



Details

File #: 2021-8569
Type: Regular Agenda Item
Body: [City Council](#)
On agenda: 2/2/2021
Title: Recommendation to Review, Comment, and Provide Direction on the City's General Plan 2021 to 2031 Housing Element Update Process and Schedule and Authorize Staff to Request Updated Guidance from the State of California regarding Compliance with Applicable Housing Law. (Planning, Building and Transportation 481001)
Attachments: 1. [Exhibit 1 - Information Sheet](#), 2. [Presentation](#), 3. [Correspondence - Updated 2/1](#)

Text

Recommendation to Review, Comment, and Provide Direction on the City's General Plan 2021 to 2031 Housing Element Update Process and Schedule and Authorize Staff to Request Updated Guidance from the State of California regarding Compliance with Applicable Housing Law. (Planning, Building and Transportation 481001)

To: Honorable Mayor and Members of the City Council

EXECUTIVE SUMMARY

On November 4, 2020, the City Council requested an opportunity to review and comment on the Association of Bay Area Governments (ABAG) Housing Methodology Committee's Draft Methodology for Distributing the Regional Housing Needs Allocation (RHNA) among Bay Area Cities and Counties (draft methodology).

On November 17, 2020, the City Council considered a referral from Vice Mayor Knox White requesting that staff schedule a City Council discussion of how the City of Alameda (City) should plan to address the City's allocation and update its Housing Element for the period 2023-2031.

On December 1, 2020, the City Council reviewed and commented on ABAG's draft methodology. The December 1, 2020 City Council workshop materials and presentation can be viewed at www.Alamedaca.gov <<http://www.Alamedaca.gov>>. The January 19 workshop is an opportunity for the City Council to provide direction on the preferred process for the update of the Alameda General Plan Housing Element to accommodate the anticipated RHNA of approximately 5,400 residential units. Staff is requesting that the City Council review and provide direction by motion on the proposed sequence of public meetings described in this report and authorize staff to seek guidance from relevant State officials regarding Housing Element compliance relative to the City Charter.

BACKGROUND

Under the Planning and Zoning Law (§§ 65000-66499.58), the City has the “responsibility to ... make adequate provision for the housing needs of all economic segments of the community.” (§ 65580, subd. (d).) This is accomplished through the adoption, amendment, and implementation of a general plan for the community (§§ 65300-65302), including a mandatory housing element (§§ 65580-65589.11). The Housing Element must be updated every eight years to accommodate the local share of the regional housing need (more frequently if the jurisdiction does not have a certified housing element).

The State of California and the State Department of Housing and Community Development (HCD) have determined that the Bay Area’s housing need for the period 2023-2031 is 441,176 housing units. In accordance with State Law, ABAG has developed a draft methodology for distributing the RHNA among Bay Area cities and counties.

To be in compliance with State Law, the City Council must approve an updated Housing Element of the General Plan, which identifies the sites with appropriate zoning necessary to accommodate Alameda’s RHNA by December 2022. The City’s adopted Housing Element would then be forwarded to HCD for review and certification.

DISCUSSION

What is the proposed process and schedule for updating the Housing Element?

Staff recommends the proposed process and schedule for updating the Housing Element which has a recommended sequence of actions and decisions by the City Council over the next 18 to 24 months which may be helpful in determining how the City would meet the State required Housing Allocation designated for the City through the ABAG methodology.

Spring 2021 (February - May)

- Project Specific hearings. City Council public hearings for specific projects, such as Alameda Point projects and Encinal Terminals. These future decisions may determine whether such projects can be included in the Housing Element and if additional housing units can be accommodated at Alameda Point to help meet the citywide estimated RHNA of 5,400 units. These potential actions/decisions do not require adoption of multifamily zoning ordinances.
- Multifamily Sites. Staff to contact property owners on initial draft list of sites for potential multifamily zoning designation to determine interest, availability, and realistic capacity for Housing Element.
- State Guidance. Pending direction from the City Council, staff to contact State for guidance on proposed approach to reconciling Article 26 and State Law with multifamily zoning ordinances.

Final Draft RHNA Allocation. City Council public hearing to review. City will receive final draft RHNA from ABAG in spring of 2021, at which time ABAG will open appeal period. Council hearing informed by updated Initial List of sites as the result of project specific hearings conducted in spring and guidance from State. Fall 2021

- Workshop. City Council workshop to provide final direction to staff and Planning Board on Housing Element and list of sites based upon guidance from State and result of appeal (if appeal is submitted).

Spring 2022

- Workshops & Hearings. Planning Board public workshops and public hearings to finalize draft Housing Element.
- Submit draft Housing Element to HCD for review.

Summer/Fall 2022.

- City Council public hearings and decision on draft Housing Element based upon HCD review.
- Submit approved Housing Element to HCD for certification.

What is Alameda's expected RHNA for 2023-2031?

ABAG projects that Alameda's RHNA will be approximately 5,406. The current projection by ABAG is that the 5,406 new units are comprised of 1,455 very low-, 837 low-, 868 moderate- and 2,246 above moderate-income units.

Alameda, and all the other local jurisdictions, including towns, cities and counties in the Bay Area, will receive a draft allocation of housing needs based on the final RHNA methodology. This final draft allocation will be provided in the Spring of 2021. The RHNA appeal period is scheduled to take place in summer 2021. Based on other region's appeal process very few appeals have been successful.

Can Alameda appeal the RHNA?

Yes, the City Council could appeal the RHNA when ABAG opens the appeal period this summer. If the City Council wishes to appeal the RHNA, the City's appeal should identify the constraints or issues that are unique to Alameda, a technical error, or any other anomaly deemed appropriate by the City Council. As mentioned above based on other regions' appeal process very few appeals have been successful.

Can Alameda meet its RHNA requirements for 2023-2031?

Yes, through a robust community engagement process and by working with property owners, staff believes that Alameda can accommodate the expected RHNA and present a Housing Element for the City Council's consideration and adoption. This will require the City to have zoning designations on certain sites or areas of the City to permit multifamily housing "by right" and permit residential densities of at least 30 units per acre.

The multifamily zoning districts are necessary to accommodate the RHNA and demonstrate that the City's zoning supports affordable housing, despite the Alameda City Charter's prohibition of multifamily housing and 21 units per acre density limitations. Under the Planning and Zoning Law (§§ 65000-66499.58), the City has a "responsibility to ... make adequate provision for the housing needs of all economic segments of the community." (§ 65580, subd. (d).)

In a 2009 letter to the City regarding Article 26 (Measure A), HCD stated:

"Prohibiting multifamily or limiting density is a fundamental constraint with significant impacts on the cost and supply of housing and particularly a variety of housing types. In addition, Measure A severely restricts promoting higher density housing and mixed-use development near jobs and transit to maximize land resources and address climate change."

"Pursuant to Government Code Sections 65583.2 and 65583(c), the City is required to make zoning available to encourage and facilitate multifamily development and address and remove constraints. As a result, the element must include programs to address and remove or modify the constraint, including making zoning available to allow multifamily housing."

The City Attorney's Office has further provided to the City Council a confidential attorney-client privileged legal analysis of the City's RHNA obligations and its relationship to Article 26 of the City Charter.

Given the apparent conflicts between the City Charter and State Law, staff is seeking Council authorization to request updated guidance from the State of California regarding options for how the City Council may adopt a Housing Element consistent with State Housing Law, while still respecting the City Charter and the recent decision of the voters of Alameda to retain a citywide multifamily prohibition.

What happens if Alameda does not accommodate the RHNA?

If Alameda is unable to accommodate its assigned RHNA, it may face litigation from the State of California, housing advocates, and/or property owners. Pursuant to Section 65585, if HCD finds that Alameda violates State Law because it is unable to meet its RHNA as the result of local regulatory constraints, HCD will notify the City and may notify the Office of the Attorney General of its opinion that the City is in violation of State Law.

With direction from the City Council and significant community input, staff will be preparing a Housing Element for City Council consideration that reflects community expectations and meets State Law.

Where would new housing be located in Alameda?

The new housing would be located throughout the entire City on former Naval Air Station property, along the Northern Waterfront, on shopping center sites, and in the Webster Street and Park Street Commercial Districts. Some of the new housing may be

accommodated in existing neighborhoods by construction of accessory dwelling units (ADUs) and new units constructed in existing buildings and in rear yards.

The table below provides a preliminary inventory of sites in Alameda to be considered for inclusion in the Housing Element to accommodate the final RHNA issued later in 2021. The sites are listed in three categories:

- 1) The first category at the top of the table includes sites with approved housing projects. These sites will require little, if any, major decision-making by the City Council to be included in the Housing Element. These sites accommodate approximately 2,100 units.

- 2) The second category includes major sites, examples of which may include Alameda Point and Encinal Terminals, that require City Council action to determine if the City will be able to include the sites in the Housing Element (Encinal) or if the City can increase the capacity at an existing site (Alameda Point Site A). Projects in this category require future public hearings and City Council actions, but they do not require Council action to adopt a new multifamily zoning district. Depending on future City Council actions, these sites can accommodate between 0 and 1,200 additional housing units to be added to the units in the first category.

- 3) The third category includes the sites being considered for rezoning to permit multifamily housing by right at residential densities of at least 30 units per acre to accommodate the balance of the RHNA. Depending on the actions taken by the City Council on the projects in the second category above, the City will need to zone enough land with multifamily housing to accommodate the remaining balance of the RHNA allocation, which is currently projected to be approximately 5,400 units.

January 2021 Initial Inventory of Existing and Potential Housing Opportunity Sites for Housing Element Update 2023-2031.

Site	realistic capacity (approx.)	notes:
I. Approved Housing Projects		
Site A at Alameda Point Blocks 6,7,8,9+11	126	Assumption: 126 of approved the 800 units in approved project will be constructed after Jan. 2023. Approximately 25% affordable
West Midway at Alameda Point	560	Assumption: Approximately 50% affordable.
North Housing on Singleton Avenue	589	Assumption: At minimum, 50% affordable.

Alameda Landing Waterfront	100	Assumption: Approximately 100 of 357 approved units will be constructed after January 2023. Approx. 15% affordable
Boatworks on Clement Avenue	182	Assumption: HCD will accept site, despite being on available list for 8 years due to Council actions in March 2020, to make project viable. Approx. 15% affordable
Alameda Marina on Clement Avenue	200	Assumption: Approximately 200 of 576 approved units will be constructed after January 2023. Approx. 15% affordable.
Citywide ADUs.	400	Assumption: Based upon recent ADU permit approvals in Alameda.
Subtotal	2,157	
II. Examples of Project Sites Requiring Future Noticed Public Hearings for Project Specific City Council Decision Making.		
Encinal Terminals Tidelands Exchange	Council Action Needed on Tidelands Exchange to be able to include site in Housing Element.	
Site A GPA and Site A Block 10 + 15c	Council action needed on General Plan amendment and amended site entitlements to allow City to increase realistic capacity for Alameda Point Site A shown in row #1 of this table.	
Pennzoil/Shell on Grand Street	Property is for sale and zoned for residential. Planning Board and City Council hearings expected to occur in 2021.	
Additional small sites with 5 to 30 units	Any residential projects approved during the 24 month period can be added to the list. Examples include 9 units on Santa Clara Avenue, residential zoning at "Bottle Parcel", etc.	
Subtotal	Depending on future City Council actions, these sites can accommodate between 0 and 1,200 housing units	
III. Sites being considered for Multifamily Zoning Designation		
Site or Zone	Notes:	
Park Street District	Existing Park Street zoning allows residential use. Capacity limited by limited available sites. Initial estimate: 100-200 units during 2023-2031 period if MF Zoning adopted.	
Webster Street District	Existing Webster Street zoning allows residential use. Capacity limited by limited available sites. With MF zoning, initial estimate: 200-300 units during 2023-2031 period.	
Medium Density Residential Areas	MF zoning to allow multifamily in existing structures. Capacity based on limited sites and recent ADU production in these areas over last year. Initial estimate: 200-400 units during 2023-2031 period.	
South Shore Shopping Center	Existing site zoning allows residential use. Availability and realistic capacity confirmed by property owner at 800 units.	
Alameda Landing Shopping Center	Availability and capacity unknown. Staff has not yet contacted property owner. Existing zoning allows residential use.	
Marina Village Shopping Center	Same as above	
Blanding Shopping Center	Same as above	
Harbor Bay Shopping Center	Same as above	
Harbor Bay Health Club	Property owner submitted application to rezone and redevelop site for residential use in 2017. Application was not approved.	
Subtotal	Depending on future City Council actions, these sites can accommodate between 0 and 2,500 housing units	

In conclusion, staff believes the City Council can adopt a Housing Element to comply with State law. As stated above, success will require coordinated effort between City staff and the City Council. Staff believes that the recommended schedule and process for sequencing these decisions provides the best chances for City Council and community success.

At this time, staff is asking the City Council to review and provide affirmative direction to the staff recommended schedule and process described above for completing the list of available sites and the Housing Element update.

ALTERNATIVES

1. It is recommended that the City Council review, comment, and direct staff to proceed with the process for the local update of the Housing Element as described above; and authorize staff to request updated guidance from the State regarding how the City may adopt a Housing Element consistent with State Housing Law, while still respecting the City Charter.
2. The City Council may choose not to review and comment on the Housing Element update process, in which case staff will proceed consistent with the steps outlined in this report.
3. The City Council could review and provide suggested revisions to the proposed Housing Element update process.
4. The City Council may choose to direct staff to include additional public outreach and/or suggest other options for potential housing sites in the community.

FINANCIAL IMPACT

There is no fiscal impact from reviewing and commenting on the Housing Element update process.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

The Alameda Municipal Code and policy references for this report are provided in the body of the report.

ENVIRONMENTAL REVIEW

Reviewing and commenting on the update process is not a project subject to the California Environmental Quality Act (CEQA).

CLIMATE IMPACT

A Housing Element that accommodates the RHNA supports the region's Sustainable Communities Strategy to reduce greenhouse gas emissions. A decision by the City to not meet the RHNA would likely have a negative impact on the region's ability to reduce greenhouse gas emissions.

RECOMMENDATION

Review, comment, and provide direction on proposed process and schedule to update the City's General Plan Housing Element for 2023 to 2031, and authorize staff to request updated guidance from the State of California regarding how the City may adopt a Housing Element consistent with State Housing Law, while still respecting the City Charter.

CITY MANAGER RECOMMENDATION

The Planning, Building and Transportation Director has put together a proposed schedule to determining the Housing Element. We are seeking confirmation of that process or direction on recommended changes to the process.

Respectfully submitted,
Andrew Thomas, Planning, Building and Transportation Director

Financial Impact section reviewed,
Annie To, Finance Director

Exhibit:

1. Information Sheet

cc: Eric Levitt, City Manager