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Title: Workshop to Review and Comment on the Draft Housing Element Update to Accommodate the Regional Housing Needs Allocation (RHNA) for the Period 2023-2031 in Compliance with State Law. (Planning 20962700) [Continued from November 16, 2021]

Attachments: [1. Exhibit 1 - November Draft Housing Element](#), [2. Exhibit 2 - July 6, 2021 City Council Report](#), [3. Correspondence - Updated 11-15](#), [4. Presentation](#), [5. Correspondence - Updated 11-16](#), [6. Correspondence - Updated 11-17](#), [7. Correspondence - Updated 11-23](#)

Text

Title

Workshop to Review and Comment on the Draft Housing Element Update to Accommodate the Regional Housing Needs Allocation (RHNA) for the Period 2023-2031 in Compliance with State Law. (Planning 20962700) [Continued from November 16, 2021]

Body

To: Honorable Mayor and Members of the City Council

EXECUTIVE SUMMARY

The Housing Element workshop provides an opportunity for the City Council and community members to review, comment and ask questions about the October 2021 draft Housing Element update. The draft Housing Element update is attached as Exhibit 1 and is designed to meet State of California requirements. The Planning Board held a public workshop on the Housing Element on October 25, 2021.

No final action is required at this time. Staff is requesting City Council and community comments on the October Draft. Staff and the Planning Board subcommittee will then use this feedback and direction for the preparation of the next draft of the document.

BACKGROUND

The workshop provides an opportunity for the community to review and comment on the draft Housing Element update. Staff will continue to improve the draft Element with the help of the community, the Planning Board Subcommittee, the Planning Board, and the City Council over the next four months, at which time staff will send a "March 2022" version to the State of California's Department of Housing and Community Development (HCD) for review and comment.

DISCUSSION

To inform the public's review of the draft Housing Element and the update process, staff has prepared responses to a number of frequently asked questions.

Must the City Council adopt a Housing Element update?

State law requires that the City Council adopt a Housing Element update for the period 2023-2031 that meets the requirements of state law. (See Gov. Code, § 65580 *et seq.*) There are potential penalties included in State law if a city fails to adopt a compliant Housing Element; in addition, a city could be subject to litigation costs, fines, loss of State funding sources for open space, transportation, and affordable housing, and potentially loss of local land use control based on State law.

What is the RHNA?

The Regional Housing Needs Allocation (RHNA) is the State of California required process that seeks to ensure that all cities and counties are planning for enough housing to accommodate all economic segments of the community. The State assigns each region in California a region wide housing target that is distributed to jurisdictions through a methodology prepared by the regional council of governments. For the 2023-2031 RHNA cycle, the State issued an allocation of 441,176 housing units for the 101 cities and counties in the San Francisco Bay Area region.

State law requires the Association of Bay Area Governments (ABAG) to develop a methodology for distributing the Bay Area's allocation of the state housing needs to local governments within the nine-county region that is consistent with State requirements and the regional Sustainable Communities Strategy. The ABAG methodology is a formula designed to support a pattern of housing growth for the Bay Area that meets the needs of all Bay Area residents and:

- Increases housing supply and mix of housing types, tenure and affordability in all cities and counties in an equitable manner;
- Promote infill development and socioeconomic equity, protect environmental and agricultural resources, encourage efficient development patterns and achieve greenhouse gas emissions reduction targets;
- Promote improved intraregional jobs-housing relationship, including balance between low wage jobs and affordable housing;
- Balance disproportionate household income distributions; and
- Affirmatively further fair housing.

Can the City's RHNA be reduced?

Not for this planning cycle. On July 6, 2021, the City Council directed staff to file an appeal to reduce the City's RHNA. The City's appeal was considered by the ABAG Executive Committee at a public hearing on September 24, 2021, and at the conclusion of the hearing, the appeal was denied. At this time, based on the denial of the appeal, the City's RHNA allocation for the period 2023-2031 is 5,353 units.

Can Alameda accommodate a RHNA of 5,353 units?

Yes. As described in Chapter 2 of the draft Housing Element, Alameda does have enough land to accommodate 5,353 units. To enable the City to meet the allocated units through the ABAG determination, Planning staff is recommending that the City Council consider revising a number of local zoning

regulations that do not currently allow the type or density of housing to provide the City the ability to meet the RHNA from being built on that land. The draft Housing Element describes certain zoning regulations and entitlements that need to be removed or modified. In summary, the draft Housing Element accommodates the RHNA as follows:

Approved Projects	1,442
Alameda Point	1,282
Encinal Terminals	589
Shopping Center Districts	1,000 est.
Residential Districts	900 est. (including ADUs)
<u>Park Street and Webster Street</u>	<u>300</u>
Total	5,513
RHNA	5,353

* HCD is evaluating our approach to including ADUs

What does it mean to “affirmatively further fair housing”?

State law requires that all cities ensure that their laws, programs and activities affirmatively further fair housing. (Gov. Code, § 65583(c)(5).) The phrase “affirmatively furthering fair housing” means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” (Gov. Code, § 65584(e).) Meaningful actions include actions that will promote fair housing opportunities for low- and moderate- income tenants and tenants of affordable housing, including subsidized housing.

The Housing Element must contain an assessment of fair housing, and the Housing Element land inventory and identification of sites must be consistent with a jurisdiction’s duty to affirmatively further fair housing. (Gov. Code, §§ 65583(c)(10)(A), 65583.2.) A program to affirmatively further fair housing must include meaningful actions that address significant disparities in housing needs and in access to opportunity for all groups by replacing segregated living patterns with integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity (without displacement); and fostering and maintaining compliance with civil rights and fair housing laws.

If the U.S. Navy were to waive the fee on additional market rate housing at Alameda Point, could the Housing Element place all 5,353 units at Alameda Point?

While physically possible, HCD would most likely not certify the Housing Element. Fair housing requirements provide that the City affirmatively further fair housing by taking meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. Historically, the wealthier people in Alameda have lived on the east side of Alameda, and the less wealthy people live on the west side. In addition, the better schools, parks, and services (access to “opportunities”) are located on the east side of Alameda. To affirmatively further fair housing, the Staff and HCD recommends distributing the City’s RHNA across all neighborhoods in Alameda and not place its entire RHNA in West Alameda.

Is Harbor Bay included in this Housing Element?

Yes, as described in Chapter 2 of the draft Housing Element, City staff proposes changes to the R-1, R-2, and C-2 zoning provisions to encourage and facilitate infill housing in existing neighborhoods and centers. Harbor Bay neighborhoods are zoned R-1 and R-2 and the Harbor Bay shopping center is zoned C-2. The October draft Housing Element does not rely on new housing at the Harbor Bay Club; however, the site zoning currently conditionally permits residential use above ground floor commercial uses.

Does the passage of the Housing Element require a simple majority vote or a supermajority vote?

This action requires a simple majority vote. The City Council can adopt the Housing Element and the necessary zoning amendments with a 3-2 vote; however, this Housing Element relies on the City Council’s approval of entitlements for housing at Alameda Point (up to 1,282 residential units) and Encinal Terminals (up to 589 residential units). Both of these projects require a supermajority, or at least 4 votes, to be approved. If one or both of these projects is not approved, those projects will need to be removed from the Housing Element, and the next draft of the Housing Element will need to move those 1,871 units into existing developed areas of the City. Therefore, staff intends to present the Encinal Terminals and Alameda Point entitlements to the City Council in the near future.

What are the next steps in the Housing Element update process?

December 2021 - Staff releases December draft Housing Element and Planning Board reviews and comments on December draft and initial zoning amendments.

January 2022 - City Council takes action on Encinal Terminals entitlements.

January 2022 - Planning Board makes recommendation on Alameda Point entitlements.

February 2022 - City Council takes action on Alameda Point entitlements for Housing Element.

March/April 2022 - Staff releases March draft Housing Element and Planning Board reviews and comments on March draft and draft zoning amendments, then City sends March Draft Housing Element to State for initial review.

April/May 2022 - Planning Board reviews comments from State and considers necessary revisions.

Summer 2022 - Planning Board public hearings to make final recommendations on Housing Element and associated zoning amendments.

Fall 2022 - City Council public hearings to make final decisions on Housing Element and associated zoning amendments.

State certifies Alameda Housing Element as compliant with State Law.

ALTERNATIVES

The City Council may provide a variety of direction for the next draft of the Housing Element, including but not limited to:

- Changing proposed geographic distribution of the units across the city;
- Changing the proposed densities to increase housing feasibility in some areas and reduce feasibility in other areas;
- Providing direction regarding the frequency and content of future City Council workshops;
- Providing direction regarding the type and frequency of community meetings needed; and/or
- Suggesting other sites and/or community engagement possibilities.

FINANCIAL IMPACT

There is no financial impact from reviewing and commenting on the draft Housing Element.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

The Housing Element update is required by State law.

ENVIRONMENTAL REVIEW

Reviewing and commenting on a draft Housing Element is not a project under Public Resources Code section 21065 and California Environmental Quality Act (CEQA) Guidelines section 15378. CEQA will be addressed more comprehensively as part of the final adoption of the Housing Element.

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 and comment on October 2021 draft Housing Element (Exhibit 1).

CITY MANAGER RECOMMENDATION

The City Manager concurs with the Planning, Building and Transportation Director's statement that we are seeking review and comment on the draft. Respectfully submitted,
Andrew Thomas, Planning, Building and Transportation Director

Financial Impact section reviewed,
Annie To, Finance Director

Exhibits:

1. November Draft Housing Element
2. July 6, 2021 City Council Report

cc: Eric Levitt, City Manager