element, the policies support achievement of the goals, and the actions describe what will be done to make progress on quantified housing objectives and address the needs identified in the Housing Element. Actions include programs that are required to identify adequate sites to accommodate the locality's share of the regional housing need; assist in the development of housing for very low-, low- and moderate-income households; remove or reduce governmental constraints; conserve and improve the existing affordable housing stock; promote equal housing opportunity; and preserve any units at-risk units identified for conversion from affordable units to market rate units, and designate zones for emergency shelters and transitional housing.

#### Quantified Objectives

Quantified objectives are required to set targets for the number of units, by income level, to be constructed, rehabilitated, and conserved over the planning period of the element.

#### Energy Conservation

The Housing Element must include an analysis of opportunities for energy conservation within the residential development.

#### State Review Process

Cities are required to forward draft housing elements to HCD at least 90 days prior to adoption. HCD has 90 days to review the draft Housing Element Update document and provide written findings to the City. The City is required to consider the findings made by HCD and either change the draft Housing Element to substantially comply with State law or adopt the Housing Element with written findings explaining the reasons why the City believes the draft element substantially complies with State law despite the findings of the department. Promptly following adoption of the Housing Element Update, the City must submit a copy of the adopted document to HCD. HCD has an additional 90 days to review the adopted Housing Element Update and report its findings to the City.

**NEXT STEPS**

Staff will prepare a work plan for completion of the Housing Element Update for distribution to the Steering Committee, evaluate the effectiveness of the existing Housing Element, contact housing service providers that assist special housing needs groups within Pinole to gather current information about existing needs, and research existing household characteristics and housing conditions as part of the initial steps to prepare a draft Housing Element Update this year.

**ATTACHMENTS**

- A. 2007-2014 RHNA numbers and current progress through 2008
- B. 2009 Housing Income Limits, Maximum Purchase Prices and Rent Levels
- C. Housing Element Review Worksheet

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## ATTACHMENT A

### 2007- 2014 RHNA Numbers and Current Progress

<b>HOUSING NEED PROGRESS 2007 – 2014</b>				
<b>Affordability Level</b>	<b>Total Need 2007 – 2014</b>	<b>Units Built 2007-2008*</b>	<b>Units Approved or Under Construction</b>	<b>Remaining Need</b>
Very Low	83	0	0	83
Low	49	0	0	49
Moderate	48	8	4	36
Above Moderate	143	48	1	94
<b>TOTAL</b>	<b>323</b>	<b>56</b>	<b>5</b>	<b>262</b>
Source: ABAG, State Department of Finance E-5 Report and Pinole Community Development Department, March, 2009. *Units built as of December 31, 2008.				

**ATTACHMENT B**

**2009 INCOME / MORTGAGE LIMITS  
FOR BELOW MARKET RATE OWNER-OCCUPIED UNITS  
w/o HOA Dues**

**ANNUAL INCOME LIMITS**

	----- # of household members -----								
	1	2	3	4	5	6	7	8	
<b>Very Low (VLI)</b>	50%	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,950
<b>Low</b>	80%	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450
<b>Median</b>	100%	\$62,500	\$71,450	\$80,350	\$89,300	\$96,450	\$103,600	\$110,750	\$117,900
<b>Moderate</b>	120%	\$75,000	\$85,700	\$96,450	\$107,150	\$115,700	\$124,300	\$132,850	\$141,450

**MAXIMUM PURCHASE PRICE**

	----- # of bedrooms in the home -----					
	2-BR	3-BR	4-BR	5-BR		
<b>Very Low</b>	30% of 50%	\$199,600	\$216,350	\$229,700	\$243,250	
<b>Low</b>	30% of 70%	\$218,400	\$242,000	\$260,800	\$279,800	
<b>Moderate</b>	35% of 110%	\$378,100	\$421,300	\$455,800	\$490,200	

Complies with state law definition of "affordable" housing for these income categories. HSC 50053(b) The maximum mortgage is calculated on the amount affordable to a family of appropriate size for the home (based on # of BRs). An "allowance" for utilities, insurance, maintenance, and property taxes (no HOA dues) is deducted from the housing allowance before the maximum mortgage is determined.

Assumptions: 5.25% loan rate on 1st mortgage. Down payment: moderate income = 10% (which may include up to \$30K FTHB); low income = 3% out-of-pocket from homebuyer + \$50K (which may be FTHB); very low income = 3% out-of-pocket from homebuyer + \$100K (which may be FTHB).

W:housing/BMR/Affordability

## 2009 RENT / INCOME LIMITS

Contra Costa County, based on state HCD Limits

**MAXIMUM ANNUAL INCOME** are based on the # of members in the household.

% of Area Median Income	Number of Members in Household							
	1	2	3	4	5	6	7	8
Very Low	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,950
Low	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450
Median	\$62,500	\$71,450	\$80,350	\$89,300	\$96,450	\$103,600	\$110,750	\$117,900
Moderate	\$75,000	\$85,700	\$96,450	\$107,150	\$115,700	\$124,300	\$132,850	\$141,450

**MAXIMUM MONTHLY RENT** is based on "# members in household" OR "unit size," whichever is less (examples on back).

Unit Size:	Studio	1-BR	2-BR	3-BR	4-BR
	Very Low	\$781.25	\$892.50	\$1,005.00	\$1,116.25
Low	\$937.50	\$1,071.75	\$1,205.25	\$1,339.50	\$1,446.75
Moderate	\$1,718.75	\$1,964.88	\$2,209.63	\$2,455.75	\$2,652.38

**"Monthly Rent" includes utilities.  
If utilities are paid by the tenant, the rent must be reduced by a utility allowance.**

Complies with state law definition of "affordable" housing for these income categories. HSC 50053(b)

Projects that received Federal funding are subject to federal laws. (This chart reflects state laws.)

\* Monthly rental rates are calculated at 1/12th of the annual 30% housing allowance for the income category and include utilities.

W:\housing\formsadmin\rental limits\2008 Rental limits (C5).xls

**HOUSING ELEMENT REVIEW WORKSHEET**

**ATTACHMENT C**

Locality \_\_\_\_\_ Draft \_\_\_\_\_ Adopted \_\_\_\_\_ HCD Receipt Date \_\_\_\_\_  
 Contact Person \_\_\_\_\_ Phone # \_\_\_\_\_ Coastal Zone \_\_\_\_\_

Did the jurisdiction use the *Building Blocks*' website? Yes  No

Section numbers refer to the Government Code (Article 10.6).

**I. Public Participation (GC 65588(c))**

- |   |        |
|---|--------|
|   | Page # |
| A. Diligent efforts to achieve public participation of all economic segments of the community in the development and adoption of the element. | _____  |
| B. Description of how public input was or will be considered and incorporated in the element.   | _____  |

**II. Review and Revision (GC 65588(a) & (b))**

- |   |        |
|---|--------|
|   | Page # |
| A. Evaluation and revision of the previous element:   |        |
| 1. "Effectiveness of the element" (Section 65588(a)(2)): A review of the actual results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible (i.e., number of housing units rehabilitated). | _____  |
| 2. "Progress in implementation" (Section 65588(a)(3)): An analysis of the significant differences between what was planned in the previous element and what was achieved.   | _____  |
| 3. "Appropriateness of goals, objectives and policies" (Section 65588(a)(1)): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the previous element.          | _____  |
| B. Adequate sites implementation/rezone program (GC Section 65584.09); if needed.   | _____  |

**III. Housing Needs Assessment (GC 65583(a))**

	Owner	Renter	Total	Page #
A. <u>Population and Employment Trends</u>				_____
B. <u>Household Characteristics</u>				_____
1. Number of existing households	_____	_____	_____	_____
2. Total households overpaying for housing	_____	_____	_____	_____
3. Lower income households overpaying	_____	_____	_____	_____
4. Total number of existing extremely low-income households	_____	_____	_____	_____
5. Total number of projected extremely low-income households			_____	_____

	Owner	Renter	Total	Page #
C. <u>Housing Stock Characteristics</u>				
1. Housing conditions: number of units needing rehabilitation/replacement			_____	_____
2. Overcrowded households	_____	_____	_____	_____
3. Housing costs (for sale and rental)	_____	_____	_____	_____
4. Housing units by type			_____	_____
5. Vacancy rates	_____	_____		_____

	Owner	Renter	Total	Page #
D. <u>Special Housing Needs Analyses</u>				
1. Persons with disabilities			_____	_____
2. Elderly	_____	_____	_____	_____
3. Large households			_____	_____
4. Farmworkers (seasonal and permanent)	_____	_____	_____	_____
5. Female headed households			_____	_____
6. Homeless			_____	_____
7. Other _____	_____	_____	_____	_____

E. Analysis of opportunities for energy conservation in residential development [provide incentives to encourage green building practices, promote higher density, compact infill development and passive solar design]. \_\_\_\_\_ Page #

F. Analysis of existing assisted housing projects at-risk of converting to non-low income uses. \_\_\_\_\_ Page #

1. Inventory of at-risk units
2. Assessment of risk
3. Estimate of replacement vs. preservation costs
4. Identify qualified entities
5. Identify potential funding

G. Projected housing need, including the locality's share of the regional housing needs as determined by the COG or HCD.

Income Category	New Construction Needs
Very low- (0-50% of area of median-income)	
Other lower- (51-80% of area median income)	
Moderate- (81-120% of area median income)	
Above-moderate (over 120% of area median income)	
<b>TOTAL UNITS</b>	

**IV. Sites Inventory and Analysis and Zoning for a Variety of Housing Types (GC Sections 65583(a)(3), 65583(c)(1) and 65583.2)**

A. Sites Inventory (GC 65583.2(a) and (b))

- 1. Listing of properties by parcel number or unique reference (GC 65583.2(b)(1)) \_\_\_\_\_
- 2. Listing of properties by size (GC 65583.2(b)(2)) \_\_\_\_\_
- 3. Listing of properties by general plan designation and zoning (GC 65583.2(b)(2)) \_\_\_\_\_
- 4. For non-vacant sites, description of existing uses (GC 65583.2(b)(3)) \_\_\_\_\_
- 5. Map of sites (GC 65583.2(b)(7)) \_\_\_\_\_

B. Sites Inventory Analysis of Suitability and Availability (GC 65583.2)

- 1. Realistic development capacity calculation accounting for site improvements and land-use controls (GC 65583.2(c)(1&2)) \_\_\_\_\_
- 2. Analysis of non-vacant and underutilized lands (GC 65583.2(g)) \_\_\_\_\_
- 3. Identification of zoning appropriate for housing for lower-income households (GC 65583.2(c)(3)) \_\_\_\_\_
- 4. Environmental constraints (GC 65583.2(b)(4)) \_\_\_\_\_
- 5. Infrastructure including planned water, sewer, and other dry utilities supply (GC 65583.2(b)(5)) \_\_\_\_\_

C. Zoning for a Variety of Housing Types (GC 65583(c)(1) and 65583.2(c))

- 1. Multifamily rental housing \_\_\_\_\_
- 2. Housing for agricultural employees (permanent and seasonal) \_\_\_\_\_
- 3. Emergency shelters \_\_\_\_\_
- 4. Transitional housing \_\_\_\_\_
- 5. Supportive housing \_\_\_\_\_
- 6. Single-room occupancy \_\_\_\_\_
- 7. Mobilehomes/Factory-built housing \_\_\_\_\_

V. **Constraints on Housing (GC Section 65583(a)(4) and (5))**

A. Governmental Constraints (GC 65583)(a)(4))

- 1. Land-use controls (e.g., zoning-development standards, including parking, height limits; setbacks, lot coverages, minimum unit sizes, growth controls) \_\_\_\_\_
- 2. Codes and enforcement (e.g., any local amendments to UBC, degree or type of enforcement) \_\_\_\_\_
- 3. On/Off-site improvements (e.g., curbing requirements, street widths, circulation improvements) \_\_\_\_\_
- 4. Fees & exactions (permit and impact fees & land dedication or other requirements imposed on developers) \_\_\_\_\_
- 5. Processing and permit procedures (e.g., permit and approval process including discretionary review procedures; description of permitted uses; design review process; planned development, processing times) \_\_\_\_\_
- 6. To housing for persons with disabilities (reasonable accommodation procedure, zoning and land use, building codes) \_\_\_\_\_

B. Nongovernmental Constraints (GC Section 65583(a)(5))

- 1. Availability of financing \_\_\_\_\_
- 2. Price of land \_\_\_\_\_
- 3. Cost of construction \_\_\_\_\_

**VI. Quantified Objectives (GC Section 65583(b)(1))**

Estimate quantified objectives for the number of housing units (by income level) over the time frame of the element:

	Extremely Low	Very Low	Low	Moderate	Above Moderate
Construction					
Rehabilitation					
Conservation/Preservation					
<b>TOTAL</b>					

**VII. Other Topics**

	Page #
Description of means by which consistency will be achieved and maintained with other general plan elements (GC Section 65583(c)(6)(B)).	_____
Construction, demolition and conversion of housing for lower-and moderate-income households in the coastal zone (GC Section 65588(c) and (d)).	_____
C. Priority water and sewer services procedures for developments with units affordable to lower-income households (GC Section 65589.7).	_____

**VII. Housing Programs (GC 65583(c))**

Summarize programs from the element below.

Program Purpose	Program Actions	Agency Responsible	Time Frame	Page No.
<p><i>Provide adequate sites (65583(c)(1)):</i></p> <ol style="list-style-type: none"> <li>1. Programs to provide capacity to accommodate regional need</li> <li>2. Programs to provide sites to accommodate all income levels</li> <li>3. Program for a variety of housing types</li> </ol>				<hr/> <hr/> <hr/>
<p><i>Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (65583(c)(2)):</i></p> <ol style="list-style-type: none"> <li>1. Utilize federal, State, and local financing and subsidies</li> <li>2. Provide regulatory concessions and incentives</li> <li>3. Describe the amount and uses of monies in the redevelopment agency's L&amp;M Fund</li> <li>4. Other</li> </ol>				<hr/>
<p><i>Address governmental constraints (65583(c)(3)):</i></p> <ol style="list-style-type: none"> <li>1. Land-use controls</li> <li>2. Building codes</li> <li>3. Site improvements</li> <li>4. Fees and exactions</li> <li>5. Processing and permit procedures</li> <li>6. Housing for persons with disabilities</li> </ol>				<hr/> <hr/> <hr/> <hr/> <hr/>
<p><i>Conserve and improve the condition of the existing affordable housing stock (65583(c)(4))</i></p>				<hr/>
<p><i>Program to promote equal housing opportunities (65583(c)(5))</i></p>				<hr/>
<p><i>Preserve units at-risk (65583(c)(6)(d))</i></p>				<hr/>