

# City of Lafayette Housing Element Update 2014

## Community Meeting - Introduction



# What is a Housing Element

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- The Housing Element is a chapter of Lafayette's General Plan.
- Every jurisdiction in California is required by law to have a General Plan, and every General Plan must contain several elements, including the Housing Element.
- It is the only element which must be approved ("certified") by the State Department of Housing and Community Development on a regular basis.

# Housing Element Components



The Housing Element contains:

- Information on housing needs of the community, including lower income households and people with special needs (seniors, homeless people, people with disabilities, etc.)
- An inventory of sites, zoned at appropriate densities, that can accommodate the RHNA allocation of housing units for all income categories.
- Governmental and non-governmental constraints to the development and preservation of housing, and efforts to mitigate those constraints.
- A list of current and future activities to address the housing needs of the community.

# Community Involvement

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In preparing this Housing Element, the City seeks to:

- Inform citizens as to the requirements of the Housing Element.
- Understand community concerns about housing needs.
- Obtain feedback on preferred policies and programs going forward.

# Timeline



**April-May**

**Community Meetings**

Conduct 3 community meetings to obtain public input on Housing Element Update.

**June-July**

**Public Hearings**

Complete draft & hold public hearings before PC & CC.

**Aug-Sept**

**Submit Draft**

Submit draft to HCD for 60-day review & comments. Complete CEQA.

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# RHNA Allocation & Land Inventory



The City's final housing needs allocation for the period 2014-2022 is as follows:

Total Projected Need	Extremely Low	Very Low	Low	Mod	Above Mod	Average Yearly Need
400	69	69	78	85	99	57
	17%	17%	20%	21%	25%	

This allocation is *not* a mandate to build units, but a means to ensure there is land capacity to build units

# Summary of Housing Needs



- The Association of Bay Area Governments (ABAG) projects Lafayette's population will grow from 23,893 in 2010 to 27,900 in 2040.
- ABAG projects a 15% increase in the number of Lafayette households between 2010 and 2040.
- The median age in Lafayette has increased to 45.2 years as of 2010.

# Summary of Housing Needs



- Lafayette's median household income was \$134,000 for a family of four in 2010.
- However, a significant portion of the population earns lower incomes.
- Whether a household has an income that qualifies it for some level of affordable housing depends on (1) total income and (2) the number of people in the household.
- For example, while an individual earning \$46,000 per year is considered low income, a family of four earning the same amount is considered very low-income.



# Summary of Housing Needs



- The number of very low-income households has increased from 730 in 2000, to about 900 in 2010.
- Seniors often are considered very low-income because they have low incomes that are fixed.
- Although the job forecast through 2040 looks strong, many of the new jobs to be created in the region will earn the worker only very low incomes, increasing the need for affordable housing.

# Summary of Housing Needs



- About 51% of all very low-income households are owner-occupied.
- Less than 1% of households in Lafayette are considered overcrowded; 93% of housing units have four or more rooms.
- Persons with disabilities, seniors, and other special needs groups need housing that is affordable.

# What happens if the City doesn't certify the Housing Element?



- Puts jurisdictions at risk of lawsuits from developers.
- Courts have imposed requirements on cities, including:
  - requiring housing “as -of-right”, without any discretionary review by the City, including in single-family zones.
  - suspending the City’s authority to issue building permits.
  - suspending the City’s authority to grant zoning changes and/or variances.
  - mandating the approval of all applications of building permits.
- Effects eligibility to receive certain kinds of funding, including some transportation funds.

# Discussion



Questions/comments relating to:

- Housing Element Update
- State requirements

# Streamline Review Process



The Streamlined Review process focuses only those sections that have materially changed since the last Element. To be eligible for this review, the City must:

- Complete the draft HE, highlighting changes for State review.
- Complete actions from the last HE to comply with State law, such as ensuring shelters and transitional housing are allowed uses in some zones and implementing any actions that were needed to meet the RHNA numbers.
- Adopt a Density Bonus ordinance consistent with State Law.
- Submit the annual housing report to HCD before submitting the draft HE.



# What is a Density Bonus?



A density bonus is a provision of State law which allows a developer to ask for and receive additional housing density in return for providing affordable or senior housing. Even if the City does not adopt its own Density Bonus ordinance, it is still required to comply with the provisions of the State's Density Bonus law, which include:

- Granting a sliding scale of market-rate density bonus percentages (20%-35%) based on the percentage of proposed affordable units;
- Providing up to three development concessions or incentives, depending on the percentage of affordable units provided;
- Granting a density bonus if a developer donates land for very low income housing; and
- Requiring jurisdictions to implement Density Bonus law through local codes.

# Density Bonus Provisions



Density Bonus Requirements in Relation to Share of Affordable Housing Provided:

Restricted Affordable Units or Category	Minimum % of Restricted Affordable Units	% of Density Bonus Granted	Additional Bonus for Each 1% Increase in Restricted Affordable Units	% of Restricted Units Required for Maximum 35% Density Bonus
Very Low Income	5%	20%	2.50%	11%
Lower Income	10%	20%	1.50%	20%
Moderate Income	10%	5%	1%	40%
Senior Citizen Housing	100%	20%	--	--

Maximum Number of Incentives/Concessions Required as a Function of Affordable Units Provided

Target Group	Restricted Affordable Units		
	1	2	3
Maximum Incentive(s)/Concession(s)			
Very Low Income	5%	10%	15%
Lower Income	10%	20%	30%
Moderate Income (Common Interest Development)	10%	20%	30%

# Density Bonus Pros & Cons



## Pros:

- Can do the Streamlined Review for the Housing Element.
- Gives developers certainty about what concessions/ incentives the City will grant.
- Allows the City to only list those concessions/ incentives it would accept and prohibit those not listed. Acceptable concessions may include waiving the public art requirement, reducing parking, setback, or lot area standards, or reducing processing or impact fees.

## Cons:

- Provides clarity on the density bonus process, which may encourage developers to pursue it.

# Understanding Default Densities

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- The State sets target minimum densities based on a city's location in an urban or suburban area.
- These default densities are the minimum density needed in order to count potential sites as available for affordable housing.
- For Lafayette, the default density is 20 units per acre, since the City's population is less than 25,000 people.
- Once the population reaches 25,000, the default density will rise to 30 units per acre.

# Understanding Default Densities

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- The current inventory of sites includes only those areas in the downtown that are 35 units per acre.
- Given that some of these sites were developed over the last several years, the overall capacity has decreased.
- If the City decides to lower the density from the current 35 units per acre to a density closer to the default density, new sites will need to be found to accommodate the RHNA allocation.



# Downtown Residential Densities

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The City may consider adjusting downtown housing densities.

- ⦿ Lower the residential density in the commercial and multifamily districts from the existing 35 units per acre.
- ⦿ Continue to meet or exceed the default densities established by the state, which is currently 20 units per acre.

# Discussion



Questions/comments relating to:

- Density Bonus law
- Pursuing a Density Bonus ordinance
- Adjusting residential densities in the downtown

# Community Meetings



**Tuesday, May 13<sup>th</sup> at the Lafayette Elementary Gymnasium**

**Housing Sites Inventory, Density Bonus Ordinance, & Density Adjustments**

- How are inventory sites chosen?
- How do inventory sites affect a landowner's flexibility to develop?
- What happens when an inventory site is not developed for housing?
- What changes are proposed to the inventory sites?
- Can the City count second units in its inventory (new and existing non-documented)?
- Should the City adopt a Density Bonus ordinance?
- How do changes to residential densities impacts RHNA?

**Wednesday, May 28<sup>th</sup> at the Lafayette Methodist Church, Fireside Room**

**Policies and Programs**

- Identify governmental constraints that may impede the development of housing.
- Draft policies and programs to mitigate these constraints, which will be implemented after the Housing Element is adopted and certified.

# Next Steps

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- Complete draft considering community input.
- Public hearing by the Planning Commission and City Council of the initial draft.
- Submit the initial draft to State HCD for mandated 60-day review.
- Public hearings by the Planning Commission and City Council of final draft for adoption.
- Submit approved Element by January 2015.

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# Final Questions

