

<p>HCD LETTER COMMENTS:</p> <p>A. <u>Housing Needs, Resources, and Constraints</u></p>	<p>CITY RESPONSE: <u>(Inserts refer to Exhibit I)</u></p>
<p>1. <i>Include an analysis of population and employment trends and documentation of projections and a quantification of the locality’s existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)).</i></p> <p>The element indicates the total number of existing extremely low income (ELI) households. However, in accordance with Chapter 891, Statutes of 2006 (AB 2634), it must also include an analysis of their housing needs. The analysis of needs could consider tenure and rates of overpayment and overcrowding. This analysis will assist in formulating policies and programs for ELI households. Please see the enclosed data for your assistance. For more information and a sample analysis, see the Building Blocks’ website at http://www.hcd.ca.gov/hpd/housing_element2/EHN_extremelylowincome.php.</p>	<p>See insert 1.</p>
<p>2. Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition (Section 65583(a)(2)).</p> <p>The element must include an estimate of the number of lower-income households, by tenure, paying more than 30 percent of their income on housing. For your information, CHAS data indicates 1,416-lower-income renter households and 1,178 lower-income owner households paid more than 30 percent of their income on housing (approximately 71 percent of total lower-income households). This information should be incorporated into the element to facilitate policies and programs to assist in the development of housing affordable to lower-income households. For additional information refer to the overpayment section of the Building Blocks’ at http://www.hcd.ca.gov/hpd/housing_element2/EHN_Overpayment.php.</p>	<p>See insert 2.</p>
<p>3. Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).</p> <p>Pleasanton has a regional housing need allocation (RHNA) of 3,277 housing units, of which 1,804 are</p>	

for lower-income households. In addition, the element identifies an unaccommodated need of 871 units for lower-income households from the prior planning period. To address these needs, the element relies on constructed and approved units, vacant and underutilized sites, and candidate sites for rezoning to higher density residential uses. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA and unaccommodated need, the element must include analyses as follows:

Addressing Unaccommodated Need from the Previous Planning Period: The element acknowledges rezoning was not completed to make adequate sites available during the previous planning period and indicates the unaccommodated need of 871 units for lower-income households (page 50). While the element references the Hacienda rezonings (Sites 22, 23 and 24), a complete analysis is needed to demonstrate whether adequate sites were rezoned to accommodate the unaccommodated regional housing need from the prior planning period. Specifically, the element must describe the availability of Sites 22, 23 and 24 to accommodate the unaccommodated need of 871 units for lower-income households from the prior planning period. For example, the element should describe the development status of Sites 22, 23 and 24 such as whether the sites had previously approved or pending projects or other conditions were known that would preclude these sites from being available to accommodate the entire unaccommodated need. This analysis is particularly important since, pursuant to Government Code Sections 65584.09 and 65583(c)(1) (AB 1233), the City must zone or rezone sites to accommodate the unaccommodated need within the first year of the 2009-2014 planning period. As this timeframe has lapsed, the Department cannot find the element in compliance until the required rezoning is complete and the element has been amended to reflect that rezoning.

Sites Inventory: The element aggregates various parcels into candidate sites for rezoning (Table III-2). However, the inventory must also list *each individual parcel* by size, zoning, General Plan designation, existing uses for any non-vacant sites, and include a calculation of realistic capacity (see *Building Blocks*' at http://www.hcd.ca.gov/hpd/housing_element2/SIA_land.php).

Suitability of Non-Vacant Sites: The parcel listing (Table III-2) provides general descriptions of existing uses on non-vacant sites (e.g., shopping center, hotel) and the element includes a snapshot of each site based on criteria such as recommended action, key considerations and proximity to transit. While the approach to provide a snapshot of each site (pages 62 - 78) can be useful and adequate to address statutory requirements, the element still must include an analysis to demonstrate potential for redevelopment of non-vacant sites to residential use. The analysis must consider the extent to which existing uses may impede residential development on the identified

See insert 3. Table III-1 has been amended to show only the income restricted units on the two BRE sites being counted towards the housing needs of low- and very-low income households, and now shows a need for 70 acres to be rezoned at 30 units per acre minimum density.

See insert 4. Table III-2 has been amended to show site information by assessor's parcel number.

See Insert 5:

sites, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development. For example, one site's existing use is described as a hotel, while another site lists the existing use as a shopping center. The element could describe whether the use is operating, marginal or discontinued, the condition of the structure and any expressed interest in redevelopment of these sites. Also, if the existing use is anticipated to continue, the element should include an evaluation of the potential of adding residential units on these sites such as by describing whether there is interest in redevelopment or what development trends have occurred on sites with similar circumstances. Refer to the sample analysis in the *Building Blocks'* at

http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#nonvacant.

Realistic Capacity: The element must include an estimate of the number of units that can be accommodated on each site in the inventory. The estimate may rely on minimum density standards or describe the methodology, including adjustments based on land-use controls and site improvement requirements. Based on discussion in the background portion of the element, it appears to rely on minimum density standards. However, Program 11.1 does not include a commitment to establish specific minimum densities. If Program 11.1 is revised to commit to minimum densities, the element may use those minimum densities to estimate residential capacity. Otherwise, the element must include a description of the methodology as described above. For more information, please see the *Building Blocks'* at

http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php.

Sites with Zoning for a Variety of Housing Types:

Emergency Shelters: While the element indicates various zoning districts were considered to accommodate emergency shelters, such as the Service Commercial (C-S) zone (page 46), pursuant to Chapter 633, Statutes of 2007 (SB 2), it must demonstrate sufficient capacity in the proposed zone(s) to accommodate the need for emergency shelters. The element should also consider what other uses are permitted in the proposed zone(s) and whether the zone(s) is suitable and appropriate for emergency shelters. For example, an industrial zone with heavy manufacturing may have environmental conditions rendering it unsuitable for shelter uses. For more information, see the Department's SB 2 technical assistance memo at

http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

Employee Housing: The element indicates farm employee housing is an allowed use in the Agricultural (A) zone (page 42). However, Health and Safety (H&S) Code Section 17021.5

Program 11.1 is amended to commit to minimum densities.

See Insert 6, which supplements the information in the Background section.

See Insert 7, new Program 41.9

<p>generally requires housing for six or fewer employees to be treated as a single-family home and permitted by-right. In addition, H&S Code Section 17021.6 generally requires employee housing to be permitted in <i>zones permitting agricultural uses</i> and not limited to agricultural zones. The element does not mention which zones in Pleasanton allow agricultural uses or whether zoning is consistent with Sections 17021.5 and 17021.06. The element must demonstrate consistency with these requirements and include programs to amend zoning as appropriate. For more information, see the <i>Building Blocks</i>’ at http://www.hcd.ca.gov/hpd/housing_element2/SHN_farmworkers.php.</p>	
<p>4. <i>Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).</i></p> <p><u>Land-Use Controls:</u> While the element identifies various residential development standards (page 84), it must include a cumulative analysis of their potential impacts on the cost and supply of housing and the ability to achieve maximum densities. For more information, see the <i>Building Blocks</i>’ at http://www.hcd.ca.gov/hpd/housing_element2/CON_landuse.php.</p> <p><u>Growth Management Ordinance (GMO):</u> The element includes a general overview of the GMO and Urban Growth Boundary (UGB) (page 93). However, it must include a specific description and analyses of the GMO and UGB, their requirements and processes for impacts on cost, supply, timing and affordability of housing, including, but not limited to:</p> <ul style="list-style-type: none"> • The approval process of the City Council and any other approving or recommending bodies, including the Growth Management Subcommittee that could override the annual housing 	<p><u>Growth Management:</u> In 2010, the City amended its Growth Management ordinance to ensure that it did not prevent the City from approving residential development assigned to the City through the RHNA process. Because the number of units approved to date in this planning period (January 2007 through June 2014) is 1,976 units less than the RHNA assignment, there are extensive opportunities for new housing development in the planning period such that the amendment Growth Management Ordinance will have no impact on the cost, supply, timing or affordability of housing likely to be proposed in that time-frame.</p> <p><u>Urban Growth Boundary:</u> The Urban Growth Boundary prevents growth from extending into environmentally sensitive and difficult to develop hillside properties on Pleasanton ridge to the west and south, and the</p>

allocation limitations in order to meet the City’s regional housing need and unaccommodated need.

- The apportionment of new residential categories of projects (e.g., affordable projects, major projects, and first-come, first-serve projects).
- The exemption process, if any, for projects with an affordable component, including its effectiveness to-date in accommodating lower- and moderate-income households.
- Whether the GMO allows or prohibits carryover of unused allocations. If there is a prohibition on carryover, the element must analyze the impact on the cost, supply and availability of sufficient allocations to accommodate the City’s RHNA throughout the planning period.
- Any limit to the number of allocations which could be received by a project in a single year and the process for obtaining allocations for phased projects (multi-year development), and the effect on financing required for infrastructure.
- Length of time for approval of allocations and how the approval process relates to other entitlements, including evaluating cumulative impacts on timing and costs.
- The impacts of any scoring criteria on costs and timing of development.
- The GMO process, including the Growth Management Subcommittee, on the certainty and predictability of approval of housing development applications.
- The impacts of annual limits on the overall cost and supply of housing. For planning purposes, this analysis should consider the RHNA as the minimum amount of housing need. It does not represent a maximum need or building cap. The analysis should address potential impacts on overall housing supply in addition to accommodating the RHNA.

Please see the enclosed samples for your assistance.

Inclusionary Housing: While the element generally describes the framework of inclusionary requirements and available alternatives (page 94), it should also include a complete analysis of the cost impact of the inclusionary requirements on the cost and supply of housing. For example, the analysis could discuss the extent incentives or regulatory concessions mitigate any cost impacts of the inclusionary requirements. The element should also evaluate the impacts of the discretionary approval process for requesting alternatives and granting incentives, on development timing, predictability, and certainty.

Mid-point Density: The element briefly mentions (page 93) the mid-point density is a density for “...which project amenities are provided to compensate for the added density...” and has minimal impact on the High Density designation. However, the element should include a complete description of the requirement and an evaluation for its impacts on the cost and supply of housing.

southeast Pleasanton Hills to the south and south east. The boundary to the north is the city limit line of both Pleasanton and Dublin. East Pleasanton is the only area where the Urban Growth Boundary limits the extent of development in an area where development is feasible. In this area, approximately 100 acres of incorporated land lies outside the Urban Growth Boundary, approximately 75 acre of which is potentially developable in residential uses. (The other 25 acres is located within the Livermore Airport Protection Area which prohibits residential development.) However, the East Pleasanton Specific Plan area includes approximately 100 acres of vacant land remediated from previous gravel mining operations that are within the City limits and within the Urban Growth Boundary. As such, the boundary serves to discourage sprawl but still provides sufficient land within its borders to accommodate several decades of growth without impact to cost, supply, timing, and affordability of housing.

See Insert 8.

Will clarify in Background text that the amenity requirement does not apply to High Density Residential development, see General Plan Land Use Policy 11, second paragraph following.

For example, the evaluation could address what types of amenities are required to exceed the mid-point, how the allowable density above the mid-point is determined and any outcomes of prior development applications.

Density Bonus: The City should also review its density bonus ordinance for compliance with recent statutory amendments (Chapter 1928, Statutes of 2004) to State density bonus law (Government Code Section 65915) and add or revise programs as appropriate. A copy of the current law is available on the Department's website at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=qov&group=65001-66000&file=65915-65918>.

Fees and Exaction: The element lists some impact fees and aggregates Building Permit and Building Plan Check fees (pages 87-88). However, the element should specifically list all applicable planning and processing fees for residential development. In addition, while the element indicates total impact and building permit and plan check fees, it should analyze the total effect or proportion of planning and impact fees and exactions on development costs for typical single- and multi-family housing developments. For more information, see the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/CON_home.php.

Local Processing and Permit Procedures: While the element generally describes some processing and permit procedures and generally concludes they are not a constraint (page 90), it must specifically describe and analyze the City's permit processing and approval procedures by zone and housing type. For example, see the sample table in the *Building Blocks'* at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php. Also, the element should list and evaluate decision-making criteria such as approval findings for impacts on housing cost and supply and approval certainty.

Planned Unit Development (PUD): The element generally describes the PUD process and indicates most housing developments are processed under the procedure (page 88). However, the element must include a complete analysis of the components of this requirement for impacts on housing cost and supply and approval certainty. Most notably, the element (page 85) states "The Zoning Ordinance does not specify any development standards for PUDs, instead creating standards on a case-by-case basis...". The element should evaluate the lack of specific development standards for

See new Program 9.6 committing to adopting a density bonus ordinance consistent with State law.

Information on fees and exactions for typical projects is forthcoming and will be added to the Background section.

A new proposed program 9.8 to adopt standards and guidelines to guide approval of new multifamily projects will address the issues raised by HCD in this section.

<p>the PUD regarding impacts on housing as described above. This analysis should also address the approval process, including approval bodies and decision-making criteria for city-initiated PUDs, or where existing sites have development standards under an approved PUD.</p> <p><u>On/Off-Site Improvements:</u> While the element generally describes required on/off-site improvement standards (page 90), it must identify specific subdivision level improvement, such as minimum street widths, and analyze their potential impact on the cost and supply of housing. For more information, see the <i>Building Blocks'</i> at http://www.hcd.ca.gov/hpd/housing_element2/CON_offsite.php.</p> <p><u>Constraints on Persons with Disabilities:</u> The element describes the various requirements and the processes for approving accessibility retrofits (page 92). To complete an analysis, it should also identify and describe the reasonable accommodation procedure for providing an exception in zoning and land-use for housing for persons with disabilities and include programs as appropriate. For more information, see a model ordinance on the <i>Building Blocks'</i> at http://www.hcd.ca.gov/hpd/housing_element2/PRO_mitigate.php.</p> <p><u>Water Sewer Priority:</u> For your information, Government Code Section 65589.7 requires local governments to immediately deliver the housing element to water and sewer providers. Also, when a city is the water and sewer provider, specific procedures must be established to grant priority water and sewer service to developments with units affordable to lower-income households. The housing element should demonstrate compliance with Government Code Section 65589.7. For more information, see the <i>Building Blocks'</i> at http://www.hcd.ca.gov/hpd/housing_element2/OR_water.php.</p>	<p>See new Program 41.10 committing to adopting a Reasonable Accommodation Ordinance.</p> <p>The City has an administrative policy signed by the City Manager in May 2008 providing priority water and sewer service for housing developments serving lower income households.</p>
<p>5. <i>Analyze any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, families, person in need of emergency shelter, and persons with developmental disabilities. (Section 65583(a)(7) and e).</i></p> <p>For your information, Chapter 507, Statutes of 2010 (SB 812), amended State housing element law to require an analysis of the special housing needs of persons with developmental disabilities. The term developmental disability refers to a severe and chronic disability attributable to a mental or physical impairment, such as cerebral palsy, epilepsy, or autism, that begins before individuals</p>	

<p>reach adulthood (Welfare and Institutions Code, Section 4512). The analysis could include the following:</p> <ul style="list-style-type: none"> • a quantification of the total number of persons with developmental disabilities, including the number of households and tenure; • a description of the types of developmental disabilities; • a description of the housing need, including a description of the potential housing problems, and an assessment of unmet housing needs for persons with developmental disabilities; and • a discussion of resources, policies and programs including existing housing and services, for persons with developmental disabilities. 	<p>See insert 9.</p>
<p>6. <i>Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions (Sections 65583(a)(8) through 65583(a)(9)(D)).</i></p> <p>While the element identified 40 units at-risk of converting to market-rate rents (page 47), it must also include the following information and analysis:</p> <ul style="list-style-type: none"> • Estimated total cost for producing, replacing and preserving the units at-risk. • Identification of public and private non-profits known to the City to have the legal and managerial capacity to acquire and manage at-risk units. According to information provided to the Department, entities which may be interested within Pleasanton are indicated on a roster on the <i>Building Blocks'</i> website at http://www.hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls. The element should reference this or other appropriate resources for this information. • Identification and consideration of use of federal, State and local financing and subsidy programs. <p>Additional information and sample analyses are available in the <i>Building Blocks'</i> section on Identification and Analysis of Developments At-risk at http://www.hcd.ca.gov/hpd/housing_element2/EHN_atrisk.php. You may wish to</p>	<p>The City has regularly reviewed the potential loss of affordable units as a result of various conditions, including the expiration of affordability housing requirements/terms required as part of residential project approvals. Since approximately 2001, the City has required execution of affordable housing agreements that establish affordability terms for perpetuity, thus the matter related to losing affordable units required as part of project approvals has been addressed. The City's draft housing element dated August 2011 indicated that the Pleasanton Gardens Senior Housing complex located at 251 Kottinger Drive was at risk due to concern that it's participation with the HUD Section 8 Loan Management Set Aside (LMSA) Program would be terminated. In addition, the City was concerned regarding the impacts of Pleasanton Garden's HUD 236 Loan being paid off. The City was informed recently that the LMSA was extended and that there would be not impacts as a result of the loan pay off. Further, project officials have</p>

<p>contact the California Housing Partnership Corporation for assistance at http://www.chpc.net.</p>	<p>indicated that even without the above mentioned conditions, the project would continue to be affordable. Finally, the City continues to work closely with Pleasanton Gardens toward a potential new development or rehabilitation project that would assure long term affordability. The City continues to work with Pleasanton Gardens toward a new development or a rehabilitation of the existing development but these actions are intended to further the City's affordability efforts rather than prevent the loss of units.</p> <p>Based on the above the City is amending text in the draft document as shown in Insert 10</p>
<p>B. <u>Quantified Objectives</u></p>	
<p><i>Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame (Section 65583(b)(1 & 2)).</i></p> <p>While the element includes quantified objectives by income group for very low-, low-, moderate- and above moderate-income (page 4-5), it must also include objectives for ELI households pursuant to Chapter 891, Statutes of 2006 (AB 2634).</p>	<p>Quantified objectives for extremely low income households are now included on p. 4-5 of the Goals, Policies and Programs.</p>
<p>C. <u>Housing Programs</u></p>	
<p>1. <i>Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of</i></p>	<p>See changes made to the Goals, Policies and Programs in Exhibit G.</p>

the various actions (Section 65583(c)).

Programs should be revised for compliance with Government Code Section 65583 in order to ensure the beneficial impacts of the programs within the planning period. Specifically, some programs should include: (1) a description of the City’s specific role in implementation; (2) definitive completion or implementation timelines; and (3) objectives, quantified where appropriate.

For example, Program 6.2 (Affordable Rental 2nd Units) proposes to develop incentives to create affordable second unit rental opportunities and has a timeline of “2011-2014.” The Program should have a definite timeline for completion, such as “July 2012.” Program 38.3 (RFP for Housing for Lower-Income Households) should include a quantified objective, such as “150 units during the planning period.” Additional programs to be revised with definitive timelines and objectives include, but are not limited to the following:

1.1 (Discourage Redesignation of HDR Sites), 6.3 (2nd Unit Administrative Design Review), 9.1 (Review and Revise Growth Management Program), 9.3 (Preserve At-Risk Units), 9.4 (Funds for Lower Income Housing Development), 9.5 (Provide Incentives for Lower Income Housing Development), 11.4 (Encourage Innovative Design, Regulations and Construction), 11.5 (Employee Housing), 17.4 (Use of Lower-Income Housing Fund), 25.1 (Encourage Housing for Lower Income Households on HDR Sites), 25.2 (Support of Non-Profit Housing Providers), 36.1 (Rezone Infill Sites), 36.3 (Incentives and Design Guidelines for Mixed-Uses), 36.5 (Incentives for Relocating Non-Residential Uses), 38.3 (RFP for Housing for Lower Income Households), 41.1 (Special Needs Housing), 41.6 (Group Home Development), and 44.2 (Conservation Programs).

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

As noted in Finding A-3, the element does not include a complete site inventory or analysis and the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition:

Unaccommodated Need and Shortfall of Sites: The element identifies an unaccommodated need of 871 units for lower-income households from the previous planning period (page 49), along with a current RHNA of 1,804 for lower-income households. To address the unaccommodated need and shortfall, the element identifies several candidate sites (Table III-2) and includes Program 11.1 (Rezone Sites). Pursuant to Government Code Sections 65583(c)(1), 65583.2(h) and (i), and 65584.09, Program 11.1 must commit to:

- permitting owner-occupied and rental multifamily uses by-right, without a conditional use permit (CUP), planned unit development or other discretionary review;
- ensuring at least 50 percent of the lower-income needs to be accommodated on sites designated for residential use only;
- clarifying the rezoned sites will require at least a minimum density of 20 units per acre and permit a minimum of 16 units per site; and
- selecting from the identified candidate sites (Table III-2) for rezoning.

Program 46.1: The Program proposes to amend the City’s Municipal Code within one year of adoption of the housing element to permit emergency shelters consistent with SB 2. However, pursuant to SB 2, the program must identify the proposed zone(s) to permit the development of emergency shelters without a CUP or other discretionary approval, commit to establish development standards to encourage and facilitate the use, and only subject shelters to the same development and management standards that apply to other permitted uses within the proposed zone(s).

The Program should also clarify amending zoning to permit transitional housing and supportive housing as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. See the Department’s SB 2 technical assistance memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

Programs 14.6 (Assess Infrastructure Constraints), 14.7 (Assess Infrastructure Needs), and 29.2 (Review and Amend Growth Management Ordinance) should include a discrete timeline (e.g., biennially, every three years) for implementation or completion of the assessments and review,

See Exhibit G for new proposed program 9.8 to adopt development standards and design guidelines for multifamily housing. As recommended by staff, the list of sites for rezoning accommodates at least 50 percent of the City’s housing need on sites designated for residential use only. Program 11.1 has been amended to indicate a minimum density of 30 units per acre is required on sites accommodating housing for low- and very-low income households.

Program 46.1 (and new Program 46.2) has been amended as requested.

<p>as well as describing specific actions to take once assessments and review are complete.</p>	
<p>3. <i>The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).</i></p> <p>While the element includes some programs to assist in the development of low-, and moderate-income households, pursuant to AB 2634, existing programs should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of ELI households. To address this requirement, the element could revise programs, such as Programs 17.5 (Priority Funding), 41.3 (Special Needs Housing) and 41.4 (Housing for Persons with Disabilities), to prioritize some funding for the development of housing affordable to ELI households, and/or offer financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, and single-room occupancy (SRO) units, which address some of the needs of this income group.</p>	<p>See Insert 11.</p>
<p>4. <i>The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).</i></p> <p>As noted in Finding A-4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs to address and remove or mitigate any identified constraints. In addition:</p> <p><i>Program 16.2 (Review of Inclusionary Zoning Ordinance) and Program 29.2 (Review of Growth Management Ordinance) should propose to review the ordinances as a potential constraints to housing and include specific actions (e.g., annual review and amendments as necessary) and discrete timelines (e.g., annually, biannually) to implement or complete the specific actions.</i></p>	<p>Programs 16.2 and 29.2 have been amended as suggested.</p>
<p>D. <u>Consistency with General Plan</u></p>	
<p><i>The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).</i></p>	

<p>The element must include a discussion of how consistency between the housing element and other General Plan and community goals will be achieved <u>and</u> maintained during the planning period. The program could also propose to conduct an internal consistency review as part of its annual General Plan implementation report required under Government Code Section 65400. This annual report can also assist future updates of the housing element.</p> <p>The City should also note recent statutory changes to Government Code Section 65302 (Chapter 369, Statutes 207 [AB 162]) which requires amendment of the safety and conservation elements of the General Plan to include analysis and policies regarding flood hazard and management information upon the next revision of the housing element on, or after, January 1, 2009. For additional information, please refer to Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_162_stat07.pdf.</p>	<p>See modification to Program 14.9.</p> <p>Staff believes the City's General Plan Safety Element is consistent with this requirement.</p>
---	--

INSERTS IN RESPONSE TO HCD COMMENTS

December 8, 2011

Insert 1: ✓ HCD Comment A.1.

Staff Response: Additional information on Extremely Low Income households will be added to the Draft Housing Element Background to address this comment

Modification to the Draft Housing Element: Add the following at the end of the subsection of the Housing Element Background entitled "Distribution of Households in Pleasanton by Type and Income" that begins on page 29 and ends on page 32. The insert would go at the bottom of page 32 after the pie chart entitled "Estimated Distribution of Senior Households by Income in Pleasanton (2010)."

Page 32

Add a new paragraph at the bottom of page 32

"State law defines extremely low income households as those households earning less than 30% of the County's median income. In general, in 2011 extremely low income households earn less than \$27,700 per year, although this varies depending upon household size (a household consisting of one person earning less than \$19,400 would be considered extremely low income and a household consisting of 5 people earning less than \$29,950 would be considered extremely low income).

The table below shows the distribution of extremely low income households by tenure, overpayment for housing and overcrowding in Pleasanton in 2000. As shown in the table, a relatively high percent of 1 and 2 person senior households are considered ELI households. The total number of ELI households in Pleasanton in 2000 accounted for over 4% of the total households. They were fairly evenly split between owner and renter households."

Extremely Low Income Households in Pleasanton by Tenure, Overpayment and Household Size (2000)

		Seniors (1 and 2 Person Households)	Small Related (2 to 4 Person Households)	Large Related (5 or More Person Households)	Non-Senior Single Person and Other Households	Total Households
Renters	Total Households Earning Less Than 30% of Median Income*	243	160	25	134	562
	Percent of Households Paying More Than 30% of Income for Housing	69.5%	90.6%	100.0%	59.0%	74.4%
	Percent of Households Paying More Than 50% of Income for Housing	53.1%	90.6%	60.0%	44.0%	61.9%
Owners	Total Households Earning Less Than 30% of Median Income*	205	143	39	59	446
	Percent of Households Paying More Than 30% of Income for Housing	82.9%	100.0%	100.0%	66.1%	87.7%
	Percent of Households Paying More Than 50% of Income for Housing	70.7%	97.2%	100.0%	40.7%	77.8%
All Pleasanton Households	Total Renter and Owner Households	3,364	13,268	2,246	4,413	23,291
	Percent of Extremely Low Income Households	13.3%	2.3%	2.8%	4.4%	4.3%

*"Extremely Low Income" (ELI) households are defined as households earning less than 30% of the County median income

Source: State of the Cities Data Systems, CHAS Data (2000)

Insert 2: ✓ HCD Comment 2 (A.2)

Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. The element must include an estimate of the number of lower income households, by tenure, paying more than 30% of their income on housing. For your information, CHAS data indicate 1,416 lower income renter households and 1,178 lower income owner households paid more than 30% of their income on housing (approximately 71% of total lower income households). This information should be incorporated into the element to facilitate policies and programs to assist in the development of housing affordable to lower income households.

Staff Response: This information will be added to the Draft Housing Element Background section.

Modification to the Draft Housing Element: The following will be added after the first paragraph on page 34 of the Background to include information on lower income households overpaying for housing.

Add a new paragraph after the first paragraph on page 34

"Lower income households are more severely impacted by higher housing prices and rents because there is limited choice in the number of housing units affordable to lower income households and the impact of spending so much of a household budget on housing reduces the amount available for other necessities. Year 2000 CHAS data indicate 1,416 lower income renter households and 1,178 lower income owner households paid more than 30% of their income on housing (approximately 71% of total lower income households). The total 2,595 lower income households overpaying for housing in 2000 comprised 11.1% of the total households in the City. This information underscores the importance of enacting and implementing City policies and programs to assist in the development of housing affordable to lower income households."

Insert 3: Addressing unaccommodated need from the previous planning period.
Table III-1 from Background, p. 50.

Table III-1
Additional Residentially-Designated Land Required to meet the City's Housing Need

	Total	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Remaining Need from 1999-2007	871	0	871	0	0
2007-2014 RHNA	3,277	1,076	728	720	753
Total RHNA	4,148	1,076	1,599	720	753
Minus Permits Finaled 2007 through 2010	319	0	5 ¹	38 ²	276
Minus Units under construction	82	0	5 ³	39 ⁴	38
Minus Approved (zoned) projects with building permit not issued	1,321	102 ⁵	32 ⁶	312 ⁷	875
Minus Land designated for residential development with no entitlements ⁴	1,028 <u>1,036</u>	435⁸ <u>262⁸</u>	436⁸ <u>186⁹</u>	0 <u>430¹⁰</u>	158
Remainder: Unmet Housing Need Prior to Proposed Rezonings	1,992	539 <u>712</u>	1,122 <u>1,376</u>	331 <u>-99</u>	-594
NEED IN ACRES = For 1,664 <u>2,088</u> units affordable to low and very low income households, <u>55</u> 70 acres at 30 units per acre; for 331 units affordable to moderate income households, 14 acres at 23 units/acre.					

Notes:

1. Low income units from Birch Creek project.
2. Includes 2 units from Birch Creek, 31 second units, and 5 apartment units.

3. Low Income Civic Square Apartments
4. Includes 7 second units, 31 moderate income Civic Square Apartments, and 1 apartment.
5. Includes 32 units in the Continuing Life Communities Agreement, and 70 units in the Windstar Agreement.
6. 32 units affordable to Low Income Households in the Continuing Life Communities Agreement.
7. Includes 32 units affordable to Moderate Income Households in the Continuing Life Communities Agreement and the balance of the Windstar Apartments (280).
- ~~8. Half of the 870 units rezoned in Hacienda Includes rent restricted units on sites 22 and 23 (BRE Development), and half of the potential units on site 24 in Appendix B (Sites 22, 23 and 24 in Appendix B)~~
- ~~9. Half of the 870 units rezoned in Hacienda (Sites 22, 23 and 24 in Appendix B) Includes half the potential units on Site 24 in Appendix B.~~

Insert 4: Addressing site inventory. See revised Table III-2 on following page.

Potential Housing Sites, Acreages, and Densities for Rezoning

MAP ID	Site	APN	Current Use	Current General Plan / Zoning	Future General Zoning	Total Site Acreage (acreage for General Plan / Zoning by APN)	Potential Acreage for Multi-family Development	Number of Units p/ac Min.			Site Constraints
								23 units/ac	30 units/ac	40 units/ac	
1	BART ¹	941-2771-015-00 941-2778-002-00	Parking lot	Mixed Use-Business Park / PUD-Industrial-Commercial-Office	Pending	14.9 (6.9) 14.9 (7.9)	8.3	249		S/P	
2	Sheraton	941-1201-057-02	Hotel	Retail-Highway-Service Commercial, Business & Prof. Offices / Commercial Regional (peripheral area)	Pending	3.3	3.3	99		P	
3	Stoneridge Shopping Center ¹	941-1201-028-00	Shopping Center	Retail-Highway-Service Commercial, Business & Prof. Offices / Commercial Regional (enclosed mall)	Pending	74.6 (9.7)	10.0		400	P	
		941-1201-029-00				74.6 (9.8)					
		941-1201-030-06				74.6 (11.9)					
		941-1201-092-00				74.6 (8.3)					
		941-1201-094-03				74.6 (28.6)					
941-1201-095-00	74.6 (6.3)										
4	Kaiser	941-1201-052-03	Vacant / parking lot	Retail-Highway-Service Commercial, Business & Prof. Offices / Commercial Regional (peripheral area)	Pending	6.1	6.1	183		P	
6	Iirby-Kaplan-Zia ^{2,3}	946-1680-002-03	House, barn, storage, and vacant land	Retail-Highway-Service Commercial, Business & Prof. Offices / Agriculture	Pending	14.8 (7.5)	10.0				
				Public Health and Safety / Agriculture							
				Retail-Highway-Service Commercial, Business & Prof. Offices / Commercial							
				Public Health and Safety / Agriculture							
946-1680-003-02											
946-1680-004-04											
7	Pleasanton Gateway	947-0008-033-00	Grocery store and shopping center under construction / vacant land on the southern portion	Retail-Highway-Service Commercial, Business & Prof. Offices / PUD	Pending	26.0	10.0	69	210		
8	Auf der Maur/Rickenbach Site	946-4542-045-03	Vacant	Retail-Highway-Service Commercial, Business & Prof. Offices / PUD-Commercial	Pending	16.0	11.5	345		P	
9	Nearon Site	941-2764-015-00	Vacant / parking lot	Mixed Use-Business Park / PUD-Industrial-Commercial-Office	Pending	5.6	5.6	129		S/P	
10	CarrAmerica ¹	941-2780-019-01	Parking lot	Mixed Use-Business Park / PUD-Industrial-Commercial-Office	Pending	60.0	8.4	252		S/P	
11	Kiewit Site	946-1251-007-04	Storage / vacant	East Pleasanton SP / General Industrial (40)	Pending	49.0	10.0	300		S/P	
13	CM Capital Properties	941-2762-006-00	Office	Mixed Use-Business Park / PUD-Industrial-Commercial-Office	Pending	12.6 (5.9)	12.6	221	90	S/P	
		941-2762-011-01				12.6 (6.7)					
14	Legacy Partners	946-1250-019-05	Vacant	East Pleasanton SP / General Industrial (40)	Pending	51.2 (15.5)	12.0	360		S/P	
		946-1350-003-08				51.2 (35.7)					
17	Axis Community Health	094-0107-011-20	Medical office (is relocating)	Retail-Highway-Service Commercial, Business & Prof. Offices / Central Commercial	Pending	0.6	0.6	13			
18	Downtown (SF Site)	094-0157-005-17	Vacant	Public & Institutional / Office	Pending	3.2 (3.13)	3.2	74			
		094-0157-022-00				3.2 (0.4)					
19	Sunol Blvd. and Sonoma Dr.	948-0009-001-00	Vacant	General and Limited Industrial / Industrial Park	Pending	1.3 (6)	1.3	30			
		948-0009-002-00				1.3 (7)					
20	Sunol Blvd. and Sycamore Rd.	948-0004-002-02	Vacant	Retail-Highway-Service Commercial, Business & Prof. Offices / PUD - Commercial Office	Pending	2.3 (6)	1.0	23			
		948-0017-008-04				2.3 (1)					
		948-0017-008-06				2.3 (7)					
21	4202 Stanley Blvd ^{2,3}	946-1691-001-01	Approx. 2 occupied mobile homes	Med. Density Res. / Commercial	Pending	1.8 (1.8)	1.8	41			
				Commercial Freeway							
				Public Health and Safety / Commercial Freeway							
				Med. Density Res. / Commercial Freeway		1.8 (28)					
				Med. Density Res. / Commercial Freeway		1.8 (0.000075)					
				Commercial Service		1.8 (0.000193)					

Potential Housing Sites, Acreages, and Densities for Rezoning

MAP ID	Site	APN	Current Use	Current General Plan / Zoning	Future General Plan / Zoning	Total Site Acreage (acreage for General Plan / Zoning by APN)	Potential Acreage for Multi-family Development	Number of Units p/ac Min.			Site Constraints	
								23 units/ac	30 units/ac	40 units/ac		
				Public Health and Safety / R-1-20		1.8 (.0000062)						
				Public Health and Safety / R-1-65		1.8 (.0008426)						
TOTAL							111.7	737	2088	400		

Endnotes:

- 1 Estimate of potentially developable area.
 - 2 Acreage within the Public Health and Safety Designation (hazard areas in which new development—other than 1 existing home on a lot of record before Sept. 1986—is prohibited) has been subtracted.
 - 3 Acreage within the Wildland Overlay Designation (wildlife corridors in which new development—other than 1 existing home on a lot of record before Sept. 1986—is prohibited) has been subtracted.
- S/P New sewer pump station and pipelines
P New pipelines

Insert 5: Suitability of non-vacant sites: The following information will be included with the description of individual sites starting on p. 62 of Background.

BART. The BART site is currently developed with surface parking serving the Hacienda BART station. BART was a key member of the City's Hacienda Transit Oriented Development Task Force which developed the Hacienda TOD Development Standards and Design guidelines for TOD around the Hacienda BART station. BART advocated for and assisted in the preparation of site specific detailed development standards and guidelines titled "Pleasanton TOD Standards and Guidelines: BART Property" for the subject site for the purpose of facilitating mixed use development of the site including a substantial high density residential component.

Sheraton. The Sheraton site contains a hotel constructed in 1986 that has been operated by a number of owners. In recent years, City planning staff members have received multiple inquiries from residential developers interested in converting the property to a residential use. The site is immediately adjacent to the West Dublin/Pleasanton BART station, and across the street from the Stoneridge Mall and the high concentration of office employment in the Stoneridge area. Momentum for the residential development of this site will benefit from the construction of the 350 unit mixed use Windstar project approved by the City two parcels away on the other side of the BART station, and the evolving transit oriented village envisioned for the mall and BART area.

Stoneridge Shopping Center. The Stoneridge Shopping Center, owned by Simon Properties, currently contains approximately 40 acres of surface parking. Together with City staff, Simon identified 10 of those acres as available and suitable for high density residential development. The new development is envisioned to create a dynamic new neighborhood to complement the existing mall use. Simon has participated in several other similar residential projects at their malls at The Domain, in Austin Texas, the Firewheel Town Center in Garland Texas, and the South Park Mall in Charlotte, North Carolina.

Nearon. The Nearon site contains an abandoned 4,000 square foot car wash structure built in 1984 which has been out of operation for at least 5 years, and surplus surface parking. The site owners are strong advocates for residential zoning for their property. The Hacienda Business Park Owners Association is supportive of the rezoning.

Carr America. The Carr America site is a 70 acre site developed with an office and conference complex. The very low Floor Area Ratio (FAR) of the current facilities (.39 FAR) leaves generous lawn and landscape areas and surface parking lots that provide significant development potential on this Hacienda business park site. The site's owners have been discussing significant expansion plans to accommodate additional office space and a hotel with the City for the past several years. They have recently worked with City staff to identify 8.4 acres of the site for high density residential development. With its location just over one half mile from BART, and its proximity to the WalMart shopping center across the street, the site scored the highest of all sites on

the Housing Element Task Force evaluation criteria for residential sites. The Hacienda Business Park Owners Association is supportive of the rezoning.

CM Capital. The CM Capital site contains two parcels, each with an office building constructed in 1984 and 1985. One of the buildings is completely vacant. The buildings do not demise well and are, for the majority share of the tenants in the Pleasanton and Tri-Valley market, functionally obsolete. Each building would need to undergo a very costly renovation in order to make them suitable for multi-tenancy, a renovation that could probably not be justified in today's market. Residential development of this site would require demolition and redevelopment of the site. The site is located near grocery shopping and across the street from a middle school, and is located on a bike route. The site also has Hacienda shuttle service to BART. The property owners are motivated to obtain residential zoning. The Hacienda Business Park Owners Association is also supportive of the rezoning.

Insert 6: Additional information on Emergency Shelters: Additional information regarding Emergency Shelters to be inserted on p. 46 of Background.

Staff evaluated the City's Zoning Districts in regards to the appropriateness of locating one or more facilities for emergency housing, to accommodate the City's estimated need for 24 to 51 emergency shelter beds. After analyzing vacant and underutilized parcels, and considering other uses allowed in various zoning districts, it was determined that the City's Commercial Service District (C-S) would be most appropriate. The following use is currently allowed with a conditional use permit in this district: "Charitable institutions and operations, including but not limited to, lodging houses or dormitories providing temporary quarters for transient persons, organizations devoted to collecting or salvaging new or used materials, or organizations devoted principally to distributing food, clothing, and other supplies on a charitable basis and other similar charitable operations." A zoning code amendment will be adopted to make shelters a permitted use, to satisfy the requirements of SB2.

Table II-1: Potential Emergency Housing Sites describes six sites within the C-S Commercial Service District that could accommodate an emergency shelter. The six sites are either vacant lands or currently developed with structures that could reasonably be converted to a shelter facility.

Each of the sites is within a half mile of retail services or other supporting services that occupants of the shelter could utilize or may have a need for, such as grocery stores, clinics/ hospitals, churches, schools, public transportation, etc. The surrounding uses are retail and auto service orientated businesses, and not heavy industrial operations. Additionally, staff considered the surrounding uses for the potential of employment opportunities for those shelter occupants pursuing employment.

As previously described in this section, the projected need for the City of Pleasanton is 24 to 51 emergency shelter beds. Staff contacted local shelters to obtain information

clinics/ hospitals, churches, schools, public transportation, etc. The surrounding uses are retail and auto service orientated businesses, and not heavy industrial operations. Additionally, staff considered the surrounding uses for the potential of employment opportunities for those shelter occupants pursuing employment.

As previously described in this section, the projected need for the City of Pleasanton is 24 to 51 emergency shelter beds. Staff contacted local shelters to obtain information on the number of beds, facility size, and lot sizes. This information yielded a base assumption of an appropriate Bed to Lot Ratio (BLR). The BLR is assumed at 1 bed per 600 square feet of site area¹.

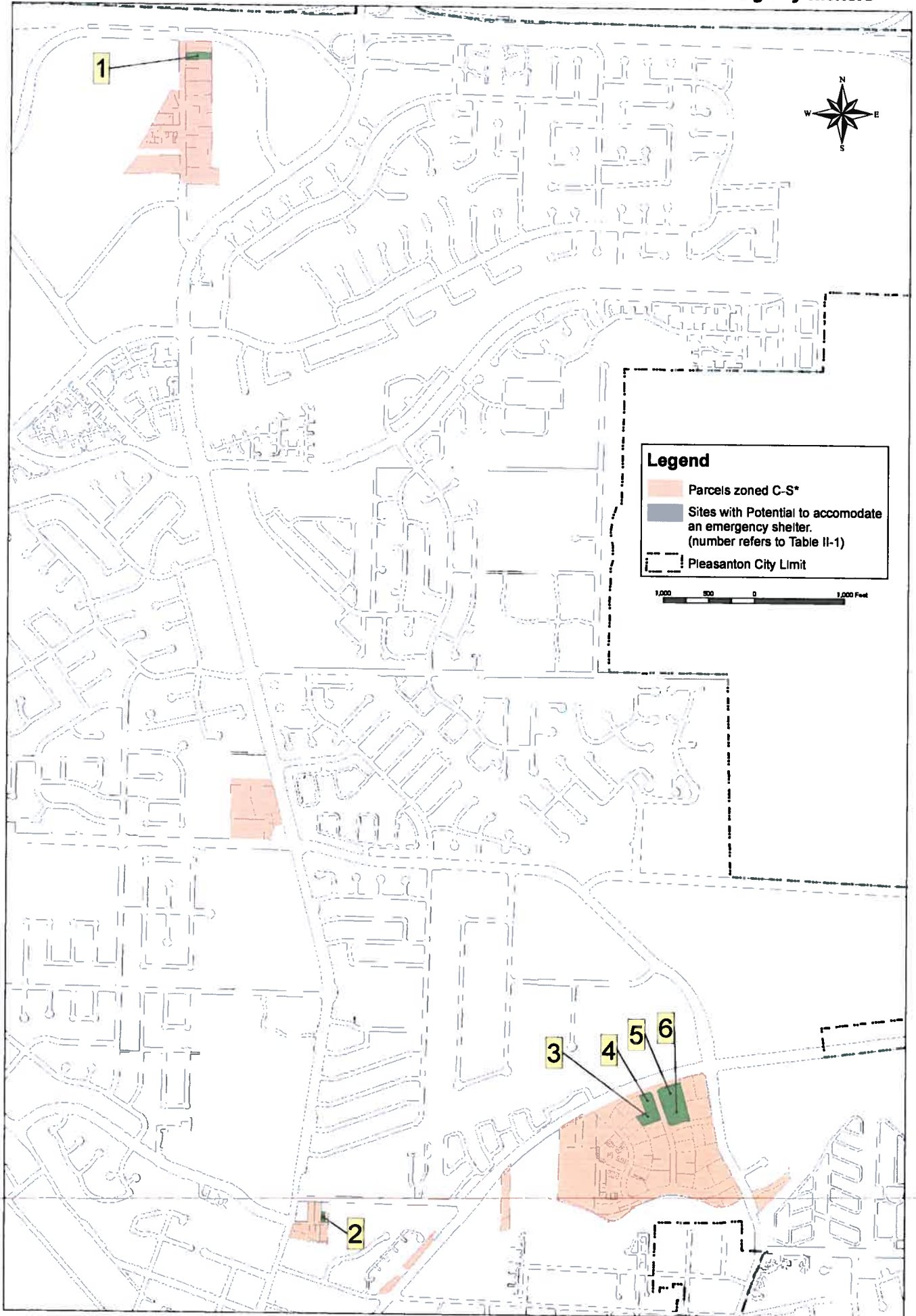
Based on the lot sizes of the parcels listed in Table II-1, staff estimates that five of the sites could be developed with sufficient capacity meet the City's needs individually (projected number of beds ranging from 37 to 93). Additionally, one site has an estimated capacity to off-set the need by approximately seven beds.

¹ The average BLR for the existing shelters was calculated at 350 square feet. However, the operator of the existing shelters commented that the sites needed to be bigger to better service the occupants. Therefore, staff adjusted the assumed BLR to 600 square feet to have a conservative base number.

Table II-1: Potential Emergency Housing Sites

MAP ID	Address	Street Name	APN	Zoning	Ord.	General Plan Land Use	Lot Size (AC)	Site Capacity (est. # of beds for the site @ 600 sq ft per bed)	Surrounding Uses	Current Use	Proximity Needed Services
1	3956	SANTA RITA RD	946 110000300	C-S	C-S uses	COMMERCIAL	0.51	37	Industrial, Auto services, Commercial/retail, Grocery store, Office, Freeway	Existing Houses	.5 miles to Wal-Mart shopping center
2		VERVAIS AVE	946 169100700	C-S	C-S uses	COMMERCIAL	0.10	7	car wash, park, bank, MH park, commercial, retail	vacant	0 miles
3	19	WYOMING ST	946 454200300	PUD-C	.1010-C-S uses	COMMERCIAL	0.66	48	Office, Vet, Auto service, auto part sales, auto paint shop, auto body repair, equip. rental, vacant lands, restaurants, gas station, retail, church	Vacant	.46 miles to Oakhills Shopping Center
4	3	WYOMING ST	946 454200200	PUD-C	.1010-C-S uses	COMMERCIAL	0.63	45	Office, Vet, Auto service, auto part sales, auto paint shop, auto body repair, equip. rental, vacant lands, restaurants, gas station, retail, church	Vacant	.46 miles to Oakhills Shopping Center
5		STANLEY BLVD	946 454204202	PUD-C	.1010-C-S uses	COMMERCIAL	1.28	93	Office, Vet, Auto service, auto part sales, auto paint shop, auto body repair, equip. rental, vacant lands, restaurants, gas station, retail, church	Vacant	.46 miles to Oakhills Shopping Center
6	3595	UTAH ST	946 454202201	PUD-C	.1010-C-S uses	COMMERCIAL	1.17	85	Office, Vet, Auto service, auto part sales, auto paint shop, auto body repair, equip. rental, vacant lands, restaurants, gas station, retail, church	Vacant	.46 miles to Oakhills Shopping Center

Figure II-1: Areas zoned service commercial and sites which could accommodate emergency shelters*



* Land use sites zoned PUD which refer to the Service Commercial zoning district uses

Insert 7: ✓ HCD Comment 3.6 (A.3 Employee Housing Comment)

Staff Response: The sections of the Health and Safety Code cited by HCD require the City to allow employee housing for six or fewer persons to be treated as a residential use and permitted by right (according to 17021.5), and (according to 17021.6) to allow housing for agricultural uses in any district where the City allows agricultural uses, which includes the One-Family Residence District. Section 17021.6 allows 12 units of employee housing or up to 36 beds on each parcel. Below are excerpts from the California Health and Safety Code:

(Section 17021.5(b) "Any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation for the purposes of this section. For the purpose of all local ordinances, employee housing shall not be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. Use of a family dwelling for purposes of employee housing serving six or fewer persons shall not constitute a change of occupancy for purposes of Part 1.5 (commencing with Section 17910) or local building codes."

(Section 17021.6(b) "Any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use designation for the purposes of this section. For the purpose of all local ordinances, employee housing shall not be deemed a use that implies that the employee housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in an agricultural zone shall include agricultural employees who do not work on the property where the employee housing is located."

Modification to the Draft Housing Element: Add a new program, after Program 41.8 on page 4-33 of the Draft Housing Element, to address the requirements of employee housing pursuant to the Health and Safety Code.

Page 4-33

Add a new program after Program 41.8

"Program 41.9: Modify the Zoning Ordinance as necessary to comply with the requirements of the Health and Safety Code sections 17021.5 and 17021.6 related to farmworker employee housing.

Responsible Agency: Housing Division, Housing Commission, Planning Division,
Planning Commission and City Council

Time Period: September 2012

Funding Source: General Fund"

Insert 8: ✓ *HCD Comment 4.2*

Inclusionary Housing: While the element generally describes the framework of inclusionary requirements and available alternatives, it should also include a complete analysis of the cost impact of the inclusionary requirements on the cost and supply of housing. For example, the analysis could discuss the extent incentives or regulatory concessions mitigate any cost impacts of inclusionary requirements. The element should also evaluate the impacts of the discretionary approval process for requesting alternatives in granting incentives, on development timing, predictability, and certainty.

Staff Response: Staff has analyzed inclusionary housing requirements as a constraint, including a comparison with nearby jurisdictions and a description of the process for determining the incentives available to applicants. Recent project submittals also demonstrate that inclusionary requirements are not an impediment to the development of housing. However, several new items have been added in the modifications below to require an evaluation of the City's inclusionary requirements as part of the annual review of the Housing Element and to include outreach to developers to identify possible modifications to the City's requirements.

Modification to the Draft Housing Element:

Draft Housing Element Background — Pages 96-97

"Pleasanton Inclusionary Requirements

Pleasanton's inclusionary requirements help to achieve the City's affordable housing goals by increasing the production of residential units affordable to households of very low, low, and moderate income either through construction of units or by providing funds for affordable housing. Another purpose of the requirement is to ensure that the remaining developable land in Pleasanton is utilized in a manner consistent with the city's housing policies and needs. The City requires that 15 percent of the total number of units of all new multiple-family residential projects (rental and for-sale) containing 15 or more units be affordable to very low and low income households. For all new single-family residential projects of 15 units or more, at least 20 percent of the project's dwelling units must be affordable to very low, low, and/or moderate income households. Commercial, office, and industrial development are also required either to construct units or pay an in-lieu fee.

Inclusionary units must: (1) be dispersed throughout the project unless otherwise approved by the City; and, (2) be constructed with identical exterior materials and an exterior architectural design that is consistent with the market rate units in the project. However, inclusionary units can be of smaller size than the market units in the project and they may have fewer interior amenities than the market rate units in the project. Other requirements are that the inclusionary units remain affordable in perpetuity through recordation of an affordable housing agreement, and that the inclusionary units in a project be constructed concurrently within or prior to the

construction of the project's market rate units.

Pleasanton Inclusionary Flexibility and Incentives

The primary emphasis of the inclusionary zoning ordinance is to achieve the inclusion of affordable housing units to be constructed in conjunction with market rate units within the same project in all new residential projects. However, since this may not always be practical, the City allows alternative ways for a development to meet its inclusionary requirement. At the discretion of the City, alternatives include: construction of units off-site at a location within the city other than the project site; land dedication; credit transfers if a project exceeds the total number of inclusionary units required; alternate methods of compliance as approved by the City Council; and payment of a lower income housing fee.

The following incentives may be approved for applicants who construct inclusionary units on-site: (1) fee waiver or deferral; (2) design modifications (reduced setbacks; reduction in infrastructure requirements; reduced open space requirements; reduced landscaping requirements; reduced interior or exterior amenities; reduction in parking requirements; and height restriction waivers); (3) use of available lower income housing funds for the purpose of providing second mortgages to prospective unit owners or to subsidize the cost of a unit to establish an affordable rent or an affordable sales price; and (4) priority processing of building and engineering approvals.

Evaluation

The City of Pleasanton's inclusionary requirements are similar to those of other jurisdictions in Alameda County and similar size communities in the Bay Area and are not a constraint to the production of housing. In general, inclusionary requirements in the Bay Area range from 10% up to 25%, with the majority of jurisdictions requiring 15-20% of the units in projects to be affordable to very low, low and moderate income households. Projects have been submitted recently that provide further evidence of the feasibility of developing units under the City's inclusionary requirements. Many communities offer a variety of concessions or incentives for construction of affordable units, including but not limited to, density bonuses or incentives of equal financial value, waiver or modification of development standards, provision of direct financial assistance, and deferral or reduction of payment of fees.

The general range for the size of projects requiring the construction of affordable units (and tipping of inclusionary requirements) is at 10 or more units. However, there are jurisdictions in that require the payment of fees for smaller projects. Those jurisdictions require a proportional fee based on the size of the project.

Draft Housing Element — Page 4-18

Add the following to Program 14.9

Program 14.9: As required by State law, the City will review the status of Housing Element programs by April of each year, beginning April 2012. The review will cover the status of implementing actions, accomplishments, and a review of housing sites identified in the Housing Element. In particular, the annual review will cover development assumptions and actual development activity on sites by assessing projected development potential compared to actual development approval and construction. This will also include residential units anticipated on mixed use zoned sites. The primary intent of the annual review is to maintain adequate sites during the Housing Element planning period. In addition, the annual review will evaluate the effectiveness of the City's inclusionary requirements (see Programs 16.1 and 16.2) to determine if modifications are needed.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Planning Commission, City Council
Time Period: Annually
Funding Source: Housing Division Budget

Draft Housing Element — Page 4-20
Add the following to Program 16.1

"Program 16.1: Monitor the results of the Inclusionary Zoning Ordinance annually to determine if developers are primarily building new housing units affordable to low- and very-low-income households instead of paying in-lieu fees for new developments. If it is determined by the City Council, upon recommendation by the Housing Commission, that the Inclusionary Zoning Ordinance is not producing sufficient housing affordable to low- and very-low-income households, consider modifying the Ordinance so that it can better achieve that objective. As part of the inclusionary ordinance review, conduct meetings with developers to identify specific changes that may be considered by the City.

Responsible Agency: Housing Division, Housing Commission, City Council
Time Period: Annually/On-going
Funding Source: Housing Division Budget"

Draft Housing Element — Page 4-20
Add the following to Program 16.2

"Program 16.2: Review the City's Inclusionary Zoning Ordinance
- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very-low-income households.

Responsible Agency: Housing Division, Housing Commission, City Council
Time Period: Annually/On-going
Funding Source: Housing Division Budget"

Insert 9: √ HCD Comment 5 (A.5)

Analyze any special housing needs, such as those of handicapped, elderly, large families, farmworkers, families with female heads of households, families, persons in need of emergency shelter, and persons with developmental disabilities. For your information, chapter 507, statutes of 2010 (SB 812), amended state housing element law to require an analysis of the special housing needs of persons with developmental disabilities. The term developmental disability refers to a severe and chronic disability attributable to a mental or physical impairment, such as cerebral palsy, epilepsy, or autism that begins before individuals reach adulthood. The analysis could include the following:

- A quantification of the total number of persons with developmental disabilities, including the number of households and tenure;
- A description of the types of developmental disabilities;
- A description of the housing need, including a description of the potential housing problems, and an assessment of unmet housing needs for persons with developmental his abilities; and
- A discussion of resources, as policies and programs including existing housing and services, for persons with developmental disabilities.

Staff Response: This information will be added to the Housing Element Background.

Modification to the Draft Housing Element: Modify the section on "Persons Living with Disabilities," beginning on page 40 of the Housing Element Background, as follows:

"Persons Living with Disabilities

Persons with disabilities have special housing needs because of their fixed incomes, the lack of accessible and affordable housing, and the higher health costs associated with their disability. This segment of the population, which includes individuals with mental, physical, and developmental disabilities need affordable, conveniently-located housing which, where necessary, has been specially adapted for wheelchair accessibility, along with other physical needs.

The living arrangements for persons with disabilities depend on the severity of the disability. Many persons live at home in an independent environment with the help of other family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Accessible housing can also be provided via senior housing developments.

The majority of persons with disabilities live on an income that is significantly lower than the non-disabled population. Many disabled individuals live on a small fixed income that severely limits their ability to pay for housing. The State of California Task Force on Family Diversity estimates that at least one-third of all persons with disabilities in the United States live in poverty. Persons with disabilities have the highest rate of unemployment relative to other groups. For most, their only source of income is a small fixed pension afforded by Social Security Disability Insurance (SDI), Social Security Insurance (SSI), or Social Security Old Age and Survivor's Insurance (SSA), which will not adequately cover the cost of rent and living expenses even when shared with a roommate. In addition, persons with disabilities oftentimes experience discrimination in hiring and training. When they find work, it tends to be unstable and at low wages.

Pleasanton is home to residents with disabilities that prevent them from working, restrict their mobility, or make it difficult for them to care for themselves. For those with certain disabilities, such as developmental disabilities, the lack of affordable housing requires them to continue living with their parents, which results in their foregoing the experience

of living independently and presents a housing crisis as their parents age and can no longer care for their adult child. Individuals with physical disabilities typically require special design features such as wheelchair ramps, wider doorways, and large bathrooms to be included within the home.

A disability is a physical or mental impairment that substantially limits one or more major life activities. This also includes the special housing needs of persons with developmental disabilities. The term developmental disability refers to a severe and chronic disability attributable to a mental or physical impairment, such as cerebral palsy, epilepsy, or autism that begins before individuals reach adulthood. The 2000 U.S. Census showed that of the population in Pleasanton 5 to 20 years of age (15,126) 840 had a disability (5.6%). For the population 21 to 64 years (39,332) 3,966 had a disability (10.1%), and 73.4% of those were employed. For the population 65 years and over (4,576) 1,632 had a disability (35.7%). In total, 6,438 people in Pleasanton in 2000 had a disability, which is almost 11% of the population. The most pervasive disabilities for the general population are physical and mental disabilities, accounting for about 24 percent of all disabilities and affect 2,373 residents.

Persons with Disabilities by Disability Type in Pleasanton (2000)

	Number	Percent
Total Disabilities	9,958	100.0%
Total Disabilities for Ages 5-64	6,855	68.8%
Sensory Disability	531	5.3%
Physical disability	1,275	12.8%
Mental disability	1,098	11.0%
Self-care disability	276	2.8%
Go-outside-home disability	864	8.7%
Employment disability	2,811	28.2%
Total Disabilities for Ages 65 and Over	3,103	31.2%
Sensory Disability	588	5.9%
Physical disability	1,124	11.3%
Mental disability	402	4.0%
Self-care disability	282	2.8%
Go-outside-home disability	707	7.1%

Source: Census Bureau (2000 Census SF 3: P41)

Persons Living in the City of Pleasanton with Disabilities (2000)

	Number	Percent
Employed Persons with a Disability (Ages 5-64)	3,085	47.6%
Not Employed Persons with a Disability (Ages 5-64)	1,721	26.5%
Persons Age 65 Plus with a Disability	1,632	25.2%
Total Persons with a Disability	6,438	99.3%

Source: US Census, 2000

People living with disabilities often have trouble finding housing. Even relatively small physical obstacles, like a shower that requires a step, may make a house unusable for an individual with a disability. Both federal and State housing laws require certain features of adaptive design for physical accessibility in all multifamily residential buildings with four or more units built for first occupancy starting March 13, 1991. However, numerous dwelling units built before that date are not subject to these accessibility requirements. This, however, does not assist individuals – particularly seniors – who choose to remain in their homes rather than move to assisted living facilities and/or other newly constructed units. Seniors sometimes have to move from their homes because of barriers like these. There are a number of policies that jurisdictions have pursued to make houses more accessible. Ideas include:

- **Provide reasonable accommodation procedures for persons with disabilities.** Develop simple procedures for individuals to get permission from landlord to alter their home to make it accessible (by adding a ramp, for example).
- **Provide information and enforcement.** Designate a staff person as the primary contact for disability issues. This person can disseminate information and investigate allegations of discrimination.
- **Promote Universal Design.** Universal Design refers to building in a way that makes it accessible to everyone. For example, levers instead of knobs on doors make them easier to open.
- **Provide low cost financing.** Provide low interest and/or deferred loans to retrofit houses to increase their accessibility.

The City does not require special building codes or onerous project review to construct, improve, or convert housing for persons with disabilities. Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or

exceptions) in their zoning and other land-use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments. The Model City allows homeowners to build ramps into single-family dwellings to allow first floor access for physically disabled residents. Such ramps or guardrails are permitted to intrude into the standard setbacks required under zoning, and are subject only to a building permit. This provision eliminates the need to obtain a zoning variance.

The housing needs of several other categories of disabled persons, including developmentally disabled persons and the mentally ill are typically not addressed by Title 24 Regulations. The housing needs of persons with these types of disabilities, in addition to basic affordability, range from needing slight modifications of existing units to the need for a variety of supportive housing arrangements. Some of this population can only live successfully in housing that provides a semi-sheltered, semi-independent living state, such as clustered group housing or other group- living quarters; others are capable of living independently if affordable units are available.

Through programs such as the City's Growth Management Ordinance, the federal CDBG (Community Development Block Grant) and HOME (HOME Investment Partnership Program) grants, and others, the City has assisted the development of specific housing units in Pleasanton that are reserved for persons with disabilities. Rental opportunities in these developments are administered either by the on-site management or by a supporting agency. Examples of projects in Pleasanton are described below.

The Promenade Apartments

As part of the 68 below-market rental apartments in this 146-unit complex, the City utilized funds from its federal HOME grant to construct four (4) apartments at below-market rents for persons with physical disabilities. Each apartment is located on the ground floor and includes universal design features that promote accessibility and independent living. Leasing for these apartments is administered directly by The Promenade's on-site management staff.

The Promenade Apartments

In addition to the four units described above, the City worked with East Bay Innovations and the State Department of Housing and Community Development (HCD) to reserve four (4) additional below-market rental apartments at The Promenade for persons with developmental disabilities who are able to live independently. Supportive services are provided through East Bay Innovations in collaboration with the Regional Center of the East Bay.

REACH

The City has contributed significant funding through its federal CDBG and HOME grants to REACH (Resources Education Activities Community and Housing for Special Adults

of the Tri-Valley, formerly HOUSE, Inc.), a local nonprofit agency, to purchase and remodel several homes in Pleasanton. These homes provide below-market rental housing for low-income adults with developmental disabilities who are able to live independently with supportive services, fostering community integration, dignity, and independence.

Bay Area Community Services

The City has provided funding through its federal CDBG grant to Bay Area Community Services (BACS) to purchase and rehabilitate a six-unit apartment complex in downtown Pleasanton to provide below-market rental housing for low-income individuals with mental disabilities who are able to live independently. Through its Valley Creative Living Center, BACS provides supportive services including activity and employment programs that promote independence and community integration.

Assisted Living and Community Care Facilities

Housing opportunities for persons with disabilities are also available through several assisted living facilities that have been developed in Pleasanton and its neighbor communities in recent years. Because these facilities offer housing together with a range of services and activities, the monthly cost is generally very expensive. The City's Housing Division provides information on assisted living facilities in Pleasanton and the surrounding area. Similar housing opportunities can be found on a smaller scale in residential care facilities that are licensed by the State. These facilities generally accommodate up to six (6) residents and are licensed for a particular type of care or shelter (e.g., elderly, disabled, youth, etc.).

Carmen Avenue Apartments

The City of Pleasanton contributed funds from its federal HOME allocation to Affordable Housing Associates to assist the development of a regional housing project in Livermore for persons with disabilities and special needs.

Fremont Oak Gardens

The City of Pleasanton contributed funds from its federal HOME allocation to Satellite Senior Housing to assist the development of a regional housing project in Fremont for deaf senior citizens. Fremont Oak Gardens, a 51-unit apartment complex for seniors aged 55 and older who are deaf or hard of hearing, opened in 2005.

Lorenzo Creek

The City of Pleasanton contributed funds from its federal HOME allocation to Allied Housing to assist the development of a regional housing project in Castro Valley for homeless and chronically disabled persons."

Insert 10: Addressing issue of at-risk units.

Amended Housing Element Text (Page 47)

As of January 1, 2011, there were 985 units specifically reserved for very low and low income households in rental apartment complexes in Pleasanton as part of the City's Below-Market –Rate Program regulatory agreements. For a complete inventory of BMR units in Pleasanton, see Appendix G. Of this total, about 565 were reserved for the elderly and about 420 units for other qualifying households. These units are supported by a variety of assistance sources, including HUD Section 236 funding, CHFA tax-exempted bonds, non-profit consortiums, City funding, and private regulatory agreements through the Growth Management Program. Since 2001, the City has required that all affordability restrictions must remain in perpetuity (i.e., with no expiration). Therefore, ~~the City is unaware of any developments that are currently at risk. only one remaining project has been identified as being at risks of losing its affordability restrictions during the 2009-2019 period. The projects is the 40 unit Pleasanton Gardens complex at 251 Kottinger Drive, which received HUD Section 8 and Section 236 rent structures and was eligible to change to low income use in 2010.~~

~~The City has been working with the Board of Directors of Pleasanton Gardens for the past several years in an effort to redevelop the aging senior complex in conjunction with the redevelopment of Kottinger Place senior apartments. This collaborative project could result in preserving the 40 units by relocating them to a new development of the Kottinger Place site or other scenarios developed in cooperation with the City. The City has recently purchased an adjacent property which will allow options to facilitate the project and allow the City's Task Force to renew its efforts with the project. In the meantime, the Pleasanton Gardens Board has affirmed its commitment to maintaining the affordability for the existing 40 units until the fate of the complex has been determined.~~

Insert 11:√ HCD Comment C.3

The housing element shall contain programs that assist in the development of adequate housing to meet the needs of extremely low, very low, low and moderate income households. While the element includes some programs to assist in the development of low and moderate income households, pursuant to AB 2634, existing program should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of ELI (extremely low income households). To address this requirement, the element could revise programs, such as programs 17.5 (Priority Funding), 41.3 (Special-Needs Housing) and 41.4 (Housing for Persons with Disabilities), to prioritize some funding for the development of housing affordable to ELI households, and/or offer financial incentives for regulatory concessions to encourage the development of housing types, such as multifamily, and single room occupancy (SRO) units, which addressed some of the needs of this income group.

Staff Response: Modifications are included below to address the needs of extremely low income households. In regard to Program 17.5, the change relates to making sure it is clear that the City's Lower-Income Housing Fund would be used for extremely low income households in addition to low and very low income households.

Modification to the Draft Housing Element:

Draft Housing Element Background — Page 7

Add the following after the definition of “Jobs/Housing Balance”

- **“Lower Income Housing: In general, the term “lower income housing” refers to housing affordable to very low and low income households. For the purposes of the Pleasanton Housing Element, extremely low income households are also included in this definition. The City’s Lower-Income Housing Fund is intended to address the needs of extremely low income, very low income and low income households.”**

Draft Housing Element — Page 4-6

Add the following to the third paragraph under “Housing Goals, Policies and Programs”:

“The following goals, policies, and programs will guide the City over the 2007-2014 Housing Element planning period. By identifying the responsible agency, time period, objective, and funding source, the following programs constitute the required quantifiable objectives for the Housing Element. The intent of the Housing Element is to address the housing needs of all income levels. In particular, the housing needs of extremely low, very low and low income households are explicitly mentioned because special emphasis on these income groups is needed. Programs relying on the City’s Lower-Income Housing Fund are intended to specifically address the needs of extremely low income, very low income and low income households.”

Draft Housing Element — Goals, Policies and Programs (throughout document)

*Modify the following goals, policies and programs to read **“extremely low, very low and low income households”** in place of “low- and very-low-income households”:*

(Page number shown in parenthesis)

Policy 4 (4-8), Goals 5 and 6 (4-10), Policy 9 (4-11), Program 9.4 (4-11), Programs 9.5 and 9.6 (4-12), Program 11.2 (4-13), Policies 12 and 13 (4-14), Program 13.1 (4-14), Programs 13.4 and 13.5 (4-15), Goals 9 and 10 (4-16), Policy 14 (4-17), Programs 14.2 and 14.4 (4-17), Program 14.6 (4-18), Program 15.2 (4-19), Policy 17 (4-21), Programs 17.2 and 17.3 (4-21), Policies 18, 22 and 23 (4-22), Policy 25 (4-23), Programs 25.1 and 25.2 (4-23), Program 25.3 (4-24), Policy 26 (4-24), Policy 29 (4-25), Program 34.3 (4-27), Policies 37 and 38 (4-29), Programs 38.1 and 38.2 (4-29), Program 38.3 (4-30), Policy 40 (4-30), 41.2 (4-31), Programs 44.2, 45.1 and 45.2 (4-34), and Programs 45.3, 45.4 and 45.5 (4-35).

Draft Housing Element — Goals, Policies and Programs (throughout document)

*Modify the following goals, policies and programs to read **“extremely low, very low and low income households”** in place of “low- and very-low-income households”:*

Page 4-12

“Policy 10: Give greater priority to providing housing which is affordable extremely low income households and to households at the low end of the low-income range (50 to 80 percent of median income).”

Page 4-31

"Program 41.3: Set aside a portion of the City's CDBG funds each year to developers of extremely low income housing, special need housing and service providers."

Page 4-31

"Program 41.1: Provide housing opportunities for households with special needs such as studio and one-bedroom apartments for the elderly and single-person households, three-bedroom apartments for large households, specially designed units for persons with disabilities, single room occupancy units (SRO's), emergency shelter and transitional housing for the homeless, and units affordable to extremely low, low- and very-low-income households with single-parent heads of households. The City will make available funding from sources such as the City's Lower-Income Housing Fund, and the City's Federal HOME and CDBG grants to assist local non-profit agencies and housing developers. The City will also provide technical support to agencies to seek other sources of funding and to plan and develop housing for persons with special needs.

Page 4-32

"Program 41.4: Set aside a portion of the City's Lower-Income Housing Fund for housing projects which accommodate the needs of special housing groups such as for persons with physical, mental, and/or developmental disabilities, and extremely low income affordable housing."