

City of Brisbane

Agenda Report

TO: Honorable Mayor and City Council

FROM: Community Development Director via City Manager

SUBJECT: **Draft 2015-2022 Housing Element**; General Plan Amendment GPA-1-14; City of Brisbane, applicant; citywide

DATE: October 2, 2014

City Council Goals:

To preserve and enhance livability and diversity of neighborhoods (Goal #14).

Purpose:

To update the Housing Element (one of the mandatory elements of the City's General Plan) by the state-mandated deadline of January 31, 2015.

Recommendation:

Adopt Resolution 2014-40 authorizing staff to submit the draft 2015-2022 Housing Element to the California Department of Housing and Community Development (HCD) for review.

Background:

State law requires all jurisdictions to periodically update their General Plan Housing Elements. The next Housing Element cycle runs from 2015-2022, and the state-mandated deadline to adopt the Housing Element is January 31, 2015. Procedurally, the City Council is not considering adoption of the Housing Element (Draft 2015 Housing Element) at tonight's meeting. Rather, the purpose is for the City Council to authorize staff to submit the Draft 2015 Housing Element for HCD review prior to its adoption by the City, which is a procedural requirement of state law.

The process of updating the Housing Element has been underway for approximately fifteen months. This effort commenced with the City joining 21 Elements, a CCAG-sponsored collaborative of all jurisdictions within San Mateo County to facilitate Housing Element preparation. The 21 Elements program completed data collection, provided

technical guidance, served as a clearinghouse for best practices, and facilitated coordination with HCD.

Subsequently the Planning Commission held eight (8) housing element study sessions in 2014, culminating in the preparation of the Draft 2015 Housing Element. Following public hearings on August 28th and September 11th, the Planning Commission unanimously recommended approval of the Draft 2015 Housing Element.

The Draft 2015 Housing Element is primarily an update of the 2007-2014 Housing Element which was adopted in January 2011. The content, format, and organization are consistent with 2007-2104 Housing Element, As detailed in the discussion section below and the attached Planning Commission reports, proposed updates to the Draft 2015 Housing Element include: addressing the City's latest RHNA (Regional Housing Needs Allocation) numbers, including the identification of adequate housing sites; responding to changes in State law (including the dissolution of Redevelopment Agencies); incorporating new available information (including 2010 U.S. Census data); reflecting progress made in implementing the 2007 Housing Element; and refining previous policies and programs.

Discussion:

Key revisions incorporated into the Draft 2015 Housing Element include:

RHNA Requirements--Each Housing Element update cycle begins with HCD assigning shares of the state housing needs, based upon demographic projections, to the various regional government planning organizations, including ABAG. For previous and current cycles, San Mateo County (coordinated through CCAG) formed a Countywide RHNA subregion to allocate the regional housing needs to jurisdictions within the County. Through this process, Brisbane's RHNA share for the 2015-2022 planning period was established at 83 units, broken down by income categories as shown below. The rezoning necessary to provide adequate sites to accommodate this need must be completed no later than May 31, 2018, per Government Code Section 65583(c)(1)(A).

Another issue the Draft 2015 Housing Element addresses is the shortfall of adequate sites resulting from the 2007 Housing Element. In order to meet the City's 2007-2014 RHNA allocation of 401 units, the 2007-2014 Housing Element proposed creating a new Southwest Bayshore residential district and new mixed use district for southeasterly Crocker Park. In moving forward with the proposed Southwest Bayshore residential district, a number of constraints were identified (access, topography, existing development patterns, etc.) which made the planned rezoning highly problematic and undesirable, and the Planning Commission recommended that alternate sites be explored, including additional potential sites in southeasterly Crocker Business Park.

Implementation of the Crocker Park mixed use zoning was deferred to allow the City to evaluate land use and design issues in Crocker Business Park overall, as any proposed rezoning would need to fit into the larger overall context. This larger review was accomplished through the Crocker Park Technical Assistance Program (TAP) held by the

Urban Land Institute (ULI). The TAP process commenced in Summer of 2013, culminating in the 2 day on-site intensive evaluation in January 2014 and publication of the the Final Tap report in May 2014. While the Council’s Economic Development subcommittee has reviewed the TAP report, full City Council review is pending and work on the proposed mixed use zoning will follow the Council’s review of the TAP report.

Since the City will not have adopted the necessary rezonings (Crocker Park and Southwest Bayshore) specified in the 2007 Housing Element before the end of 2014, that unmet portion of the 2007-14 RHNA is carried forward to the 2015-2022 Housing Element period (see Housing Element Section III.1.1 & Appendix C). Per state law, the rezonings necessary to meet the shortfall must be adopted by January 31, 2016.

The following is a summary of the rezoning shortfall, or carry-over, and the currently required RHNA for the 2015-2022 planning period:

	RHNA 2007-14 Carry-Over	RHNA 2015-22	Total Combined RHNA for 2015-22 Housing Element
Very low income	89	25	114
Low Income	54	13	67
Moderate Income	67	15	82
Above Moderate Income	-	30	30
Total	210	83	293

In calculating the shortfall, credit was given for the above moderate income housing capacity under current zoning (including the SCRO-1 District in Southwest Bayshore), as well as lower income housing capacity of Brisbane Housing Authority owned sites, secondary dwelling unit projections, and that portion of the already approved 30 unit condominium complex at 3750-3780 Bayshore Boulevard which was required to include affordable units, consistent with the City’s affordable housing ordinance.

In planning to provide adequate sites, relevant state requirements applicable to the low and very low income housing provisions of the RHNA include the following:

- A minimum unit density of 20 units per acre is assumed by State law [Government Code Section 65583.2(c)(3)(B)(iii)] to be necessary to accommodate housing affordable for lower income households.
- A minimum site area sufficient to permit at least 16 units per site is also required per Government Code Section 65583.2(h) [note that at a minimum density of 20 units per acre, the smallest site that could accommodate 16 units would be 0.8 acre (34,848 sq. ft.)].
- At least 50 percent of the lower income housing need must be accommodated on sites designated for residential use and for which nonresidential uses or mixed-uses are not permitted, per Government Code Section 65583.2(h).
- The sites must be zoned to permit owner-occupied and rental multifamily residential use *by right*, not subject to use permit, planned unit development permit, or other discretionary local government review or approval (excluding subdivision approval and non-discretionary design review requiring compliance

with objective, quantifiable, written development standards consistent with meeting the City’s RHNA) per Government Code Section 65583.2(i).

Recommended Sites-- Based on the 2015-22 RHNA and the need to find adequate sites to replace the Southwest Bayshore residential district, the Planning Commission evaluated a number of alternative sites. Sites that were identified and/or considered and rejected are summarized in attached Housing Element Tables 35 and 36. To achieve the required number of sites, the Draft 2015 Housing Element proposes an overlay zone allowing mixed-use and residential uses in Crocker Park in the vicinity of the Brisbane Village Shopping Center (see attached exhibit and Housing Element Section I.3).

This approach to complying with the RHNA requirements builds upon the 2007 Housing Element and is consistent with the recommendations from Crocker Park TAP Report. In the Draft 2015 Housing Element, the proposed “affordable housing overlays” (AHO) would offer incentives to provide dwelling units at densities high enough to accommodate affordable housing either in residential or mixed use developments in the TC-1 Crocker Park Trade Commercial District (see Housing Element Sections V.2.3 & V.3.3). Specifically, a residential affordable housing overlay would be adopted for 3 properties on the south side of Park Lane, and a mixed use affordable housing overlay would be adopted for 2 properties on the east side of Park Place.

		Acres	Units at Minimum Density	Units at Maximum Density
Park Lane Residential AHO (Minimum 26 Units/Acre, Maximum 30 Units/Acre)				
	91-99 Park Lane	1.855	49	55
	105-115 Park Lane	2.142	56	64
	145 Park Lane	2.876	75	86
Subtotal			180	205
Park Place Mixed Use AHO (Minimum 20 Units/Acre, Maximum 30 Units/Acre)				
	25 Park Place	1.249	25	37
	41-43 Park Place	1.118	23	33
Subtotal			48	70
GRAND TOTAL			228	275

The minimum density of 26 units per acre for the Park Lane Residential AHO is proposed to meet the RHNA numbers, given that only 50% of the lower income units may be provided in the Park Place Mixed Use AHO (which has the minimum 20 units per acre density required to be considered affordable under the Government Code). Note that the maximum density proposed under both overlays would be 30 units per acre (see Table 38). This upper limit is the highest density currently specified in the Zoning Ordinance (the R-3 District); although, higher densities have been approved in the NCRO-2 District.

As shown on Table 35, the proposed AHO sites, combined with presently zoned sites, would meet the above outlined RHNA requirements and state law provisions regarding density, lot size and type of use ratio (mixed use vs. residential only). Note that the

proposed capacity that would exceed the RHNA in the very low and low income categories would also be affordable to moderate income households. This surplus of 53 units can be carried forward to meet the deficit in the moderate income category, to provide an overall surplus of 3 units in the very low, low and moderate income categories. Overall, including market-rate (above moderate income) dwelling units, the zoning would result in 391 units, which would accommodate 98 units over the current and carry-over RHNA of 293 units for the upcoming Housing Element. This would provide some flexibility in how these requirements are ultimately satisfied.

	Combined 2007-14 Over + 2015-22	RHNA Carry- Over	Current and Proposed Zoning	Surplus
Very low income	114		234	53
Low Income	67		combined	combined
Moderate Income	82		32	[-50]
Above Moderate Income	30		125	95
Total	293		391	98

The proposed affordable housing overlays would be implemented through housing programs listed in Chapter VI. As noted previously, The City’s deadline to complete the rezoning to meet the 2007-2014 shortfall is January 31, 2016. The deadline to complete the rezoning to meet the 2015-2022 allocation is May 31, 2018.

Updated Housing Policies and Programs—Several changes proposed between 2007-2014 Housing Element and the draft 2015 Housing Element are highlighted below. A comprehensive comparison of each of the policies and programs from the Draft 2015-2022 Housing Element to the previous 2007-14 Housing Element is attached to the August 28, 2014 Planning Commission agenda report.

- *Policies Related to New Crocker Park Overlay Zoning*

The introduction of residential uses into Crocker Park creates a need to balance the creation of a suitable residential environment with maintaining the viability of nearby industrial and commercial properties and uses. DCT, a major property owner within Crocker Park, including the Park Place properties proposed for the residential overlay zone, expressed concern that the introduction of residential uses not impair, restrict, or limit ongoing or future industrial uses nearby. The need for balance is recognized, and Policy H.D.2 was added to introduce recognize the City’s goal of creating a suitable residential neighborhood while maintaining the long-term viability of surrounding industrial uses. Proposed Program H.D.2.a would partially implement this policy through review of the TC-1, NCRO-1 and NCRO-2 District regulations to promote land use compatibility with new adjacent residential uses. Program H.D.1.b is proposed to be modified as shown below to recognize that new residential development also has an obligation to promote land use compatibility with adjoining industrial areas by requiring the new overlay zone to incorporate appropriate design features.

Program H.D.1.c For the new affordable housing overlays intended to accommodate affordable housing, adopt appropriate zoning regulations consistent with Government Code Section 65583.2(i) that allow at least three-story development and provide objective, quantifiable development standards including, but not limited to, building form, architecture, public space and landscaping in the applicable districts to non-subjectively address concerns that would otherwise be taken care of through discretionary design review approval in compliance with Government Code Sections 65589.5(d), (i) & (j). To encourage connectivity between sites and neighboring districts, require shared public access easements (such as walkways and fire lanes) as appropriate. Incorporate design components which promote compatibility with existing adjacent non residentially zoned and developed properties. Include appropriate measures to mitigate any potentially significant environmental impacts.

- *Overlay Zoning Implementation*

The 2007 Housing Element specified form-based zoning as the tool to implement the proposed Crocker Park mixed-use zoning. The benefit of form-based zoning is that it enables the City to proactively define the desired physical form and character of future development by establishing development standards, thereby avoiding the need for discretionary design review which is not allowed per state law. However, form-based zoning is not the only such tool available to achieve this objective. Site plans, precise plans, performance-based zoning, and hybrid zoning (combination of form-based and conventional codes) are all tools that would allow the City to proactively define its vision and establish appropriate developments standards to implement the vision. Instead of specifying form based zoning as the only method, the language in Program H.D.1.c has been broadened to provide greater flexibility to the City in choosing the tool to be used in establishing the the zoning overlays, providing that whatever means the City uses to establish the overlay zones will comply with the streamlined design review required per Government Code Section 65583.2(i).

- *Secondary Dwelling Units*

Under Program H.B.1.e a number of measures are recommended to encourage the creation of secondary dwelling units. These include:

- reducing administrative Secondary Dwelling Permit fees for units created within the building envelope of existing single-family residences;
- exploring the potential to implement a loan program for secondary dwelling unit construction; w
- working with Landmark at the Ridge property owners to consider amending the Northeast Ridge PD Permit to permit conversion of existing floor area within building envelopes to accommodate secondary dwelling units,
- providing technical assistance to streamline the process for owners and encouraging well-designed secondary units that meet the City's standards;
- exploring the possibility of reducing or eliminating the lot size minimum for development of secondary units; and
- publicizing these programs as they are implemented.

In addition, Program H.B.1.d is proposed to be revised to include the option of reducing or eliminating the administrative Secondary Dwelling Permit fee for secondary dwelling unit projects which agree to rent restrictions, in compliance with the state law and the California Civil Code's restrictions on rent control. With Program H.I.1.c reducing the parking requirements for smaller secondary dwelling units, these programs should collectively encourage property owners to take advantage of the unmet potential for construction of secondary dwelling units.

- *Inclusionary Housing Requirements*

Statewide litigation now precludes the City from enforcing its inclusionary housing requirements to provide a percentage of low/moderate income housing in most rental projects. Program H.B.4.b requires the City to update its inclusionary zoning requirements to comply with the requirements of state laws as interpreted by the courts.

- *Funding for Low/Moderate Income Housing*

The dissolution of redevelopment agencies has eliminated local government's primary source for funding low and moderate income housing projects. The Draft 2015 Housing Element includes several programs the City Council may wish to consider in the future to generate funding for low and moderate income housing. The City is presently participating in a countywide nexus study looking at the extent to which new development (both residential and nonresidential) indirectly generates the need for additional low and moderate income housing. Based on the nexus study results, the City might wish to consider the adoption of a housing impact fee and/or commercial linkage fee to help fund affordable housing (Program H.H.1.a). Such fees could be collected from developers of market-rate housing and commercial projects. The program set forth in the Housing Element does not commit the City to adopt such fees; rather it provides the flexibility for the City to consider such an action in the future. The nexus study now underway might also support the retention of the City's inclusionary housing requirements as discussed above.

Another potential funding source suggested by the Housing Leadership Council of San Mateo County is for the City to earmark some portion of the additional property taxes returning to the City stemming from the dissolution of the Redevelopment Agency for low and moderate housing purposes. This concept is incorporated as Policy H.B.9, which couches this as a suggestion and not a requirement.

Environmental Determination:

An Environmental Initial Study (attached to Planning Commission report) has been preliminarily drafted, which finds that the draft 2015-2022 Housing Element would not have a significant effect on the environment and that a Negative Declaration should be prepared. As detailed in Table F.2 of Appendix F in the draft Housing Element

(attached), a number of programs integral to the Housing Element act to pre-mitigate potential impacts. Because the draft Housing Element may be subject to changes in response to comments from HCD and others, requiring revision of the draft Environmental Initial Study, formal public hearings on approval of the Negative Declaration will be scheduled in conjunction with the Planning Commission's and City Council's public hearings on adoption of the 2015-2022 Housing Element later this year.

Fiscal Impact:

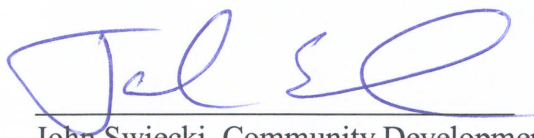
The funding sources for implementing the Housing Element are expected to be absorbed within current operating budgets, as listed in Section VI.1.3.

Measure of Success:

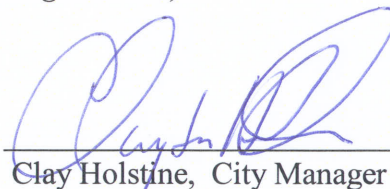
Implementation of the programs listed in Section VI.1.3 of the Housing Element to achieve the Quantifiable Objectives identified in Table 47.

Attachments:

Draft Resolution 2014-40
Figure HE-2 Proposed Rezoning Sites
Tables 35-Summary of Housing Sites Inventory
Table 36- Sites also Considered for Rezoning to Residential
Planning Commission Resolution GPA-1-14-A
September 11, 2014 Planning Commission Report, Minutes, and Correspondence
August 28, 2014 Planning Commission Report, Minutes and Correspondence
Draft 2015-2022 Housing Element (previously provided to the City Council and available at the Community Development Department or at <http://www.brisbaneca.org/planning/2015-2022-housing-element>)



John Swiecki, Community Development Director



Clay Holstine, City Manager

draft
RESOLUTION 2014-40

A RESOLUTION OF THE BRISBANE CITY COUNCIL
TO FORWARD THE DRAFT 2015-2022 HOUSING ELEMENT TO
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT FOR REVIEW

WHEREAS, a draft 2015-2022 Housing Element has been prepared for review and comment by the California Department of Housing and Community Development prior to adoption by amending the General Plan; and

WHEREAS, on August 28 and September 11, 2014, the Planning Commission held public hearings on updating the 2007-2014 Housing Element, recommending that the City Council forward the draft 2015-2022 Housing Element to the Department of Housing and Community Development; and

WHEREAS, the City Council held a public meeting on the draft 2015-2022 Housing Element on October 2, 2014, and considered the testimony presented and reviewed the Planning Commission's recommendation and the minutes of its meeting, which is incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED by the Brisbane City Council that the draft 2015-2022 Housing Element be forwarded to the California Department of Housing and Community Development for review and comment.

W. CLARKE CONWAY, Mayor

I hereby certify that the foregoing Resolution 2014-40 was duly and regularly adopted at a regular meeting of the Brisbane City Council on October 2, 2014, by the following vote:

AYES:

NOES:

Sheri Marie Spediacci, City Clerk



Figure HE.2
City of Brisbane
Proposed Re-zoning Sites

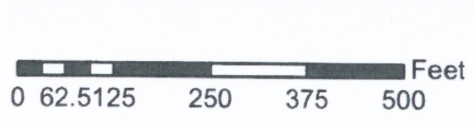


Table 35 -Summary of Housing Sites Inventory

Subdistrict)	Current Zoning & Sites ID	Proposed Rezoning of Specified Sites	Size (Acres)	V. Low Income Units	Low Income Units	Mod. Income Units	Above Mod. Income Units	Total Units	Notes
1.	2007-14 CARRY-OVER RHNA REQUIREMENTS (Not Re-zoned: Crocker Mixed Use NCR0-3 & Southwest Bayshore R-SWB)			89	54	67	-	210	
				25	13	15	30	83	
				114	67	82	30	293	
2.	2015-22 RHNA REQUIREMENTS			2	2		10	14	
				-	2	3	35	40	Based on development proposal for 3700 Bayshore and approved development for 3710-3760 Bayshore Blvd..
				7.02	-	-	25	25	Vacant sites included only. Zoning allows for up to 30 units/acre. Unit count is based on density of 10 units/acre, as approved for 3710-3760 Bayshore Blvd., with similar site constraints.
3.	GRAND TOTAL RHNA REQUIREMENTS (#1 Carry-over) + (#2 2015-22 RHNA)			2	2		10	14	
				-	2	3	35	40	Based on development proposal for 3700 Bayshore and approved development for 3710-3760 Bayshore Blvd..
				7.02	-	-	25	25	Vacant sites included only. Zoning allows for up to 30 units/acre. Unit count is based on density of 10 units/acre, as approved for 3710-3760 Bayshore Blvd., with similar site constraints.
4.	CURRENT ZONING			2	4	32	123	161	
				112	63	50	-	225*	*Shortfall is driven by very low and low income units, as follows: 112 VL + 63 L + 50 Mod + 0 Above Mod = 225 units. The above moderate surplus does not offset the shortfall in the lower income categories.
									The subtotal for this area is: 25 + 23 = 48 potential units
5.	CURRENT ZONING SHORTFALLS (#3 Grand Total RHNA) - (#4 Current Zoning)			228	234	0	0	228	
				(2 + 4) + 228 = 234		32	123	389	
				234 - 181 = 53		32 - 82 = -50	123 - 30 = 93	96	Existing Zoning and Proposed Rezoning results in 96 units over the total RHNA and 3 units over the RHNA for very low, low and moderate income categories.
6.	DESIGNATED REZONING			25	23	-	-	25	
				49	56	-	-	49	
				75				75	
7.	POTENTIAL HOUSING SITES GRAND TOTAL (#4 Current Zoning + #6 Rezoning)			228	234	0	0	228	
				(2 + 4) + 228 = 234		32	123	389	
				234 - 181 = 53		32 - 82 = -50	123 - 30 = 93	96	Existing Zoning and Proposed Rezoning results in 96 units over the total RHNA and 3 units over the RHNA for very low, low and moderate income categories.
8.	SITES INVENTORY VS. RHNA REQUIREMENT: (#7 Potential Housing Sites Grand Total) - (#3 Grand Total RHNA)			228	234	0	0	228	
				(2 + 4) + 228 = 234		32	123	389	
				234 - 181 = 53		32 - 82 = -50	123 - 30 = 93	96	Existing Zoning and Proposed Rezoning results in 96 units over the total RHNA and 3 units over the RHNA for very low, low and moderate income categories.

**Table 36
Outline of Sites Also Considered for Rezoning to Residential Uses**

Current Land Use Area (E) Zoning District	Current Zoning/Sites	Proposed Rezoning of Specified Sites	Size (Acres)	V. Low Income Units	Low Income Units	Mod. Income Units	Above Mod. Income Units	Total Units	Notes
Sierra Point	SP-CRO: 9000 Marina Boulevard	NA	6.13						Vacant site adjacent to the Brisbane Marina. Currently Master Planned for a hotel.
Crocker Park	TC-1: 280 Old County Road	NA	1.46						Post Office location. Serves as a link between existing and proposed NCRO districts and the proposed R-4 district. See policy for potential rezoning.
	TC-1: 125 Valley Drive	NA	4.54						Warehouse site previously designated (2007-2014 Housing Element) for mixed use with a minimum housing density. Site has been substituted for sites along Park Lane.
Central Brisbane	NCRO-1: 70 Old County Road	NA	1.17						Bank of America location. Together with the Brisbane Village Shopping Center, serves as a gateway site to Central Brisbane. See policy for potential rezoning.
	NCRO-1: 118 Old County Road	NA	2.04						Brisbane Village Shopping Center, adjacent to proposed NCRO-3 district shown on previous table. Together with the B of A site, it serves as a gateway site to Central Brisbane. See policy for potential rezoning.
Southeast Bayshore	M-1: 3745 Bayshore Blvd (former "VWR" Site)	NA	11.41						Sites have been recently, largely vacated and were considered for residential zoning, but given their location, separated from Central Brisbane shops and services and proximity to the CalTrain rail-line, US 101 and the Brisbane Lagoon present unique challenges.
	M-1: 3775 Bayshore Blvd	NA	3.63						
	M-1: 3795 Bayshore Blvd	NA	3.08						Considered for rezoning to housing, but not included. See notes.

RESOLUTION GPA-1-14-A

A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF BRISBANE
RECOMMENDING THAT THE CITY COUNCIL FORWARD
THE DRAFT 2015-2022 HOUSING ELEMENT TO
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FOR REVIEW

WHEREAS, on August 28, 2014 and September 11, 2014, the Planning Commission held public hearings on updating the 2007-2014 Housing Element; and

WHEREAS, a draft 2015-2022 Housing Element has been prepared for review and comment by the California Department of Housing and Community Development prior to adoption by amending the General Plan; and

WHEREAS, the minutes of the Planning Commission meetings of August 28, 2014 September 11, 2014 are attached and incorporated by reference as part of this resolution.

NOW, THEREFORE, based upon the evidence presented, both written and oral, the Planning Commission of the City of Brisbane hereby RECOMMENDS that the City Council forward the draft 2015-2022 Housing Element to the California Department of Housing and Community Development prior to adoption.

AYES: Commissioners Do, Cunningham, Munir, Parker and Reinhardt
NOES:
ABSENT:



Karen Cunningham
Chairperson

ATTEST:



JOHN A. SWIECKI, Community Development Director