RESOLUTION NO. 2014-19

A RESOLUTION OF THE ALBANY CITY COUNCIL AMENDING THE
ALBANY GENERAL PLAN BY ADOPTING THE 2007-2014 HOUSING
ELEMENT

WHEREAS, Article 10.6 of Chapter 3 of Division 1 of Title 7 of the
California Government Code, beginning with Section \(^1\) 65580 requires each city to
adopt a legally sufficient Housing Element as part of its General Plan and to
periodically update its Housing Element; and

WHEREAS, in preparation for adoption of the 2007-2014 Housing
Element, the City of Albany (the City) has taken the following actions:

1. January 9, 2007- Report to Planning & Zoning Commission regarding the
   proposed Regional Housing Needs Allocation (RHNA) for the 2007-2014
   Housing Element.
2. January 22, 2007- Report to City Council regarding the proposed RHNA
   for the 2007-2014 Housing Element.
3. July 24, 2007- Report to Planning & Zoning Commission regarding the
   proposed RHNA for the 2007-2014 Housing Element.
4. September 4, 2007- Report to City Council regarding the proposed RHNA
   for the 2007-2014 Housing Element.
5. November 27, 2007- Study session with the Planning & Zoning
   Commission to provide an overview of the 2007-2014 Housing Element
   process and provide background technical information.

\(^1\) All statutory references are to the California Government Code unless otherwise specified.
6. January 7, 2008- Study session with the City Council to provide an overview of the 2007-2014 Housing Element purpose, content and policy matters, and schedule.


8. April 8, 2008- Staff report to the Planning & Zoning Commission regarding the adequate sites inventory.


10. March 10, 2009- Planning & Zoning Commission review of proposed Housing Element workshop format.


12. March 31, 2009- Housing Element public workshop held at the Albany Community Center.


14. May 12, 2009- Presentation to the Planning & Zoning Commission of draft Chapter 5 Sites Inventory.


16. July 6, 2009- Presentation to the City Council of the draft 2007-2014 Housing Element, with Council directing staff to forward the draft to the State Department of Housing & Community Development (HCD).


18. October 22, 2009- Technical Assistance letter received from HCD.


31. October 21, 2013 – City Council authorized submittal of draft 2007-2014 Housing Element to HCD.
32. December 26, 2013 – HCD provided comments to City on draft 2007-2014 Housing Element.
33. January 22, 2014 – Planning & Zoning Commission review of revised 2007-2014 Housing Element in response to HCD comments; and

WHEREAS, Section 65585 et seq. provides for the review of draft city housing elements by HCD; and the City submitted the draft 2007-2014 Housing Element to HCD on October 28, 2013 for preliminary review pursuant to Section 65585(b); and

WHEREAS, in its review letter of December 26, 2013, HCD asked the City to modify the draft 2007-2014 Housing Element; and

WHEREAS, Section 65358 permits a local legislative body to amend a mandatory element of the General Plan no more than four times during a calendar year; and this is the first amendment to the Housing Element for the year 2014; and

WHEREAS, Section 65103 provides that the Planning & Zoning Commission, acting as a Planning Agency, is charged with administration of the City General Plan and with making recommendations on amendments to the City’s General Plan; and

WHEREAS, in response to HCD’s findings and public comments, the City prepared a revised 2007-2014 Housing Element; and
WHEREAS, on February 12, 2014, the Planning & Zoning Commission held a duly and properly noticed public hearing for the purpose of receiving testimony on the proposed 2007-2014 Housing Element, considered all testimony, both oral and written, regarding the proposed 2007-2014 Housing Element, adopted Resolution No. 2014-01 recommending that the City Council adopt the Initial Study/Mitigated Negative Declaration, and adopted Resolution No. 2014-02 recommending that the City Council adopt the 2007-2014 Housing Element; and

WHEREAS, on March 3, 2014, the City Council held a duly and properly noticed public hearing for the purpose of receiving testimony on the Initial Study/Mitigated Negative Declaration and the proposed 2007-2014 Housing Element. After considering the Planning & Zoning Commission’s written recommendations contained in Planning & Zoning Commission Resolutions Nos. 2014-01 and 2014-02 and all the evidence in the record, the Council closed the public hearing, adopted Resolution No. 2014-__ adopting the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program, and requested minor additional changes to the proposed 2007-2014 Housing Element as contained in Attachment 8 to the staff report; and

WHEREAS, the Council now desires to amend the Albany General Plan by adopting the 2007-2014 Housing Element.

NOW, THEREFORE, BE IT RESOLVED,

SECTION 1. Recitals.

The Council hereby finds that the foregoing recitals are true and correct.
SECTION 2. Response to Comments of the Department of Housing and Community Development.

As required by Government Code Section 65585(e), the City Council has considered the findings made by the Department of Housing and Community Development included in the Department’s letter to the City dated December 26, 2013. Consistent with Government Code Section 65585(f)(1), the City Council has changed the 2007-2014 Housing Element in response to the findings of the Department. The changes made in the 2007-2014 Housing Element in response to the Department’s letter are described in Exhibit ‘A’ to this resolution.

SECTION 3. Adoption of the 2007-2014 Housing Element.

The City Council hereby supersedes and replaces the existing Housing Element with the 2007-2014 Housing Element dated March 3, 2014 with the minor modifications contained in Attachment 8 to the staff report.

SECTION 4. Submittal of Adopted Housing Element to HCD.

The City Council hereby directs the City staff to submit the adopted 2007-2014 Housing Element to HCD for review as required by Section 65585(h).

SECTION 6. Effective Date.

This resolution shall take effect immediately upon its adoption.
PASSED, APPROVED AND ADOPTED this 3\textsuperscript{rd} day of March 2014 by the following vote:

AYES-  Council members Atkinson, Barnes, Maase, Vice Mayor Hill and Mayor Thomas

NOES-  None

ABSENT-  None

ABSTENTION-  None

ATTEST:

Nicole Almaguer, City Clerk

MAYOR

Nicole Almaguer, City Clerk
EXHIBIT A

CHANGES MADE IN DRAFT HOUSING ELEMENT IN RESPONSE TO COMMENTS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
RESPONSE TO HCD COMMENTS ON DRAFT ALBANY HOUSING ELEMENT

HCD comments are listed in the shaded text boxes. Changes made to the 2007-2014 Housing Element in response to each comment follow each text box. Page numbers reference the January 2014 element.

A.1 (a) Unaccommodated Need: The element generally concludes there was not an unaccommodated need from the 3rd planning period based upon, in part, having adequate sites during the last planning period (page 2-4). As most of the identified sites for the 3rd cycle RHNA are also utilized for the 4th cycle RHNA, the element must include analysis, described below, demonstrating their suitability for development during the last planning period. For more information, see Realistic Capacity and Suitability of Non-Vacant Sites discussion below:

Chapter 2 has been revised (pages 2-3 to 2-7) to provide further demonstration of the suitability of sites during the 1999-2006 period, specifically as related to “realistic capacity” and “suitability of non-vacant sites.”

The City has culled through sites on the corridor to identify those which had the greatest potential for reuse during 1999-2006, including searches of both electronic and paper property records. Table 2-4 lists those sites determined to have had the greatest potential for reuse. In some cases, these continue to be opportunity sites.

Table 2-4 includes sites suitable for lower income housing that could have accommodated at least 127 units, 74% higher than the City’s RHNA allocation of 73 lower income units. The City has researched and documented conditions on each site during the 1999-2006 period to demonstrate that they were realistic housing sites during the seven-year period. Excluding the UC Village reconstruction, almost all development in the City during 1999-2006 took place on sites very similar to the sites listed in the table. This includes the demolition of a former mortuary and its replacement with 25 units, the demolition of a former motel and its
replacement with 16 affordable units, the demolition of a former gas station and retail store and its replacement with 12 units, and the demolition of an auto dealership and its replacement with 25 units. All of these projects exceeded the 20 unit per acre "default" density, and all were developed on commercially zoned, commercially developed sites of less than one acre. All of these sites had active businesses in operation until shortly before their reuse with mixed use development. (See also pp. 4-33 to 4-34.)

In addition, the text has been expanded to note that the sites listed represent only some of the multi-family housing opportunities that existed in the City during the 1999-2006 time period. As the revised text now notes, Albany also has 150 older single family homes on lots zoned R-3 (multi-family housing, allowing densities up to 63 units per acre). The entire length of the San Pablo and Solano Avenue commercial corridors is zoned to allow densities which are more than triple the 20 unit per acre default density established by the state for metropolitan area cities of 25,000 or less. The San Pablo corridor in particular (containing more than 25 acres of land with SPC zoning) is characterized by low intensity uses that could have been redeveloped with housing (and in some cases that were developed with housing) under the zoning that existed in 1999-2006.
A.1 (b) Realistic Capacity: The housing element indicates the sites identified in Table 4-5 are "providing more capacity than is strictly required" to address the City's regional housing need. However, the element should estimate the number of sites likely to develop with residential uses (e.g., accounting for the likelihood of non-residential uses) in order to determine whether the identified sites provide sufficient sites or additional sites are needed.

Chapter 4 (pp. 4-7 to 4-28) and Table 4-6 have been revised to include additional housing sites and to provide additional information regarding the designated sites. In particular, the 2007-2014 Housing Element has been modified to:

- Add an 18,500 square foot site (comprised of two adjacent parcels) at 1107 and 1111 San Pablo Avenue to the housing opportunity site list.

- Add Program 2.L which provides that if a housing site listed in Chapter 4 is redeveloped with a non-residential use or at a lower density than shown, the City will make the "no net loss" findings required by Section 65863 to ensure that adequate sites remain to accommodate the City's RHNA.

The City has adopted an FAR incentive for projects that include housing. Such projects may include more than twice the square footage of commercial projects. The City has reviewed property tax records for the corridor and determined that every new building along the corridor developed since 2000 has included multi-family housing except one. The one exception is the Taco Bell project at 635 San Pablo.

The sites listed in Table 4-6 represent a conservative estimate of sites that can accommodate lower income housing at appropriate densities. Other R-3 sites could also be developed under existing zoning, yielding many more units at maximum densities of 63 units per acre. The text has been edited to note that there are 152 parcels with SPC zoning in Albany, totaling 25 acres. Densities of 35 to 63 units per acre are permitted on all of these sites, with a theoretical capacity of over 1,000 units. The designation of a limited number of sites as "housing
opportunity sites” does not diminish the ability of the private or non-profit sectors to develop housing on the other sites along the corridor, all of which are zoned to allow high density housing. Further, Program 4.D will be implemented in 2014 to allow affordable housing developments to include multifamily uses on the ground floor in the SPC zone, outside the Solano Avenue commercial node, with a use permit.

A.1(c) Suitability of Non-Vacant Sites: While the element provides general descriptions of existing uses on non-vacant sites, it must also demonstrate the potential for redevelopment during the planning period and evaluate the extent to which existing uses may impede residential development. The evaluation must consider development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development. The element appears to assume sites are underutilized based on various factors but most prominently the existing floor area ratio or number of units versus the allowable floor area or number of units. To utilize this approach, the element should provide an analysis to support an appropriate threshold or ratio to demonstrate redevelopment potential in the planning period. The element could use the recent developments in Albany between 2000 and 2010 to assist in this analysis.

Additional text has been added to Chapter 4 (pp. 4-7 to 4-28) relating to development trends, market conditions, and incentives for residential development. With respect to development and market trends, the text now notes that 67 percent of the housing units added in Albany between 2000 and 2013 (excluding second units and the UC Village reconstruction) were in mixed use projects on commercially zoned land on the San Pablo Avenue corridor. Every new building along the San Pablo corridor that has developed since 2000 has included multi-family housing except one.

The market trend in Albany is similar to that in Berkeley and El Cerrito, with a growing share of development taking place along transit-served commercial corridors. The market for this type of development was strong between 1999 and 2006, as is evidenced by the construction of Creekside, Portland Gardens, Villa de Albany, and Albany Gardens during this time period.
While the market for multi-family housing was very soft between 2007 and 2011, the City has recent approved the UC Village mixed use development, which includes 175 units of senior housing. Its proposed density is four times the default density used to determine the adequacy of housing sites under the Government Code.

With respect to incentives, the text notes that the zoning regulations incorporate significant incentives to include residential development on land zoned for mixed use. The most substantial incentive is a floor area ratio bonus which permits roughly 125 percent more building space for projects that include residential uses.

Information has been added in Chapter 4 regarding floor area ratios (FAR) of the opportunity sites. The existing commercial uses on the sites of the four multi-family mixed use projects built between 1999 and 2006 all had FARs of less than 0.5. Thus, the City did not consider sites with FARs exceeding 0.5 unless other factors suggesting reuse potential were present.

The FARs on the San Pablo corridor housing sites in the 2007-2014 Element are: (a) 433 San Pablo (0.29); (b) 611 San Pablo (0.24); (c) 665 San Pablo (0.20); (d) 805 San Pablo (0.29); (e) 1089 San Pablo (0.46); (f) 398 San Pablo (0.22); (g) 1061 San Pablo (.03), and (h) 934 San Pablo (0), all below an FAR of 0.5.
A.1(d) Sites with Zoning for a Variety of Housing Types (emergency shelters): Program 3.G (SB2 Compliance proposes to amend the zoning ordinance to allow emergency shelters by right in the Commercial Mixed Use (CMX) zoning district (p 6-18). While the element indicates the total acreage and number of parcels in the CMX zone, it must also analyze the suitability and appropriateness of the zone. While the CMX zone allows live-work residential use, it does not describe how the CMX Zone is appropriate for the development of emergency shelters. For example, some permitted light industrial and commercial uses may have environmental or other conditions rendering them unsuitable for residential or shelter uses. As a 25 bed limit is proposed for emergency shelters, the element should expand upon the description of the parcel size, to demonstrate their potential to fully accommodate the need for emergency shelters as well as facilitate the development of emergency shelters. If non vacant properties are needed to accommodate the need for emergency shelters, the element should include an estimate of the number of parcels with redevelopment potential and capacity for conversion to emergency shelters.

Chapter 5 (pp. 5-16 to 5-18) has been expanded to include more information on the CMX zone and to indicate that the City adopted an emergency shelter ordinance in January 2014 that allows shelters by right in both the CMX and SPC zones. Conforming changes have been made to Program 3.G.

Regarding the CMX zone, the City has completed a research of the State DTSC Envirostor database to determine the presence of hazardous materials. Only one of the identified sites is subject to monitoring requirements, and these requirements do not necessarily preclude use as an emergency shelter. Documentation of flood hazards also has been added to Chapter 5.

A discussion of CMX parcel size (particularly the availability of smaller parcels which could support shelters) has been added to Chapter 5. It is also noted that even on larger parcels, there are multiple buildings with space for lease where shelters could locate—or individual buildings
with opportunities for multiple tenants (including shelters). The Element provides further information on the opportunities for reuse of older buildings in this zone for emergency shelter.

The addition of the SPC zone creates many more opportunities for by-right shelters, as this corridor includes over 150 parcels of many sizes, includes a large number of underutilized sites and structures, and is well served by public transit and other services.

| A.2(a) Fees and Exaction: While the Element lists typical housing development fees, it should also identify the total amount of fees and their proportion to the development costs for typical single family and multi-family housing developments. |

Chapter 5 (p. 5-29) includes the information requested regarding typical development fees for multi-family housing.

| A.2(b) Design Review: The housing element indicates there are objective standards, e.g., Residential Design Guidelines, and subjective standards, e.g., “harmonious,” in the Design Review process. The housing element must describe and analyze the design review guidelines and process, including approval procedures and decision-making criteria, for their impacts on housing costs, supply, and affordability, as well as development certainty. The element must demonstrate this process is not a constraint or it must include a program to address and remove this permitting requirement, as appropriate. |

Chapter 5 (pp. 5-20 to 5-21) has been revised to indicate that the availability of prescriptive guidelines for residential areas and for the San Pablo Avenue corridor removes uncertainty from the process and aids in defining “harmonious” and other potentially subjective design review criteria.
**B.1(a):** Several programs should be revised to include specific actions, such as amend, evaluate and revise, and implement, instead of terms such as consider or study as follow:

Program 2(a) Minimum densities: indicates the City will “consider amending the zoning ordinance”. The program could be revised to indicate “Will amend the zoning ordinance”

Program 2.A has been amended to strengthen the language and notes that the City has already prepared draft land use categories with minimum densities as part of its General Plan update. The timing of this action has been modified to commit to the adoption of minimum densities by January 2015.

**B.1(b):** Program 2.B (Incentives) indicates the City will “evaluate potential incentives” by Spring 2014. However, the program should also indicate what action it will take subsequent to evaluating the potential incentives. For example, the program could indicate it will “adopt incentives by 2015”

Program 2.B indicates that the City will provide technical assistance and priority processing for affordable housing.

**B.1(c):** Program 2.H (Land Assembly and Lot Consolidation) indicates the City will “work with interested property owners to encourage lot consolidation.” However, the program should describe how the City will “work” with property owners. For example, the City could offer a lot consolidation program with expedited processing and fee waivers or offer other incentives. The program should also include specific timelines for implementation or offer other incentives.

Program 2.H has been expanded to note that the City has already adopted lot consolidation policies which allow larger densities on larger lots, and that most recent developments have involved the consolidation of lots. The program also provides for implementing additional lot consolidation incentives (such as fee waivers for lot mergers proposed by affordable developments) by Fall 2014.
B.1(d): Program 3.A (Units for Persons with Disabilities) indicates the City will “encourage the inclusion of units for persons with disabilities”. It should indicate how it will encourage the inclusion of units. For example, incentives, financial or regulatory, could be established to encourage the development of housing for persons with disabilities, including those with developmental disabilities.

Program 3.A has been modified to note the requirements for projects receiving federal funding (5 percent of the units --or at least one unit, whichever is greater-- must be accessible to persons with disabilities, while 2 percent of the units must be designed for persons with sight or hearing impairments), as well as the accessibility requirements for private multi-family units under ADA. It also expresses the City’s commitment to use its CBDG allocation for access improvements for persons with disabilities, and to direct information on funding through the County Minor Rehab Program to residents with mobility impairments and others seeking to “age in place”.

B.1(e): Other programs which should be revised include, but are not limited to, Program 4.A (Use Permit Requirements for Multi-family in R-4); 4.B (second units); 4.D (Evaluation of Mixed Use standards); and 4.H (Fee incentives for affordable housing).

Program 4.A has been amended to express the City’s commitment to bringing this action to the Planning and Zoning Commission by the end of the planning period.

Program 4.B has been revised to express the City’s commitment to initiating an amendment to its second unit regulations by the end of the planning period. The revised text breaks this action into two parts, including the initial step of allowing second units in the R-2 zone and clarifying the parking standards, and a subsequent step of revising second unit development standards. The City has modified this program to retain the prohibition on second units in the R-3 zoning district so that these sites are retained for future multi-family uses.
Program 4.D has been revised to include a commitment to revise the zoning regulations in the SPC zone to allow ground floor multi-family use with a use permit for affordable housing developments.

Program 4.H has been revised to state that the City will develop a fee reduction program for affordable housing projects in Fall 2014.

**B.2:** As noted in Finding A1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the result 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.

The edits annotated in our earlier responses address this comment and confirm the adequacy of sites.

**B3(a):** As noted in Finding A2, the element requires a complete analysis of potential governmental constraints. Depending on the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

The edits annotated in our earlier responses address this comment and confirm the adequacy of programs to address constraints.
B3(b): In addition, the housing element indicates Measure D parking requirements may make it difficult to modify existing buildings in the multi-family zones to add new housing units (5-11) which would affect the identified multi-family sites' (ability) to accommodate a portion of the City's regional housing need. While Program 4.G (Measure D ballot initiative) Chapter 4 (p. 4-15) indicates that Measure D parking requirements have been utilized in calculating the 'realistic capacity' of the housing opportunity sites identified in the Chapter 4 and hence do not have an effect on the City's ability to accommodate the City's regional housing need; densities of 20 units per acre and more are able to be achieved with the Measure D requirements. In fact, the current parking requirements indirectly create an incentive for affordable housing since projects with affordable units may utilize the lower parking standards established by state density bonus law. Consequently, no programs to mitigate the Measure D requirements are needed.

Additionally, the City has revised Program 4.G to describe the recent formation of a working group tasked with making a recommendation to the City Council by May 2014 regarding modified parking standards. The working group includes members of the City's Sustainability Committee, Traffic and Safety Commission, and Planning and Zoning Commission.
**B3(c):** The housing element indicates that development standards may preclude the maximum density allowed by zoning and it is difficult to attain the allowed FAR of 2.25 in the San Pablo Avenue zone. In regard to the sites identified on Solano Avenue, the element indicates there are challenges in developing these sites due to high existing floor area ratios and complying with on-site parking requirements. As the element has identified all of these as potential constraints to residential development, the element should include programs to address and remove or modify these requirements.

Chapter 4 (*pp. 4-15 to 4-17*) has been modified to indicate that the above-referenced issue related to FAR does not impede the City's ability to meet its RHNA or achieve the default density of 20 units per acre established by the Government Code. The "challenges" referenced above relate to achievement of a 63 unit per acre density, which is more than triple that required by the Government Code. Projects on San Pablo Avenue have generally been built in the 30-40 units/acre range (although an 80 unit/acre senior project was recently approved).

On Solano Avenue, the high existing floor area ratio on most parcels does not constitute a "constraint" but is rather an observation of existing conditions and the limited opportunities for high density housing on the corridor relative to the San Pablo Avenue corridor. The corridor is considered a model of a sustainable, walkable neighborhood shopping street, with a mix of retail, office, service and multi-family residential uses. Of the two housing opportunity sites on the Avenue (1245 Solano and California Bank and Trust), one is vacant and the other is mostly parking, so high existing FAR is not an issue. These two housing opportunity sites have been selected in part because of low existing FAR and because on-site parking requirements would be easier to achieve here than on other sites on the corridor.
C: While the element includes a general summary of public participation, it does not demonstrate how the City has or will make a diligent effort to achieve the involvement of all economic segments of the community through the adoption process. The element should be revised to specifically describe the City’s efforts to circulate the housing element among low and moderate income households and organizations that represent them and to involve such groups and persons in the development of the element. For example, the element could describe examples of outreach efforts, and describe how the element incorporated public input. During the period between this draft element and the adoption of the final housing element, the City should continue efforts to achieve public participation including from low and moderate income households.

Chapter 1 (pp. 1-7 to 1-9) has been modified to demonstrate how the City engaged all segments of the community in the development of the 2007-2014 Housing Element, with an emphasis on low and moderate income households. Information has been added regarding the City’s email lists (for meeting notification), its Town Hall meeting sign-in lists (for meeting attendance), the speakers addressing the Commission and Council at various study sessions and meetings, and the supplemental outreach that has occurred since the Element was submitted in October. This outreach included a tour of key housing opportunity sites with non-profit developers and participation in a community dialogue on housing issues.
D: The element must describe how consistency will be achieved and maintained during the planning period. The element could include a program to conduct an internal consistency review as part of the annual general plan implementation report required under Government Code Sec 65400. The annual report can also assist future updates of the housing element.

Program 4.J has been added to conduct internal consistency review as part of any future General Plan Amendment, to ensure that future General Plan amendments do not reduce housing opportunities.
RESOLUTION NO. 2014-19

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,
The 3rd day of March, 2014, by the following votes:

AYES: Council Members Atkinson, Barnes, Maass, Vice Mayor Wile & Mayor Thomsen

NOES: none

ABSENT: none

ABSTAINED: none

RECUSED: none


Eileen Harrington
DEPUTY CITY CLERK

The City of Albany is dedicated to maintaining its small town ambiance, responding to the needs of a diverse community, and providing a safe, healthy and sustainable community.