

HOUSING ELEMENT

PURPOSE

The Housing Element is a statement of Lafayette's vision regarding existing and future housing needs. This chapter, the Housing Element, has been prepared to meet recent changes in the City's population and housing needs and to incorporate the revised regional housing needs allocation provided by the State Department of Housing and Community Development in concert with the Association of Bay Area Governments.

The Housing Element consists of two major sections. Section I contains the goals, policies and implementation programs. Section II contains an analysis of the housing needs of all economic segments of the community. The goals and policies are based on the needs identified in following sections.

The single most important goal of the Lafayette Housing Element is to achieve an adequate supply of safe, decent housing for all residents of Lafayette. In order to achieve this goal, the policies and programs of the Housing Element address several major issues:

- Maintaining and preserving the existing housing stock
- Retaining the character of Lafayette's residential neighborhoods
- Planning for the City's regional housing needs allocations
- Providing additional affordable housing, particularly for senior citizens and young families

The Housing Element addresses the requirements of California Government Code §65583. The format of the Housing Element follows very specific State guidelines with respect to the subjects covered and the data that is analyzed.

The City has a commitment to Lafayette residents to maintain the identity and quality of the residential neighborhoods. The Housing Element articulates Lafayette's housing goals in relation to the constraints to housing development and to the housing market. It expands upon the goals of the General Plan which are to (1) preserve the hillside and ridgelines by allowing only low density development in the hills and (2) foster a vibrant and successful downtown and meet the city's regional housing obligations by allowing higher density development in the downtown close to transit and services.

The Element establishes policies to guide decision-makers and implement comprehensive programs to meet community housing needs.

RELATIONSHIP OF THE HOUSING ELEMENT TO THE GENERAL PLAN

The *Housing Element* is one of seven required general plan elements and is an integral part of the Lafayette General Plan. Since the majority of Lafayette's land use is in housing, the Housing Element is a key component of the City's future plans. The policies and programs contained in this chapter are based on an eight-year time frame.

State law provides direction on how cities can maintain the General Plan as a policy guide by requiring the Planning Department to report annually to the City Council on "the status of the plan and progress in its implementation" (Government Code Section 65400 (a)(2)(A). State law (Section 65588 [b]) further provides that "the Housing Element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review". As required by the State, the current planning period extends from January 1, 2014 through October 31, 2022.

Consistency of the Housing Element with the other elements of the City's General Plan is essential to having a complete and legally adequate General Plan. This updated Housing Element has been reviewed and found to be consistent with the other chapters of the City's General Plan. It is anticipated that the majority of future residential growth will take place in the Downtown and on a small number of vacant and underdeveloped lots scattered throughout the city.

PUBLIC PARTICIPATION

The public review process is key to a successful housing element update in that it helps to identify the housing needs of a community, better understand a community's concerns, and it educates the public about the State requirements. To that end, the City exercised a range of methods to obtain public participation for the Housing Element Update, as outlined below:

Activity	Outreach
Introductory Meetings	The Planning Commission and City Council were introduced to the 2014-2022 housing element update process and review options in March 2014.
City Website	The City created a page on the website's "Hot Topics" section devoted to the Housing Element Update. The page is updated regularly with information and exhibits.
Community Workshops	Three public workshops have been held to date to educate the public about the State's requirements, help identify the community's housing needs, and better understand the community's concerns. Approximately 50 people attended each workshop. The City sent a press release to all locally distributed newspapers and publications. Email announcements were sent to 300-400 homeowner groups, major downtown property owners and businesses, Chamber, schools, organizations, affordable housing groups, senior housing groups, special needs groups, and other interested parties. Notices were mailed to property owners

Activity	Outreach
	<p>who are listed in the draft inventory.</p> <p>The workshops covered the following topics:</p> <ol style="list-style-type: none"> 1. What is a housing element and why is it required? 2. Which process should the City pursue for the update: streamlined review or the standard review? 3. What are the residential densities in the downtown? 4. How are the inventory sites chosen? 5. What are the pros and cons of adopting a density bonus ordinance? <p>In addition to these topics and during the second workshop, attendees were given maps and were tasked with reviewing the draft inventory of housing sites and providing alternatives, if needed, based on the State’s criteria. Each group presented their ideas for changes to the inventory, which were collected and used to help staff adjust the draft inventory of housing sites.</p>
City Manager’s Friday Message	Current information about the Housing Element Update is included regularly in the Message. This has a large email distribution, and it is posted every week as the first item on the City’s homepage.
Planning Commission & City Council	<p>Feedback was solicited from the Planning Commission and the City Council on the key aspects of the Housing Element on August 4 and August 11 respectively.</p> <p>On September 15, 2014, after conducting a public hearing, the Planning Commission recommended that the City Council submit the administrative draft Housing Element to HCD for review and comment. On October 14, after conducting a public hearing, the City Council directed staff to submit the administrative draft Housing Element to HCD for review and comment.</p>
Commissions & Committees	The Council Planning Subcommittee members (from the Planning Commission and City Council) report back to their respective commissions and Council on a regular basis. In addition, the City emailed the Community Workshop flyer to the Circulation Commission, Design Review Commission, Bicycle and Pedestrian Advisory Committee, Planning Commission, and City Council

The feedback received from this public outreach influenced the drafting of the Housing Element. The attendees of the community meetings provided general support for pursuing the streamlined review process, adopting a local density bonus ordinance, and the housing sites inventory. The public also encouraged programs to encourage the rehabilitation of existing multi-family housing stock and legitimize un-permitted second units.

The draft Housing Element was also reviewed by the City Council and Planning Commission in a study session in March and August of 2014. Public hearings on the administrative draft were held by the Planning Commission and City Council in September and October of 2014. Additionally, the City invited more than a dozen community based and special needs organizations to attend the Community Workshops and public hearings, listed below:

Organization	City
Area Agency on Aging	Martinez
CCC Food Bank	Concord
Child Abuse Prevention Council	Concord
Community Violence Solutions (CVS)	San Pablo
Contra Costa ARC	Richmond
Contra Costa Crisis Center	Walnut Creek
Contra Costa Senior Legal Services	Richmond
Eden Council for Hope an Opportunity	Hayward
Eden I&R (Information & Referral) Inc.	Hayward
East Bay Housing Organizations	Oakland
Food Bank of Contra Costa & Solano Counties	Concord
Lamorinda Adult Respite Center	Orinda
Las Trampas, Inc.	Lafayette
Northern California Family Center	Martinez
Resources for Community Development (RCD)	Berkeley
Senior Outreach Services of Contra Costa	Walnut Creek
SHELTER, Inc.	Martinez
STAND! Against Domestic Violence	Concord
Turn On To America	Lafayette

In December of 2014, the Housing Element will be revised to address comments from the State Department of Housing and Community Development. Public hearings on the final draft document will be held by the Planning Commission and City Council in January and February of 2014 for adoption. The adopted element will be submitted to the State by May 31, 2015.

SECTION I: HOUSING BACKGROUND

The information presented in the Housing Background section is intended to summarize the following: demographic characteristics; employment trends; inventory of vacant residential land; and the existing constraints to the construction of housing in Lafayette. The policies and implementation programs of this chapter address housing needs identified by this section.

Information in the Housing Background section is based on the following sources: the U.S. Census (1990, 2000 and 2010); various American Community Surveys; the Association of Bay Area Governments (ABAG) Projections 2013 report and its-2013 Plan Bay Area; the California Department of Finance; Contra Costa County; and the City's Planning Department.

CONTEXT: LAFAYETTE WITHIN CONTRA COSTA COUNTY

The City of Lafayette is located within the Urban County of Contra Costa, and is committed to upholding the goals of its General Plan, which include:

1. Preserving and enhancing the character of Lafayette as a low-density semi-rural residential community, and
2. Facilitating and encouraging the development of diverse housing types and additional affordable housing units to accommodate diversity amongst Lafayette citizens in terms of age and socio-economic background and to meet regional housing needs.

The community values the semi-rural character of its hillside residential neighborhoods. Community attitudes toward housing play a crucial role in determining the type of housing that will be built in the City.

Although this Housing Element presents data principally focused on the City of Lafayette, it is useful to understand the context in which Lafayette's housing concerns exist. High housing costs reduce economic opportunities, access to jobs and services, and the ability of lower-income households to live in the communities and neighborhoods of their choice. The affordability gap results in a concentration of lower-income households in older neighborhoods that have higher levels of substandard housing and overcrowding. Some of the indicators of housing need and the challenges facing the County are described below.

- Housing prices continue to rise faster than incomes. The latest tech boom has contributed to this rise. The Lafayette median home price in April 2014 was \$1,110,000, up 11% from the year before. Countywide, it was \$435,000, also up 5% from the year before.

- Few lower-income households can afford to purchase homes. Most households earning less than 50% of the area median income face difficulties in finding affordable rental housing, as well.
- Approximately 80,000 lower-income households in the County did not have adequate housing in 2010, based on calculations provided by HUD from the Census' American Community Survey (2006-2010) statistics on overpayment and overcrowding.
- There are 10 lower income properties Countywide considered at risk of conversion to market rate in the next 10 years. These properties have 717 rent-assisted units and 879 total low income units. Of the LIHTC (Tax Credit) properties in Contra Costa, 15 of them are post-year 15, leaving them more at risk. These properties have 757 total low income units and 964 total units, meaning that some units in these properties are not income-restricted.
- Nearly 7,000 rental housing vouchers are provided by the housing authorities of Pittsburg and Contra Costa County. The County Housing Authority reports over 4,300 applicants on its waiting list for public housing and over 3,100 on the waiting list for rental housing vouchers.
- Over 7,000 beds in more than 400 residential care facilities are available for individuals with special needs, (such as frail elderly and persons with disabilities) who cannot live independently in conventional housing. However, this is significantly less than the population of frail elderly, disabled, and others who may need a supportive housing environment.

Due to the ongoing gap in the availability of affordable housing, the County has assigned a high priority to new housing construction, homeownership assistance, and housing rehabilitation, particularly for households earning less than 50% of the area median income. Despite the high cost, the County has determined that it is essential to expand the supply of affordable housing and supportive housing, because the affordability gap cannot be addressed solely through existing housing.

SUMMARY OF DEMOGRAPHIC TRENDS

The City of Lafayette was incorporated in 1968. The City's population has increased steadily since the 1960's, with the greatest increase occurring between 1960 and 1970, largely due to annexations along Reliez Valley Road and in the Springbrook area. Table 1 indicates that the City's population decreased by 502 persons (-2.1%) between 1980 and 1990, as compared with a 3,519-person increase (17.2%) between 1970 and 1980. By 2000, however, the population had increased 407 people (1.7%), reversing the losses of the 1980s. The 2010 U.S. Census found there were 23,893 residents of Lafayette, a decrease of 15 people (<0.01%) since 2000. Overall, this indicates that population growth has been relatively flat since 1980.

TABLE 1 - LAFAYETTE POPULATION GROWTH 1960-2010

Year	1960	1970	1980	1990	2000	2010
Population	7,114	20,484	24,003	23,501	23,908	23,893
Number of Households	2,285	6,504	7,822	8,976	9,152	9,223
Persons per Household	3.10	2.59	2.65	2.62	2.61	2.59

SOURCE: US CENSUS, STATE DEPARTMENT OF FINANCE, 2013

Significant population growth is expected to continue for both the region and for Contra Costa County. Over the forecast period 2010 - 2040, ABAG projections indicate that the population of the nine-county Bay Area may increase by more than two million people. Contra Costa County's population is projected to increase by 27.6% over this period to 1,338,400, making it one of the fastest growing counties in the Bay Area. Although Lafayette's population is not expected to increase significantly, demand for housing within the City will continue to be strong as the growth in the County's population continues.

TABLE 2 - LAFAYETTE POPULATION PROJECTIONS, 2000 TO 2040

	2010	2020	2030	2040
Total Population	23,893	25,100	26,400	27,900
Percent Change		5.1%	5.2%	5.7%
Number of Households	9,223	9,690	10,170	10,640
Percent Change		5.1%	5.0%	4.6%

SOURCE: US CENSUS, STATE DEPARTMENT OF ABAG PROJECTIONS 2013

DEMOGRAPHIC TRENDS

Household Size

In 2010, there were 9,223 households in Lafayette. Between 1970 and 1980 the average household size in the nine-county San Francisco Bay Area decreased from 2.90 persons to 2.51 persons. In Lafayette this figure was reduced in 2010 to 2.59 persons per household, the same rate it was in 1970 (see Table 1). Average household size in Lafayette has been marginally higher than for the region.

In Lafayette, household size decreased slightly between 1980 and 1990, remaining essentially stable between 1990 and 2000. However, over time it is expected that household size will remain stable with younger families adding new members or smaller households ("empty-nesters") being replaced by families with children.

Like the population as a whole, the total number of households in the region and the County are projected to continue to increase. ABAG projects a 15.4% increase in the number of Lafayette households between 2010 and 2040.

Age Statistics

Changes are occurring in the age structure of Lafayette's population that reflect state and national trends. The City's proportion of senior residents (over 65 years old) has increased, from 10% of the population in 1980 to 14.5% of the population in 2000, to 16.6% in 2010. Children under 20 years old constituted 25% of the population in 1990 and increased to 27% in 2000. By 2010, the percentage of children had dropped by -7.1%, but still represented 26.8% of the population.

Table 3 shows the age structure of Lafayette's population in 2010 compared with 2000. The median age in Lafayette as of 2000 was 42.3 years of age, and in 2010 it had increased to 45.2 years. This is substantially higher than the nation as a whole for 2010 (37.2 years) and higher than the median for Contra Costa County (38.5 years). The relatively small percentage (3.2%) of residents between the ages of 20 and 24 years can be attributed in part to the scarcity of affordable housing in Lafayette, as well as the fact that this age group may not be ready to start a family – a prime reason why people are attracted to Lafayette. In addition, lifestyle and educational choices can mean younger people move out of the area more than other people.

Census data from 2010 demonstrate that, like other parts of the region, the population is overall aging. As Baby Boomers retire, housing demand for opportunities specific to their need increases.

TABLE 3 - AGE STRUCTURE, 2000 and 2010

Age Group	Number of People	% of Total	Number of People	% of Total	Change Since 2000
UNDER 5 YEARS	1,308	5.5%	1,179	4.9%	-9.9%
5-9 YEARS	1,793	7.5%	1,715	7.2%	-4.4%
10-14 YEARS	2,009	8.4%	1,874	7.8%	-6.7%
15-19 YEARS	1,434	5.9%	1,633	6.8%	13.9%
20-24 YEARS	689	2.9%	775	3.2%	12.5%
25-34 YEARS	1,920	8.0%	1,607	6.7%	-16.3%
35-44 YEARS	4,038	16.9%	3,069	12.8%	-24.0%
45-54 YEARS	4,504	18.8%	4,308	18.0%	-4.4%
55-59 YEARS	1,600	6.7%	1,986	8.3%	24.1%
60-64 YEARS	1,166	4.9%	1,775	7.4%	52.2%
65-74 YEARS	1,738	7.3%	2,163	9.1%	24.5%
75+ YEARS	1,709	7.2%	1,809	7.6%	5.9%
	23,908	100.0%	23,893	100.0%	

SOURCE: U.S. CENSUS, 2000 AND 2010

RACE/ETHNICITY DATA

The non-white population of Lafayette represents a relatively small proportion of the total population, but has grown, however, from 10.7% in 1990 to 19.4% of the total population in 2010, with the largest increase coming from persons of Asian/Pacific Islander origin, representing 9% of the population (see Table 4).

In the future, it is likely that the majority of non-white population in Lafayette will continue to be of Asian or Hispanic origin, as immigration to the San Francisco region continues. In addition, Lafayette's minority population is significantly lower than the state-wide average, which showed a 40.5% non-white population in 2000, and a 60.3% non-white population in 2010.

TABLE 4 - POPULATION BY RACE/ETHNICITY IN LAFAYETTE, 1990, 2000 AND 2010

Race	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
White	21,092	89.7%	20,123	84.2%	19,246	80.6%
Black/African American	155	0.7%	129	0.5%	154	0.6%
Native American*	36	0.2%	39	0.2%	41	0.2%
Asian**	1,335	5.7%	1,957	8.2%	2,133	8.9%
Pacific Islander***	28	0.1%	20	0.1%	26	0.1%
Other	10	negligible	33	0.1%	60	0.3%
Two or more races****	-----	-----	662	(not included)	845	(not included)
Hispanic (all races)	845	3.6%	945	4.0%	1,388	5.8%
Total	23,501	100.0%	23,908	100.0%	23,893	100.0%

SOURCE: U.S. CENSUS, 1990, 2000, AND 2010

* INCLUDES AMERICAN INDIAN, ESKIMO, AND ALEUT

** INCLUDES JAPANESE, CHINESE, FILIPINO, KOREAN, ASIAN-INDIAN, VIETNAMESE, THAI, AND OTHER ASIAN

*** INCLUDES POLYNESIAN, HAWAIIAN, SAMOAN, TONGAN, GUAMANIAN, AND OTHER PACIFIC ISLANDER

**** DATA NOT INCLUDED IN 1990 CENSUS

HOUSEHOLD INCOME

The estimated median household income for Lafayette was \$134,871 in 2011 (the most recent year for which data are available) compared with \$79,135 for Contra Costa County (see Table 5). As shown in the table, in constant 2011 dollars, the median income has actually dropped in Lafayette, though less than the County as a whole; at least some of this decline can be attributed to the recession. Available data indicate the differences in income levels between Lafayette and the County will continue, with incomes in Lafayette remaining substantially higher.

TABLE 5 - MEDIAN HOUSEHOLD INCOME: LAFAYETTE AND CONTRA COSTA COUNTY, 2000 AND 2011 (IN 2011 DOLLARS)

County/City Name	2000 (1999 dollars)	2000 (2011 dollars)*	2011 (estimate) (2011 dollars)	Percent Change - 2000 to 2011
Contra Costa County Total	\$63,675	\$85,961	\$79,135	-7.9%
Lafayette	\$102,107	\$137,844	\$134,871	-2.2%

SOURCE: US CENSUS, 2000 CENSUS, 2007-2011 American Community Survey (ACS) (5-year estimates)

The median household income observed in the City has important effects on housing demand. The higher income households will be able to afford new housing built in the community. These households will also be able to afford to renovate and repair many of the City's existing older

single-family homes. It will continue to be necessary, however, to maintain incentives for the construction of additional housing units affordable to lower-income households, given the rapid increase in the cost of housing that has occurred throughout the Bay Area.

EMPLOYMENT PROJECTIONS 2000 TO 2040

In its Projections 2013, ABAG estimates that the total number of jobs in Lafayette will increase by 25.1% between the year 2010 and the year 2040. The largest increase in projected new jobs in the City is anticipated to be in the Health, Education and Recreation Services sector (34.2%), while Retail jobs will increase only by about 3%.

TABLE 6 - LAFAYETTE EMPLOYMENT PROJECTIONS, 2010 - 2040

Sector	2010	2040	Change, 2010 - 2040
Financial and Professional Services	2,993	3,794	26.8%
Retail	1,107	1,141	3.1%
Manufacturing/Wholesale/Transport	1,246	1,426	14.4%
Health/Education/Recreation	3,385	4,544	34.2%
Other Jobs	2,042	2,512	23.0%
Total	10,773	13,417	24.5%

SOURCE: ABAG'S MAY 2012 JOBS HOUSING CONNECTION STRATEGY AND PROJECTIONS 2013

NOTE: PROJECTIONS APPLY TO CITY AND ITS SPHERE OF INFLUENCE

A stronger increase in employment is projected by ABAG for Contra Costa County as a whole, which is anticipated to have a 35.5% increase in employment between 2010 and 2040. Although there may be variations among projected growth in employment between Lafayette and the County, the significance of these projections is that they indicate that an important structural change in the local economy is taking place. Future job creation is becoming increasingly based on the growth of the service sectors, rather than on the growth of the manufacturing industry.

The projected increase in employment will affect the balance between jobs and housing. At present there are almost as many jobs as there are employed persons (0.98 jobs to every employed resident), up from 0.84 in 2000. Still, some proportion of employed residents commute to work outside the City. Increasing the number of jobs, particularly in the retail and service sectors, may result in an increased demand for affordable housing.

HOUSING CHARACTERISTICS

One measure of housing condition is the age of housing. As summarized in Table 7, the older the unit, the greater it can be assumed to be in need of some level of rehabilitation. A general rule in the housing industry is that structures older than 20 years begin to show signs of deterioration and require renovation to maintain their quality. Unless properly maintained, homes older than 50 years can pose health, safety and welfare problems for occupants.

Consistent with State law, Table 7 estimates the number of units in need of rehabilitation and the number of units needing replacement. Although the exact number of Lafayette units in need of rehab is not currently known, the State accepts estimates based on a formula that assumes the older the unit, the more likely the rehab need. By applying an increasing percentage to the housing stock in each age category, it is estimated that there are approximately 839 units in need of some level of rehabilitation in Lafayette, representing 9.1% of the housing stock. The range of rehabilitation needs can include anything from minor repairs to major structural replacements. It is estimated that nearly all of the units in need of rehabilitation can be repaired without replacement.

TABLE 7 - AGE OF HOUSING STOCK AND ESTIMATED REHABILITATION NEEDS, 2013

	Net Number of Units	Percent of Total	Units Needing Rehab, Percent	Units Needing Rehab, Total	
Built 2010 to 2013	76	0.8%			
Built 2000 to 2009	188	2.0%			
Built 1990 to 1999	263	2.8%	0.5%	1	
Built 1980 to 1989	630	6.7%	1%	6	
Built 1970 to 1979	1,477	15.7%	3%	44	
Built 1960 to 1969	1,968	20.9%	5%	98	
Built 1950 to 1959	3,212	34.1%	10%	321	
Built 1940 to 1949	1,154	12.2%	20%	231	
Built 1939 or earlier	456	4.8%	30%	137	
	9,424	100.0%		839	Total Units Needing Rehab
				9.1%	Percentage of Total Units
			99.50%	835	Units that can be repaired
			0.50%	4	Units that must be replaced

SOURCE: 2010 CENSUS AND STATE DEPARTMENT OF FINANCE DATA, 2013; CITY OF LAFAYETTE PLANNING AND BUILDING DEPARTMENT, 2013

Census tract data reveals that older housing stock is located east of Pleasant Hill Road, east of Moraga Road and south of Mt. Diablo Blvd., and certain areas north of Deer Hill Road. According to Lafayette’s Code Enforcement Officer, the vast majority of housing is in good condition and most of the complaints he processes are related to illegal vehicles, the accumulation of junk and debris and lack of property upkeep and maintenance.

The Contra Costa County Property Conservation Department provides enforcement services for Lafayette related to building and housing code issues. According to its records, the Department issued notices to comply for one complaint related to expired permits with hazardous conditions present in 2009; one notice to comply to provide pool safety and security measures in 2010; one notice to comply for unsafe structural support within an apartment building in 2011 and five notices to comply for an illegal second unit, substandard building conditions, outdoor lighting without permits, residential work without permits, and improper storage of recreational vehicle in 2012. Despite the age of the houses in these areas (fifty years or older) most of the homes are well maintained. This is due to the high mean household income and high mean home value that allows property owners to afford to renovate or repair their homes. Property owners are also generally responsive when informed of code violations.

Since Lafayette is a predominantly residential community, the existing housing stock defines the character of the City and its neighborhoods. There are several policies in the Housing Element, which continue to promote the maintenance, enhancement and protection of residential neighborhoods.

ANNUAL CONSTRUCTION OF HOUSING UNITS BY TYPE 1980 – 2013

Fluctuations in the type of housing built reflect not only the relative amount of land zoned for different types of residential development in the City, but also changes in various economic factors such as tax codes and the real estate and financial markets. Table 8 indicates single- and multi-family home construction in Lafayette during the period 1980-2013.

TABLE 8 - ANNUAL CONSTRUCTION OF HOUSING UNITS BY TYPE IN LAFAYETTE, 1980 TO 2013

Year	Single Family Units	Multi-family Units	Total Housing Increase	Demo-litions	Net Housing Increase	Year	Single Family Units	Multi-family Units	Total Housing Increase	Demo-litions	Net Housing Increase
1980	35	0	35	0	35	1997	35	0	35	0	35
1981	40	4	44	1	43	1999	29	0	29	0	29
1982	21	3	24	0	24	2000	29	75	104	0	104
1983	31	0	31	0	31	2001	19	0	19	18	1
1984	33	32	65	1	64	2002	21	11	32	19	13
1985	31	0	31	0	31	2003	20	0	20	12	8
1986	57	16	73	6	67	2004	8	9	17	6	11
1987	54	0	54	8	46	2005	23	0	23	3	20
1988	61	8	69	7	62	2006	18	0	18	11	7
1989	40	0	40	6	34	2007	23	0	23	5	18
1990	23	13	36	9	27	2008	16	0	16	10	6
1991	25	0	25	14	11	2009	8	0	8	5	3
1992	17	0	17	7	10	2010	6	0	6	3	3
1993	13	0	13	0	13	2011	6	1	7	5	2
1994	16	5	21	0	21	2012	16	47	63	6	57
1995	21	6	27	0	27	2013	23	54	77	3	74
1996	21	0	21	0	21	TOTAL	839	284	1,123	165	958

SOURCE: CITY OF LAFAYETTE PLANNING AND BUILDING DEPARTMENT, 2013

As shown in the table above, the majority of new housing construction during the period 1980-2013 was single-family units. The rate of construction has declined since the 1980s, in large part due to the lack of larger tracts of land available for subdivision.

HOUSING TYPES AND TENURE

Tables 9 and 10 present information on housing types and tenure in Lafayette. Lafayette remains a predominantly single-family residential community, with a high rate of owner-occupied dwellings. According to the State Department of Finance (DOF) and U.S. Census data

for 2010, it is estimated that 82.0% of the city's total housing units are single-family and 75.2% are owner-occupied.

TABLE 9 - NUMBER OF HOUSING UNITS BY TYPE, 1990-2010

Type of Housing	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Single-Family	7,687	83.2%	7,886	83.2%	7,910	82.0%
Multi-Family	1,544	16.7%	1,586	16.7%	1,733	18.0%
Mobile Home or Trailer	7	0.1%	5	0.1%	8	0.1%
Total Housing Units	9,238	100.0%	9,477	100.0%	9,651	100.0%

SOURCE: 1990, 2000 AND 2010 CENSUS, DEPARTMENT OF FINANCE 2013

TABLE 10 - HOUSING TENURE, 1990 - 2010

Tenure	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,854	76.4%	7,024	76.7%	6,937	75.2%
Renter-Occupied	2,122	23.6%	2,128	23.3%	2,286	24.8%
Total Occupied	8,976	100.0%	9,152	100.0%	9,223	100.0%

SOURCE: 1990, 2000 AND 2010 CENSUS, DEPARTMENT OF FINANCE 2013

Data from the 2010 Census and the California Department of Finance indicate that the vacancy rate has risen since 2000. In 2000, the homeowner vacancy rate was 0.4% and the rental vacancy rate was 1.9%. According to the Census and DOF, the homeowner vacancy rate in 2010 was 0.8% -- still quite low -- and the rental vacancy rate was 5.7%. An overall vacancy rate of at least 4% is generally acceptable to provide for normal turnover in housing units. Lafayette's vacancy rate indicates a strong demand for all types of housing, particularly owner-occupied units.

INCOME CATEGORIES

Every year, the US Department of Housing and Urban Development, in conjunction with the State of California, establish income categories based on the median income in each county. Based on new requirements for the completion of the Housing Element, jurisdictions must now report on the following categories of income:

- Extremely Low Income: 0-30% of Median Family Income, or MFI
- Very Low Income: 30-50% MFI
- Low Income: 50-80% MFI
- Moderate Income: 80-120% MFI
- Above Moderate Income: 120%+ MFI

Based on data from 2013, the following table illustrates the income categories for Contra Costa County. The median income for a family of four is \$93,500.

TABLE 11 - INCOME LIMITS, 2013

Income Category	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low Income (0-30% MFI)	\$19,650	\$22,450	\$25,250	\$28,050	\$30,300	\$32,550	\$34,800	\$37,050
Very Low Income (30-50% MFI)	\$32,750	\$37,400	\$4,210	\$46,750	\$50,500	\$54,250	\$58,000	\$61,750
Low Income (50-80% MFI)	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450
Median Income (100% MFI)	\$65,450	\$74,800	\$84,150	\$93,500	\$101,000	\$108,450	\$115,950	\$123,400
Moderate Income (80-120% MFI)	\$78,550	\$89,750	\$101,000	\$112,200	\$121,200	\$130,150	\$139,150	\$148,100

SOURCE: STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, INCOME LIMITS 2013

Although not all data is available according to these classifications (especially extremely low-income), this Housing Element will provide as much information as possible on these various groups. The following table presents the distribution of households by these income categories in Lafayette for both 1990 and 2000, with the figure estimated for 2010.

TABLE 12 - DISTRIBUTION OF LAFAYETTE HOUSEHOLDS BY INCOME CATEGORY, 1990-2010

INCOME CATEGORY	1990		2000		2010 (estimated)	
	NUMBER OF HHs	%	NUMBER OF HHs	%	NUMBER OF HHs	%
Extremely Low Income HHs (0-30% MFI)	n/a		424	4.7%	400	4.6%
Very Low Income HHs (30-50% MFI)	n/a		309	3.4%	555	6.3%
<i>Very Low TOTAL (0-50% MFI)</i>	<i>1,174</i>	<i>13.0%</i>	<i>733</i>	<i>8.2%</i>	<i>955</i>	<i>10.9%</i>
Low Income HHs (50-80% MFI)	813	9.0%	651	7.3%	605	6.9%
Median/Moderate Income HHs and Above (>80% MFI)	7,046	78.0%	7,592	84.6%	7,210	82.2%
TOTAL	9,033		8,976		8,770	

SOURCE: CHAS SPECIAL TABULATIONS OF CENSUS DATA, 1990 AND 2000; CENSUS ESTIMATES FOR 2010. INCLUDES OCCUPIED HOUSEHOLD DATA. HUD DATA DO NOT DISAGGREGATE MODERATE-INCOME HOUSEHOLDS AND ABOVE-MODERATE INCOME.

As shown above, the number of households earning very low-incomes declined between 1990 and 2000, but began rising by 2010. Additionally, the percentage share of median to moderate income and above has declined since 2000, to 82.2%. In 2010, it was estimated that of the 955 households earning incomes below 50% of the median, 51% (490) were owner-occupied households, while the remaining 49% (465) were renter-occupied households.

SPECIAL HOUSING NEEDS

Special Housing Needs: Seniors

A relatively large proportion (26.8%) of Lafayette's housing units are occupied by persons 65 years of age or older. Table 13 below shows senior citizen occupancy of owner- and renter-occupied housing units.

TABLE 13 - HOUSING UNIT TENURE BY AGE OF HOUSEHOLDER, 2010

Age of Householder	% Owner-Occupied	% Renter Occupied
Total Population	75.2%	24.8%
Age 65-74	90.6%	9.4%
Age 75-84	89.4%	10.6%
Age 85+	88.4%	11.6%

SOURCE: U.S. CENSUS 2010

There are 184 housing units and 17 memory care units set-aside exclusively for senior citizens in Lafayette. Based on the total number of units occupied by seniors (2,085 units), the dedicated units represent only a fraction of the demand senior citizens have for housing. This demand is primarily met by single-family homes purchased many years ago.

In 2008, the City of Lafayette partnered with Eden Housing, a nonprofit developer, to create a new independent living facility for extremely low-income and very low-income seniors. In addition to financial assistance to newly constructed 46-unit development, the City has provided several land-use benefits to the project, such as a density bonus, an increase to the maximum allowable height and a reduction in the parking requirements. This project provides a well-designed building on Mt. Diablo Boulevard in the Downtown area that includes a wide variety of amenities for its residents.

In addition, the City approved a density bonus for a new mixed-use senior housing development which is nearing completion. This was the first project approved under the Senior Housing Zoning Overlay, which allowed for reduced parking standards for the housing component. Through consolidation of six lots, the project provides 72 assisted living units for seniors and a 17-bed memory care facility. In addition to housing, the development provides a number of public and private amenities including ~6,000 sq. ft. of retail space along Mt. Diablo Boulevard, a large public courtyard, a senior shuttle, and an on-site movie theater, salon, fitness center, and dining facilities. The project also obtained a Silver Innovation award from National Association of Home Builders in the 2013 Best of 50+ Housing Awards.

The State Department of Finance projects nearly a doubling in the number of seniors over age 65 in Contra Costa County between 2000 and 2020. Of the increase, 71% (almost 39,000 people) will be between the ages of 65 and 75 years. Lafayette is expected to experience a similar increase; many of the City's seniors will continue to live in their homes of long-standing. However, others will be prepared to give up the maintenance and expense of their homes while wishing to remain citizens of the community, while others will need to give up their homes for financial or other reasons. Lastly, middle-aged Lafayette householders will face the need to care for older parents and some will want them to live nearby. To address these conditions, this chapter provides opportunities for additional housing for seniors of all income categories. Three principal factors will affect the future number of senior housing and care facilities that can be built:

- a) Senior housing typically is denser than general multifamily housing, since seniors tend to live alone in smaller units and because they frequently do not have the space requirements that younger families might have. In addition, senior housing often has substantially less parking demand than other kinds of housing. Recognizing this, the City established the Senior Housing Zoning Overlay in 2010 which encourages the construction of a variety of senior housing types and grants flexibility in parking and other development standards for senior housing projects.
- b) There has been decreasing Federal and State funding to provide additional affordable housing for seniors. In addition, the federal tax reform enacted in 1986 provides for the establishment of State caps for private activity bonds which will result in major reductions in the volume of tax-exempt bonds issued to finance single and multi-family housing in California.
- c) There are vacant bedrooms in the City; however, it is difficult to quantify accurately the number of such under-utilized housing units. The diminishing household size since the 1960s combined with the large number of existing single-family homes indicates that there could be a significant source of additional housing for seniors dispersed throughout existing neighborhoods.

Programs to assist seniors who wish to continue living in their own homes not only provide important psychological and social benefits, but also reduce the need to build additional housing. Examples of such programs include low interest loans to qualifying seniors for maintenance and repair of their homes and matching seniors with spare capacity in their homes with other seniors looking for housing.

A group of seniors in Lafayette and nearby Orinda and Moraga are in the process of establishing a virtual “senior village” for those residents who wish to remain in their own homes and communities as they age. Lamorinda Village is a nonprofit organization which will serve as a one-stop resource by providing transportation, health, legal, financial and other assistance to its members. Enrollment is expected to begin in 2015.

Special Housing Needs: Disabled Persons

The number of disabled persons in a city has important planning and social implications and will affect the demand for specialized handicapped access and transportation facilities, and certain social services, in addition to specialized housing.

The US Census collects information on disabled people based on a number of factors, including employment and type of disability. Just 5.8% of the noninstitutionalized population over the age of five is disabled in the City of Lafayette, compared with 10.5% and 10.7% for the County and State, respectively. Two percent of the employed population is disabled, whereas 8% of the population that is not participating in the labor force is disabled.

TABLE 14 – DISABILITY TYPE BY LABOR FORCE STATUS, PERSONS 18-64 YEARS OF AGE, 2011

Total Civilian Noninstitutionalized Population aged 18 to 64 Years	Number	Percent
Employed	9,951	
No Disability	9,776	98%
With a Disability	175	2%
With a hearing difficulty	48	27%
With a vision difficulty	44	25%
With a cognitive difficulty	26	15%
With an ambulatory difficulty	78	45%
With a self-care difficulty	15	9%
With an independent living difficulty	0	0%
Not in the Labor Force	3,328	
No Disability	3,071	92%
With a Disability	257	8%
With a hearing difficulty	72	28%
With a vision difficulty	0	0%
With a cognitive difficulty	132	51%
With an ambulatory difficulty	139	54%
With a self-care difficulty	67	26%
With an independent living difficulty	97	38%

SOURCE: US CENSUS, 2009-2011 AMERICAN COMMUNITY SURVEY (ACS) (3-YEAR ESTIMATES)

NOTE: PERCENTAGES MAY TOTAL MORE THAN 100% IF INDIVIDUALS IDENTIFY WITH MORE THAN ONE CATEGORY.

A “developmental disability” is a condition that originates before an individual reaches age 18; continues, or can be expected to continue indefinitely; and constitutes a substantial impairment in three or more areas of major life activity. Developmental disabilities include mental retardation, epilepsy, cerebral palsy, autism, and disabling conditions closely related to mental retardation or requiring treatment similar to that required by people with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of the East Bay (RCEB) is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts

with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

The following information from the RCEB, charged by the State of California with the care of people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments provides a closer look at the disabled population. While not broken down by individual jurisdiction, it does provide a snapshot of persons needing access to services for people with developmental disabilities. One can surmise from the information on persons with cognitive disabilities above that the likely number of persons with development disabilities in the City of Lafayette is limited. According to the American Community Survey (2009-2013), there are approximately 375 persons in Lafayette described as having a cognitive disability.

TABLE 15 – CONSUMERS OF REGIONAL CENTER SERVICES AND LIVING SITUATION, 2013

County Name	Total	At home with Parent or Guardian	Community Care Facility	Independent Living	Intermediate Care Facility	SNF	Other
Contra Costa County	5,828	4,121	813	689	160	19	26
	100%	71%	14%	12%	3%	0%	0%
Bay Area Total	37,683	25,778	5,572	4,343	1,061	653	276
	100%	68%	15%	12%	3%	2%	1%

SOURCE: STATE OF CALIFORNIA, DEPARTMENT OF DEVELOPMENTAL SERVICES, "QUARTERLY CONSUMER CHARACTERISTICS REPORT INDEX BY COUNTY OF PHYSICAL PRESENCE FOR THE END OF JUNE 2013"

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. About 180 units are reserved for seniors and 15 units are reserved for disabled persons. Incorporating ‘barrier-free’ design in all, new multifamily housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

Lafayette is home to two long-standing institutions that serve the needs of the developmentally disabled. Las Trampas, Inc. supports adults with developmental disabilities to discover their capabilities and to lead full lives in their home, at work, and in the community. Las Trampas offers independent and supported living services and adult development programs. Futures Explored, Inc. provides life skills and work-related training to adults with developmental disabilities.

The affordability of housing for disabled people is an important concern in Contra Costa County, and within the City of Lafayette. Considering that the 2013 monthly Supplemental Security

Income (SSI) benefit, which provides monthly disability income for those who meet Social Security rules for disability and who have limited income and resources, is \$710 per month for an individual (down from \$870 in 2008), the ability for a disabled person on SSI to find affordable housing is extremely difficult, if not impossible. At this amount, the maximum rent a disabled person on SSI could pay is just \$213 per month (30% of the monthly income, according to HUD rules).

In order to assist in the housing needs for persons with developmental disabilities, the City will consider implementing programs to coordinate housing activities and outreach with the Regional Center and its partners and Las Trampas and Futures Explored, encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, including persons with developmental disabilities, and pursue funding sources designated for persons with special needs and disabilities.

Special Housing Needs: Single-Parent Households

According to the 2010 Census, Lafayette has a total of 924 family households with one head-of-household, of which more than 70% are headed by a female with no husband present. The 924 single-parent households represent 13.6% of the 6,795 family households in Lafayette. Although 2010 data are not available by tenure, the following table illustrates the breakdown of these statistics for 2000.

TABLE 17 - SINGLE-PARENT HOUSEHOLDS IN LAFAYETTE, 2000

	Owner-Occupied		Renter-Occupied		Total Households	
	Households	Percent	Households	Percent	Households	Percent
Male-Headed Households	137	27%	84	27%	221	27%
<i>with children</i>					124	
<i>without children</i>					97	
Female-Headed Households	372	73%	226	73%	598	73%
<i>with children</i>					384	
<i>without children</i>					214	
TOTAL	509	100%	310	100%	819	100%

SOURCE: U.S. CENSUS 2000, SPECIAL TABULATIONS (CHAS DATABOOK)

Female-headed households are likely to have greater demand than two-parent households – or male-headed households -- for childcare and other social services. There is an obvious need for more affordable housing for this sector of the community. The waiting list for Section 8 housing at the Contra Costa County Housing Authority (CCCHA) was over 4,000 persons in 2008, more than 40% of whom represented female-headed households.

Special Housing Needs: Large Households

HUD defines a large family as one with five or more members. The 2010 Census data reported 751 households in Lafayette with five persons or more, or about 8% of the total households in

the City. Eighty-eight percent of the large households live in owner-occupied dwelling units (see Table 18).

TABLE 18 - LARGE HOUSEHOLDS, 2010

Large Households-Owner Occupied		Large Households- Renter Occupied		Total Large Households	
Households	Percent	Households	Percent	Households	Percent
658	88%	93	12%	751	100%

SOURCE: US CENSUS, 2010

The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. Overcrowding is strongly related to household size, particularly for large households and especially very large households and the availability of suitably sized housing. Overcrowding impacts both owners and renters; however, renters are generally more significantly impacted.

While family size and tenure are critical determinants in overcrowding, household income also plays a strong role in the incidence of overcrowding. As a general rule, overcrowding levels tend to decrease as income rises, especially for renters. The rate of overcrowding for very low-income households is generally nearly three times greater than households over 95% of the area median income. As with renters, owner households with higher incomes have lower rates of overcrowding.

Households in Lafayette tend to be somewhat larger than in the San Francisco Bay Area as a whole. While some large families may be subject to overcrowding, there is generally little overcrowding in Lafayette. According to the American Community Survey (2011), which replaces certain features of the Census, there are an estimated 61 households in Lafayette that are considered overcrowded, representing 0.7% of all occupied households. Although data for 2011 are not broken down between owners and renters, it is likely that renter households are more impacted by overcrowding than owners, based on findings from 2000. In contrast, the same data suggest that overcrowding in the County as a whole is more common; about 4% of all County households are overcrowded, of which about 20% are severely overcrowded.

TABLE 19 - OVERCROWDED HOUSING UNITS, LAFAYETTE, 2000 - 2011

	2000				2011 (estimated)	
	Owner-Occupied	Renter-Occupied	Total	Percent	Total	Percent
Not Overcrowded (<1.0 persons per room)	6,809	2,093	8,902	98.6%	8,645	99.3%
Overcrowded (1.01>1.5 persons per room)	28	62	90	1.0%	61	0.7%
Severely Overcrowded (>1.5 persons per room)	9	29	38	0.4%	0	0.0%
TOTAL	6,846	2,184	9,030		8,706	

SOURCE: 2000 CENSUS AND 2011 AMERICAN COMMUNITY SURVEY

Though 1.00 persons per room is a general measure of overcrowding, the actual level of perceived overcrowding will vary according to household size and structure. Houses with fewer rooms and non-related adult residents may seem more overcrowded, based on the 1.00-person-per-room standard, than larger, family households. According to the 2011 American Community Survey, most housing units (93%) in Lafayette have four or more rooms. Consequently, the 1.00-person-per-room overcrowding standard may represent relatively less perceived overcrowding in Lafayette than in other Bay Area communities.

In addition to overcrowding, large households also often have a cost burden, which means spending more than 30% of their income for housing. Households that spend more than 50% of their income are considered to have a severe cost burden. In Lafayette, the vast majority of large households that pay too much for housing are lower-income owner households. Although this is principally because there are very few large renter households, there are disproportionately fewer large renter households than large owner-occupied households.

Special Needs: Homeless

Accurate information on the number of homeless persons in Lafayette is difficult to obtain as people often move from place to place every night. Lafayette Police Department personnel indicate that they occasionally encounter transients but they tend to be persons who have arrived in Lafayette via public transportation and are not from Lafayette.

Project HOPE is a homeless outreach project to homeless encampments (locations where homeless persons gather) and serves people experiencing homelessness and co-occurring disorders (including mental health, substance abuse, and medical problems) throughout Contra Costa County. During the period January 2009 to July 2014, there were 1,833 people who contacted Project HOPE for services in the City of Lafayette. Major needs of the callers included anxiety issues, bereavement services, psychiatric services, relationship issues, depression issues, loneliness, child abuse, suicidal tendencies, and homeless services.

The Contra Costa Inter-jurisdictional Council on Homelessness (CCICH) is charged with providing a forum for communication about the implementation of Contra Costa County's Ten Year Plan to End Homelessness and providing advice and input on the operations of homeless services, program operations, and program development efforts in Contra Costa County. The CCICH Executive Committee is an Advisory Board to the Contra Costa Board of Supervisors in issues relating to homelessness.

CCICH has provided information for each jurisdiction in the County for use in their Housing Elements relating to the analysis of the need for emergency shelter and estimate of the daily average number of persons lacking permanent shelter. This information includes:

- Homeless population estimates
- Unmet need
- Data methodology
- Inventory of existing shelters, transitional housing and permanent supportive housing

After considering the strengths and shortcomings of each source of data, the subcommittee addressing these issues determined that the bi-annual Homeless Count results and outreach data are the most accurate and useful sources of information. Additionally, as required by the federal government in order to receive a variety of homeless funds, this Homeless Count is conducted biannually. According to the 2011 Homeless Count, there were 9 homeless persons identified within Lafayette who are unsheltered, as compared with 23 in 2009. In 2013, no homeless persons were identified in the Homeless Count in Lafayette.

While this point-in-time data is useful, it does not give much information about the circumstances in which these individuals found themselves to be homeless. As of this writing, no further information – such as the number of persons who are single or in families, those with mental health concerns or alcohol/drug addiction issues, etc. – is available.

The Ten-Year County Plan describes three different kinds of homeless people, each with their own set of needs. Although this information addresses Countywide homeless concerns, it is relevant for Lafayette in terms of what kind of programs and housing may be provided within the City.

Chronically Homeless: In 2013 this category was estimated to include 1,200 people, about 30% of the population that is homeless on any given night. They are severely disabled with a mental health condition, physical illness or substance abuse problem, and they have been homeless for a year or longer or have had at least four episodes of homelessness in the last three years. They are the most visible segment of the homeless population and the focus of community frustration due to their ongoing habitation of public places and their non-conforming behavior. Though a small percentage of the overall yearly homeless population, chronically homeless people use the majority of resources within the homeless service system and are costly to mainstream systems because of frequent interactions with hospitals, mental health crisis services, detox programs, and the criminal justice system. Because the services they receive tend to be fragmented and accessed only in crisis, their high service usage does not translate into long term gains in stability, but often reinforces their alienation and distrust of the service system.

Discharged Into Homelessness: These are people who are released from public institutions directly to the streets or shelters. These institutions include the foster care system, jails and prisons, mental health programs, drug and alcohol programs, and hospitals. Too often these systems do not engage in pre-release permanent housing planning to ensure that those discharged have stable housing and are linked to necessary services to ensure their ongoing stability and facilitate their transition back into the community. Individuals who have serious disabilities and who are discharged without receiving appropriate assistance often become part of the costly chronic homeless population.

Transitionally Homeless: Past studies have shown that almost 90% of those who experience homelessness each year are experiencing a first or second episode of homelessness which

typically lasts less than one year. An estimated two-thirds of this sub-population lives in family households. Typically, a job loss, illness or eviction causes them to lose their housing. Unable to find other housing that is affordable and/or resolve their lack of income, they become homeless.

The homeless count conducted on in January 2013 found 3,798 homeless persons in Contra Costa County, 1,350 of which were living outdoors and the rest in shelters or transitional housing, and utilizing soup kitchens and other programs serving the homeless. Of the people found in programs, 858 were members of homeless families, 1,161 were single adults, 11 were unaccompanied minors, and 201 were transition age youth (ages 18-24, a new federal category). These overall statistics are drastically reduced from the 2005 homeless count, where more than 7,000 total homeless people were found, and represent a significant drop from 2011. Countywide, the homeless count found the following sub categories of persons.

- Chronically Homeless Families- 68, of which 45 were sheltered
- Chronically Homeless Individuals- 1,092, of which 512 were sheltered
- Severely Mentally Ill - 713
- Chronic Substance Abuse - 851
- Veterans – 277
- Female Veterans -- 12
- Persons with HIV/AIDS - 26
- Victims of Domestic Violence - 447

Some of the homeless population include people suffering from mental illness and other chronic disabilities who have become an ongoing presence in our city centers, parks and open spaces. Others are not so visible, but still in need of assistance — disadvantaged youth discharged from the foster care system with nowhere to go; single mothers with children, recently divorced or fleeing a situation of domestic violence; and low income single adults and families without savings to help them weather an unexpected job loss, illness or eviction. In addition, an estimated 23,000 households in Contra Costa County have extremely low incomes and are at-risk of homelessness, paying an excessive portion of their income for rent. An unexpected job loss, illness or eviction can put them in the streets since their high rents preclude them from accumulating a savings cushion to protect themselves.

Special Housing Needs: Farmworkers

There are no farmworkers in Lafayette, and the city is located in a largely urbanized area of Contra Costa County. Consequently, farm worker housing needs are not expected to be an issue in Lafayette.

HOUSING COSTS AND AFFORDABILITY

The National Association of Homebuilders reports that California cities have the lowest homeowner affordability rates in the country, defined as the percentage of homes affordable to the median income family. Despite the high median incomes, especially in the Bay Area, many cannot afford the cost to purchase a home. The Oakland Metropolitan Division, of which Lafayette is a part, ranked 198th out of 222 metropolitan areas studied in the first quarter of 2013; San Francisco, not surprisingly, is the least affordable area in the State.

TABLE 22 - HOUSING AFFORDABILITY INDEX, SELECTED CALIFORNIA MSA'S, FIRST QUARTER 2013

	Homes Affordable to Median Income Households	Median Family Income (1,000s)	Median Sales Price (1,000s)	National Affordability Rank
San Francisco-San Mateo-Redwood City, CA*	28.9%	102.0	675	222
Santa Ana-Anaheim-Irvine, CA*	35.8%	84.5	497	220
Santa Cruz-Watsonville, CA	37.1%	73.8	426	219
Los Angeles-Long Beach-Glendale, CA*	39.9%	64.2	351	218
San Jose-Sunnyvale-Santa Clara, CA	43.3%	101.3	550	217
San Diego-Carlsbad-San Marcos, CA	46.6%	72.3	360	214
Santa Rosa-Petaluma, CA	54.0%	74.9	341	208
Oakland-Fremont-Hayward, CA*	65.8%	92.6	339	198

* Indicates Metropolitan Divisions. All others are Metropolitan Statistical Areas (MSA's).

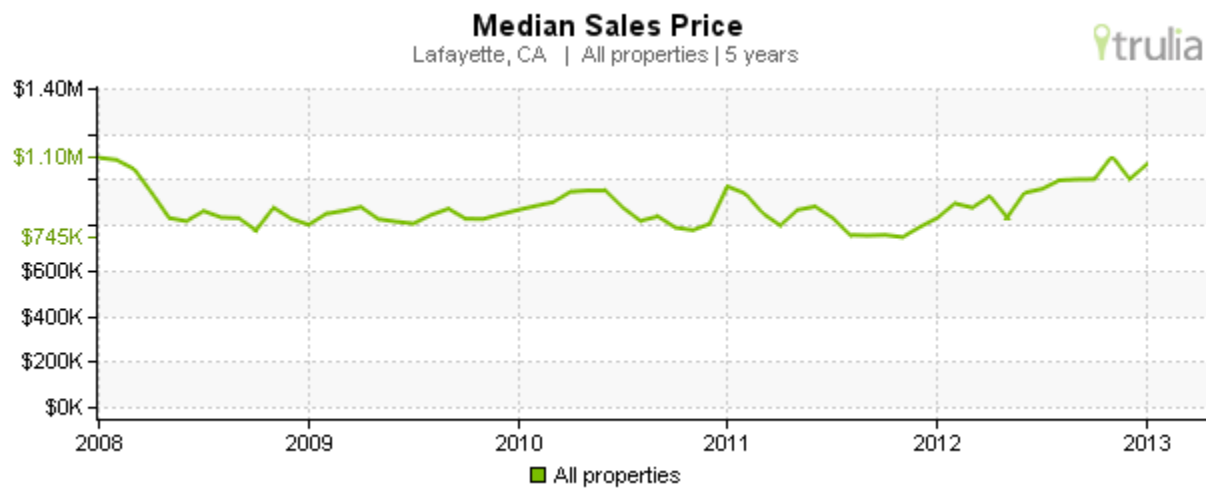
SOURCE: National Association of Homebuilders, 2013

As shown earlier, overpayment for housing is a considerable problem for various special needs groups, but impacts the general population as well. According to the U.S. Census Bureau's American Community Survey (ACS) five-year estimates (2006-2010), 1,760 households are paying between 30% and 50% of household income on housing, and another 1,355 pay more than 50% of household income. Together, this represents 36% of all households in Lafayette. Both owners and renters at the lowest incomes pay more for housing, as a percentage of their household income, than do their higher income counterparts.

In Lafayette, sales prices for single family detached and condominiums/ townhouses have increased over the past several years. According to the Contra Costa Association of Realtors, in 2007, the median price of a single family detached home was \$1,100,000. In 2013, the median price had increased slightly to \$1,151,250, an increase of 4.6%. The situation for condos and townhouses was similar. In 2007, the median sales price was \$594,000 and in 2013, it had increased by 3.7% to \$616,000. During the period between 2007 and 2013, the country was deep in a recession, and housing prices dropped substantially, including in Lafayette.

Trulia -- an online residential real estate site for homebuyers, sellers, renters and real estate professionals -- also provides statistics based on actual sales of housing by location. Although this data is not available by housing type (single family versus condo), it does give a general

sense of the market for all housing types over the past five years. After several years of recession, housing prices are beginning to pick up again.



SOURCE: Trulia, 2013

The high cost of housing means that people wanting to own a home in Lafayette must have significant incomes, even for the relatively less expensive condos. The following table shows how much a household must earn annually in order to be able to afford the median priced home in Lafayette in 2013.

TABLE 23 - OWNERSHIP AFFORDABILITY, 2013

	Median Sales	Estimated Annual Expenses	Income Needed to Afford
Single-Family	\$1,151,250	\$74,815	\$187,038
Condo	\$616,000	\$42,355	\$105,888

SOURCE: CONTRA COSTA ASSOCIATION OF REALTORS, 2013¹

The decreasing supply of affordable rental units is a countywide phenomenon; it can include Ellis Act evictions (where an owner of a rental property decides to leave the rental business) to owner move-in evictions. Until additional construction of rental units occurs, the combination of strong demand and low vacancies will contribute to an increasingly severe shortage of rental units and a decrease in their affordability.

The following table illustrates the affordable rents associated with each income category. In the case of an extremely low-income household of two people (for example, a single parent with a child), the annual income of \$22,450 translates to a full time job paying \$10.80 per hour. In this scenario, the maximum rent they could afford would be about \$561 per month – far below average rents in the area, even for studios.

¹ Estimated annual expenses based on 1.1% of sales price; monthly mortgage costs at 4.5% interest over 30 years; affordable housing costs calculated at 40% of annual income.

TABLE 24 - RENTAL AFFORDABILITY, 2013

Income Category	Percent of Median	Income Limit (Two-Person Household)	Affordable Rent
Extremely Low-Income	30%	\$22,450	\$561
Very Low-Income	50%	\$37,400	\$935
Low-Income	80%	\$53,000	\$1,325
Median-Income	100%	\$74,800	\$1,870
Moderate-Income	120%	\$89,750	\$2,244

SOURCE: LAFAYETTE DEPARTMENT OF PLANNING AND BUILDING, 2013

Through its Section 8 and other housing programs, HUD provides rental housing assistance to low-income households. According to the Contra Costa County Housing Authority, 46 households in Lafayette currently receive Section 8 rental assistance, in the form of Housing Choice Vouchers. Of these, 35 include one or more persons with a disability. Two properties -- Chateau Lafayette (66 units) and Town Center (15 units) -- are potentially at risk of conversion in the next ten years. An analysis of the conversion risk can be found further in this Element.

REGIONAL HOUSING NEEDS ALLOCATION

The Regional Housing Needs allocation process is a State mandate, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the State. Each jurisdiction in the Bay Area (101 cities, 9 counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is allocated by the California State Department of Housing and Community Development (HCD), and finalized through negotiations with ABAG.

According to ABAG, the regional housing need is determined by estimating both the existing need and the projected need for housing. Existing need is the amount of housing needed to address existing overcrowding or low vacancy rates. Projected need relates to providing housing for the growing population. Using slightly different methods, both the State, through the State Department of Finance (DOF), and the region, via ABAG, estimate projected household growth. Since these numbers may differ, the State and the region work closely together to arrive at an agreed upon estimate of future population growth; therefore, housing need through 2022.

On July 19, 2013, the ABAG Executive Board adopted the final Regional Housing Need Allocation (RHNA) methodology for the period between 2014 and 2022. The RHNA methodology consists of two major steps: determining a jurisdiction's total RHNA and identifying the share of the jurisdiction's total RHNA in each income category. The following describes the components of the adopted RHNA Methodology.

Sustainability Component

This component advances the goals of SB 375; this factor is based on the Jobs-Housing Connection Strategy, which allocates new housing development into Priority Development Areas (PDAs) and non-PDA areas. By concentrating new development in PDAs, the Strategy helps protect the region's natural resources by reducing development pressure on open space, rural areas, and small towns. This allows the region to consume less energy, thus reducing household costs and the emission of greenhouse gases. Following the land use distribution specified in the Jobs-Housing Connection Strategy, 70% of the region's housing need as determined by the California Department of Housing and Community Development (HCD) will be allocated based on growth in PDAs and the remaining 30% will be allocated based on growth in non-PDA locations.

HCD determined that the housing need for the Bay Area region for 2014 to 2022 is 187,990 units. The sustainability framework of the PDAs is the basis for the Sustainable Communities Strategy (SCS) and the inclusion of this framework in the RHNA methodology promotes consistency between the two.

In July 19, 2012, the Jobs-Housing Connection Strategy was modified to include a feasible growth concentration scenario that was applied to the 2014-2022 RHNA cycle. This new distribution shifted approximately 3,500 units (1.5 percent of the total regional allocation) from Oakland, Newark, San Jose, and the North Bay primarily to medium sized cities with high job growth and transit access.

Fair Share Component

According to ABAG, this component achieves the requirement that all cities and counties in California work to provide a fair share proportion of the region's total and affordable housing need. In particular, cities with strong transit networks, a high number of jobs, and that permitted a low number of very low- and low-income units during the 1999-2006 RHNA cycle received higher allocations. The Fair Share Component includes the factors listed below:

- *Upper Housing Threshold:* If growth projected by the Jobs-Housing Connection Strategy in a jurisdiction's PDAs meets or exceeds 110 percent of the jurisdiction's household formation growth, that jurisdiction is not assigned additional units. This ensures that cities with large PDAs are not overburdened. In addition, the total allocation to a jurisdiction cannot exceed 150 percent of its 2007-2014 RHNA.
- *Minimum Housing Floor:* Jurisdictions are assigned a minimum of 40 percent of their household formation growth. Setting this minimum threshold ensures that each jurisdiction is planning for housing to accommodate at least a portion of the housing need generated by the population within that jurisdiction.
- *Fair Share Factors:* The following three factors were applied to a jurisdiction's non- PDA growth:

- *Past RHNA Performance:* Cities that permitted a high number of housing units for very low- and low-income households during the 1999-2006 RHNA cycle received a lower allocation.
- *Employment:* Jurisdictions with a higher number of existing jobs in non-PDA areas (based on 2010 data) received a higher allocation.
- *Transit:* Jurisdictions with higher transit frequency and coverage received a higher allocation.

Income Allocation

The income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. For example, jurisdictions that already supply a large amount of affordable housing receive lower affordable housing allocations. This also promotes the state objective for reducing concentrations of poverty and increasing the mix of housing types among cities and counties equitably. The income allocation requirement is designed to ensure that each jurisdiction in the Bay Area plans for housing people of every income.

The income distribution of a jurisdiction’s housing need allocation is determined by the difference between the regional proportion of households in an income category and the jurisdiction’s proportion for that same category. Once determined, this difference is then multiplied by 175 percent. The result becomes that jurisdiction’s “adjustment factor.” The jurisdiction’s adjustment factor is added to the jurisdiction’s initial proportion of households in each income category. The result is the total share of the jurisdiction’s housing unit allocation for each income category.

Sphere of Influence Adjustments

Every city in the Bay Area has a Sphere of Influence (SOI) which can be either contiguous with or go beyond the city’s boundary. The SOI is considered the probable future boundary of a city and that city is responsible for planning within its SOI. The SOI boundary is designated by the county’s Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts in these areas.

The method for allocating housing need for jurisdictions where there is projected growth within the SOI varies by county. In Napa, San Mateo, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI is assigned to the cities. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI is assigned to the county. In Marin County, 62.5% of the allocation of housing need generated by the unincorporated SOI is assigned to the city and 37.5% is assigned to the county.

The following table illustrates the housing allocation figures for the City of Lafayette for the period 2014-2022.

TABLE 25 - ABAG REGIONAL HOUSING NEED ALLOCATION, LAFAYETTE, 2014-2022

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
400	138	78	85	99	50
	35%	20%	21%	25%	

SOURCE: ABAG, 2013

In addition, State Housing Element Law requires that jurisdictions provide for the needs of residents considered to be extremely low-income, defined as households earning less than 30% of median income. According, the need allocation is further disaggregated as follows:

TABLE 26 - ABAG REGIONAL HOUSING NEED ALLOCATION WITH EXTREMELY LOW-INCOME DISAGGREGATED, LAFAYETTE, 2014-2022

Total Projected Need	Extremely Low	Very Low	Low	Mod	Above Mod	Average Yearly Need
400	69	69	78	85	99	50
	17%	17%	20%	21%	25%	

SOURCE: ABAG, 2013

SHELTER NEEDS

There are no emergency shelters or transitional housing facilities located in Lafayette; however, there are several programs and agencies serving Lafayette and central Contra Costa County for those in need. One of the major agencies is the Contra Costa Crisis Center-Homeless Services. This agency conducts the intake and assessment of people to the county’s shelters. They also provide other services such as food, job training and laundry facilities as well as providing emergency lodging vouchers to at risk individuals and families. Shelter, Inc. is a non-profit organization providing short-term transitional housing programs to homeless individuals and families and information on emergency shelters, government assistance, emergency food services, medical care, and rental assistance programs.

Despite programs to aid the homeless, the magnitude of this problem far exceeds the resources of local government, particularly smaller cities. The City in general supports “Ending Homelessness in Ten Years: A County-Wide Plan for the Communities of Contra Costa County” (Ten Year Plan).

Through the Ten Year Plan, the County has adopted a “housing first” strategy, which works to immediately house a homeless individual or family rather than force them through a sequence of temporary shelter solutions. The Ten Year Plan further deemphasizes emergency shelters by supporting “interim housing” as a preferred housing type. Interim housing is very short-term and focuses on helping people access permanent housing as quickly as possible. Services provided in interim housing include housing search assistance and case management to help

address immediate needs and identify longer-term issues to be dealt with once in permanent housing.

To determine the amount of unmet need for emergency shelter, transitional housing and permanent supportive housing, researchers compared the results of the Homeless Provider Survey to the data specific to the number of persons living on the streets: the January 2007 unsheltered homeless point-in-time count and Project HOPE outreach team data. Statewide and national data were then considered regarding homeless people and their needs. Researchers compared the difference between total homeless persons and housing inventory to determine the unmet need. In the final analysis, the unmet need was divided between emergency and permanent supportive housing, with the vast majority of the unmet need going to permanent supportive housing, consistent with the Housing First strategy. Additionally, there is no unmet need for transitional housing.

Consistent with the Ten Year Plan, the City will prioritize the use of its limited housing development resources to support permanent housing affordable to those with extremely-low, very-low and low incomes. The City, however, has complied with the Housing Element Law regarding the identification of adequate sites to facilitate the development of emergency shelters and transitional housing with programs, which identify an area suitable for this use.

In 2013, the City approved a Zoning Ordinance Amendment to allow emergency shelters as a permitted use in the General Commercial District C-1 (Zoning Map symbol C-1). The C-1 Zoning District was selected as an appropriate location for such a facility because:

1. There are several underutilized sites within this district;
2. This area is centrally located and near public transit; and
3. All infrastructure, such as water, sewer, roads, and sidewalks, is in place.

An informal survey of a broad range of homeless shelters – from small shelters with fewer than 30 people to mass shelters for more than 200 people – indicates that the average square footage per homeless shelter client is approximately 150 square feet (gross). For comparison purposes, the City’s proposed senior housing overlay zoning ordinance calls for studios to be no less than 450 square feet; to accommodate a shelter of up to 30 clients, any site needs to roughly be able to accommodate ten studio apartments (150 SF X three clients = 450 SF; for 30 clients, multiply by ten). Considering that emergency shelters are arranged dormitory-style and not as housing units, the space needed to create a 30-bed shelter is significantly less than for traditional housing and as such, should easily be accommodated within the C-1 district.

The City included in its review of suitable locations for shelters ten discrete development sites, totaling more than ten and a half acres, within the C-1 zone. All of these sites are within the Redevelopment Area, and all are sites that are in the inventory of adequate sites for housing. The average size of these sites is 1.05 acres (aggregated), with the largest at 1.50 acres and the smallest at 0.60 acres. Within these aggregated sites, many individual sites are large enough to accommodate a small emergency shelter. Further, some individual sites are in common ownership and could also accommodate a shelter. This subset of sites – sites that do not need

lot consolidation in order to serve as a viable shelter location – includes nine sites, totaling 7.50 acres. The largest of these sites is 1.50 acres, the smallest is 0.4, and the average is 0.83 acres.

There are potentially other sites within the C-1 zone that could be used for this purpose, but this Housing Element only includes sites that have already been reviewed for their suitability as housing and/or mixed use development. Should any one of these sites be developed for a shelter rather than for permanent housing, the City will identify a replacement site of like kind consistent with the “no net loss” provisions of State Housing Element Law, as warranted. Conversely, if any of these sites are developed for non-shelter uses, the City will identify appropriate replacement sites. See the two related programs: Program H-2.4.3: RHNA Monitoring Program and Program H-3.6.2: Emergency Shelter Capacity Monitoring Program. Further, although the acres identified for the inventory overlap sites to accommodate emergency shelters, the site inventory identifies the potential for over 700 units, and therefore the City is confident there are sufficient sites to accommodate both the RHNA and emergency shelters.

PREVIOUS HOUSING ELEMENT

Prior to the 2011 Housing Element, the City of Lafayette's Housing Element was last revised in 2002. The Regional housing Allocation for the last reporting period was:

TABLE 29 - ABAG HOUSING NEEDS DETERMINATION, 2007-2014

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
361	113	77	80	91	52
	31%	21%	22%	25%	

The policies and implementing actions of the previous Housing Element concentrated on preservation of existing single-family neighborhoods and encouragement of second units and multi-family and senior citizen housing. See Appendix A for a complete review of the previous Element's implementing actions.

The City has been moderately successful in achieving the goals established by the previous Housing Element as illustrated in the table below:

Table 30 - PROGRESS TOWARDS MEETING REGIONAL HOUSING NEEDS 2007-2013: BUILDING PERMITS ISSUED

	Regional Housing Needs Allocation (RHNA) 2007-2014	Building Permits Issued 2007-13	Percentage of RHNA
Very Low	113	47	42%
Low	77	8	10%
Moderate	80	8	10%
Above Moderate	91	170	187%
TOTAL	361	233	65%

The updated Housing Element builds on the foundation established by the previous Element, but contains more specific implementation programs and quantified objectives. Priorities of the Element include: (1) conservation and rehabilitation of existing homes, (2) encouragement of second units, (3) encouragement of housing in the downtown and (4), programs to advertise, implement and fund these activities. The Element also recognizes the need to provide stronger incentives for the construction of additional affordable housing.

MEETING THE REGIONAL HOUSING NEEDS ALLOCATION

Table 33 shows vacant or underdeveloped land that could accommodate Lafayette’s regional housing needs allocation. The figures shown in the table are based on a parcel-by-parcel analysis of the number of dwelling units that could be constructed, taking into account the site constraints specific to each parcel, the residential densities typically approved for similar properties, and the requirements of the Zoning Ordinance. The conclusion that can be drawn from this table is that the City has sufficient vacant and underdeveloped land, zoned at appropriate densities, to meet its regional housing need allocation

The list of vacant and underdeveloped land in Appendix B includes properties in the downtown area that have the potential of being used for multifamily housing. These sites identified in this inventory are spread along the entire length of Mt. Diablo Blvd. Development of these sites for multifamily housing will not necessarily impact the streets in the Downtown Core that are most heavily used. Residents from these multifamily developments have a variety of options to exit the downtown and access the freeway, including Pleasant Hill Road to the east and Acalanes Road to the west. The residential development would also generate less traffic than commercial development.

While a number of the sites identified in the inventory allow commercial use, they also allow housing. To remove one barrier to the production of housing, the City in 2012 amended its Zoning Ordinance to allow housing as of right in the downtown zoning districts. Further, additional programs have been included to encourage the development of housing over commercial (or mixed use over commercial) in the Downtown. The inventory and methodology provided in this chapter demonstrate that in recent years, there has been a trend towards

developers purchasing commercial sites for housing development, including the Merrill Gardens development, The Woodbury, Lennar, Taylor Morrison’s ‘Marquis’ and Eden Housing’s ‘Belle Terre’ project. The table below lists the previous or current uses on these sites:

TABLE 31 - RECENT HOUSING DEVELOPMENTS ON FORMERLY COMMERCIAL SITES

Site	Previous or Current Uses	Number of Housing Units	Status
Merrill Gardens	Garden supply store, tow yard and restaurant	72 plus 17 memory care units	Completed
The Woodbury	Motel, restaurant	65	Under construction
Eden Housing	Parking lot for car dealership	46	Completed and occupied
Lennar	Restaurant, salon, automobile services, offices	66	Filed development application
Taylor Morrison ‘Marquis’	Restaurant	23	Completed and occupied

SOURCE: LAFAYETTE PLANNING DEPARTMENT, 2014

In addition, the City has consulted with local realtors and developers concerning the use of commercially-zoned sites for residential development. They suggest that this trend should continue in the coming years. This chapter’s goals, policies and programs include a variety of incentives to assist developers in assembling land for housing, especially affordable housing.

Despite sufficient vacant and underdeveloped land there exist potentially significant constraints to increased residential development, which are discussed in the *Constraints to Housing Development* section. Table 32 represents the quantified goal of the City to approve 270 new and rehabilitated housing units.

TABLE 32 - QUANTIFIED OBJECTIVES SUMMARY, 2014-2022

Income Level	New Construction	Rehabilitation/ Conservation	Preservation	Totals
Extremely/Very Low Income	50	15	66	65
Low Income	10	15		25
Moderate Income	10	20	15	30
Above Moderate Income	150	0		150
Grand Total	220	50	81	270

SOURCE: LAFAYETTE PLANNING DEPARTMENT, 2015

Table 33 summarizes the potential for residential development on vacant and underdeveloped land in the community. A complete inventory of parcels can be found in Appendices B and C. The analysis reflects real world constraints based on a site-specific analysis and is not simply the total land area multiplied by maximum permitted density. For the purposes of this analysis underdeveloped land is land which has a development intensity significantly less than what is allowed under the City's land use regulations.

TABLE 33 - RESIDENTIAL POTENTIAL FOR VACANT AND UNDERDEVELOPED LAND

General Plan Classification	Zoning District	Vacant and Underdeveloped Land	Potential Number of Units
West End Commercial	C	9.22	227
East End Commercial	C-1	8.25	213
Downtown Core	SRB, RB, P-1	6.19	191
Multi-Family Residential	MRO/MRA	4.54	84
Single-Family Residential	(multiple)	(undetermined)	171
	Total Acres	26.04	868

SOURCE: LAFAYETTE PLANNING DIVISION 2010

There is a reasonable potential that the sites found in Appendices B and C, and summarized in Table 33, will be developed with multi-family housing, since:

- The parcels are located in commercial and residential zoning districts which permit mixed uses and residential development at a density of up to 35 du/acre;
- These zoning districts now allow housing by right; General Commercial (C), General Commercial -1 (C-1), Retail Business (RB), and Special Retail Business (SRB).
- There exists the potential of assembling underdeveloped parcels to facilitate application of development incentives contained in the Planned Unit Development (PUD) section of the Zoning Ordinance and adopted Specific Plans.

It will be market forces, however, that will have the strongest influence in determining the type, density, and phasing of future multi-family housing development in Lafayette. Such factors as interest rates and the vitality of the local and national economy are beyond the scope of local government.

GOVERNMENTAL CONSTRAINTS TO HOUSING DEVELOPMENT

Annexation Standards

Although the City of Lafayette does not expect to annex land within the planning period, an important land use regulation affecting development in Lafayette, as well as other cities in Contra Costa County, is the policy adopted by the Contra Costa County Local Agency Formation Commission (LAFCO) regarding annexation proposals.

The standards and procedures set forth in the LAFCO policy affect its review of requests for city annexation of lands proposed for development. The application of these standards will affect development of land outside existing City limits.

Currently, the Lafayette's Sphere of Influence does not extend substantially beyond the City limits. It is not expected that the existing Sphere of Influence area will be altered to include vacant lands that would yield many more developable lots.

Land Use Controls

The Lafayette Zoning Ordinance contained within the City's Municipal Code, sets forth land use designations and development requirements for construction activity within the City. California law requires that the Zoning Ordinance be consistent with the General Plan. The Lafayette Zoning Ordinance will be amended to be consistent with the Housing Element following its completion.

The Zoning Ordinance establishes two primary types of residential zoning: Single-Family Residential (R-6, R-10, R-12, R-15, R-20, R-40, R-65, R-100, LR-10 and LR-5) and Multiple-Family Residential (D-1, MRA, MRB, MRO, MRT, APO and MRP). Multi-family residential is also permitted by right in the commercial zoning districts (C, C-1, SRB, RB).

The following tables illustrate the City's development standards.

TABLE 34 - SINGLE-FAMILY RESIDENTIAL DEVELOPMENT STANDARDS

Zoning District	Minimum Lot Area	Average Lot Width	Minimum Lot Depth	Maximum Building Height	Minimum Side Yards	Minimum Setback	Minimum Rear Yard
R-6	10,000 s.f.	80'	90'	2 ½ stories (35')	10' (20' aggregate)	20'	15'
R-10	10,000 s.f.	80'	90'	2 ½ stories (35')	10' (20' aggregate)	20'	15'
R-12	12,000 s.f.	100'	100'	2 ½ stories (35')	10' (25' aggregate)	20'	15'
R-15	15,000 s.f.	100'	100'	2 ½ stories (35')	10' (25' aggregate)	20'	15'
R-20	20,000 s.f.	120'	120'	2 ½ stories (35')	15' (35' aggregate)	25'	15'
R-40	40,000 s.f.	140'	140'	2 ½ stories (35')	20' (40' aggregate)	25'	15'
R-65	65,000 s.f.	140'	140'	2 ½ stories (35')	20' (40' aggregate)	25'	15'
R-100	100,000 s.f.	200'	200'	2 ½ stories (35')	30' (60' aggregate)	30'	30'
LR-10	10 acres	200'	200'	2 ½ stories (30')	50'	50'	50'
LR-5	5 acres	200'	200'	2 ½ stories (30')	50'	50'	50'

TABLE 35 - MULTI-FAMILY RESIDENTIAL DEVELOPMENT STANDARDS

Zoning District	Minimum Lot Area	Average Lot Width	Minimum Lot Depth	Maximum Building Height	Minimum Side Yards	Minimum Setback	Minimum Rear Yard
D-1	10,000 s.f.	80'	90'	1 ½ stories (25')	10'	20'	15'
MRA	10,000 s.f.	80'	90'	25' – 35'	10' - 20'	20'	15'
MRB	10,000 s.f.	80'	90'	35'	10' - 20'	20'	15'
MRO	10,000 s.f.	80'	90'	2 - 3 stories (30' - 35')	10'	20'	15'
MRT	No minimum standards			25'	No minimum standards		
MRP	10,000 s.f.	80'	90'	1 story (20')	No minimum standards		

TABLE 36 - MIXED COMMERCIAL AND RESIDENTIAL DEVELOPMENT STANDARDS

Zoning District	Minimum Lot Area	Average Lot Width	Minimum Lot Depth	Maximum Building Height	Minimum Side Yards	Minimum Front Setback	Minimum Rear Yard	Minimum Open Space
RB	5,000 s.f.	N/A	N/A	35'	10' when adjacent to residential			20%
C	7,500 s.f.	55'	75'	35'	10' when adjacent to residential. 20' setback required for three story buildings which may be reduced if findings can be made.	10'	10' when adjacent to residential.	None
SRB	5,000 s.f.	N/A	N/A	35' except in BART Block where height over 35' is allowed but a maximum of 3 stories	10' when adjacent to residential	None except in BART Block where 6' is required	10' when adjacent to residential	20%
C-1	7,500 s.f.	55'	75'	2 ½ - 3 stories (35')	10' when adjacent to residential. Third story setback of 50' required from certain streets and residential zones	10'. Third story setback of 50' required from certain streets and residential zones	10' when adjacent to residential. Third story setback of 50' required from certain streets and residential zones	None
APO	4.94 acres	N/A	N/A	22'-36'	49.21'	26'- 49'	26.25'	20%

In 2012, the City adopted a Downtown Specific Plan which calls for the preparation of Downtown Design Guidelines. The Guidelines have been completed were adopted in September 2014. The development standards listed for the downtown zoning districts above will be amended in 2014-15 to reflect the policies of the Downtown Specific Plan, the Downtown Design Guidelines and the Housing Element.

The City anticipates that the majority of higher density, affordable units will be built in the Downtown zoning districts C, C-1, SRB and RB. It is in these districts that services such as grocery and drug stores, civic uses such as the library and post office and transit facilities such

as BART are located. As can be seen from the table above, the building setback requirements in these districts are modest. A density of 35 du/acre – the maximum permitted in Lafayette -- and a 35 foot height limit are allowed. There is no floor area ratio (“FAR”) requirement in these districts.

Existing parcels in the multifamily zoning districts (MRA, MRB, MRO) are typically modest in area and cannot accommodate many residential units. The minimum lot area requirement for new lots (10,000 SF) was put in place to ensure that newly zoned multifamily parcels would be large enough to accommodate projects of considerable size and density. This requirement however does not apply to the development of multifamily projects on existing lots less than 10,000 SF in area and is therefore not a constraint. Additionally, in the MRA district, the City allows for increases in floor area ratio (FAR) to a maximum of 0.40 on lots that are under 20,000 SF in area if it finds that the lot cannot be reasonably merged with an adjacent parcel. In the MRO district, an FAR of 0.50 is allowed.

Parking Requirements

The City’s parking standards for multifamily projects are similar to the standards in neighboring jurisdictions. The requirements are 1.2 spaces for a one bedroom unit, 1.5 spaces for a two bedroom units and 2 spaces for a unit with three or more bedrooms. Although not cited specifically in the code, the City has and will continue to allow for creative ways to accommodate parking and has approved the installation of a hydraulic lift system that stacks cars in an apartment complex.

In recent years, several proposed senior housing projects have illustrated the unique needs of these types of developments – needs that make the strict application of certain residential zoning controls problematic. Seniors tend to drive less than their younger counterparts, and they typically do not need (or want) as much living space as is found in family housing types.

As a consequence, residential parking requirements may be too onerous for a senior development, and the smaller unit sizes increase the density of a project such that it may conflict with existing zoning requirements. In recognizing these unique needs, the City has adopted a Senior Housing Overlay zone – with reduced parking standards and increased density, among other things -- to allow senior housing developments that are truly reflective of their resident populations.

The City is in the process of updating its parking code and developing a comprehensive parking strategy for the downtown. Included in this strategy will be consideration of the use of car lifts, tandem parking, parking for electric cars, bicycle parking, proximity of housing to transit, car-sharing incentives, etc.

On- and Off-Site Improvement Requirements

The standards for on- and off-site improvements contained in the Subdivision Ordinance do not constitute a constraint to housing development. They are no more restrictive than those typically found in other Contra Costa County cities. Indeed, in some cases, less restrictive standards exist in Lafayette, since sidewalks with full curb and gutters are not required for most types of residential subdivisions. Sewer and water connection fees are established by the Contra Costa Central Sanitary District and the East Bay Municipal Utilities District and are therefore similar to other jurisdictions served by these districts in the County.

Analysis of Land Use Controls: Impacts on Recent Developments

As part of the development of the last Housing Element, the Planning Staff conducted an analysis of the City's development standards to determine whether they constitute a constraint to housing development. Two schematic housing plans that were submitted by prospective developers of two of the sites in the housing inventory were studied. Both projects were analyzed using current regulations and without granting exceptions to discern whether or not the City's regulations posed a constraint to the production of housing.

The analysis determined that while most development standards do not constrain the development of housing and are typical standards for the zoning designation, some standards can be perceived to be impediments to the efficient and timely development of housing. Regulations for residential development (e.g. required setbacks, maximum lot coverage, height limits, minimum lot sizes) are no more restrictive than those of surrounding jurisdictions. The Zoning Ordinance and related land use regulations serve to promote, rather than constrain, housing development. In addition to these zoning districts, the Zoning Ordinance incorporates the Planned Unit Development concept. Lafayette's PUD process permits housing developments to be built with flexible setbacks, lot coverage and other regulations and permits the construction of mixed-use developments. The proposed Woodbury condominium project (56 units) and existing Town Center apartments (75 units) are examples of higher density projects that have used the PUD process.

The two sites reviewed for potential constraints are Parcel #241-020-013, which is part of Site 4, and Site 15. The following tables analyze the impacts of the City's development standards on those two proposals.

Part of Site 4: Parcel #241-020-013

Total area: 1.32 acres (includes Parcel #241-020-005 which is in common ownership)

Zone: C (General Commercial)

Regulation	City Requirement	Proposed Project	Comments
Allowed uses	Offices, commercial, residential with a land use permit	Mixed use, three stories - commercial on the ground floor fronting Mt. Diablo Blvd., residential units above and in the rear.	The land use permit process could potentially be a constraint to the production of housing. The Housing Element contains a program that would allow residential by right in the Downtown (H-2.4.2).
Minimum lot area	7,500 SF.	1.32 acres	Regulation is not a constraint
Maximum density	@35 du/acre= 46	46	Regulation is not a constraint
Maximum height	35'	35'	The 35 foot height limit is not a constraint because the maximum density can be achieved within this limit.
Front setback	10'	10'	Regulation is not a constraint
Side yard setback	10' if adjacent to residential. 20' if three stories, but this requirement can be reduced if findings are made.	Project is not adjacent to residential uses. Side yard setbacks vary from 10' to 20'.	The 20' setback for three story buildings is a potential constraint, even though it can be reduced if the Planning Commission makes the necessary findings. The Housing Element contains a program that requires the City to develop design guidelines that would allow the City to reduce or eliminate the third story setback requirements in the C, C-1 and MRO districts if appropriate findings such as compatibility with adjacent development, view and solar protection can be met. As an alternative, develop a set of criteria for waiving the setback requirements for irregular lots in the Downtown (5.1.6).
Rear yard setback	10' if adjacent to residential.	Project is not adjacent to residential uses. Rear yard setback is 5' to the EBMUD aqueduct right-of-way	Regulation is not a constraint
Parking	(1) One-bedroom units, 1.0 spaces per unit; (2) Two-bedroom units, 1.2 spaces per unit; (3) Units with three or more bedrooms, 1.5 spaces per unit. In addition, one guest parking space shall be provided for each five dwelling units. A minimum of one parking space per unit shall be covered.	The breakdown of units by the number of bedrooms was not provided at the study session; however, the residential units are parked at a ratio of 2 spaces per unit – well above the City's requirement. Project includes tandem parking spaces.	Potentially a constraint because the project needs tandem spaces to meet parking requirements. The Housing Element includes a program that requires the City to develop and establish measures such as allowing tandem spaces, car lifts and other creative ways to accommodate required parking for developments (5.1.6).

Note that the realistic capacity for this parcel as shown in Appendix C is 33 units. As stated elsewhere in this Element, although nothing in the inventory specifically prevents a site from being developed closer to its calculated capacity, the City has intentionally adopted a conservative stance to ensure that there is adequate capacity for the inventory without having to move outside the Downtown to achieve its housing goals.

Site 15 (Merrill Gardens)

Total area: 1.21 acres

Zone: C-1 (General Commercial-1)

Regulation	City Requirement	Approved Project	Comments
Allowed uses	Service commercial, residential with a land use permit	Mixed use - commercial on the ground floor fronting Mt. Diablo Blvd., residential units above and in the rear.	The Senior Housing Permit process could potentially be a constraint in the production of senior housing.
Minimum lot area	7,500 SF.	1.21 acres (Note that the developer/owner's plans show a total land area of 1.34 acres which includes part of the 2 nd Street right-of-way)	Regulation is not a constraint
Maximum density	@35 du/acre= 46 with street right of way, 43 without right-of-way	46 (53 with density bonus)	Regulation is not a constraint
Maximum height	35'. Third story allowed if residential.	35'	The 35 foot height limit is not a constraint because the maximum density can be achieved within this limit.
Front setback	10'. Third story setback of 50' required from certain streets and residential zones	10'. Third floor set back 50' from Mt. Diablo Blvd.	While the 50' setback for the third story is not a constraint in this case, it could potentially be a constraint for sites that do not possess sufficient depth. The City is developing a "Frontage Zone" requirement which varies the upper floor setback based on the lot depth.
Side yard setback	10' when adjacent to residential.	Not adjacent to residential zoned property	
Rear yard setback	10' if adjacent to residential.	10'	
Parking	<u>Memory care:</u> 1 space per 5 residents 1 space per employee at peak staffing <u>Assisted Living:</u> 0.40 spaces per unit 1 space per employee at peak staffing 1 loading space Total required: 69 spaces	Total spaces provided = 73.	Regulation is not a constraint in this case. Senior Housing Overlay provided reduced parking standards appropriate for a senior residential facility.

Note that the realistic capacity for this parcel as shown in Appendix C is 35 units. As stated elsewhere in this Element, although nothing in the inventory specifically prevents a site from being developed closer to its calculated capacity, the City has intentionally adopted a conservative stance to ensure that there is adequate capacity for the inventory without having to move outside the Downtown to achieve its housing goals.

Conclusions

In its last update to the Housing Element, the City has conducted an in-depth analysis of its land use controls as applied to two recent projects in order to determine whether such controls impact the development of housing in a negative way. This analysis reveals that several of the City's land-use controls may be constraints that should be mitigated:

1. Requiring a land use permit for housing is a constraint to the production of housing. Typically, land use permit applications take longer to process than applications for design review approval and involve higher processing fees. To remove this constraint, the Housing Element contains the following program:

Program H-2.4.2: Multifamily Housing Development: Amend the Zoning Ordinance to allow the development of multifamily housing as of right in areas where such development now requires a discretionary land use permit. Continue to require design review to ensure that developments are compatible with surrounding uses.

Status in 2014: Housing is now allowed by right in the downtown zoning districts (C, C-1, SRB, RB).

2. The setback requirement of 50 feet for third stories in the C-1 and MRO districts and the setback requirement of 20 feet for three story buildings in the C district is a constraint to the production of housing in Downtown Lafayette. Housing sites in the Downtown vary in size, width and depth; few are regular in shape, making it difficult to comply with the requirements. Imposing a uniform upper story setback requirement on irregularly-shaped sites render certain parcels ineligible to accommodate three story structures without variances. To remove this constraint, the Housing Element contains the following program:

Program H-5.1.6: Downtown Specific Plan Implementation. Following the Downtown Specific Plan adoption, revise the zoning ordinance to address the following constraints on the development of housing:

*Upper story setback requirements in the C, C-1 and MRO districts
Develop design guidelines that would allow the City to reduce or eliminate the third story setback requirements in the C, C-1 and MRO districts if appropriate findings such as compatibility with adjacent development, view and solar protection can be met. As an*

alternative, develop a set of criteria for waiving the setback requirements for irregular lots in the Downtown.

Status in 2014: The adopted Downtown Design Guidelines recommend a more reasonable step back program for upper stories which recognizes that the lots in the downtown have varying depths. The Guidelines suggest a step back based on a percentage of lot depth, thereby eliminating the “one-size-fits-all” regulation found in the zoning ordinance. Staff is currently amending the zoning ordinance to reflect this change.

3. The current parking code is a constraint to the production of housing because it does not permit tandem spaces or other options to provide parking. To remove this constraint, the Housing Element contains the following program:

Program H-5.1.6: Downtown Specific Plan Implementation. Following the Downtown Specific Plan adoption, revise the zoning ordinance to address the following constraints on the development of housing:

Parking

Develop and establish measures such as allowing tandem spaces, car lifts and other creative ways to accommodate required parking for developments.

Status in 2014: The City is in the process of updating its parking code and developing a comprehensive parking strategy for the downtown. Included in this strategy will be consideration of the use of car lifts, tandem parking, parking for electric cars, bicycle parking, proximity of housing to transit, car-sharing incentives, etc.

Lafayette also has a number of tools to encourage the construction of higher density housing in the Downtown; many of these, in conjunction with other actions to remove constraints, make it easier for housing to be built. They include:

1. The Downtown Specific Plan: The adopted Downtown Strategy and Specific Plan contains a number of goals to promote the development of housing in the Downtown. They include:
 - a. Allow housing by right in the Downtown
 - b. Review and update existing development standards to ensure that the distinct character of the Downtown residential neighborhoods is preserved, existing multifamily development is protected, and new multifamily development is encouraged.
 - c. Review and update current parking codes

d. Encourage sustainable development and the location of housing close to transit and services

2. Senior Housing Overlay District: The City Council approved the creation of a senior housing overlay district on October 12, 2010. The purpose of this overlay is to permit greater densities and lower parking requirements for senior housing projects in the Downtown. The development standards include an increase in the allowable density for senior residential units from 35 units per acre to 45 units per acre not including otherwise applicable density bonuses under state law. A market rate senior residential project would qualify for a density bonus of 20% which would allow up to 54 units per acre on a site. In comparison, an affordable senior residential project could qualify for a density bonus of up to 35% and would yield a maximum of 61 units on an acre. Parking requirements were reduced to one space for each 5 residents for residential care facilities, .40 parking spaces per unit for assisted living facilities, and .5 spaces per unit studio and 1-bedroom units for extremely low, very low, and low income units.
3. Density Bonus Regulations: The City adopted a density bonus ordinance in November, 2014.
4. Downtown Design Guidelines: The City Council adopted Downtown Design Guidelines on September 8, 2014. The purpose of the Guidelines is to maintain and enhance the City's informal, small-town character. The Guidelines will be used by designers, developers, planners, hearing bodies, and the public to gain a better understanding of the community's vision for downtown development and to evaluate the merits of a project. As such, they are a tool in making the process more predictable and providing a clearer idea to developers of what the community desires.

The City has a proven track record of approving higher density residential and mixed use projects. The following table lists some of those projects.

TABLE 37 - DENSITIES OF SELECTED APPROVED OR BUILT PROJECTS

Project Name	Project address	Units	Acres	Project Density (du/acre)	Allowed Density (du/acre)	Year Built or Approved	Zoning District
1076 Carol Lane	1076 Carol Lane	150	8.2	18	17	1973	MRB
925 Colina Court	925 Colina Court	8	0.4	23	35	1985	MRA
231 Lafayette Circle	231 Lafayette Circle	8	0.2	46	35	1988	RB
Town Center I	3594 Mt. Diablo Blvd.	75	1.5	51	35	2000	P-1
Cooley Building	3586 Mt. Diablo Blvd.*	3	0.3	10.7	35	2002	SRB
Brudigam Apts.	3652 Chestnut Street	9	0.5	17.6	35	2003	MRA
Dailey Building*	3330 Mt. Diablo Blvd.	11	0.6	18.6	35	2004	C-1
Amanda Lane	Bickerstaff Street	5	0.5	10.5	35	2005	MRA
Ahmadzede	3607 Bickerstaff Street	2	0.1	14.3	35	2006	MRA
Woodbury	3758 Mt. Diablo Blvd.	56	2.5	26.4	35	2007	P-1
Belle Terre	3426 Mt. Diablo Blvd.	46	0.8	57.5	35	2008	C-1
Park Terrace	3235 Mt. Diablo Court	18	2.2	8.3	35	2008	R-15
Merrill Gardens*	3454 Mt. Diablo Blvd.	72	1.4	53	35	2011	C-1
Marquis	3201 Mt. Diablo Blvd.	23	1.5	15	35	2013	C-1
Town Center II	Mt. Diablo Blvd.	69	1.5	47	35	2013	P-1
	TOTAL	555	22.0	27.8	33.8		

* Merrill Gardens mixed use project includes 6,000 sq.ft. of retail, 72 residential units & 17 bed memory care facility.

The average density of the multifamily projects that are in zones that allow a maximum density of 35 du/acre is more than 30 du/acre, demonstrating that the City’s regulations are not a constraint on development.

Inclusionary Housing Program

Inclusionary zoning programs are sometimes perceived as adding to the cost of housing by requiring the market-rate units to subsidize the affordable units. This is an area of much dispute, both in the Bay Area and nationally. There are as many positive aspects of inclusionary programs as there are negative aspects. Within the last several years, several studies have been published that specifically address the issue of who pays for inclusionary zoning. Some of these studies assert that the costs associated with inclusionary programs are passed on to the market priced homes, while other studies assert that in fact the cost is not borne by the end users at all.

In an article published in the Hastings School of Law Review in 2002 which provided one of the first comprehensive reviews of inclusionary zoning and its cost implications for jurisdictions in California, Barbara Kautz, former Director of Community Development for the City of Dan Mateo and now a lawyer with Goldfarb and Lipman, noted that:

Most cities that have conducted economic analyses have concluded that, in the long run, most of the costs are borne by landowners [rather than market rate renters or buyers.] Initially, before land prices have had time to adjust, either the market-rate

buyers or the developer pays, depending on whether the market allows the developer to increase his prices. If the developer cannot raise the market price for the non-inclusionary units or lower his total costs, or some combination, his profits will decline.... To put this another way, builders will pay less for land because inclusionary zoning lowers their profits.²

Kautz asserts that developers will sell at the highest level they are able to sell at, meaning they will set prices according to what the market will bear. If a unit's market value is \$500,000, it will be sold for \$500,000. Developers would not "add" more to the price to pay for the affordable units that are required; if they could sell it at \$550,000, for example, they would have sold it for that price in the first place. Furthermore, if the market value of a unit is \$500,000, a buyer would not pay \$550,000. And, if all a buyer can afford is \$500,000, then the buyer will not spend \$550,000. Ultimately, the price for a unit is dependent on what the market will bear; it is not directly affected by the affordability requirement.

However, since Redevelopment Agencies have been eliminated, and recent litigation has severely restricted a city's ability to require inclusionary housing, the issue is now on the back burner until further clarity can be obtained. Lafayette implemented inclusionary requirements in the redevelopment area for over a decade, and the intention to expand the program citywide has been put on hold.

Secondary Living Units

Title 6, Chapter 6-5, Article 3 of the Municipal Code sets forth regulations for secondary living units in single-family residential zoning districts. These regulations allow one second-unit per parcel on single-family residential lots provided that certain conditions are met. These include that the second unit:

- does not have more than two bedrooms
- is between 250 sq. ft. and 1,250 sq. ft. if attached to the primary residence and a maximum of 750 sq. ft. if detached
- complies with all applicable building codes
- conforms to existing zoning, fire and other health and safety codes
- is owner occupied or that the primary unit is owner occupied

The second unit ordinance was updated in 2003 to conform to California legislation (Chapter 1150, Statutes of 1990) amended Government Code §65852.1 and 65852.2 relating to second units.

²Barbara Ehrlich Kautz, "In Defense of Inclusionary Zoning: Successfully Creating Affordable Housing," *University of San Francisco Law Review* – Vol. 36, No 4 (Summer 2002).

Design Review

Lafayette adopted its Residential Design Review Guidelines on July 30, 1990. The stated goals of the design review process are to 1) minimize the visibility of structures and other improvements and to protect views to the hills, 2) retain natural features of the land, and 3) protect vulnerable habitat and native vegetation. The guidelines set forth criteria for site and building design and landscaping, with emphasis on hillside and ridgeline areas. The guidelines do not represent a significant constraint to housing production in Lafayette. (See Appendix C)

In 2000 and 2002, the Lafayette City Council approved amendments to the zoning ordinance requiring design review of structures exceeding 6,000 in gross floor area and structures exceeding 17 feet in height. The stated intent of these regulations is to minimize loss of light and privacy to neighbors, to minimize the out-of-scale appearance of large structures, to maintain the existing character of established residential neighborhoods, and to permit reasonable expansion of existing structures.

To streamline the development review process, the City also amended the zoning ordinance to grant the zoning administrator authority to act on a majority of design review applications or refer them to the Design Review Commission.

In 2014, the City adopted Design Guidelines for the Downtown. The Guidelines support the Downtown Specific Plan and the General Plan, and outline the City's design objectives for downtown development. The purpose of the Guidelines is to maintain and enhance the City's informal, small-town character. The Guidelines hold values of the town, which include high quality design and construction and sensitivity to character and place.

Condominium Conversions

The conversion of apartment units to condominium units was a major regional problem identified by the Association of Bay Area Governments in the late 1970's. In response, the Lafayette City Council adopted a Condominium Conversion Ordinance in 1979 requiring an evaluation of each potential conversion in the City. The Ordinance provided that the City should deny a conversion if the evaluation revealed that the conversion would be incompatible with the goals and policies of the General Plan.

In 1985, the City Council adopted amendments to the Ordinance (Chapter 32 of Title 6 of the Municipal Code) to allow a maximum of 12 such conversions annually. The provisions also provide for a review of this limitation in order to prevent adverse effects on the City's existing rental stock. The ordinance sets forth a general policy that units appropriate for conversion should be higher-quality units, the loss of which would have the least effect on low- and moderate-income tenants. Thus, while these restrictions place limitations on conversion of rental units to condominiums, they have the beneficial effect of preserving the diversity of the City's housing stock.

Development Fees

Table 38 lists Lafayette’s permit, development, and impact fees and provides a comparison of fees for other cities in Contra Costa County. Based on a survey of other cities, Lafayette’s fee levels for developers are midway in the range of fees charged by neighboring cities. Total estimated fees for construction of a 2,500 square foot single-family home are \$63,739. It should be noted that over half of this total is from development fees imposed by agencies outside the City’s control.

The City requires payment of different fees as a condition of development approval. Fees are tied to the City’s actual costs of providing necessary services such as project review and plan checking fees or are set to recover the cost of needed infrastructure. These fees are reviewed and adjusted periodically; Lafayette’s fees were last adjusted in July 2008. Planning fees are a small percentage of the total fees charged so even if the fees are increased, they would not constitute a deterrent to development.

TABLE 38 - DEVELOPMENT FEES FOR LAFAYETTE AND SELECTED CITIES

City	Construction Estimate	Planning Fees	BP Fees	School Fees	Impact Fees	Utility Fees	Total Fees
Lafayette	\$625,000	\$3,800	\$5,700	\$8,360	\$18,546	\$35,693	\$72,099
Pleasant Hill	\$625,000	\$945	\$6,000	\$7,425	\$5,420	\$35,693	\$55,483
Orinda	\$625,000	\$3,520	\$6,040	\$5,560	\$20,593	\$37,193	\$72,906
Moraga	\$625,000	\$2,050	\$5,715	\$4,785	\$31,657	\$35,693	\$79,900
Walnut Creek	\$625,000	\$2,000	\$13,775	\$3,000	\$2,400	\$35,693	\$56,868

Source: City of Lafayette, 2014

Construction estimate based on cost of construction of \$250 per SF for a 2,500 SF. new house

Since fees, particularly development impact fees, are set to recover the cost of needed infrastructure so that new development can proceed while maintaining desired public service levels, it can be concluded that the City’s existing fee levels are appropriate and do not constitute an undue governmental constraint on housing production. At the same time, the City recognizes that development impact fees represent a substantial cost, particularly for affordable housing development; therefore, the City has utilized funds to defray development impact fee costs for affordable housing projects, such as in the Town Center mixed-use project, on a case-by-case basis.

Town Center

The Town Center project contains 75 residential units, 15 of which are subject to affordability covenants. The City and Redevelopment Agency offered the following assistance to the developers of the Town Center project:

TABLE 39 - CITY/RDA ASSISTANCE PROVIDED TO THE TOWN CENTER PROJECT

Item	Amount (\$)
Site development options by City-hired architects	28,000
Sale of City-owned property at fair reuse value (fair market value: \$512,000, sales price to developer: \$415,000)	97,000
Demolition and clearing, including hazardous materials clearance, of City-owned property and access road.	50,000
50% of the cost of roadway improvements, including curb, gutter, sidewalk and decorative streetlights installation on the access road. (S. Thompson Road)	55,817
Accelerated development incentive relating to item 4 (above)	50,000 (paid in 2007)
50% of the cost of undergrounding the utilities on the access road.	30,700
50% of the cost of installing a signal, decorative pedestrian crosswalks at the project's main entrance at Lafayette Circle and Mount Diablo Blvd. As an incentive, the City offered to pay 100% of this cost if the developer completed the construction of the retail component on or before September 30, 1999.	65,000 (City paid 100%)
Construction of two pairs of ornamental crosswalks across Mount Diablo Blvd., at Lafayette Circle and Dewing Avenue	City paid for Dewing Ave crosswalks
50% of the cost of creating a landscaped entryway to the BART station.	12,500
Installation of parking meters on north side of Mount Diablo Blvd.	City paid for acquisition and installation of parking meter heads
Return to the developer the tax increment revenues from the housing project that the RDA would normally have received in exchange for a guarantee that a certain number of units would be set aside for very low and low income households.	estimated 400,000 over 30 year life
Contribution to ensure that all residential units are designed to comply with applicable state and federal laws relating to access by the disabled.	10,000
50% credit towards payment of parkland dedication fees	57,000
TOTAL	More than \$856,000

Eden Housing

Between 2007 and 2012, the Redevelopment Agency awarded \$3.85 million in loans to Eden Housing for the construction of 46 extremely low and very low income rental units for seniors. Funds were used to cover predevelopment and acquisition costs, hard construction costs, building permit fees, architectural fees, title and other construction loan closing costs.

The Woodbury

The Woodbury is a 56-unit condominium project which under construction. When redevelopment was in existence, the Agency required the developer to provide 18 affordable units (five very low, five low, 8 moderate) in an offsite location within the downtown. In 2011, the City also agreed to allow the developer defer payment of development impact fees to the certificate of occupancy stage.

Analysis of Costs: Multifamily Residential Versus Single-Family Residential

The following section analyzes the difference in costs to develop both single family and multifamily housing.

Multifamily Assumptions:

New 50 unit MFR development, assuming it is an infill development and therefore does not require CEQA/fees and that it is creating or replacing 20,000 sq. ft. of impervious surface requiring storm water quality control and impervious surface fees. There is no tree removal. Grading will be extensive because project includes underground parking.

TABLE 40 - PLANNING AND DEVELOPMENT FEES PER UNIT OF MULTIFAMILY HOUSING: 50-UNIT SCENARIO

Item	Cost
Design Review	\$3,800
Storm water Quality Control Implementation	\$175
Storm water control plan	\$625
Waste management review	\$80
Parkland – \$3,785 per unit X 50units	\$189,250
Park facilities -\$3,857 per unit x 50 units	192,850
Park admin = 1% of \$382,100	\$3,821
Walkway fee = \$650.59 per unit x 50 units	\$32,530
Walkway admin fee –\$32.53 per unit x 50 units	\$1,627
Transportation fee – \$3,516 per unit x 50 units	\$196,150
Drainage impact fee – \$0.52 per sq. ft. X 26,600 sq. ft.	\$13,832
Drainage Admin – \$0.03 per sq. ft. X 26,600 sq. ft.	\$798
Total	\$635,538
Total divided by 50 units (per-unit cost)	\$12,711

Source: City of Lafayette, 2014

TABLE 41 - CONSTRUCTION COSTS PER UNIT OF MULTIFAMILY HOUSING: 50-UNIT SCENARIO

Item	Cost
Site Work and Landscaping	\$4,243,840
Off-site improvements	\$452,000
Construction cost of units	\$12,075,000
TOTAL	\$16,770,840
Planning and Development Fees per Unit	\$12,711
Construction Cost per Unit	\$335,416
TOTAL COST OF DEVELOPMENT PER UNIT	\$348,127

Source: City of Lafayette, 2014

Single-Family Assumptions:

A new single-family, 50-lot subdivision. Each lot has a 3,500 sq. ft. residence and 5,000 sq. ft. of impervious surface (total including the house). This is not hillside. No tree removal. Not over 17' in height, but requiring design review. Exempt from CEQA.

TABLE 42 - PLANNING AND DEVELOPMENT FEES PER UNIT OF SINGLE-FAMILY HOUSING: 50-LOT SCENARIO

Item	Cost
Major subdivision – \$8,750 + \$200 per lot	\$18,750
Design Review – \$5,700 per unit	\$285,000
Storm water Quality Control Implementation	\$175
Storm water control plan	\$625
Waste management review - \$80 per unit	\$4,000
Parkland \$6,262 per unit	\$313,100
Park facilities – \$6,380 per unit	\$319,000
Park admin – 1% of \$12,642 = \$126.42 per unit	\$6,321
Walkway fee \$1,076.22 per unit	\$53,811
Walkway admin fee – \$53.81 per unit	\$2,691
Transportation fee \$5,637 per unit	\$314,500
Drainage impact \$.52 per sq. ft. x 5,000 = \$2,600 per unit	\$130,000
Drainage admin \$.03 per sq. ft. x 5,000 = \$150 per unit	\$7,500
Total	\$1,455,473
Total divided by 50 lots (per-lot cost)	\$29,110

Source: City of Lafayette, 2014

TABLE 43 - CONSTRUCTION COSTS PER UNIT OF MULTIFAMILY HOUSING: 50-UNIT SCENARIO

Item	Cost
Site Work and Landscaping	\$12,255,581
Off-site improvements	\$1,344,537
Construction cost of units	\$34,831,810
TOTAL	\$48,431,928
Planning and Development Fees per Unit	\$29,100
Construction Cost per Unit	\$968,638
TOTAL COST OF DEVELOPMENT PER UNIT	\$997,748

Source: City of Lafayette, 2014

Based on the information shown above, the per-unit cost of planning and development fees for single-family housing is more than twice the cost for multifamily housing. Expressed as a percentage of the total development cost per unit, the estimated fees are nearly the same percentage for single-family and multifamily:

TABLE 44 - COMPARISON OF FEES AS A PERCENTAGE OF OVERALL DEVELOPMENT COSTS

Development Cost for Typical Unit	New Single Family	New Multifamily
Total estimated fees per unit	\$29,110	\$12,711
Total estimated cost of development per unit	\$997,748	\$348,127
Estimated proportion of fee cost to overall development cost per unit	2.92%	3.65%

Building and Municipal Codes

Building codes and enforcement do not constrain housing development in Lafayette. As the City of Lafayette does not maintain its own Building Department, the Contra Costa County Building Inspection Department provides building inspection and building code enforcement services to the City. New construction is required to meet the requirements of the California Building Code (CBC).

The County Building Department inspects housing units when an owner seeks a building permit for additional construction or when a specific complaint relating to the health and safety of the building occupants is received. In conformance with the CBC, the County requires new construction to meet all building codes in effect today, but does not typically require previous work that was completed with the necessary permits to comply CBC with current standards.

In 2004, the City created a code enforcement position to monitor compliance with the zoning ordinance and other sections of the Municipal Code. The City’s code enforcement officer meets regularly with the County’s code enforcement division to coordinate tasks. A summary of code enforcement activities in 2013 is listed in Table 45. The City attempts to strike a balance between preventing blighted conditions and not setting the standard unnecessarily high. The code enforcement officer also serves as an information officer, providing the homeowners with copies of the City’s regulations and advising them of ways to bring their properties into compliance.

TABLE 45 - YEAR 2013 CODE VIOLATION COMPLAINTS

Month	Building Code & Zoning	RVs, Boats Trailers and Vehicles	Noise	Signs	Home Business	Encroachment in Public Right of Way	Trees	Livestock	Illegal Dumping	Residential Nuisance
January	1	1	0	0	0	0	1	0	0	1
February	0	1	0	2	0	1	0	1	0	1
March	2	1	1	0	0	1	3	0	0	2
April	1	5	0	3	0	0	0	0	0	3
May	6	0	1	6	0	0	3	0	0	18
June	7	1	4	6	2	0	5	1	1	8
July	2	1	1	4	0	1	2	1	0	4
August	4	2	0	0	0	1	3	0	0	5
September	3	0	1	5	0	1	3	12	0	6
October	1	2	0	2	2	2	3	0	0	5
November	0	1	1	0	0	2	0	1	0	3
December	6	0	1	1	0	1	2	0	0	1
Year End Totals	33	15	10	29	4	10	25	6	1	57

Processing Time

Lafayette’s zoning code stipulates residential types permitted by right or with a land use permit in each of its residential zoning districts. There are ten single-family zoning districts in which single family residences are allowed by right (R6, R10, R12, R15, R20, R40, R65, R100, LR5, LR10). Discretionary review by the City is required for new homes over 17 feet in height or over 6,000 square feet in area and for homes within the hillside overlay district. To accelerate review and approval, the zoning code grants the City’s staff zoning administrator authority to act on all applications except those within the environmentally-sensitive restricted ridgeline area. The zoning administrator may forward an application to the Design Review Commission or Planning Commission if she/he feels that it is warranted.

Duplexes and townhouses are permitted by right in two low-density multifamily zoning districts (D1, MRT). Higher density multi family is permitted by right in eight districts (MRA, MRB, MRO, MRP, C, C-1, SRB, RB). Design review approval is required – either by the City’s Zoning Administrator, Design Review Commission or Planning Commission.

The time taken to process development applications affects housing costs, since interest on loans must continue to be paid. The longer it takes for the development to be approved, the higher the costs will be. The time to process residential developments does not constitute a constraint in Lafayette. The following are estimated processing times for residential development.

TABLE 46 - ESTIMATED PROCESSING TIMES

Type of Approval or Permit	Processing Time	Approval Body
Building permit	Planning Department- 1/2 to 1 hour Building Department - 2 hours to 2 weeks	City staff Building Inspection
Variance	1-2 months	ZA, DRC or PC
Land use permit	3-5 months	PC
Design review – minor	1-2 months	ZA or DRC
Design review – major	3 months	PC
Minor subdivision	2-4 months	PC
Tract	4-12 months	PC
Rezoning	4-12 months	CC
General Plan amendment	4-12 months	CC
Negative declaration	2 months	PC
Environmental impact report	4-6 months	PC or CC

Note: DRC: Design Review Commission, PC: Planning Commission, CC: City Council

These processing times are comparable to the time taken for processing similar projects in surrounding cities. The following table shows the length of time taken to approve recent housing and commercial development applications in the Downtown.

TABLE 47 - PROCESSING TIMES FOR SELECTED PROJECTS

Name of Project	Entitlement sought	Date deemed complete	Date approved	Time taken
Eden Housing	Land use permit	September 24, 2008	November 20, 2008	2 months
The Woodbury	General Plan Amendment, rezoning	January 12, 2007	September 24, 2007	8.5 months
Lafayette Park Terrace	General Plan Amendment, rezoning	June 15, 2006	October 14, 2008	2 years, 4 months
Lafayette Mercantile mixed use commercial	General Plan Amendment, rezoning	March 5, 2004	July 12, 2004	4 months
Branagh office building	Design review	February 10, 2009	April 2, 2009	<2 months
Merrill Gardens Senior Housing	Land user permit, Design review	July 15, 2011	November 7, 2011	< 4 months
Marquis Townhomes	Land use permit	July 25, 2011	January 17, 2012	6 months

This table illustrates that the cumulative impact of various City-imposed reviews generally do not negatively impact the time it takes to move projects through the approval process. In the case of the Eden Housing – a 46-unit all affordable senior project – the processing time was significantly shorter than other housing projects, illustrating the City’s commitment to priority processing for affordable housing developments.

To further reduce the time taken to process and review discretionary applications, the City has implemented the following measures:

1. Providing all application forms online
2. Conducting pre-application meetings between City staff and the property owner/developer at no cost to the applicant to discuss and resolve any problems associated with a proposed development
3. Scheduling informal study sessions with the Design Review Commission for a reduced fee prior to the filing of an application
4. Scheduling pre-application joint meetings of the City Council, Planning Commission and Design Review Commission for major projects at no cost to the applicant
5. Bottom-loading the approval process by allowing the zoning administrator to handle almost all discretionary applications

In 1990, the City adopted residential design guidelines for single family homes. The application of these guidelines is recommended particularly for homes in the hillside areas. There is no separate permit required for complying with these guidelines. The City recently adopted design guidelines in the Downtown, which includes multifamily.

Infrastructure Constraints

Despite the buildout figures mentioned earlier, there exist potentially significant constraints to increased housing development related to the adequacy of the City's infrastructure. These include:

- The potable water system is in need of immediate and significant repair and upgrading. Leaks have been identified on several main water distribution lines and several others show signs of deterioration. This problem is being actively assessed by the East Bay Municipal Utility District, which owns and operates the system.
- Several areas have aging storm drains that are fast approaching being in need of repair. Over the long run, it is estimated that there are \$15 million in storm drain repairs and upgrades based on City's Drainage Master Plan.
- Traffic congestion on arterials is a significant and worsening problem. Through-traffic during peak hours and during school pick-up and drop-off times are the predominant sources of traffic congestion. Given Lafayette's topography, roads cannot be widened to accommodate additional traffic.
- Based on the City's Pavement Management System update 61 streets within Lafayette are in need of repair and it will cost the City approximately \$10 million to repair them.
- The majority of future residential development will occur downtown, since the City is nearly built out and the majority of remaining vacant and underdeveloped parcels permitting higher-density residential uses are located there. The Downtown is ill equipped to handle a large increase in population since it has few amenities such as parks, trails, and other recreation facilities.
- Financial limitations are acute, since Lafayette is one of the few "no or low property tax" cities in California. There is no surplus in the City's General Fund to pay for infrastructure upgrades.
- The impacts of increasing enrollment in an already strained educational system that receives insufficient funding needs to be analyzed.
- The existing hilly topography and layout of the City creates the need to study several safety issues such as seismic constraints and emergency evacuation plans.
- Much of the City lies within the high fire hazard zone. The City's hilly terrain causes response times for the fire department to exceed minimum standards and makes the physical fighting of a wild fire more difficult.

- The City has the lowest per capita police staffing in Contra Costa County and steeply increasing costs for police. The City contracts with the County Sheriff's Office for Police services.
- Currently, the annual cost for maintaining the landscape and street lighting within the Core Area Maintenance District is \$408,000 of which only \$218,000 is funded by revenues from the District. The cost difference of \$180,000 is being funded from the City's General Fund. Unless a new funding source is realized, the added maintenance cost of any additional landscape and/or street lighting, or inflationary cost increase, must be funded by the City.

In an effort to address these issues, the City has put forth a number of ballot measures seeking to increase revenue, all of which needed two-third supermajority to pass (numbers in parenthesis indicate the percent that supported the measure):

- 1998: Police Parcel Tax (45%)
- 2004: Road Repair Ad Valorem Tax (58%)
- 2006: Police Parcel Tax (61%)
- 2007: Road Repair Parcel Tax (63%)
- 2011: Road and Drain Parcel Tax (57%)

None of these measures was successful. In addition, the City placed an assessment district increase before downtown property owners in 2007 to fund downtown maintenance, but the proposal was rejected. In spite of these setbacks, the City's infrastructure problems have received attention in recent years.

- Replace and reconstruct storm drains in coordination with street reconstruction projects (ongoing).
- Undertake pavement management efforts including reconstruction of Mt. Diablo Boulevard and other streets located in the project area
- Underground utilities and replace streetlights with vintage lamp fixtures in the core downtown area (ongoing).
- Improve traffic, parking and pedestrian circulation in the core business district (ongoing).
- Improve meeting places and provide gathering points and activity areas for Lafayette's senior citizens (the City has commissioned a senior needs assessment study).
- Complete construction of a new library in the downtown in 2012.

- Implement and update the City's new Downtown Street Improvement Master Plan, which includes planting new and replacing deficient street trees, improving and irrigating street islands, and improving pedestrian walkways (ongoing)
- Procure land and provide convenient off-street parking lots in the downtown area according to the City's master parking improvement plan.

Transitional Housing and Supportive Housing

The City's Zoning Code does not define transitional housing or supportive housing as housing types that are any different from traditional residential dwellings. Consistent with the State and federal law, the City treats transitional and supportive housing as a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone. Pursuant to Program H-5.1.5 of the 2007-2014 Housing Element, the City processed a zoning text amendment in September of 2014, specifically defining transitional and supportive housing in the Zoning Code, noting that these are treated as regular residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Constraints on Housing for People with Disabilities

Both the Federal Fair Housing Act (FHA) and the California Fair Employment and Housing Act (FEHA) impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations "may be necessary to afford" disabled persons "an equal opportunity to use and enjoy a dwelling." This directive was further enhanced by adoption of Senate Bill 520 in 2002 which amended Housing Element law to require local governments to analyze constraints upon the development and maintenance of housing for persons with disabilities and to remove those constraints or provide reasonable accommodations for housing designed for persons with disabilities.

"Reasonable accommodation" is defined as the act of making existing facilities used by residents readily accessible to and usable by individuals with disabilities, through the removal of constraints within the zoning, permit and processing procedures. Reasonable accommodation was originally meant to provide accommodation for housing for people who needed accommodation on a personal basis. However, the State has taken an expanded view and now considers reasonable accommodation to include land use, development improvements, and accessibility, as well as processing and administration. An accommodation is deemed "reasonable" as long as it does not impose "undue financial and administrative burdens" on the jurisdiction or require a "fundamental alteration in the nature" of its zoning scheme. In other words, the City must create a process to allow disabled persons or developers

and operators of housing for people with disabilities to make a claim for relief from whatever constraints they assert exist.

In response to Senate Bill 520 and amended Housing Element law, a program was added to the Housing Element of the 2002 General Plan. Program H-3.3.2 states,

Program H-3.3.2: Housing for Persons with Disabilities: Analyze and determine whether there are constraints on the development, maintenance and improvement of housing intended for persons with disabilities, consistent with Senate Bill 520 enacted on January 1, 2002. The analysis will include an evaluation of existing land use controls, permit and processing procedures and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints, including removing the constraints or providing reasonable accommodation for housing intended for persons with disabilities.

One of the tasks in the Planning Department 2005 Work Plan was to implement housing program H-3.3.2. Reasonable accommodation and modification is a process for making residential facilities readily accessible to and usable by individuals with disabilities through the removal of constraints within land use, zoning, permit and processing procedures. There appear to be no overt constraints in the City's codes or permit and processing procedures. The City adopted the latest California Building Standards Uniform Building Code which includes provisions for accessibility and the zoning ordinance allows the establishment of group homes for up to six persons by right in single-family zoning districts. However, the City's codes, as well as permit and processing procedures, do not facilitate housing for persons with disabilities. The zoning ordinance contains occupancy standards that apply specifically to unrelated adults and not to families. Residential uses on the ground floor in Lafayette's mixed use districts are not allowed and parking requirements do not take into consideration a reduction in parking for special needs housing. Although a variance or land use permit may be granted to overcome these limitations, procedures to process these permits require public hearings and payment of fees between \$1,750 and \$3,800.

Upon review of the City's codes and permit and processing procedures and review of guidance from the Attorney General and the California Department of Housing and Community Development, the City determined that a reasonable accommodation ordinance is an appropriate way to implement Housing Element program H-3.3.2 and the provisions of the FHA and FEHA.

Several cities, including Fremont, Long Beach, Berkeley, San Jose, Santa Rosa, and Woodland, have adopted reasonable accommodation ordinances. Staff reviewed these ordinances and drafted an ordinance that would provide reasonable accommodation procedures for requests for housing designed for occupancy by persons with disabilities seeking relief from land use and zoning regulations and reasonable modification in a policy, practice, or procedure while balancing the City's interest in sustaining and enhancing residential neighborhoods.

As illustrated in the ordinance adopted by the City Council in March 2006, reasonable accommodation requests are to be reviewed by the Zoning Administrator. If the request is de

minimus in nature, the Zoning Administrator may issue a reasonable accommodation permit. Requests for reasonable accommodation may include yard encroachments for ramps and other accessibility improvements, hardscape additions that result in noncompliance with required landscaping or open space provisions, and reduced parking where the disability clearly limits the number of persons operating vehicles. Prior to approving a reasonable accommodation request, the Zoning Administrator must make findings related to special need, potential impact on surrounding uses, and whether the requested modification would require a fundamental alteration in the nature or effect of the city's land use and zoning ordinances, programs or policies.

Although a reasonable accommodation request could not include exemption from the requirement for a land use permit if one was required, an applicant could request accommodation in completing application forms or request an alternate time for a public hearing. For example, a disabled person wanting to establish a group home for more than six disabled persons must obtain use permit approval by the Planning Commission. If the applicant cannot drive and their caregiver cannot drive after dark, the applicant cannot request exemption from the land use permit process, but the applicant can request transportation to the evening meeting or request that the meeting occur before it gets dark so the caregiver can drive them.

Reasonable accommodation was originally meant to provide accommodation for housing for people who needed accommodation on a personal basis. To address the new expanded view, section 6-3401, Purpose, is revised as follows, "by providing reasonable accommodation in the application of its land use and zoning regulations and reasonable modification in a policy, practice, or procedure for housing designed for occupancy by qualified persons with disabilities seeking fair access to housing."

Conclusions

The City identified that prior requirements that multifamily housing obtain a use permit in the Downtown area, the upper floor setback requirements in the C, C-1 and MRO districts and the current parking code were constraints to housing development, especially housing that is affordable. Accordingly, the prior Element contained the following programs to address these constraints:

Program H-2.4.2: Multifamily Housing Development: Amend the Zoning Ordinance to allow the development of multifamily housing as of right in areas where such development now requires a discretionary land use permit. Continue to require design review to ensure that developments are compatible with surrounding uses.

Status in 2014: Housing is now allowed by right in the downtown zoning districts.

Program H-5.1.5: Review and Revise the Zoning Ordinance. Review the Zoning Ordinance and consider revisions to the following governmental constraints or potential constraints on the development of housing:

- a) Consider the strict regulation of the conversion of existing multiple family residential units in the C, C-1, SRB, and RB Zoning Districts.
- b) Include definitions for the following. Ensure that zoning districts where these uses are allowed clearly identify such uses.
 - group homes
 - emergency shelters
 - residential care facilities
 - senior housing
 - foster care home
 - family care home
 - transitional housing
 - supportive housing
 - Single-Room Occupancy units
- c) Ensure that the definition of “family” is consistent with State and federal law.
- d) Add language to the Code that specifically indicates that transitional housing and supportive housing are residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone.

Status in 2014: Conversion of housing to nonresidential use in the downtown requires a land use permit. The Zoning Code has been updated to include definitions for group homes, emergency shelters, residential care facilities, senior housing, foster care home, family care home, transitional housing, and supportive housing. The Code also imposes the same restrictions to transitional and supportive housing that apply to other residential uses of the same type in the same zone.

Program H-5.1.6: Downtown Specific Plan Implementation. Following the Downtown Specific Plan adoption, revise the zoning ordinance to address the following constraints on the development of housing:

Parking

Develop and establish measures such as allowing tandem spaces, car lifts and other creative ways to accommodate required parking for developments.

Upper story setback requirements in the C, C-1 and MRO districts

Develop design guidelines that would allow the City to reduce or eliminate the third story setback requirements in the C, C-1 and MRO districts if appropriate findings

such as compatibility with adjacent development, view and solar protection can be met. As an alternative, develop a set of criteria for waiving the setback requirements for irregular lots in the Downtown.

In addition, the City identified that current residential development requirements – including parking and density – were an impediment to the development of senior housing, especially that which is affordable, since senior housing typically has smaller units and less parking needs. Accordingly, the City Council approved the inclusion of the following program in the prior Element:

Status in 2014: The City is in the process of updating the Parking Ordinance and Downtown Zoning Districts consistent with the General Plan, Downtown Specific Plan, and Housing Element. These are expected to be complete by June of 2015.

Program H-3.2.1: Senior Housing Overlay: Consider creating a Senior Housing Overlay Zoning District. Include criteria that protect neighborhood character and assure good design, as well as flexible parking, setback and other requirements, where applicable.

Status in 2014: The City Council approved the Senior Housing Overlay Ordinance in 2010.

Because the development of individual, small infill lots is difficult, given topographical challenges as well as development standards imposed by the City to ensure compatibility with surrounding neighborhoods, the prior Housing Element previously included the following program:

Program H-2.8.6: Lot Consolidation and Redevelopment of Non-Vacant Sites: Where appropriate and available, provide assistance to developers of residential projects to redevelop non-vacant sites. The program may include incentives for lot consolidation for affordable housing purposes such as:

- 1. Streamlined permitting process, including scheduling joint meetings with City Boards*
- 2. Priority processing of applications*
- 3. Financial assistance from the Redevelopment Agency to pay the processing fees for lot consolidations and/or purchase and consolidate small and odd-shaped lots*
- 4. Technical assistance to property owners and developers including providing assessor parcel data, posting the inventory on the City's web site, offering tours of the Downtown to prospective developers and scheduling pre-application meetings free of charge to explain the City's development standards and review process*
- 5. Fee deferrals to the Certificate of Occupancy phase of the project*

The development incentives contained within this section shall encourage the effective utilization and consolidation of parcels to encourage more viable development opportunities. The City will monitor the effectiveness of these incentives on an annual basis and revise as needed.

Status in 2014: For larger projects involving lot consolidation and redevelopment of non-vacant sites, the City holds joint pre-application meetings of the City Council, Planning Commission and Design Review Commission to provide early input to developers. The inventory is posted on the City's web site; tours and preapplication meetings are held free of charge. For the Woodbury project, the City Council deferred collection of impact fees to the Certificate of Occupancy stage.

Finally, to ensure that there is always a supply of sites in the inventory to meet the City's regional housing needs inventory, the following program has been added:

Program H-2.4.3: RHNA Monitoring Program: Maintain the residential sites inventory that can accommodate the City's regional housing needs allocation of 361 units. Update the inventory annually to monitor the consumption of residential and mixed use properties. If sites in the inventory are developed for non-housing purposes, new sites will be added to the inventory to ensure the City's ongoing compliance with the "no net loss" provisions of Housing Element Law. Post the Housing Element sites inventory on the City's website as a tool for developers, and provide as a handout at the public counter.

Status in 2014: The City monitors the site inventory on an annual basis to ensure ongoing compliance.

NON-GOVERNMENTAL CONSTRAINTS TO HOUSING DEVELOPMENT

Nongovernmental constraints include a variety of factors that negatively impact "the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction" {65583(a)(5)}. Clearly, the potential list of all constraints on the development could be quite long, and might include information on national economic conditions and regional geology. However, the analysis in this Housing Element will focus on nongovernmental constraints that significantly impact the provision of housing in the community.

Financing Availability

The availability of financing can sometimes constrain the development or conservation of housing. Until the end of 2008, home mortgage credit was readily available at attractive rates throughout the U.S. The beneficial effects of lower mortgage interest rates on homeownership affordability are profound. For example, with mortgage interest rates at 4%, and assuming a 20% down payment, a family with an annual income of \$70,000 can qualify to purchase a \$450,000 home. As interest rates increase, however, the same income has declining purchasing power: for example, at an interest rate of 6%, that household can qualify to purchase a \$375,000 home. Mortgage interest rates clearly have an influence on homebuyers, especially at the lower incomes. Qualifying for a loan, moreover, is significantly more difficult than during the years of subprime lending.

A related issue is the financing available for the construction of new housing development. According to the Statewide Housing Plan, land developers purchase raw land, entitle and subdivide it, and, sometimes, depending on the developer and market, install on-site services (e.g., streets, sewers, drainage) and pay for off-site improvements. These activities are generally carried out two to five years ahead of unit construction. The long lead times and high costs associated with these activities create a considerable risk for the developer.

The State notes that the high levels of risk associated with land development make it difficult for land developers to find investors and financing. As a result, potential land investors typically require large premiums over and above other types of real estate investments. Lenders who make land development loans impose lower loan-to-value-ratios, charge higher rates, and/or require the loan to be a recourse loan. If other, lower-risk lending opportunities are available, lenders may eschew land development loans altogether.

Construction loans for new housing are difficult to secure in the current market. In past years, lenders would provide up to 80 percent of the cost of new construction (loan to value ratio). In recent years, due to market conditions and government regulations, banks require larger investments by the builder.

Due to Federal and state budget cuts, affordable housing developers have had a much harder time securing funding. Since 2009, the Federal Government has cut programs such as

Community Development Block Grants, HOME, and HOPE VI funding by 27-50%, according to ABAG. Traditionally, these programs have been a large source of affordable housing funds. In addition to Federal cuts, the State dissolved Redevelopment agencies in 2012, leaving the City of Lafayette and other jurisdictions in the County with a loss of millions in funds for affordable housing. However, Low Income Housing Tax Credits still provide an important source of funding, so it is important for jurisdictions to consider which sites are eligible for affordable housing development.

The foreclosure crisis hit the Bay Area hard, some areas more than others. At the beginning of 2009, there were about 58 units in pre-foreclosure, foreclosure, or in auctions in the City of Lafayette according to RealtyTrac out of a total 9,213 units, or 0.6%. As of the first quarter of 2014, there were 21 properties were in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac at that time was 19. Although home affordability has been improving as a result of foreclosures on the market, building permits, starts and sales continue to decline because prospective homebuyers either lack access to credit or the confidence to buy.

Development Costs

Construction Cost

Escalating land prices and construction costs due to a high demand for housing are major contributors to the increasing cost of housing in the Bay Area. A major impediment to the production of more housing is the cost of construction, which involves two factors: the cost of materials, and the cost of labor. However, the cost of construction varies with the type of new housing and the way it is built. An affordable project constructed in Lafayette illustrates the real-world implications of high construction costs. This 46-unit development cost about \$22 million, which translates to about \$264,000 per unit for construction costs alone. Soft costs were an additional \$130,000 per unit, and land costs were about \$82,000 per unit. All told, the per-unit development costs total about \$475,000 per unit.

Cost of Land

The cost of land varies considerably between and within jurisdictions. Market factors, especially the desirability of the location, play an important role in setting property values. Recent projects in Lafayette translate into \$100 to \$150 per square foot.

Overall Construction Cost

All of these factors above serve to impact the overall cost to produce housing, including affordable housing. Developer overhead and indirect costs, such as project management, design, marketing and taxes, typically adds about 10% to 15% of total costs. Financing of the construction project typically represents another 15% of the total costs. As noted in the affordable housing project example above, the total cost per unit can run more than \$475,000, which equals more than \$530 per square foot of building space.

ENERGY CONSERVATION, CLIMATE CHANGE, AND SUSTAINABILITY

The City encourages energy conservation in residential projects. The building orientation, street layout, lot design, landscaping, and street tree configuration of all residential projects are reviewed in order to maximize solar access and energy conservation. Residential structures must meet the requirements of Title 24 relating to energy conservation features of the California Building Code.

The City adopted its Environmental Strategy in November 2006 and amended it in 2011. Since then, staff, the Environmental Strategy Task Force, and other citizen volunteers have been implementing this sustainability policy for the community. Included in this effort has been the discussion of green building guidelines. Most Bay Area cities have implemented or are in the process of developing green building programs; however, the City intends to establish a voluntary green building program that complements CalGreen, the State's Green Building Code. Having a consistent standard throughout the region will make green programs easier to accept by the development and construction community.

The City adopted the following mission statement and guiding principles related to its environmental efforts:

“The City of Lafayette is committed to developing and implementing environmental policies and programs that will enable the City and its residents to meet their present needs without sacrificing the ability of future generations to meet their needs.”

The City recognizes that to achieve its commitment it requires the effort of individual community members and that it has an important role in educating its citizens and acting as a model. In fulfilling its commitment, the City of Lafayette should be guided by the following principles:

1. The importance of environmental sustainability should be considered in City policy and decisions.
2. The protection, preservation and restoration of the natural environment are high priorities of the City.
3. Broad community cooperation among the City government, businesses, residents, community organizations, and schools and other service providers is essential to effective community governance.
4. Community awareness, responsibility, participation and education are key elements of an environmentally sustainable community.
5. Environmental quality, economic health and social equity are related.

6. The City recognizes that it is part of a wider community and that local environmental issues cannot be separated from their broader context.

Initially utilizing a voluntary guideline program has a number of benefits. It provides a period of time for public education and for staff to get familiar with green building techniques. It also allows time to create a pool of qualified reviewers, either our staff with training or outside certified consultants. Having this pool is one of the barriers cities faced moving forward with mandatory programs; there are not enough people trained to check plans for compliance with Build It Green or LEED standards. Depending on the effectiveness of a voluntary program and any identified obstacles, the City could gradually phase-in mandatory green building requirements.

In addition to the voluntary green building program, the City currently recognizes outstanding efforts that contribute to a more sustainable community and help the City achieve its environmental goals, the Environmental Task Force and City Council the annual Lafayette Awards of Environmental Excellence, more commonly known as the Lafayette Green Awards. Awards are chosen across five different categories: residents, local businesses, schools, community organizations, and green building. The Lafayette Green Awards have been presented annually since 2007.

ICLEI, Local Governments for Sustainability (of which Lafayette is a member), is an international association of local governments as well as national and regional local government organizations that have made a commitment to sustainable development. Over 1,000 cities, towns, counties, and their associations worldwide comprise ICLEI's growing membership. ICLEI works with these and hundreds of other local governments through international performance-based, results-oriented campaigns and programs.

ICLEI is attempting to standardize the work being done by cities and counties to establish greenhouse gas emission baselines and develop action plans for reducing these emissions. In partnership with ICLEI, Pacific Gas & Electric, and the Association of Bay Area Governments, the City prepared a 2005 inventory of municipal greenhouse gas emissions. An updated inventory was conducted for 2010, which expanded to include community-wide emissions. The greenhouse gas emissions inventories are intended to be utilized as a baseline for future climate action planning projects, such as the City's Environmental Action Plan.

This work has taken on more importance since the passage of AB32 with its goal to reduce the state's greenhouse gas emissions to 2000 levels by 2010 (11% reduction), 1990 levels by 2020 (25% reduction), and 80% below 1990 levels by 2050. These reductions will be accomplished through an enforceable state-wide cap on state-wide emissions that will be phased in starting in 2012. To implement the cap, AB32 directs the California Air Resources Board to develop appropriate regulations and establish a mandatory reporting system to track and monitor emission levels. Additionally, AB32 requires that the Board use the following principles to implement the cap:

- Distribute benefits and costs equitably
- Ensure that there are no direct, indirect, or cumulative increases in air pollution in local communities
- Protect entities that have reduced their emissions through actions prior to this regulatory mandate
- Allow for coordination with other states and countries

The second and third bullets are relevant to cities. There is a sense that at some point – 5 years, 10 years from now – the State will impose some level of mandatory requirements on cities to reduce emissions at the local level. This could be through a mandatory sustainability element of general plans, adopted emission reduction actions plans, and/or green building ordinances. The third bullet is important because the cities that have their general plan elements, action plans, green building ordinances, or other emission reduction programs in place before regulations take effect are in better positions.

In addition to AB32, Executive Order S-3-05, created a goal to reduce GHG emissions to 1990 level by 2020 and to 80% below 1990 levels by 2050.

The City of Lafayette’s General Plan encourages growth and a new direction for the Downtown, while preserving and enhancing the center of Lafayette as a place where residents, employees, and visitors can congregate, take part in civic activities, and enjoy the ambiance of small town life. To ensure a vibrant Downtown that is the community’s commercial, civic, and cultural center, the City encourages a mix of uses, creating a pedestrian-oriented environment, improving the appearance and function of the commercial areas, promoting multi-family residential uses and mixed-use development, and preserving historic sites and structures. The Downtown Specific Plan promotes sustainability through the development of downtown public parking, transportation options, multifamily housing, retail and employment opportunities, linked pedestrian and bicycle infrastructure, and enhancement of creeks and parks.

Plans for the Downtown area promote creation of distinct, convenient, attractive, and safe commercial areas that serve and complement the existing residential neighborhoods throughout the rest of the city. Lafayette strives to establish the Downtown Core as the center of commercial and cultural life, with a mix of retail, office, commercial, and residential uses to meet all needs of the community and visitors. The City envisions a revitalized West End Commercial Area with a mix of office and office-related service activities, including an emphasis on restaurants, business services, office support activities, and housing. Plans to improve the appearance and function of the East End Commercial Area involve consolidation and redevelopment of under-performing properties, and creation of new employment that will help restore the City’s jobs and housing balance.

As Downtown Lafayette continues to evolve, new retail, residential and commercial projects are being introduced. Lafayette Mercantile, a 55,000 square foot mixed-use retail and office building at the corner of Mount Diablo Boulevard and Lafayette Circle, was completed in early 2008. The Veteran’s Memorial Building, an award-winning 10,000 square foot flexible-use facility, opened its doors in 2005. Eden Housing (Belle Terre), a 45-unit affordable senior

housing project was completed in late 2013. Marquis Lafayette, a 23-unit townhome project located at Mount Diablo Boulevard and Pleasant Hill Road was completed in late 2013. Merrill Gardens, a 72 unit senior housing project with a 17-bed memory care facility and ~6,000 sq. ft. in retail space, is in construction and is expected to open in October of 2014. In addition, Lafayette will continue to encourage the construction of higher density housing in its downtown consistent with the goals of the General Plan. Recently-approved applications include The Woodbury, a 56-unit condominium project, Town Center, a 69 unit residential project, and Lafayette Park Terrace, an 18-unit condominium project.

Through the application of transit-oriented, mixed-use policies, Downtown Lafayette will address regional growth issues, creating a more sustainable jobs/housing balance, encouraging transit use, and improving livability. Downtown Lafayette will be vibrant, complete community that will attract residents and visitors by its walkability, access to employment and educational opportunities, as well as the natural beauty and recreational opportunities within a half mile of the BART Station.

In order to fully realize its vision for Downtown, the City completed the Downtown Specific Plan, a comprehensive vision and specific plan for housing and commerce that will guide the direction of development in the Priority Development Area for the next 20 years. The City was awarded a \$150,000 Station Area Planning grant from the Metropolitan Transportation Commission and Association of Bay Area Governments for the environmental review of the plan. Since its adoption in 2012, the City has begun implementing its programs and policies, including adopting Downtown Design Guidelines and updating the parking regulations, land use definitions, zoning standards, and sign regulations.

In addition, in December 2007, the City was awarded a \$75,000 climate protection planning grant from the Bay Area Air Quality District. The purpose of the grant is to incorporate climate protection modeling as part of the land use and circulation alternative analyses. The City is in the process of developing its Environmental Action Plan which addresses climate protection.

As a companion effort to the Downtown Strategy, the Downtown also was designated a Priority Development Area by the Association of Bay Area Governments. Priority Development Areas (PDAs) are locally-identified, infill development opportunity areas within existing communities. They are generally areas of at least 100 acres where there is local commitment to developing more housing along with amenities and services to meet the day-to-day needs of residents in a pedestrian-friendly environment served by transit. To be eligible to become a PDA, an area had to be within an existing community, near existing or planned fixed transit or served by comparable bus service, and planned for more housing.

A central aspect of this Priority Development Area is to utilize and enhance existing transit infrastructure by improving local connections to the BART Station and County Connection bus routes. The Walkways Master Plan provides Lafayette with a system of walkways for safe and efficient pedestrian movement throughout the city, and connects residential areas with the downtown, public transportation, schools, community amenities, parks, City and regional trail

systems. The Bikeways Master Plan includes a citywide system of bike lanes, bike routes, bike paths, bicycle parking and other facilities to allow for safe, efficient, and convenient bicycle travel within Lafayette and connections to regional destinations.

Residents, employees, and visitors to the Downtown area can also take advantage of nearby open spaces. These include Briones Regional Park, which is an easy walk or bicycle ride from BART, and the Lafayette Reservoir, which offers paddleboats, playgrounds, miles of walking paths, and 550-acres of unspoiled natural oak woodland. The Trails Master Plan will enhance Lafayette's existing network of over sixteen miles of community trails and will develop and maintain new trail opportunities. Trails link Lafayette's neighborhoods and serve as feeders to regional trail networks and parks, such as the Lafayette-Moraga Trail, the Lafayette Reservoir, Briones Regional Park and Las Trampas Regional Park.

Providing educational opportunities for all residents remains a priority of the City, both to create and sustain long term demand for housing, and to serve as a point of pride in the community. The Lafayette Library and Learning Center, at the corner of Mount Diablo Boulevard and First Street, was completed in 2009 and has served as a place where all generations can gather for enriched intellectual and cultural experiences. The Lafayette Community Garden and Outdoor Learning Center, located near the Lafayette Reservoir, offers community members educational workshops, as well as opportunities to grow their own food. Both are within easy walking distance of downtown residents, and provide a multitude of educational and cultural activities to the region.

INVENTORY OF HOUSING SITES METHODOLOGY

In order to accurately assess the capacity for housing development – especially multifamily housing – in the City of Lafayette, staff conducted an extensive site-by-site review of parcels located in the Downtown area, to ascertain current development trends and potential for future development. A number of steps were taken to ensure that each identified site could realistically be developed or redeveloped within the planning period:

1. **Review of adjacent land uses to assess compatibility with existing uses.** Sites that are listed in the inventory are generally adjacent to existing residential uses, or in areas where residential uses should be encouraged.
2. **Analysis of adjacency of services.** Distances to services (grocery and drug stores, BART, bus service) were calculated. Also analyzed was the availability of infrastructure. The City’s policy is to ensure that housing, especially multifamily affordable, has proximity to services in order to be competitive for affordable housing funding.
3. **Calculation of reasonable building footprint based on unusual or difficult topography.** Each site was assessed for topographical constraints and opportunities wherein changes in topography could be used to add an additional storey without increasing the mass of development. Realistic capacities were reduced if sites possessed challenging terrain.
4. **Assessment of the parcel’s past history and current status.** Staff researched the sites to determine whether active businesses had expiring leases, whether the site contained abandoned or dilapidated buildings, etc. Further, sites were reviewed to determine whether current uses were appropriate for redevelopment and/or relocation.
5. **Discussion of owner interest in selling or developing the parcels.** The City has had extensive discussions about potential development with a wide variety of property owners of several sites. The inventory notes these discussions where applicable.
6. **Analysis of the feasibility of lot consolidation.** While the Element generally requires lot consolidation in order to achieve large enough sites to support development, the City has an established track record of lot consolidation for a wide variety of projects. Lafayette’s downtown -- in which all services such as grocery and drug stores, civic and cultural facilities and the BART station are located -- is almost entirely built out. Recent examples of successful lot consolidation efforts include (1) the Lafayette Mercantile project in which five parcels under different ownership (including two former gas stations) were purchased by the developer for a mixed use project, (2) The Woodbury project in which an operating motel and a newly opened restaurant under separate ownership were purchased for a 56-unit condominium project and (3) the Merrill Gardens project in which the housing developer consolidated six parcels under two separate owners. These parcels when purchased contained successful businesses including a restaurant and a garden supply store.

7. **Application of proposed Downtown Specific Plan requirements (which directs retail on the ground floor along Mt. Diablo frontage in the Downtown Core with housing above or behind).** The inventory classifies development on sites that front Mt. Diablo Blvd. as mixed use (housing over commercial) and development on sites away from Mt. Diablo Blvd. as all-housing. The yield per site was calculated based on these designations, and therefore are less than were these sites devoted to all-housing.
8. **Age of structures.** The majority of the structures on the identified sites were built between the 1930s and 1970. Many of them are in need of upgrades to meet current building codes. While some of the buildings on the identified sites house operating businesses, parcels with operating businesses have recently been acquired and consolidated for larger developments such as The Woodbury and Lafayette Mercantile. Buildings built prior to 1950 (>60 years old) are identified in Appendix C.
9. **Development trends.** Of the nine major development applications or study sessions that the City considered in the Downtown between 2006 and 2013, seven (77%) were for multifamily residential projects (listed in Item 10, below) and only two for commercial projects – Lafayette Mercantile and the Branagh office building. This demonstrates that even though sites may allow commercial or residential, the majority have been developed as residential in recent years. Also during this period, land in the Downtown was purchased by residential developers SRM/Merrill Gardens, Eden Housing and The Woodbury. The City has therefore seen an increased demand for housing sites in the Downtown. We expect this trend to continue for the rest of the planning period for the following reasons:
 - (a) Downtown revitalization. Efforts of the City and former Redevelopment Agency in the last decade have made Downtown Lafayette a desirable place in which to live. Today, in addition to the BART station, Downtown Lafayette has a state-of-the-art library and learning center which offers great amenities for children and seniors, several new family restaurants, four major grocery stores, and an improved pedestrian and bikeway system.
 - (b) Lafayette’s excellent schools. One elementary school is located in the Downtown and the middle school is within walking distance.
 - (c) City commitment to encourage housing in the Downtown. This is evidenced by the policies in this chapter, the increased densities that will be allowed through the senior housing overlay district, the City’s adopted density bonus guidelines and the requirement of the former Redevelopment Agency that each housing project set aside at least 15% of the units for households of very low, lower and moderate incomes.
 - (d) Downtown Specific Plan. The draft Plan contains goals to promote the development of housing in the Downtown including:

- i. Allow housing by right in the Downtown
 - ii. Review and update existing development standards to ensure that the distinct character of the Downtown residential neighborhoods is preserved, existing multifamily development is protected, and new multifamily development is encouraged.
 - iii. Review and update current parking codes
 - iv. Encourage sustainable development and the location of housing close to transit and services
- (e) The availability of funds to assist affordable housing projects.

10. **Entitled projects/study sessions.** There are sites that have already been entitled for housing projects and others for which study sessions have been held to review proposed multifamily projects. As noted in #9 above, these are sites that could have been developed either with commercial or with housing, yet were developed for housing. They include:

TABLE 49 - RECENT PROJECTS ON SITES CONVERTING FROM COMMERCIAL TO RESIDENTIAL

APN/ Site #	Name	Number of units	Status
241-010-024, 033, 034, 040/ #2	Woodbury	56	Approved and under construction
241-020-013, 014, 015 /part of #4	Celia's	66	Pending application
243-040-035/#6	Town Center Ph. III	69	Approved
233-040-013, 014, 015, 016, 028, 029/#15	Merrill Gardens	72	Approved and constructed
233-040-038/#18	Eden	46	Approved and constructed
<u>233-132-049/#22</u>	Hungry Hunter	23	Approved and constructed
<u>243-070-011/#A</u>	Lenox	11	Pending application
TOTAL		343	

11. **Single owner parcels.** Not all sites in the inventory have multiple owners. A number of sites are under single ownership. They are:

TABLE 50 - INVENTORY SITES IN SINGLE OWNERSHIP

APN/ Site #	Name	Number of units
241-010-024,033,034,040/#2	Woodbury	56
241-020-013, 014, 015 /part of #4)	Celia's	66
243-040-035/#6	Town Center Ph. III	69
233-131-020,022/#21	Park Terrace	18
234-041-001/#9	Bruzzone	66
233-040-024,039/#17	Conti	21
243-150-017/#7	Spruzzo	10
243-070-011/#A	Lennox	11
243-232-027 & 243-232-028/#B	Lincoln	40
	TOTAL	357

By including each of these factors, the inventory's resulting capacity is conservative; for example, a site may have a calculated capacity of 30 dwelling units but because of the site's topography or location on Mt. Diablo Blvd., its realistic capacity is only 15 units. Although nothing in the inventory specifically prevents a site from being developed closer to its calculated capacity, the City has intentionally adopted a conservative stance to ensure that there is adequate capacity for the inventory, including housing that is affordable. It has been, and continues to be, the City's policy to focus housing, especially multifamily of all kinds, in the Downtown to preserve hillsides and the outlying areas' semi-rural character. Focusing housing on the Downtown area further improves developers' ability to be competitive for dwindling housing resources at the State and federal level, since proximity to services continues to be a significant criterion for funding applications of all types.

Additionally, only those sites larger than one acre were identified as potentially affordable sites, since the State's default density for multifamily and affordable in Lafayette is 20 units to the acre. Given all of these factors, the overall realistic inventory of sites is calculated at 846 units, of which more than half (437 units) can be counted as lower income. The following table summarizes the inventory calculations:

TABLE 51 - INVENTORY SUMMARY

Total Area (Acres)	Total Mathematical Capacity	Total Realistic Capacity					Realistic Capacity as a Percent of Total
		ELI/VLI	LI	MOD	AMOD	TOTAL	
189.1	1,064						
		158	126	99	409	792	74%
	RHNA	138	78	85	99	400	
		114%	162%	116%	413%	198%	

Total Lower-Income	383
RHNA	301
% of RHNA	127%

PRESERVATION OF UNITS AT RISK OF CONVERSION TO MARKET RATE

There is one development in Lafayette that is potentially at risk of conversion to market rate within the next ten years: Chateau Lafayette, with 66 Section 8 units (one manager unit). This independent living development is owned and managed by the Lafayette Senior Housing Association, a 501(c)(3) nonprofit. In addition to Section 8, funding assistance was provided by the State of California. Currently, the expiration date for HUD assistance is listed as 8/28/18. Because this development is operated by a nonprofit, its risk for conversion to market rate is low. In addition, 15 units at the Town Center development, which were financed by tax credits, will expire in 2016; however, the affordability covenants in the development agreement do not expire until 2031.

Cost Analysis of Preservation

Given the housing market in the Bay Area, recent significant increases in rental rates, and owners foreclosed throughout the Bay Area looking for rental housing, conversion to market rates is likely to be an attractive option for owners of at-risk properties. Since the Chateau Lafayette project is considered low-risk because the owner is a nonprofit with an interest in preserving its units' affordability for its residents, the likelihood of conversion is minimal. However, the Tax credit project's future is much less certain.

The cost of producing an affordable unit to replace a lost unit is extremely high. The City assisted in the development of a 46-unit independent senior project, which was undertaken by Eden Housing. This project showed the cost to develop each unit at approximately \$475,000. Translated to Chateau Lafayette, the cost to replace the existing Section 8 property would be more than \$31 million. In contrast, the cost to preserve the development could be more on the order of \$100,000 per unit in subsidy, or \$6.6 million overall. For the Town Center project, the cost to replace the 15 units could be as high as \$8 million, whereas the cost to preserve them could be approximately \$1.5 million.

Preservation of at risk units can be accomplished in several ways, including acquisition of the property by qualified nonprofit housing corporations, local housing authorities, or other organizations that are committed to long-term affordable housing. As part of the financing of this type of acquisition, long-term regulatory restrictions are recorded against the property, removing the risk of conversion.

Resources for Preservation

The City will actively work with HUD, the owner, and other interested parties to extend affordability restrictions to preserve the affordability, utilizing state or federal programs for any units that are at risk of conversion to market rate in the future. Priority of any City housing resources will be given to preserve at risk units as needed. The following is a partial list of qualified entities that can assist the City in preserving these units; they represent those organizations located in, or operating in, Northern California.

TABLE 52 - SELECTED LIST OF QUALIFIED PRESERVATION ENTITIES)

<u>Organization</u>	<u>City</u>
A. F. Evans Development, Inc.	Oakland
Affordable Community Housing Trust	Sacramento
Affordable Housing Associates	Berkeley
Alameda County Allied Housing Program	Hayward
American Baptist Homes of the West	Pleasanton
Bank of America, N.A.	San Francisco
BRIDGE Housing Corporation	San Francisco
Bridge Partners	Walnut Creek
C. Sandidge and Associates	Hercules
Cabouchon Properties, LLC	San Francisco
California Coalition for Rural Housing	Sacramento
California Housing Finance Agency	Sacramento
California Housing Partnership Corporation	San Francisco
California Human Development Corporation	Santa Rosa
Christian Church Homes of Northern California, Inc.	Oakland
Citizens Housing Corp	San Francisco
Community Housing Developers, Inc.	San Jose
Community Housing Development Corp.	Richmond
Community Housing Opportunities Corporation	Davis
Contra Costa Community Development Department	Martinez
Domus Development, LLC	San Francisco
EAH, Inc.	San Rafael
East Bay Asian Local Development Corporation	Oakland
Eden Housing, Inc.	Hayward
Eskaton Properties Inc.	Carmichael
Foundation for Affordable Housing, Inc.	San Jose
Hendricks & Partners	Rancho Cordova
Kendra Care Incorporated	Sacramento
Matinah Salaam	Concord
Mercy Housing California	San Francisco
National Housing Trust	Walnut Creek
Northern California Land Trust, Inc.	Berkeley
O.P.E.N. Inc	Oakland
Oakland Community Housing, Inc.	Oakland
Pacific Community Services, Inc.	Pittsburg
Paramount Financial Group, Inc.	Walnut Creek
Petaluma Ecumenical Properties Inc.	Petaluma
Phoenix Programs Inc.	Concord
Resources for Community Development	Berkeley
Resources for Community Development	Berkeley
Richmond Neighborhood Housing Service Inc.	Richmond
Rubicon Programs, Inc.	Richmond
Rural California Housing Corp	West Sacramento
Satellite Housing Inc.	Berkeley
Senior Housing Foundation	Clayton
SLSM, LLC	San Francisco
The John Stewart Company	San Francisco
The Trinity Housing Foundation	Walnut Creek
Union Partners Realty Group, Inc.	San Rafael
USA Properties Fund	Roseville
Vallejo Neighborhood Housing Services, Inc	Vallejo
Walnut Creek	Walnut Creek

SECTION II: HOUSING GOALS, POLICIES AND PROGRAMS

Note: Items in ~~strikeout~~ were completed in the previous cycle or no longer applicable (for example, items pertaining to the former Redevelopment Agency).

Goal H-1 **Conserve and improve the existing housing supply to provide adequate, safe, and decent housing for all residents, with emphasis on maintaining the semi-rural character of the City.**

Policy H-1.1 Housing Rehabilitation: Pursue available funding for the preservation, rehabilitation and weatherization of viable older housing to preserve neighborhood character and retain a supply of housing units for all income categories.

Program H-1.1.1: Rehabilitation/Preservation Program: Support the Contra Costa County Housing Authority (CCCHA), which provides low interest loans for the rehabilitation of homes owned or occupied by low- to moderate-income households. The City will continue to assist in citizen awareness of this rehabilitation loan program by a) making pamphlets on this program available at City Hall and at the public library; b) contacting neighborhood groups in older residential areas with this information; c) continuing building code enforcement through the County's Building Division; and d) continuing to provide updated information through the City's website, Vistas (the City newsletter) and other relevant media.

Responsibility: PBD³
Financing: City and County funds
Scheduling: Ongoing

Program H-1.1.2: Code Enforcement Program: Continue the code enforcement program to encourage the rehabilitation and/or elimination of physically obsolete and substandard housing.

Responsibility: PBD
Financing: City
Scheduling: Annually as an ongoing program
Projection: One inspection per year.

Program H-1.1.3: Rehabilitation of Multifamily Housing: Develop a program of incentives to encourage the rehabilitation of deteriorating multifamily housing.

³ PBD: Planning and Building Department

Responsibility: PBD
Financing: City
Scheduling: 2017

Policy H-1.2 Conversion of Residential Units: Discourage the conversion of older residential units to other uses.

Program H-1.2.1: Maintenance of Existing Residential Zoning: Retain existing residential zoning and revise the Zoning Ordinance to disallow commercial uses, other than residential businesses, in these zones. Continue to require architectural review of non-residential structures (e.g. schools, churches, fire houses, police stations, utility structures) in residential zones to ensure conformity with existing neighborhood character.

Responsibility: PBD
Financing: City Funds
Schedule: Ongoing

~~Program H 1.2.2: Conversion of Housing Units Downtown: Develop an inventory of residential units that have been converted to non-residential uses without the required permits and in violation of the Zoning Ordinance in the C, C-1, SRB, and RB zoning districts. Work with property owners to convert and reclaim these units back to their original residential use.~~

~~Responsibility: PBD, Code Enforcement
Financing: City
Scheduling: 2011 and 2012 for the inventory, and annually as an ongoing program~~

Program H-1.2.3: Conversion of Illegally Converted Residential Units: Work with property owners through the permitting process to convert and reclaim illegally converted units back to their original residential use.

Responsibility: PBD, Code Enforcement
Financing: City
Scheduling: 2016-2017
Projection: Three units per year to be converted back to their original use.

Policy H-1.4 Condominium Conversions: Continue to limit conversion of existing rental housing units to market rate condominiums. Conversion to limited equity cooperatives and other innovative housing proposals that are affordable to low and moderate-income households are permitted.

Program H-1.4.1: Condominium Conversions: Consider amendments to the existing condominium conversion regulations (Chapter 32 of Title 6 of the Municipal Code). Amendments that would be considered include exemption of limited equity residential cooperatives that provide long-term affordability for the units; requirement of relocation assistance by the proponent when units are converted; and requirement of first right of refusal by occupants. Where there are existing affordable units, require conversion projects to retain the same number of affordable units when they convert to ownership. Periodically review the provisions of the Condominium Conversion Ordinance to ensure that it adequately protects the existing rental housing stock. Conversions will require that 15% of the units be set aside for affordable housing.

Responsibility: PBD
Financing: City
Scheduling: 2018

Policy H-1.5 Energy Conservation, Sustainability and Climate Change: Promote available energy conservation programs, and develop new programs to address sustainability and climate change issues.

Program H-1.5.1: Energy Conservation Program: Provide information for public distribution on programs which provide assistance for energy conservation improvements, and information on sustainability and climate change. . Make this information available on the City’s web page, at the City offices, the Contra Costa County Building Inspection Department, the Lafayette Library and at the annual Earth Day event. Coordinate community activities and programs with Sustainable Lafayette.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

~~Program H 1.5.2: Green Building Program: Develop a green building program for residential, industrial and commercial uses. Consider offering incentives to property owners whose buildings exceed the City’s minimum requirements such as granting Green Awards, posting details of the building on the City’s web site, and providing plaques certifying that the building exceeds the City’s minimum green building standards. The draft program was developed by the City’s Environmental Task Force, and it is based on the Build It Green checklist. It will require different types of projects to achieve a minimum number of checklist points.~~

~~Responsibility: PBD
Financing: City~~

Scheduling: ~~2012~~

Program H-1.5.2: Green Building Incentives: Offer incentives to property owners whose buildings exceed minimum CalGreen requirement such as obtain a U.S Green Building Council Leadership in Energy and Environmental Design (LEED) Certification, Build-It-Green Green Point Rated Certification (GPR), or a self-certification equivalent. Incentives may include granting Environmental Awards of Excellence and posting details of the building on the City's website, and providing plaques certifying that the building exceeds the City's minimum green building standards. .

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Program H-1.5.3: Annual Earth Day Event: Continue to co-sponsor the Earth Day event with Sustainable Lafayette and Lafayette Chamber of Commerce which is held annually in Downtown Lafayette. At this event, booths are provided to the local schools and other organizations interested in environmental sustainability to help them publicize their efforts to promote sustainability.

Responsibility: City Council
Financing: City, Sustainable Lafayette and Chamber of Commerce
Scheduling: Annual

Program H-1.5.4: Home Energy Retrofit Program: Work with Contra Costa County through the City's Environmental Task Force to offer subsidized home energy assessments and rebates on the cost of energy efficiency improvements to residents proposing home improvement projects that achieve at least a 20% reduction in home energy consumption.

Responsibility: County
Financing: State Energy Program grant
Scheduling: Ongoing
Projection: One to two rebates per year.

~~Program H-1.5.5: Implementation of AB 811 for Residential Energy Financing: Join the CaliforniaFIRST energy and efficiency financing program to implement AB 811.~~

~~Responsibility: City Council
Financing: City
Scheduling: Completed~~

Program H-1.5.: Environmental Action Plan: Develop an Environmental Action Plan, which will include specific goals, policies, and programs for community sustainability. The Plan is expected to include the following:

- i. Resource Conservation
 - 1. Solid Waste
 - 2. Water
 - 3. Energy Use
 - 4. Green Construction
- ii. Community Health
 - 1. Local Foods
 - 2. Green Business
- iii. Transportation
 - 1. Bicycles & Pedestrians
 - 2. Motorized Vehicles
 - 3. Public Transportation
- iv. Open Space & Landscape
- v. Community Education & Outreach

Responsibility: PBD
Financing: City, Sustainable Lafayette and Chamber of Commerce
Scheduling: 2016

Policy H-1.6 Expansion of Homes in Existing Neighborhoods: Review the Zoning Ordinance to ensure that it adequately requires the remodel or expansion of homes to be in keeping with the character of the surrounding neighborhood.

Program H-1.6.1: Review Existing Zoning Regulations that Protect Existing Smaller Units: Strengthen design review findings to ensure that new homes and additions are in keeping with the character of the neighborhood.

Responsibility: PBD
Financing: City
Scheduling: 2016

Policy H-1.7 Capital Improvements. Ensure that existing neighborhoods' capital improvement needs are addressed.

Program H-1.7.1: Capital Improvement Program: Provide for annual review by the Planning Commission and City Council of the City's Capital Improvement Program (CIP) to determine what special priorities are needed for capital improvement projects required to maintain the community's older residential neighborhoods. Review of the CIP shall also include verification that areas needing improvement are scheduled for funding to address these needs at a specific time in the future.

Responsibility: Engineering Department
Financing: City
Scheduling: Annually as an ongoing program

Policy H-1.8: Retention of Existing Lower-Income Units. Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing. Retention of such units should have high priority for available funds.

Program H-1.8.1: Ongoing Monitoring of Conversion Risks: Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of any subsidized projects in Lafayette to keep up-to-date on plans to maintain affordability. Assist in outreach and education to tenants as needed. No market rate conversions are anticipated during 2009-2014.

Responsibility: PBD
Financing: City
Scheduling: Annually as an ongoing program

Program H-1.8.2: Ongoing Monitoring of Federal Preservation Activities: Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations. With respect to the Town Center Tax credit project and Chateau Lafayette, work with the owners to determine expected actions and assist with any negotiations that would result in the preservation of these units.

Responsibility: PBD
Financing: City
Scheduling: 2015 for Town Center and Chateau Lafayette; otherwise, ongoing

Program H-1.8.3: Respond to Notices of Intent to Prepay: Support efforts to retain existing FHA and HUD subsidized low-income units through use of local, regional and national resources, CDBG funds, Redevelopment Housing Set-Aside funds, and other solutions.

Responsibility: PBD
Financing: City
Scheduling: Annually as an ongoing program

Program H-1.8.4: Support Ongoing Rental Subsidies in Lafayette: Continue to support the County Housing Authority housing rental subsidies to lease units in Lafayette for very-low and low-income households. The Section 8 program is the most useful program the City has to subsidize families in rental apartments, and its continuation is important to maintain some subsidized rentals for families. The City will continue to promote the program by providing information to the community on the value of this program and the need for participant landlords through the Section 8 program.

Responsibility: PBD
Financing: City
Scheduling: Annually as an ongoing program
Projection: Request the Housing Authority distribute information on subsidized housing programs to senior and community groups annually.

Goal H-2 Facilitate and encourage the development of diverse housing types and additional affordable housing units to accommodate a diversity of Lafayette citizens in terms of age and socio-economic background and to meet regional housing needs as quantified in this chapter.

Policy H-2.1 Mixed Use: Encourage the rehabilitation and development of residential uses in commercial areas where the viability of the commercial activities would not be adversely affected.

Program H-2.1.1: Housing Rehabilitation in Non-Residential Areas: Encourage housing rehabilitation in commercial zoning districts, subject to funding availability.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Program H-2.1.2: New Mixed-Use Developments: Support, as appropriate, projects that include a mix of both residential and commercial development in the Downtown by providing incentives such as scheduling joint study sessions of the City Council and commissions to gather early input, considering reductions in parking requirements if studies demonstrate different peak periods between land uses and facilitating interagency coordination during the development review process. For projects fronting downtown streets, consider requiring that

housing be located on upper floors, allowing for commercial uses on the ground floor on a project-by-project basis.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Policy H-2.2 Limited Equity Cooperatives and Sweat Equity Projects: Support limited equity residential cooperatives and other nonprofit enterprises such as sweat-equity projects designed to provide affordable housing, consistent with the City's zoning regulations.

Policy H-2.3 Large Scale Commercial and Office Projects: Consider impacts on housing demand in the environmental review process of large-scale commercial and office projects.

Policy H-2.4 Regional Housing Needs: Provide for additional housing by encouraging the construction of multifamily housing in areas where there is appropriate zoning for this use.

Program H-2.4.1: Downtown Strategy and Specific Plan: Implement the goals, policies and programs of the Downtown Strategy and Specific Plan.

Responsibility: PBD
Financing: City
Scheduling: Update parking ordinance and implement a parking management strategy (2015)
Amend zoning ordinance to be consistent with the Downtown Strategy, Specific Plan, and Design Guidelines, including establishing step-backs for upper stories based on a percentage of lot depth (2015)
Develop multifamily design guidelines (2017)

Program H-2.4.2: Downtown Densities: Conduct an analysis of zoning densities in the Downtown area to determine whether density changes are warranted to address traffic, parking, neighborhood compatibility, and other impacts.

Responsibility: PBD
Financing: City
Scheduling: 2017

~~Program H-2.4.2: Multifamily Housing Development: Amend the Zoning Ordinance to allow the development of multifamily housing as of right in areas where such development now requires a discretionary land use permit. Continue to require design review to ensure that developments are compatible with surrounding uses.~~

~~Responsibility: PBD
Financing: City
Scheduling: 2011~~

Program H-2.4.3: RHNA Monitoring Program: Maintain the residential sites inventory that can accommodate the City's regional housing needs allocation of 400 units. Update the inventory annually to monitor the consumption of residential and mixed use properties. If sites in the inventory are developed for non-housing purposes, new sites will be added to the inventory to ensure the City's ongoing compliance with the "no net loss" provisions of Housing Element Law. Post the Housing Element sites inventory on the City's website as a tool for developers, and provide as a handout at the public counter.

Responsibility: PBD
Financing: City
Scheduling: Annually, as part of the Housing Element Annual Report

Policy H-2.5 Second Dwelling Units: Continue to support the construction of second dwelling units, pursuant to the City's Second Unit Ordinance.

Program H-2.5.1: Second Dwelling Unit Construction: Periodically review the existing Second Unit Ordinance and the number of such units that have been built in the past three years to determine what modifications of this section of the Zoning Ordinance may be required to increase the number of these units constructed. Continue to fast track processing for units meeting established standards.

Responsibility: PBD
Financing: City and Housing Developers
Scheduling: Ongoing
Projection: Three new second units per year.

Program H-2.5.2: Amnesty Program for Existing Unpermitted Second Units: Establish a process to legalize nonconforming second units. Work with property owners to ensure that these units are compatible with the neighborhood and are built to current building standards.

Responsibility: PBD
Financing: City
Scheduling: 2015
Projection: Three to four second units per year.

Program H-2.5.3: Second Unit Costs: Assess the fiscal burden on homeowners in establishing second units. Work with other agencies to discern whether Lafayette’s development fees are appropriate and consistent with other jurisdictions.

Responsibility: PBD
Financing: City
Scheduling: 2017

Policy H-2.6 Manufactured Housing: Allow placement of manufactured housing units on permanent foundations in existing developments.

~~Program H-2.6.1: Manufactured Housing: Review standards for placement of manufactured housing units on permanent foundations in existing developments, and amend the Zoning Ordinance accordingly. Require that these structures conform to the City’s design review guidelines. Provide information and assistance to developers and private citizens interested in the use of manufactured housing components for residential expansion, conversion, or rehabilitation.~~

~~Responsibility: PBD
Financing: City
Scheduling: 2012~~

Policy H-2.7 Infill Housing: Encourage private housing development on existing infill sites in order to efficiently utilize existing infrastructure.

Program H-2.7.1: Infill Sites: Maintain an inventory of vacant and/or underdeveloped residential land, distinguishing between land within the City limits and land within the City's Sphere of Influence.

Responsibility: PBD
Financing: City
Scheduling: Initial inventory completed, will be updated annually

Program H-2.7.2: Lot Consolidation and Redevelopment of Non-Vacant Sites: Where appropriate and available, provide assistance to developers of residential

projects to redevelop non-vacant sites. The program may include incentives for lot consolidation for affordable housing purposes such as:

1. Streamlined permitting process, including scheduling joint meetings with City Boards
2. Priority processing of applications
3. Financial assistance from the Redevelopment Agency to pay the processing fees for lot consolidations and/or purchase and consolidate small and odd-shaped lots
4. Technical assistance to property owners and developers including assessor parcel data as described in H-2.8.5, posting the inventory on the City's web site, offering tours of the Downtown to prospective developers and scheduling pre-application meetings free of charge to explain the City's development standards and review process
5. Fee deferrals to the Certificate of Occupancy phase of the project

The development incentives contained within this section shall encourage the effective utilization and consolidation of parcels to encourage more viable development opportunities. The City will monitor the effectiveness of these incentives on an annual basis and revise as needed.

Responsibility: PBD

Financing: City

Scheduling: 2016 and ongoing

Projection: Three during this cycle

Policy H-2.8 ~~Redevelopment Agency: Continue Redevelopment Agency implementation of housing programs, particularly those related to very low to moderate income housing.~~

~~Program H-2.8.1: Housing Rehabilitation: Utilize redevelopment funds to assist in the rehabilitation and conservation of existing multiple family units as well as the construction of new units. Work with owners to ensure some units remain at below market rents.~~

~~Responsibility: PBD~~

~~Financing: City~~

~~Scheduling: Annually as an ongoing program~~

~~Program H 2.8.2: Redevelopment Funding Compliance: Continue to comply with State Redevelopment Law by requiring the set-aside of 20% of Redevelopment Tax Increment into a Low and Moderate Income Housing Fund, as well as requiring housing projects within the Redevelopment Project Area to provide at least 15% of the units as affordable. Use funds collected in the Low and Moderate Income Housing Fund for the development, preservation and rehabilitation of affordable housing.~~

~~Responsibility: Redevelopment Agency/PBD~~

~~Financing: Redevelopment Agency/City~~

~~Scheduling: Ongoing~~

~~Program H 2.8.3: Redevelopment Funding Criteria: Develop criteria to prioritize the funding of affordable housing projects through the Agency's 20% housing set aside funds. Establish a target of contacting at least two affordable housing developers in a fiscal year and offering them financial assistance if their projects meet the City's housing goals. Priority may be given to those projects that:~~

- ~~1. Contain extremely low income units or units for larger families~~
- ~~2. Utilize a site in the housing inventory~~
- ~~3. Meet more than one goal of the Housing Element~~
- ~~4. Use the funds to leverage additional funding from the County, State or federal governments~~
- ~~5. Consolidate small lots~~
- ~~6. Require financial assistance to meet the City's parking requirements on-site~~

~~Responsibility: Redevelopment Agency/PBD~~

~~Financing: Redevelopment Agency/City~~

~~Scheduling: 2011~~

~~Program H 2.8.4: Redevelopment Housing Implementation Plan: Adopt a housing implementation plan every five years. The plan shall contain programs that facilitate the development, preservation and rehabilitation of affordable housing and shall include funding allocations for each program.~~

~~Responsibility: Redevelopment Agency/PBD~~

~~Financing: Redevelopment Agency/City~~

~~Scheduling: Completed. See section on Redevelopment for a list of proposed programs.~~

~~Program H-2.8.5: Notice of Funding Availability: It is estimated that by the end of the planning period the Redevelopment Agency housing set aside fund will total approximately \$7.3 million. Publish a Notice of Funding Availability in the local newspapers when monies in the Agency's housing fund exceed \$500,000.~~

Responsibility: ~~Redevelopment Agency/PBD~~
Financing: ~~Redevelopment Agency/City~~
Scheduling: ~~Annually~~

Policy H-2.8 Employee Housing: The City will continue to comply with provisions of State law regarding employee housing, including but not limited to allowing any employee housing providing accommodations for six or fewer employees to be treated as a single-family structure with a residential land use designation.

Goal H-3 Expand affordable housing opportunities for persons with special housing needs such as the elderly, developmentally disabled, households with very low to moderate incomes, and first time home buyers.

Policy H-3.1 Available Funding Sources: Utilize County, State and federal programs and funding sources that provide housing opportunities for lower-income households.

Program H-3.1.2: Housing Fund: Create a Housing Fund with contributions of funds collected from private and public sources to implement and/or supplement the City's housing programs. Consider funding programs specifically designed to make housing available to extremely low, very low, low and moderate-income populations. Use of the Housing Fund will be governed by guidelines as set out in the Municipal Code. There are several possible sources and uses of this fund. Loans, grants, developer fees and other funding sources could be used to reduce the cost of land acquisition and construction for affordable housing, and to prevent and reduce homelessness. Give priority to projects that contain extremely low-income units. Explore the feasibility of imposing fees to fund affordable housing, for example, through building permit surcharges or commercial linkage fees. Any return of Redevelopment Funds (through repayments or other activities) will be added to the Housing Fund for re-use as affordable housing funds.

Responsibility: PBD and Finance, City Manager
Financing: City and other sources listed above
Scheduling: 2019
Projection: One project to qualify for the housing fund.

Program H-3.1.3: Tax-Exempt Financing: Require developers utilizing tax-exempt financing to include language in agreements with the City permitting persons and households eligible for HUD Section 8 rental assistance or Housing Voucher Folders to apply for below-market-rate units provided in the development.

Responsibility: PBD
Financing: City and housing developers utilizing tax-exempt revenue bonds.
Scheduling: Ongoing

Program H-3.1.4: Available Funding: Support efforts to obtain available State and federal assistance to develop affordable housing for seniors, large households, households with children and those with special needs by providing City Council/Redevelopment Agency Board resolutions of support to developers of affordable housing projects. Also consider, on a case-by-case basis, providing the developers of affordable housing projects with Redevelopment Agency housing set aside funds to improve the chances of securing State and federal assistance. Give funding priority to projects that contain extremely low-income units. Actively pursue such grant opportunities as the Transportation for Livable Communities and Station Area Grant.

Responsibility: PBD
Financing: Local, State and federal sources
Scheduling: Ongoing; includes Tax Credits (usually July and March); HOME/CDBG funds (November); AHP funds (March), and other HUD programs (usually once a year or more). The City will support applications for all funding opportunities according to applicable NOFA schedules.
Projection: One project to qualify for available funding.

Program H-3.1.5: Tax Increment Financing Activities: Support State and regional efforts to reinstate redevelopment-like tools to require the provision of and fund the development of affordable housing.

Responsibility: PBD and Finance, City Manager
Financing: City
Scheduling: Ongoing

~~Program H-3.1.5: Establish an Inclusionary Housing Ordinance: Complete an Inclusionary Housing Ordinance to require developers of residential developments outside the Redevelopment Area to provide up to 10% of their units at rents or purchase prices affordable to very low to moderate income households. Continue to enforce the 15% inclusionary requirement that is already in place within the Redevelopment Area. The ordinance will include the implementation of an in lieu fee for certain housing developments. The funds collected will be used to facilitate the development of additional affordable housing units.~~

~~As part of this program, the City will consider development of a list of incentives for providing mandated units. Preliminary discussions have included reduced finishes in BMR units, the payment of in-lieu fees rather than the building of units, customized analyses to determine in-lieu fees, etc. In addition, the City will review the potential constraints on the cost and supply of housing again, as the ordinance is finalized, to ensure that no undue impacts occur given the conditions of the housing market at that time.~~

~~Responsibility: PBD
Financing: Residential developers
Scheduling: 2013~~

Policy H-3.2 Senior Housing: Provide opportunities for senior housing.

~~Program H-3.2.1: Senior Housing Overlay: Consider creating a Senior Housing Overlay Zoning District. Include criteria that protect neighborhood character and assure good design, as well as flexible parking, setback and other requirements, where applicable.~~

~~Responsibility: PBD
Financing: City
Scheduling: Completed~~

Program H-3.2.1: Senior Housing:-Support the establishment of a virtual senior village which enables seniors to remain in their homes and which provides a one-stop resource by providing transportation, health, legal, financial and other assistance to its members.

Responsibility: PBD
Financing: City
Scheduling: Ongoing
Projection: Virtual senior village to be complete by 2020.

Policy H-3.2.1 House Sharing: Support house-sharing programs for seniors.

Policy H-3.3 Housing for the Disabled: Continue to facilitate housing for disabled persons.

Program H-3.3.1: Developmentally Disabled: Consider implementing programs to coordinate housing activities and outreach with the Regional Center and its partners, as well as Las Trampas and Futures Explored, to encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, including persons with developmental disabilities, and pursue funding sources designated for persons with special needs and disabilities.

Responsibility: PBD
Financing: City and the Regional Center
Scheduling: 2019
Projection: One qualifying project during this cycle.

Policy H-3.4 Density Bonus: Provide a density bonus to projects that provide a required percentage of total units affordable to very-low and low-income households and for units meeting the special housing needs identified in this Element.

Program H-3.4.1: Density Bonus Regulations: Consistent with State Density Bonus Law and the City's Density Bonus Ordinance, support developments that provide affordable housing and/or senior housing utilizing density bonuses. Provide concessions and waivers as required by law.

Responsibility: PBD
Financing: City and developers
Scheduling: Ongoing
Projection: One project to qualify for density bonus during this cycle.

Policy H-3.5 Large Families: Recognize the need for providing multifamily housing for large families. Encourage developers of housing to include larger units (2+ bedrooms) in their proposed projects for families.

Program H-3.5.1: Larger Units: Consider requiring that developers include three-bedroom units in proposed multifamily developments. As part of this analysis determine what percentage of the total units should be three bedroom units, and what size of development should trigger this requirement. Provide fast tracking to projects that provide larger units suitable for families.

Responsibility: PBD

Financing: City
Scheduling: 2017
Projection: Two projects to qualify for fast tracking during this cycle.

Program H-3.5.2 Ensure that the definition of “family” is consistent with State and federal law.

Responsibility: PBD
Financing: City
Scheduling: 2017

Policy H-3.6 Emergency Shelters: Allow emergency shelters within the City as a permitted use in the C-1 (General Commercial) Zoning District.

~~Program H 3.6.1: Emergency Shelter: In conformance with the requirements of SB 2, revise the Zoning Ordinance to allow an emergency shelter as a permitted use in the General Commercial Zoning District 1 (Zoning Map symbol C 1). Require that the Uniform Housing Code (UHC) Space and Occupancy Standards be applied to shelters pursuant to Health and Safety Code §50807. Design Review approval shall also be required prior to issuance of a building permit. Any shelter shall be limited in size to 30 or fewer beds, consistent with the unmet needs shown in the bi-annual homeless count conducted by the County. In addition, any shelter developer must submit a management plan for the facility’s operation. The City commits to ensuring that shelters will be subjected to the same development standards that apply to other allowed uses within these zones.~~

~~Responsibility: PBD
Financing: City
Scheduling: 2011~~

~~*This use would be allowed by right and without a use permit in the C-1 Zoning District. Design review would apply to issues such as lighting, fencing, and building design where new construction is involved. Flexible parking requirements would apply to such facilities, which would allow reduced parking requirements to be applied on the basis that many of the residents of such a facility would not have a vehicle.*~~

Program H-3.6.2: Emergency Shelter Capacity Monitoring Program: Ensure that there are sufficient sites in appropriate zones to accommodate an emergency shelter of up to 30 beds. If C-1 sites identified in the inventory are developed for non-shelter purposes, new sites and/or zones will be identified after a detailed

analysis of available land has been conducted to ensure that the new sites are of appropriate size and have suitable and adequate capacity to accommodate the City's emergency shelter needs.

Responsibility: PBD
Financing: City
Scheduling: Annually as part of the Annual Report on the Housing Element

Policy H-3.7 Inter-Agency Cooperation: Work with private, County, and State agencies to provide emergency housing for the homeless.

Program H-3.7.1: Ongoing Estimates of the Demand for Emergency Housing: Consult with the Contra Costa County Task Force on Homelessness to maintain ongoing estimates of the demand for emergency housing in Lafayette.

Responsibility: PBD
Financing: City
Scheduling: Ongoing every other year

Goal H-4 Promote housing opportunities for all persons regardless of race, age, gender, sexual orientation, marital status or national origin.

Policy H-4.1 Equal Housing Opportunity: Continue to facilitate non-discrimination in housing in Lafayette.

Program H-4.1.1: Equal Housing Opportunity: Promote equal housing opportunity by supporting the investigation and disposition of housing discrimination complaints. Work with service providers to ensure that information is disseminated to the community as needed.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Program H-4.1.2: Nondiscrimination Clauses: Provide nondiscrimination clauses in rental agreements and deed restrictions for housing constructed with City assistance.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Policy H-4.2 Landlord-Tenant Disputes: Continue to refer landlord-tenant disputes to housing counseling organizations such as the Housing Alliance.

Goal H-5 Adopt and implement a Housing Element that is in compliance with State Law.

Policy H-5.1 City Leadership: Provide active leadership in implementing the policies and programs contained in the Housing Element.

Program H-5.1.1: Fast-Track Processing: Provide fast track processing for projects with affordable housing. Fast track processing means giving projects with affordable housing units a priority over other non-public health and safety related projects in the processing and review by City staff. It does not mean eliminating any of the City's regular public notice and hearings or other project review procedures. Publicize this incentive by adding it to the City's development application forms and posting it on the City's web site.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Program H-5.1.2: Application Fees: Consider a reduction in development application fees for housing projects containing 25% or more units that are affordable to extremely low, very low, low and moderate income households.

Responsibility: PBD
Financing: City
Scheduling: Ongoing
Projection: One project that will qualify for reduction during this cycle.

Program H-5.1.3: Development Impact Fees: Consider deferring the collection of City impact fees to the certificate of occupancy stage for projects containing 25% or more units that are affordable to very low- and low-income households. Consider, on a case-by-case basis, reduction in traffic mitigation fees if project is affordable and located near transit.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Program H-5.1.4: CEQA Process: Follow CEQA procedures to expedite permit processing for all development, including a) encouraging preliminary project review by staff and b) considering the use of mitigated negative declarations, focused EIR's and other procedures where appropriate.

Responsibility: PBD
Financing: City

Scheduling: Ongoing

~~Program H 5.1.5: Review and Revise the Zoning Ordinance. Review the Zoning Ordinance and consider revisions to the following governmental constraints on the development of housing:~~

~~a) Consider the strict regulation of the conversion of existing multiple family residential units in the C, C 1, SRB, and RB Zoning Districts.~~

~~b) Include definitions for the following. Ensure that zoning districts where these uses are allowed clearly identify such uses.~~

- ~~• group homes~~
- ~~• emergency shelters~~
- ~~• residential care facilities~~
- ~~• senior housing~~
- ~~• foster care home~~
- ~~• family care home~~
- ~~• transitional housing~~
- ~~• supportive housing~~
- ~~• Single Room Occupancy units~~

~~d) Add language to the Code that specifically indicates that transitional housing and supportive housing are residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone.~~

~~Responsibility: PBD~~

~~Financing: City~~

~~Scheduling: 2016~~

Policy H-5.2 Public Participation: Encourage and support public participation in the formulation and review of the City's housing and development policies.

Policy H-5.3 Annual Review of Housing Element Implementation: Provide for annual review by the Planning Commission and City Council of progress in implementing the Housing Element.

Program H-5.3.1: Annual Report: Prepare an annual report to the City Council and Planning Commission that describes the amount and type of housing activity correlated with an updated summary of the City's housing needs.

Responsibility: PBD

Financing: City

Scheduling: Annually (include with the annual review of the CIP by the Planning Commission)

Program H-5.3.2: Demographic Information: Update demographic information on the City's website as the complete results of the 2010 Census, and other data, become available. This includes relevant demographic information from the American Community Surveys. Incorporate this information in the Annual Housing Element Report, as warranted.

Responsibility: PBD
Financing: City
Scheduling: Ongoing

Appendix A – Review of the Prior Element -- matrix

Appendix B – Inventory

Appendix C – Individual Site Listings: Tables and Maps

Appendix D – Residential Design Review Guidelines and Downtown Design Guidelines