



Staff Report

Date: March 21, 2022

To: Council Committee on Housing & Economic Development

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Subject: **Considering and providing input on an overview of the preliminary analysis for the Housing Element Update regarding constraints to housing production and the inventory of sites available to satisfy the City's Regional Housing Needs Allocation.**

Report in Brief

Building on the overview provided to the Housing and Economic Development (HED) Committee on February 28, 2022, this agenda item will provide an overview of the preliminary analysis for the City's Housing Element Update regarding constraints to housing production and the inventory of sites available to satisfy the City's Regional Housing Needs Allocation (RHNA).

Recommended Action

Consider and provide input on an overview of the preliminary analysis for the Housing Element Update regarding constraints to housing production and the inventory of sites available to satisfy the City's Regional Housing Needs Allocation.

Background

On February 28, 2022, the Housing Element Update (HEU) project team provided the HED Committee with an overview of the preliminary analysis in three areas that will help provide the basis for the HEU: (1) policies and programs from the current or fifth cycle Housing Element that should be continued into the sixth cycle Housing Element; (2) the City's housing needs for the sixth cycle; and (3) fair housing issues facing the

City in accordance with new State laws regarding Affirmatively Further Fair Housing (AFFH). The February 28, 2022 report is attached for further background.

Following the project team's presentation, the HED Committee received public comment from several speakers. Major themes of public comment included the need to consider all available data on displacement issues and loss of affordable housing, including public testimony over the past several years, and the need for the fair housing analysis to be presented early in the HEU process. After public comment, HED Committee members requested that the project team consider all available data on displacement issues, bring forward potential anti-displacement policies as soon as possible, and address potential opportunities for increased home ownership.

Analysis

Constraints on Housing Production

State housing element law requires jurisdictions to analyze governmental and nongovernmental constraints to housing development for all income levels and housing types, along with a list of local efforts to remove such constraints. Governmental constraints include land use and environmental regulations, development fees, and permit procedures, while nongovernmental constraints include market conditions, land and construction costs, and availability of financing¹.

The attached presentation provides further details regarding constraints identified by the project team's preliminary analysis.

Regional Housing Needs Allocation (RHNA)

Another key requirement of State housing element law is that jurisdictions must identify adequate sites to accommodate their RHNA, which represents a jurisdiction's share of the region's projected housing need (expressed in number of dwelling units) during a given Housing Element cycle. State law requires that jurisdictions zone adequate land to accommodate these units, but recognizes that private and non-profit developers, not jurisdictions, are primarily responsible for financing and building housing.

In addition to the sites needed to meet the RHNA, the State Department of Housing and Community Development (HCD) strongly recommends that jurisdictions identify other sites to accommodate a "buffer" of 15 to 30 percent beyond their RHNA, especially in the moderate, low, and very low-income categories. This buffer is important because State law allows jurisdictions to approve developments or rezone land at lower densities than estimated in the Housing Element inventory without compromising the jurisdictions' ability to satisfy their RHNA. State law also allows jurisdictions to use zoned density as a proxy for lower income units by projecting site capacity at less than the maximum density to allow for some reductions in density at a project level.

¹ (Govt. Code § 65583(a)(5-6))

Pursuant to the Association of Bay Area Governments' (ABAG) RHNA Plan, Concord's RHNA for the sixth-cycle Housing Element is 5,073 units. This represents an increase of about 46 percent from the fifth-cycle RHNA. The following table provides a breakdown of the fifth- and sixth-cycle RHNA by income level. With the recommended 30 percent buffer in the very-low- and low-income categories, the total number of units needed is 5,938.

Table 3: 5th and 6th Cycle RHNAs for Concord

Income Level	5th Cycle RHNA (Units)	6th Cycle RHNA (Units)	With 30% Buffer*
Very Low	798	1,292	1,680
Low	444	744	967
Moderate	559	847	1,101
Above Moderate	1,677	2,190	2,190
TOTAL	3,478	5,073	5,938

** Buffer does not apply to Above Moderate units.*

Housing Sites Inventory

As noted above, jurisdictions must prepare an inventory of vacant and underutilized sites or parcels adequate to meet their RHNA. Such sites must be suitable for residential development and available during the applicable planning period. Factors considered in site suitability include physical features (e.g., size, shape, topography, soil conditions, other environmental constraints), economic factors (e.g., land value, income from existing use, rental levels in the vicinity), and location (e.g., proximity to transit, job centers, commercial services and public amenities). The inventory may include sites already zoned for residential development, and non-residential sites that can be redeveloped and/or rezoned for residential use².

As discussed in further detail in the attached presentation, the project team has reviewed and updated the inventory from the current Housing Element, and has preliminarily determined there are adequate sites to meet the City's sixth cycle RHNA and the recommended 15 to 30-percent buffer without requiring the rezoning of any properties.

Financial Impact

There is no financial impact to tonight's action.

² (Govt. Code § 65583(a)(3))

Public Contact

The Agenda was posted, and interested parties, including Community Based Organizations (CBO), have been notified.

Attachment

1. February 28, 2022, HED Committee Staff Report