

# City of Lafayette

# Housing Element

*Adopted January 24, 2023*

**2023 - 2031**  
**6<sup>th</sup> Cycle Housing Element**

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## 1. INTRODUCTION AND BACKGROUND

Since adopting its previous Housing Element in 2015, Lafayette and the Bay Area region have seen some of the highest increases in housing costs. As housing becomes less affordable and the supply of housing continues to not meet demand, it is becoming harder for residents of the Bay Area, especially low- and middle-income families and individuals, to afford housing.

The Housing Element is a statement of Lafayette's vision and strategy for (a) meeting existing and future housing needs in the community for 2023 through 2031 and (b) doing Lafayette's part towards meeting regional housing needs. This chapter of the General Plan, the Housing Element, has been prepared to meet recent changes in the City's population and housing needs, comply with new State Laws, 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 Element establishes policies to guide decision-makers and implement comprehensive programs to meet community and regional housing needs. 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. To achieve this goal, the policies and programs of the Housing Element address several major issues:

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

### 1.1 STATE REQUIREMENTS

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 new planning period extends from January 31, 2023 through January 31, 2031.

### 1.2 CONSISTENCY WITH THE GENERAL PLAN

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. It is anticipated that most future residential growth will take place in the downtown and on a small number of vacant and underdeveloped lots scattered throughout the City.

As this Housing Element is being developed, the City is also undertaking a larger effort to comprehensively update the General Plan. The Housing Element is the only chapter in the General Plan with a statutorily prescribed timeline. To ensure internal consistency among all General Plan elements, work on both the General Plan Update and the Housing Element Update is being coordinated. Other elements of the General Plan expect to be updated to ensure consistency include, but may not be limited to, the Land Use Element, the Circulation Element, and the Safety Element.

[In addition, the Housing Element and other Elements of the General Plan will be reviewed for internal consistency whenever a General Plan amendment is proposed.](#)

### **1.3 HOUSING ELEMENT REQUIREMENTS**

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.

- An analysis of existing and projected housing needs
- An analysis of special housing needs
- An analysis of assisted housing developments that are “at-risk” and eligible to change from low-income housing uses
- An analysis of potential constraints on housing
- Documentation of public participation efforts
- A fair housing analysis (“Affirmatively Furthering Fair Housing”)
- Goals, policies, and implementation programs
- Quantified objectives
- An evaluation of the previous element
- An inventory of land suitable for housing to meet the Regional Housing Needs Allocation

## 2. HOUSING NEEDS

### 2.1 HOUSING NEEDS SUMMARY

This narrative tells the story of housing in Lafayette and highlights important aspects of our existing and projected demographics and the key features of our housing plan. The narrative also features stories from the community providing real-life context and graphics to visualize the data to show how housing has affected the City. The data referenced in this summary primarily comes from the American Community Survey (ACS) Five-Year estimates from 2019, supplemented by more recent statistics available through the State and other sources. The complete data packet can be found in Appendix A.

As the Bay Area continues to experience growth in both population and jobs, more housing of various types and sizes across the region is needed to ensure that residents of all income levels, ages, and abilities have a place to call home. While the number of people drawn to the region over the past 30 years has steadily increased, affordable housing production has not kept up with demand. In many cities, this imbalance has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across incomes being able to purchase homes or meet surging rents.

We recognize that although this Housing Element will address required analyses within our City's boundaries, Lafayette is part of a larger community of the Bay Area and the state that shares in the need to provide for expected household growth. Some of the key takeaways from the analysis of data include the following:

- The cost to develop housing continues to skyrocket, such that it is impossible to create affordable housing without State or federal assistance. The City estimates that to reach all its upcoming 6<sup>th</sup> cycle low- and very low-income Regional Housing Needs Allocation (RHNA) targets, funding of more than \$660 million is needed.
- Since the dissolution of redevelopment in 2012 through 2019/20, the City lost access to approximately \$10.4 million of funds for the development of affordable housing. In 2019/20 alone, the amount of the forgone Low and Moderate Income Housing Set-Aside equaled \$1.7 million. The City adopted a Below Market Rate program (Inclusionary Housing) by ordinance in 2016 wherein 15% of units in a housing development must be targeted to lower income households. This effort represents the sole affordable housing program available to the City. While it would be desirable for the City to assist with financial subsidies needed to construct affordable units, the funding previously provided by the Redevelopment Agency is no longer available to the City, and there are currently few other sources of revenue available for this purpose.
- With respect to the current 5<sup>th</sup> RHNA cycle, the City has facilitated the development of housing, entitling 50% more housing units than its 400-unit allocation. Given market dynamics, nearly 90% of these entitled units are market rate housing designed for moderate or above moderate-income households. The City entitled 2.4x its 99-unit Above Moderate-Income target, 3.5x its 85-unit Moderate Income target and nearly attained its 78-unit Low-Income target (entitling 83% of these units). Lacking subsidies, the City entitled only 6% of its 138 Very Low- Income unit target.
- Although Lafayette is generally affluent with household incomes higher than the Bay Area as a whole, approximately 14% of the population earns less than 50% of the County's average median income with 25% under the average median income. While some in this group are seniors on fixed incomes, service and retail occupations generally pay employees less than \$45,000, which is



considered very low income in this area.

- Young families need housing that is both affordable and of appropriate size to raise children. At the other end of the spectrum, seniors may want smaller housing options but may feel uncertain about giving up their existing homes. Both rental and homeownership opportunities across the income spectrum are needed.
- The City is constrained by a variety of topographical and environmental conditions. For example, much of the City’s hillsides are difficult to build on given soil stability issues. Further, 46% of Lafayette is within a Very High Fire Hazard Severity Zone and fire insurance renewals have become an increasingly problematic issue.

In summary, the data provided illustrate the complexity of providing housing to address a broad range of needs. Those who might find it challenging to find housing in Lafayette include lower-income households – both those currently living here and those who would like to live here. In addition, few options currently exist for first-time homebuyers, except through the Inclusionary Housing program, which produces a small number of units per year. Large families, single-female heads of household, individuals of varying physical and mental abilities, young families and seniors also have specific housing needs that cannot be addressed through a “one size fits all” approach.

Over the last decade housing production in Lafayette has increased significantly; the City saw a net increase of 10 new housing units in 2010, and that figure rose to 76 and 29 in 2018 and 2019, respectively. Of note, a growing element in recent housing trends has been the significant increase in applications and entitlements for Accessory Dwelling Units (ADUs) given changes in state law reducing the processing and cost burden to homeowners. The production more than doubled over the last 10 years with 18 units being produced from 2000-2010 and 40 units established 2011-2020. The figures below illustrate Lafayette’s annual net housing unit increases from 1980 through 2020 and the cumulative increase in housing units over that period.

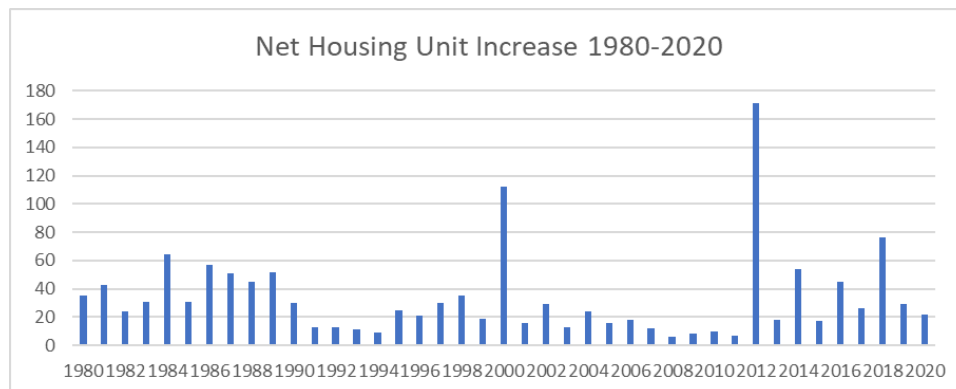


Figure 1: - Net new housing unit increase in Lafayette since 1980

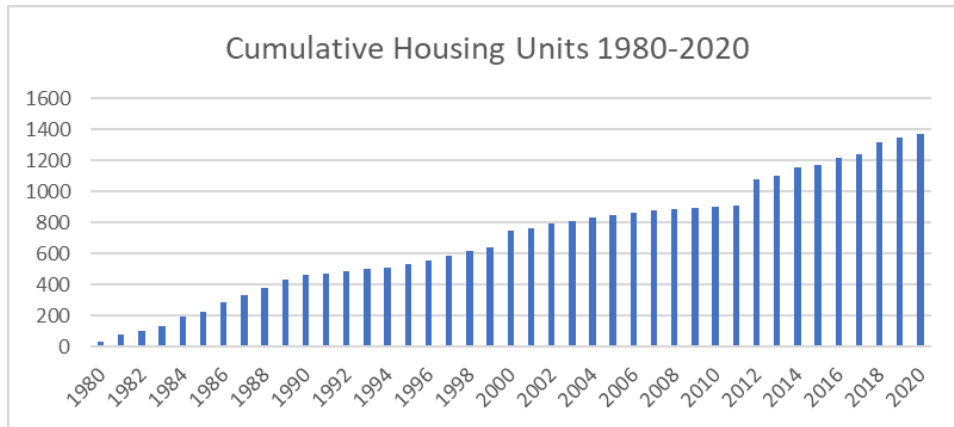


Figure 2: Cumulative new housing units in Lafayette since 1980

Table 1 below shows Lafayette’s performance in the current RHNA cycle, where aggregate entitled units significantly exceeded the 400-unit RHNA target. As noted earlier, nearly 90% of this production relates to the Moderate or Above Moderate-Income categories which follows the general trend of other Bay Area counties including Alameda County, Contra Costa County and Santa Clara County. Table 2 demonstrates the Contra Costa County housing allocation and permitted units. Absent redevelopment funds, the Inclusionary Housing program is the sole funding vehicle for affordable housing, accounting for the 12% of entitled units targeting lower income households. Lafayette will continue to be part of the Bay Area’s housing solution while working to maintain its neighborhoods as unique and attractive places.

Table 1: Comparison of housing allocation to units entitled and permitted in Lafayette

January 1, 2015 through December 31, 2020						
Income Category	RHNA		Entitled		Permitted	
Very Low Income	138	35%	8	6%	7	5%
Low Income	78	20%	65	83%	6	7%
Moderate	85	21%	300	352%	60	70%
Above Moderate	99	24%	235	237%	255	257%
<b>Total</b>	<b>400</b>		<b>608</b>		<b>328</b>	

Table 2: Comparison of housing allocation to units entitled and permitted in Contra Costa County

2015-2019 Bay Area Building Permit Activity Report Contra Costa County Data from ABAG/MTC and Annual Progress Report submissions to HCD			
Income Category	RHNA	Permitted	% RHNA met
VLI	5,264	684	13%
LI	3,086	1,169	38%
MOD	3,496	1,073	31%
Above MOD	8,784	11,201	128%
<b>Total</b>	<b>20,630</b>	<b>14,127</b>	<b>68%</b>

## 2.2 WHO ARE WE AS A COMMUNITY?

### 2.2.1 Demographics

The City of Lafayette was a modest town in 1968 when the residents voted to incorporate and form its first City Council. The City's population has increased steadily since the early 1960's, with the greatest increase occurring between 1960 and 1970, largely due to annexations along Reliez Valley Road and in the Springbrook area. Since 2000, Lafayette's population has increased by 7%; this growth rate is below that of the nine-county Bay Area region, at 15%. As of 2019 ACS data shows the population as 26,638.

The distribution of age groups in a city shapes what types of housing the community may need in the near future. For example, young families will seek homes with more bedrooms than empty nesters or seniors who may want smaller, more manageable units. In Lafayette, the median age in 2000 was 41.2; by 2019, this number had increased to about 45 years. More specifically, the population of those under 14 and 65-and-over have both increased since 2010.

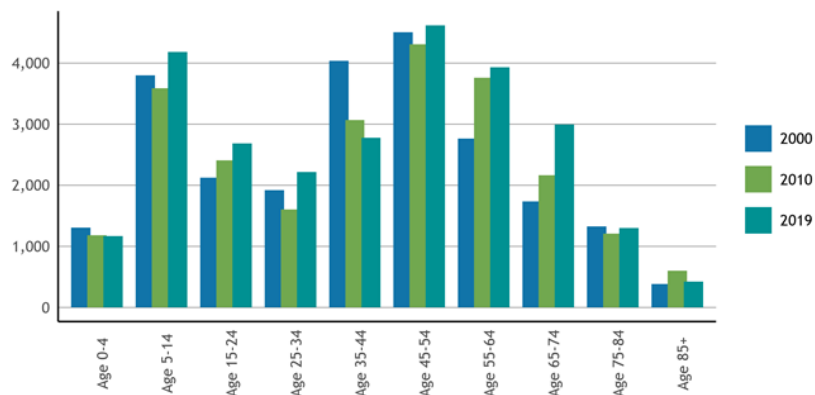


Figure 3: Population by Age, 2000-2019

Data show that the population of Lafayette has grown more diverse over time. Since 2000, the percentage of residents in Lafayette identifying as White has decreased, and by the same token the percentage of residents of all other races and ethnicities has increased. For example, the Asian/API population increased by 49%, while the Hispanic/Latino population grew by 138%. In contrast, the White population decreased by 2%.

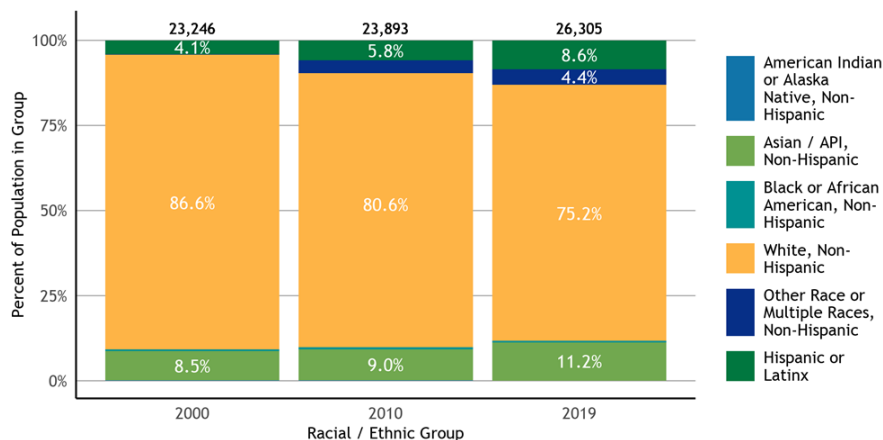


Figure 4: Population by Race, 2000-2019

From January 2010 to January 2021, the unemployment rate in Lafayette decreased by 1.9%, from 6.6% to 4.7%. Since 2010, the number of jobs located in the jurisdiction increased by almost 13%. Additionally, the jobs-household ratio in Lafayette has increased from 1.02 in 2002 to 1.06 jobs per household in 2018. The City’s residents most commonly work in the Financial & Professional Services industry.

While Lafayette’s population has higher incomes than Contra Costa County and the Bay Area region, a quarter of all households earn less than median income. Some of these households are on fixed incomes, like seniors, while others may work in lower-paying sectors, including retail or service industries. In the future, the State Employment Development Department projects that the occupations with the most job openings in Alameda and Contra Costa Counties will pay less than about \$45,000 annually, which is considered very low-income in this area. While it is unknown how many of those specific jobs will be located in Lafayette, there will be a need for more affordable housing to assist both those of lower incomes who currently work in Lafayette and those who want to live here in the future.

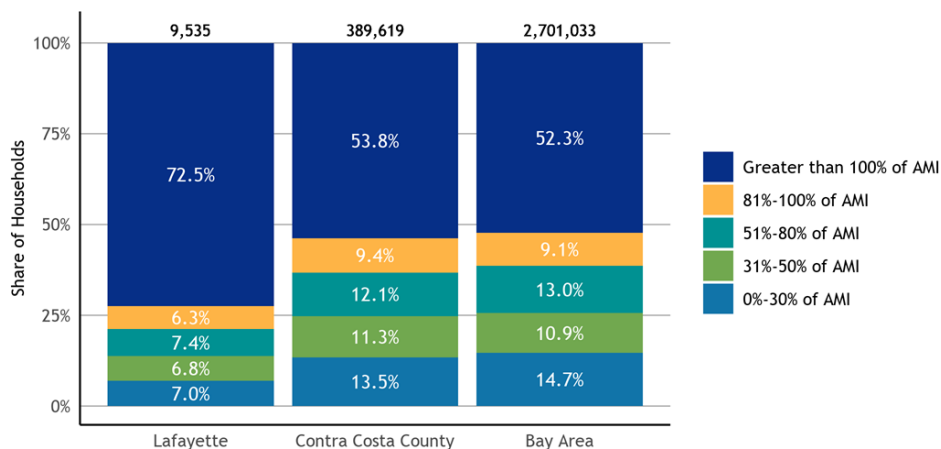


Figure 5: Households by Household Income Level

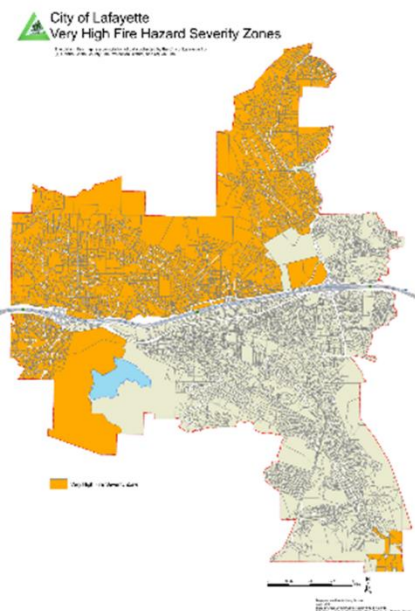
### 2.2.2 Physical, Economic and Regulatory Characteristics

Lafayette values the natural character of its hillside residential neighborhoods paired with a lively, walkable downtown area. The community has a mix of housing types, from single-family homes on large lots, to multifamily rentals and condos. While Lafayette’s housing stock has historically been comprised by single family homes, the City has accelerated housing production in the last ten years, approving more than 856 units for development, the majority of which are multifamily units located in the downtown. As a program in a previous Housing Element, the allowance of residential dwelling units by right in all downtown zoning districts was established to remove impediments to housing. In some cases, this has come at the cost of losing commercial space and thus jobs in the local economy. From a planning perspective, the City’s downtown is most suited to accommodate new housing units given its proximity to a regional transit station (BART), the State Route 24 corridor, goods and services, and its location in the low lying, reasonably flat areas of the City. The City desires to balance the provision of both residential and commercial uses.

The City’s inclusionary zoning program, which requires that 15% of new units in housing developments be affordable to lower incomes, has entitled approximately eight units affordable to households with Very Low Incomes over the course of the previous 5 years. In conjunction with the inclusionary requirements, developers using the State Density Bonus program have added more deeply affordable units throughout the community. As an example, in January 2021 a density bonus project, “Lafayette Lane”, was entitled which included 166 units with all 38 affordable units at very low-income levels. The developer and the City worked closely with Sunflower Hill, Inc. to ensure the site planning met the needs for those with developmental and intellectual disabilities for whom the affordable units are intended to serve. [More detail on the inclusionary program can be found in the Appendix discussing constraints.](#)

In 2008, the City approved the development of the Belle Terre all-affordable apartment building for seniors, which utilized Housing Set-Aside funds and a mix of tax credits and other subsidies. The City is also home to Chateau Lafayette, a 67-unit affordable senior housing development constructed in 1978 well before the inclusionary housing program was in place but continues to serve seniors with fixed incomes. All residents in Lafayette live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-commissioned research. Based on a range of indicators covering areas such as education<sup>[4]</sup>, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors, no areas in Lafayette are identified as “Low Resource” or “High Segregation and Poverty” areas.

At the same time, the City is constrained by a variety of topographical, environmental, and economic factors. Most of the City is designated within the Hillside Overlay District (HOD) containing steep slopes and variable soil conditions and in some cases narrow roads limiting the overall capacity for additional density. Additionally, as noted in the map to the left, approximately 46% of the community is located within Very High Fire Hazard Severity Zones, which means planning for future housing in these areas must include mitigation measures to protect homes, including vegetation management and assessment by the Contra Costa Fire Protection District regarding accessibility for first responders. Of particular significance, insurance companies have begun to cancel homeowners’ insurance policies given fire risk concerns. Lastly, the City’s 2017 downtown Creeks Plan, which prioritizes the preservation of several creeks that meander through the downtown, seeks to ensure that new development – including housing – coexists appropriately with adjacent creeks.



Lafayette was incorporated as a limited services city and currently receives approximately \$0.06 for every dollar of property tax paid by residents. With limited funding resources, except for funding from the former redevelopment agency, affordable housing subsidies have not historically been part of the City’s annual budget. Further, Federal and State policies have contributed to the trend toward homeownership, and, specifically, a bias toward single family residential units, such as mortgage interest tax deduction and the long-term impact of Proposition 13, all

of which are outside the City's control. As noted above, since the dissolution of Redevelopment Agencies in California in 2012, Lafayette has no real means by which to support or subsidize affordable housing development. In the nine years since Redevelopment Agencies were dissolved, Lafayette would have been entitled to approximately \$10.4 million total for affordable housing development. Despite this loss of funding, Lafayette continues to seek new avenues to facilitate affordable housing production in the City to provide housing opportunities for residents of all socioeconomic backgrounds.

The City's regulations have historically placed a significant emphasis on quality design, community context and preservation of natural features. Lafayette has consistently updated its regulations to meet the requirements of new state laws such as 2016 and 2019's updated ADU regulations and the recently adopted SB9. Additional housing laws enacted by the state will continue to change the process of housing production in Lafayette and the region at large.

The limited number of locations where housing can be built can also mean increased local congestion. Much of the new housing development in recent years has been in the downtown area, near transit and freeway access. Finding additional land in this area for housing is challenging, particularly given the extent of existing development and the significant number of small parcels.

Further, the cost of housing development has skyrocketed over the past 20 years, and particularly with the COVID pandemic, making it especially difficult for affordable housing projects to be economically feasible. As noted above, with the dissolution of Redevelopment Agencies in 2012 there are limited sources of funding for developers to access for affordable housing development, all of which remain extremely competitive.

*"Our name is Robert and Carla Combi and we have happily lived in Lafayette for the past 22 years. We have raised three children that have attended Happy Valley Elementary School, Stanley Middle School and Acalanes High School. Our eldest son Cole has special needs and went on to attend Del Valle. We are very active in the community and currently Carla serves as a teacher aide at Happy Valley Elementary and I am coaching JV football at Acalanes HS.*

*It was recently brought to our attention that Lafayette has the opportunity to approve an affordable housing development for the special needs community. Having personally been involved with Sunflower Hill and their Pleasanton location, I can speak first hand to the tremendous benefits Irby Ranch has brought not only to the families that struggle to find a home for their special needs adult, but to the community itself. As a full time care taker of a special needs child your greatest wish is to find a place where they can gain some independence, enjoy life with their friends and peers but remain close to your home so you can continue to help manage their needs. Our son Cole has made several key friendships thru his years of special education in the Lafayette School District. He has worked at Rite Aid and the Cal Bears Football program. He is a vibrant person in our community and is surrounded by friends and family that love him. Needless to say, we would be overjoyed if Cole had the opportunity to live at a place like Lafayette Lane Community. Equally important, the City of Lafayette would benefit as well by being a leader in our County for proving affordable housing to adults with developmental disabilities. We thank you in advance for your consideration of this very important request.*

*-Robert and Carla Combi"*

### 2.3 KEY DATA FACTS AFFECTING THE NEED FOR HOUSING

- In 2019, Lafayette’s youth population (under the age of 18) represented 26% of the population, while the senior population 65 was 18%. Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions and/or reduced mobility. Although most seniors in Lafayette earn more than 100% of area median income, 29% of senior households earn lower incomes (less than 80% of median). Approximately, 24% of all seniors are considered very low income (less than 50% of median income).
- The desire to “age-in-place” is partly a result of economic pressures, as well as the desire to stay in the community people have called “home” for many years. On the one hand, the idea of downsizing sounds appealing, but homeowners may face substantial challenges because they have concerns over depleting a household’s assets, since for some seniors, homeownership is their key asset. Senior renters may also have difficulty finding affordable, accessible housing because of fixed incomes.
- At the other end of the spectrum, because of increases in the number of children under the age of 14, additional housing options are needed for families. Large households – defined by HUD as having five or more members - often have different housing needs than smaller households. If a city’s rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. In Lafayette, for large households with five or more persons, most dwellings (83%) are owner occupied. In 2019, 9% of large households in Lafayette were very low-income, earning less than 50% of the area median income (AMI). These lower income households, priced out of the ownership market, will need affordable rentals.
- It is important to have a variety of housing types to meet the near-term and future needs of a community. In 2020, 77% of homes in Lafayette were single family detached units, 3% were single family attached, 7% were small multifamily (2-4 units), and 13% were medium or large multifamily (5+ units). Between 2015 and 2020, the number of multifamily units (113 units) increased more than single-family units (100 excluding 33 ADUs).
- Currently, there are about 10,000 jobs in Lafayette. According to the State, the average wages for some of the sectors listed in Table 3 fall well below median income, another indicator of the need for affordable housing to allow those who work in Lafayette to also live in Lafayette.



**Table 3: Average Wages by Employment Industry**

NAICS Code	Industry Title	Average Annual Wage	Income Category*
72	Accommodation and Food Services	\$24,700	ELI
56	Administrative and Waste Services	\$57,304	LI
71	Arts, Entertainment, and Recreation	\$43,160	VLI
23	Construction	\$86,528	MOD
61	Educational Services	\$46,332	VLI
52	Finance and Insurance	\$160,004	AMOD
62	Health Care and Social Assistance	\$73,372	LI
55	Management of Companies and Enterprises	\$226,772	AMOD
31-33	Manufacturing	\$127,868	AMOD
81	Other Services, Ex. Public Admin	\$51,324	LI
54	Professional and Technical Services	\$128,752	AMOD
92	Public Administration	\$100,464	MOD
53	Real Estate and Rental and Leasing	\$86,268	MOD
44-45	Retail Trade	\$40,352	VLI
42	Wholesale Trade	\$106,964	AMOD

Source: <https://www.labormarketinfo.edd.ca.gov/>

\* ELI: Extremely Low Income; LI: Low Income; VLI: Very Low Income; MOD: Moderate Income; AMOD: Above Moderate Income

- As noted, future job projections indicate more homes will be needed to address the needs of workers in lower-paying jobs. While Lafayette’s population earns higher incomes than the County and the Bay Area as a whole, there is a significant existing population of lower-income households in the city, representing 25% of all households.
- A diversity of homes at all income levels creates opportunities for all Lafayette residents to live and thrive in the community. Current home prices, however, make it difficult for some people to afford to live in Lafayette. High prices are greatly impacted by the cost of development and the underlying value of land. According to 2019 data, the largest proportion of homes had a value in the range of \$1 million-\$1.5 million. Anecdotally, current home prices have significantly increased over the past two years. Home prices increased by 101% from 2010 to 2020. The typical contract rent for an apartment in Lafayette was \$2,090 in 2019. Rental prices increased by 52% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$83,920 per year.<sup>[5]</sup>
- Many different factors combine to affect the cost of building new housing and a project’s financial feasibility: acquisition costs (e.g., land and closing costs), hard construction costs (e.g., materials and labor), soft costs (e.g., legal and professional fees, insurance, and development fees), and the costs of conversion once a project is completed (e.g., title fees and the operating deficit reserve). All these factors lead to substantial rents and sales prices to cover these costs and earn a return to developers. In 2019 a Bay Area Council report found that the average construction cost of new below market rate housing in the Bay Area was \$664,455 per unit, far more than lower income households can afford without subsidies. In comparison, other projects across California (excluding the Bay Area), averaged \$385,185 per unit of below market rate housing.<sup>[6]</sup>



- The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Lafayette, 13% of households spend 30%-50% of their income on housing, while 14% of households are severely cost burdened and use the majority of their income for housing. These households need housing that is affordable to them.
- Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Lafayette, 7% of residents have a disability of any kind and may require accessible housing. Additionally, 11% of Lafayette households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. About 6% are female heads of households, which are often at greater risk of housing insecurity.

### 2.3.1 Production Over Time

The City continues to support the development of affordable housing and recognizes the need to find new ways to facilitate that development. After the loss of Redevelopment in California, jurisdictions throughout the State, including Lafayette, were left with virtually no ability to help subsidize new projects. Aside from all-affordable developments, rental assistance is needed to help the lower-income households continue to live in our community, and the City supports efforts by the County to provide Housing Choice Vouchers for this purpose.

As part of this Housing Element, we will look at both nongovernment and governmental constraints to the development, preservation, and rehabilitation of housing to discern where improvements can be made in the development process. We will also look at the ways developers can partner with the City to address critical needs, such as including larger units in developments for families. The City will also seek best practices to address the housing needs of “the missing middle”<sup>[7]</sup> – housing that is affordable to moderate-income households that cannot afford a traditional single-family home. Such activities could include first-time homebuyer programs, Community Land Trusts, and ADUs and other diverse housing types.

In the end, a broad range of housing is needed, from ADUs to duplexes and fourplexes, to apartment buildings, to single family homes. A diversity of housing types will help meet the various needs in our community, with quality access to good and services, options to limit vehicle miles traveled though transit and other means, while striving to maintain the quality of life for all segments of the community.

*“My family moved to Lafayette from San Francisco (technically Orinda but next to Lafayette Reservoir and everything we did was in Lafayette so that's what I consider my hometown). My parents purchased our home for around \$35,000 in 1968, which was quite a lot at that time, but very worth it. I attended UC Berkeley, got a job and wanted to buy my first home but couldn't afford anywhere in the East Bay or really the entire Bay Area. Prices have only escalated exponentially since then. Our family home is now worth about \$2.5 million. I moved to the Sierra Foothills because it was affordable, and I started work in Sacramento. Fast forward to the present and I am now retired and looking to downsize. I would like to move back to Lafayette but even apartments/condos there cost \$1 million+. Most of my friends from high school have left the area for the same reason of unaffordability to live where we grew up. Some have had to leave California altogether. I may need to do that as well unless more affordable senior housing becomes available. I hope you consider my comments on any decisions you make regarding future housing development in Lafayette.”*

### 2.3.2 Projecting for Future Housing Needs: What has the City Done? What Can it Do?

Within its resources, the City has worked to facilitate housing. As noted earlier, relative to the goals set out in the current RHNA cycle, the City has exceeded its 400-unit target by 206 units; however, the real challenge is in providing affordable housing. While the City has had some success in facilitating low-income units in the current RHNA cycle – entitling 65 of its 78-unit target, producing Very Low-Income units is challenging. Of the 5th RHNA cycle’s 138 Very Low-Income units, Lafayette has entitled only eight. This outcome is not unique to Lafayette as the challenge of providing affordable housing—high development costs coupled with a lack of meaningful subsidies—represents a critical policy problem across the State. With the loss of the Lafayette’s only meaningful local affordable housing resource through its redevelopment program, the City is reliant on its inclusionary housing program which has accounted for all the affordable units built during the current RHNA cycle. By our estimation, over \$660 million would be needed by Lafayette to develop the Very Low- and Low-Income housing called for in the next RHNA cycle. We therefore urge HCD and the State’s policy leaders to develop meaningful programs to assist with the development of affordable housing, otherwise there will be no realistic means to provide anything but a fraction of the increased number of affordable units called for in the upcoming 6<sup>th</sup> RHNA cycle.

*“I hope to obtain housing in the future at the Terraces of Lafayette. I am currently a renter living with my son because of the high cost of rent, and this arrangement is only temporary for us. I became disabled 10 years ago and lost my house due to a decrease of income. I worked as a RN for 34 years. Since then, I’ve been renting but have been priced out of the rental market during the past few years, so it leaves me no choice but to hope for a low-income apartment. I grew up in Lafayette in the 60’s and 70’s and wish to come back because I have family there and it is best to be closer as we’re all getting on in age.”*

*“My husband and I have lived in Lafayette since 1983. We downsized in 2015 to a one-story home with a beautiful garden and a cottage. The cottage is too big to technically be called an ADU. It was built by the former owners for their disabled mother and her caregivers...”*



*The Brant under construction in 2022.*

State law requires that each city provide analysis and programs for preserving existing affordable multi-family rental housing units that were developed with public subsidies. -Units at risk of conversion are those units in which the restrictions, agreements or contracts to maintain the affordability of the units expire or are otherwise terminated. At expiration, units may revert to market rate, rendering them no longer affordable to the people living in them. -Loss of affordability can occur at the termination of bond funding, the expiration of density bonuses, and other similar local programs.

The potential loss of existing affordable housing units is an important issue to the City due to displacement of lower-income tenants and the limited alternative housing for such persons. It is typically less expensive to preserve the affordability of these units than to subsidize construction of new affordable units due to the inflation of land and construction costs which has occurred since the original development of the affordable housing projects.

Various funding sources, including HUD funding sources, such as Community Development Block Grant (CDBG) funds and HOME Investment Partnerships Program (HOME) funds, Low-Income Housing Tax Credits (LIHTC), and other funds are used to create and preserve affordable housing in San Mateo. The information below presents the inventory of affordable developments in San Mateo. Assistance to help low-income households afford housing is also available through the Housing Authority of the County of San Mateo's Section 8 Housing Choice Voucher program.

Preservation of at-risk projects can be achieved in a variety of ways, with adequate funding availability. Alternatively, units that are converted to market rate may be replaced with new assisted multi-family units with specified affordability timeframes.

#### **Rental Assistance**

State, local, or other funding sources can be used to provide rental subsidies to maintain the affordability of at-risk projects. These subsidies can be structured to mirror the Housing Choice Voucher/Section 8 program, whereby the subsidy covers the cost of the unit above what is determined to be affordable for the tenant's household income (including a utility allowance) up to the fair market value of the apartment. Unit sizes for the at-risk properties range from studios to two-bedroom units and are generally reserved for very low-income households. The total subsidy needed to maintain a unit is approximately \$20,000 per year.

#### **Transfer of Ownership**

If the current organizations managing the units at risk are no longer able to maintain the project, transferring ownership of the affordable units to a nonprofit housing organization is a viable way to preserve affordable housing for the long term. The estimated market value for affordable units that are potentially at high risk of converting to market rate is about \$350,000 per unit.

#### **Construction of Replacement Units**

The construction of new low-income housing can be a means to replace at-risk units, though extremely costly. The cost of developing new housing depends on a variety of factors including density, size of units, construction quality and type, location, land and development costs. Using the Turner Center's research

on the cost to develop affordable housing around the Bay Area, the cost to replace the units could be as much as \$700,00 per unit.

### **Qualified Entities**

An owner of a multi-family rental housing development with rental restrictions (i.e., is under agreement with federal, State, and local entities to receive subsidies for low-income tenants), may plan to sell their “at risk” property. The California Department of Housing and Community Development (HCD) have listed qualified entities that may be interested in participating in California's First Right of Refusal Program. If an owner decides to terminate a subsidy contract, or prepay the mortgage or sell or otherwise dispose of the assisted housing development, or if the owner has an assisted housing development in which there will be the expiration of rental restrictions, the owner must first give notice of the opportunity to offer to purchase to a list of qualified entities provided to the owner.

HCD has identified a number of entities operating in Contra Costa County that may be interested in participating in California's First Right of Refusal Program. They are listed in the attached document. Of these entities, some have worked specifically in Lafayette, and others have completed projects in surrounding areas. If a development becomes at risk of conversion to market-rate housing, the City will maintain contact with local organizations and housing providers who may have an interest in acquiring at-risk units and will assist other organizations in applying for funding to acquire at-risk units.

### **Funding Sources**

A critical component to implement any of these preservation options is the availability of adequate funding, which can be difficult to secure. In general, Low-Income Housing Tax Credit funding is not readily available for rehabilitation and preservation, as the grant application process is highly competitive and prioritizes new construction. The City's previous ongoing funding source, Low/Mod Housing Funds available through the Redevelopment Agency, no longer exists due to the dissolution of Redevelopment more than a decade ago. Available funding sources that can support affordable housing preservation include sources from the federal and state governments, as well as local and regional funding.

### **Federal Funding**

- HOME Investment Partnerships (HOME) Program
- Project-Based Vouchers (Section 8)
- Section 811 Project Rental Assistance
- Veterans Affairs Supportive Housing (VASH) Vouchers

### **State Funding**

- Affordable Housing and Sustainable Communities (AHSC) Program
- Golden State Acquisition Fund (GSAF)
- Project Homekey
- Housing for a Healthy California (HHC)
- Multifamily Housing Program (MHP)
- National Housing Trust Fund
- Predevelopment Loan Program (PDLP)



### Preservation and Replacement Needs

Based on City records and information from the California Housing Partnership Corporation, there are no units with expiring affordability covenants in Lafayette during the next ten years (2023-2033). All are considered at low risk for conversion because of the funding sources involved, which have long-term covenants. In addition, both Belle Terre and Chateau Lafayette are owned by nonprofits with an interest in continuing the uses as affordable.

Table 4: Units at Risk of Conversion to Market Rate

Name	Address	Affordable Units	Total Units	Funding Program	Estimated Affordability End Year	Risk Level
Town Center Apts.	3549 Mt. Diablo Blvd.	15	75	LIHTC	2056	Low
Belle Terre	3428 Mt. Diablo Blvd.	45	46	LIHTC	2067	Low
Chateau Lafayette	3512 Moraga Blvd	66	67	HUD; CalHFA	2058	Low



*Belle Terre senior housing development.*

## 4. OTHER REQUIRED HOUSING ELEMENT COMPONENTS

### 4.1 CONSTRAINTS ANALYSIS SUMMARY

Potential constraints to the provision of adequate and affordable housing can be created by government policies and regulations as well as non-governmental factors, such as costs associated with land and construction. These constraints may increase the cost of housing or may render residential construction economically and/or politically infeasible for developers. Housing production constraints can also significantly impact households with low and moderate incomes and special needs. Land use controls as summarized below may constrain the maintenance, development, and improvement of housing.

The purpose of this section, per Government Code Section 65583(a) (5-6), is to identify non-governmental and governmental factors (constraints) that inhibit the development, maintenance, or improvement of housing. Examples of such constraints are land and construction costs, access to credit, permit fees, development standards, and compliance with Federal and State laws intended to facilitate housing for lower-income and special needs households.

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. A thorough understanding of the constraints to development can help to create appropriate policy responses to mitigate constraints and make it easier and more affordable to develop housing. The City has analyzed both its own regulations as well as those of nearby jurisdictions and regional market trends to assess what constraints exist in Lafayette and identify potential modifications to City policies to remove these barriers to development to the maximum extent feasible.

#### 4.1.1 Non-Governmental Constraints

The availability and cost of housing is strongly influenced by market forces over which local governments have little or no control. Nonetheless, State law requires that the Housing Element contain a general assessment of these constraints, which can serve as the basis for actions to offset their effects on the maintenance, improvement, or development of housing for all income levels. Potential nongovernmental constraints are largely determined by market conditions over which local jurisdictions have little control and may include the availability of financing, the price of land, and the cost of construction. However, local governments can influence market conditions and their associated costs, even if only indirectly.

This section provides an analysis of various potential and actual constraints to housing development in the City. The primary non-governmental constraints to the development of new housing in the County can be broken into the following categories: availability of financing, development and construction costs, environmental constraints, school capacity, and requests of housing development at reduced densities. Further detail is provided in Appendix B.

#### 4.1.2 Governmental Constraints

Governmental policies and regulations can result in both positive and negative effects on the availability and affordability of housing. This section, as required by Government Code Section (a)(5), describes City policies and regulations that may constrain the City's ability to achieve its housing goals. Potential constraints to housing include land use controls (through General Plan policies and zoning regulations), development standards, infrastructure requirements, development impact fees, and development approval processes. While government policies and regulations are intended to serve

public objectives and further the public good, the City recognizes that its actions can potentially constrain the availability and affordability of housing to meet the community's future needs.

#### **4.1.3 Conclusions**

With the proposed density increases in various parts of the City, height, setback, and other standards may become constraints to the development of housing. The Implementation Plan includes a variety of actions to address these potential constraints, including but not limited to working with real estate professionals – economists and developers, among others -- to analyze the specific impacts of various building standards on the cost to develop housing. From this work, the City will be able to make appropriate changes to zoning requirements to eliminate these constraints.

In addition, while the per-unit development and impact fees assessed on single-family developments are almost twice the amount of the costs per unit on multifamily housing, on a square foot basis the fees disproportionately impact multifamily development. This disparity across types of developments is a constraint to development and the City has incorporated a program to amend its fee structure to reduce the cost burden of fees for multifamily development. The complete analysis of governmental and non-governmental constraints can be found in Appendix B.

## **4.2 HOUSING RESOURCES SUMMARY**

The Housing Resources of the City of Lafayette can be summarized into two parts. The first is the various funding sources the City can pool together for affordable housing production, preservation, and protection, as well as outside funds from a variety of agencies, such as the County and the federal government. The second is an inventory of sites that are adequate for projected housing needs. A full description of each funding source and the opportunity sites inventory are included in Appendix C - Housing Resources.

## **4.3 CLIMATE CHANGE AND ENERGY CONSERVATION**

Home energy efficiency has become an increasingly significant factor in housing construction, particularly in the past few years with the increasing demand to build energy efficient and sustainable buildings in California. Energy costs related to housing include not only the energy required for home heating, cooling, and the operation of appliances, but the energy required for transportation to and from home.

State Title 24 Part 6 is the California Energy Code, first enacted in the 1980s, permits builders of new residential units to achieve compliance either by calculating energy performance in a prescribed manner or by performance based on computer modeling. The energy code is updated every three years by the Energy Commission to advance the energy efficiency standards for building construction. In addition to the energy code, the state Green Building code establishes sustainable building construction standards. The Green Building code addresses the use of sustainable materials, methods of construction, recycling of construction waste, and electric vehicle infrastructure. These measures contribute to overall building energy efficiency and sustainability and have an added ongoing benefit throughout the useful life of a building.

All new development, including housing projects, are also subject to compliance with applicable greenhouse gas (GHG) emission reduction strategies contained in the City's Environmental Action Plan (EAP). The EAP, which was adopted in 2017, demonstrates the City's leadership to reduce GHG emissions and provides a comprehensive list of community-wide actions that will help reduce the community's GHG

emissions. Specifically, the EAP includes EU Programs 1.1-1.7 and 3.1-3.4 which entail developing regulations for housing and new construction to exceed minimum state energy efficiency requirements, providing education and outreach on benefits and financial incentives associated with energy upgrades, and continuing support for energy efficiency upgrades through utility programs and programs with local and regional agencies. The City's Environmental Task Force has undertaken significant research and outreach surrounding building electrification requirements and their findings will be considered as part of the Housing Element implementation.

Policies and programs that explicitly address the City's EAP, as well as energy efficiency and sustainability, will be contained in other elements of the City's updated General Plan, but some energy efficiency programs have been included in the Housing Element. However, as outlined above, addressing climate change, continuing to improve energy efficiency, and building homes sustainably are key City priorities and will be applied to housing projects and housing program implementation for the upcoming housing cycle.



## 5. PUBLIC PARTICIPATION

### 5.1 OVERVIEW

The City of Lafayette recognizes an engaged community is essential to drafting and implementing a strong Housing Element. A key strength of this draft Housing Element is the incorporation of key findings collected at over nineteen public and community meetings and workshops, five intercept/pop-up events, and four surveys. A summary of public participation and community outreach activities and key takeaways are included here.

#### 5.1.1 Citizen-Led Planning

Under the direction of the City Council, The City recruited for and assembled an 11-member General Plan Advisory Committee (GPAC) composed of geographic district, chamber of commerce, and nonprofit representatives selected by lottery and commission and committee members nominated by their body to serve on the GPAC. More detail on the composition of the GPAC is included in Appendix F. Recruitment entailed multi-lingual mailings to every household in Lafayette as well as publicizing the opportunity to apply on the City’s social media channels and during public meetings. GPAC members were volunteers from the community tasked with not only promoting participation by their respective constituents, but also to bring the input received into the group’s deliberations. GPAC informed the outreach and engagement strategy, supported events and activities surrounding the Housing Element update, received, and considered comments from the public, and led the drafting process for the updated document based on the community input received.

#### 5.1.2 Outreach

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. The City, led by the General Plan Advisory Committee (GPAC), undertook nearly two years of education about the Housing Element requirements, intensive outreach through a variety of channels, and public participation to inform the Housing Element. The GPAC used this input to ensure community voices were incorporated not only into the planning process, but also into the policies and programs within the resultant document.



**Federal and State fair housing laws prohibit discrimination.**  
Help city leaders work towards a more inclusive Lafayette by sharing your experience at an upcoming workshop or take an online survey.

**Las leyes federales y estatales de vivienda justa prohíben la discriminación.**  
Ayude a los líderes de la Ciudad a trabajar por un Lafayette más inclusivo compartiendo su experiencia en un próximo taller o contestando la encuesta en línea.

**联邦和州公平住房法禁止歧视。**  
通过在即将举行的研讨会上分享您的经历或参加网上调查，帮助城市领导打造一个更具包容性的Lafayette。

To reach as many community members who live in or are a part of the Lafayette as possible, the city developed and implemented a proactive outreach plan at the outset of the draft Housing Element development process. Its goals were to:

- Raise awareness among Lafayette residents of the importance of the Housing Element update on shaping the future of the community
- Achieve broad demographic and geographic representation from community members that is representative of the full range of perspectives and experiences in Lafayette
- Define the City’s core values and corresponding key elements that represent Lafayette’s character to be addressed and preserved through the updated document
- Continuously communicate how to contribute at each stage of the update process most effectively
- Build a level of public trust in the update process and support for the Housing Element that will lead to its successful implementation after adoption.

The City proactively engaged community members for whom English was not spoken at home, renters, those under 45 years of age, low-income and very low-income households, people with disabilities, seniors, single female heads of household, people experiencing homelessness, and those from under-represented neighborhoods.

### 5.1.3 Outreach and Engagement

#### Website and Social Media

The City of Lafayette launched a [General Plan Update website](#) with several pages dedicated to different aspects of the Housing Element update, including information on the update process and timeline, the Regional Housing Needs Allocation, environmental review, meeting materials informational videos, and frequently asked questions.

The City also began conducting extensive email and social media outreach beginning in December 2020 to build awareness that the Housing Element update was underway. Updates on GPAC meetings and upcoming events were shared via NextDoor, Facebook, Instagram, and the City’s weekly e-newsletter. An option to be notified about meetings related to the General Plan and Housing Element was added to the City’s e-notification system.

The City established a dedicated e-mail address, [generalplan@lovelafayette.org](mailto:generalplan@lovelafayette.org), for community members to submit their questions, comments, and feedback. Through workshop registrations and other inquiries, the City developed a stakeholder e-mail list of residents, business and property owners, school parent associations, and local organizations of over 1,300 contacts. This stakeholder list was also used to provide updates and information on upcoming events.

#### Printed Mailings

Several mailings and newspaper ads were also used to provide an alternative outreach method to those populations that would not be reached by digital methods. The City sent postcards and brochures to every household as well as ran ads for Housing Element events in the Lamorinda Weekly paper, which is circulated to all Lafayette households, to notify residents about the Housing Element Update. The Housing Element and fair housing workshops were also featured prominently in the City’s quarterly printed newsletter, Lafayette Vistas, which is also mailed to every household in Lafayette.

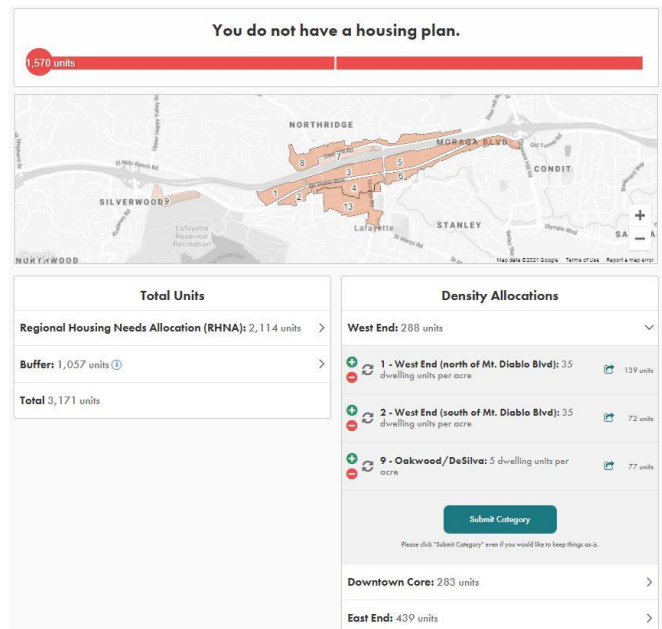
## Community Meetings

The city organized six educational sessions, nine public Housing Element workshops, and presented at numerous public commission and council meetings. Due to COVID-19 restrictions, much of this engagement took place online, but the City held in-person workshops with analog versions of the online Housing element workshops to provide a comparable method of providing input on the Housing Element.

The City and GPAC members also presented at several meetings and webinars of other organizations, including over 90 GPAC, Planning Commission, and City Council meetings, the Lafayette Chamber of Commerce and Lafayette Homeowners Council. The City conducted outreach at community events, including the annual Taste of Lafayette event, as well as at the BART station.

## Online Engagement

In addition to the dedicated General Plan update website, the City created an online hub for engagement which hosts a range of activities for members of the public to provide their ideas and input. Activities included surveys, ideas walls, a forum for discussion, mapping activities, and polls. 1,100 members of the public registered for the engagement platform to participate in the online activities. The City also developed a custom map-based housing planning activity wherein participants identify regions of the city where the RHNA should be allocated; this online activity was found to be such an effective engagement tool that the Association of Bay Area Governments contracted with the developer to provide licenses to 25 other Bay Area jurisdictions.



## 5.2 KEY TAKEAWAYS

- **Housing is personal:** People often have differing views on housing because it is a very personal issue tied to feelings of safety, belonging, and identity. Often the comments reflected people's current housing situation. Several people shared meaningful stories of themselves, or their loved ones being priced out of their communities and struggling to remain in Lafayette.
- **Preservation of Lafayette's character:** Lafayette residents cherish the small town feel and semi-rural ambience of their community. To the maximum extent consistent with Lafayette's housing obligations under state law, the community desires to both promote and enhance those cherished characteristics.
- **The price of housing is a major concern:** Community members voiced concerns about the high cost to rent or buy a home today, either for themselves, friends, or family. It is an issue that touches a lot of lives. There was significant concern raised that service workers, teachers, first responders, and small business owners were being priced out of Lafayette.
- **Affordable housing is a concern:** Participants felt that more needed to be done to promote affordable housing.

- Other common themes: preservation of open space, school and infrastructure capacity, wildfire risk, the interconnected nature of land-use and transportation decisions, and diversity.

### 5.3 COMMUNITY INPUT IN THE HOUSING PLAN

The extensive outreach and community engagement conducted ~~over the past year~~ two+ years by the General Plan Advisory Committee and the City played a significant role in the development of the goals, policies, and programs within the 2023-2031 Housing Element. Feedback and insights from tenants, lower-income residents, property owners and developers helped to highlight new policy opportunities and ways to strengthen and improve existing policies. And the overarching challenge of housing affordability and availability was heard during most every meeting and conversation. In addition, themes such as investing in improving infrastructure, maintaining commercial space downtown and quality design, and improving access to affordable housing options helped inform policies in the Housing Element as well as the General Plan Update, which is being prepared concurrently. The following is a summary list of topics and the associated policy(s) that were added or improved as a result of that community and stakeholder feedback.

- **Policy H-1.2** Evaluate and establish funding for new infrastructure.
- **Policy H-2.2** Support mixed-use development.
- **Policy H-6.1** Facilitate and support the production of new affordable housing units.
- **Policy H-9.1** Encourage quality design.

A number of organizations and individuals provided extensive comment and recommendations for consideration in the Housing Element. The City often heard from residents about the need to avoid planning higher-density housing in the City’s Very High Fire Hazard Severity Zones, as well as in areas where concerns were raised about potential extended evacuation times. In response, the Housing Element does not include sites in its inventories in places such as the Glen, Happy Valley, and along Deer Hill. Comments also received by the Chamber of Commerce requested limiting areas of the Downtown for increased densities to help protect existing businesses from being lost.

Two organizations – Inclusive Lafayette and East Bay for Everyone – provided written comments and testimony regarding concerns that the BART station lots, because they are not currently in the BART Transit–Oriented Development (TOD) workplan in the near term, should not be included in the inventory of opportunity sites because they are unlikely to be developed during the eight-year planning cycle. In addition, many residents expressed concern that the lots, which are also in a VHFHSZ, should not be included in the inventory.

Although the City has been – and will continue to be – active in engaging BART in the eventual development of those sites, the station parking lots are now no longer included in the inventory, because the time it takes to complete all of the initiatives required to move up in the workplan will be substantial. With a projected reevaluation of its workplan in early 2023, the City cannot meet the deadlines to be considered.

Other comments from Inclusive Lafayette and East Bay for Everyone included, but are not limited to, the following:

- Programs should have firm commitments for the completion of each item with discrete deadlines. The City’s revised Housing Element includes greater specificity for each item in the implementation plan.

- **The City should consider current height limits as constraints to housing.** The Housing Element Implementation Plan (Appendix G) includes several actions to address potential constraints on the development of housing, including Program 8.2.a~~1~~, review of development standards, including specific targets and deadlines.
- **The City should reduce parking minimums.** The City's Program 6.1.d calls for the revision of the City's parking standards in conformance with AB 2097, which prohibits a public agency from imposing any minimum automobile parking requirement on any residential, commercial, or other development project that is located within 1/2 mile of public transit.
- **The City should encourage higher density throughout the Downtown.** The revised Housing Elements includes increased densities throughout the Downtown, now that the BART sites are no longer included in the inventory. Please see the revised inventory of opportunity sites.
- **The City should distribute multifamily housing throughout Lafayette, not just in the Downtown, to meet the goals of Affirmatively Furthering Fair Housing.** The City must consider a variety of factors when locating potential multifamily housing, especially that which is affordable. Of considerable concern is the fact that 46% of Lafayette is in a Very High Fire Hazard Severity Zone. Increased density in these locations would not only impact traffic and therefore evacuation times, there are fewer services available to lower income households in these areas, including transit, groceries, and other services. To further complicate the matter, the State Attorney General has recently released guidance to consider when locating new developments in wildfire-prone areas. Based on these and other factors – including the analysis that demonstrates proposed affordable developments will not exacerbate poverty conditions in the Downtown – the City has chosen not to locate substantial numbers of new housing outside of the Downtown.
- **The City should commit to generating local funding for affordable housing.** The City includes several programs that will potentially address funding needs for affordable housing, including 1.1.a, 1.2.b, 7.1.b, and 7.2.a.

## 6. AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) SUMMARY

### 6.1 WHAT IS AFFIRMATIVELY FURTHERING FAIR HOUSING?

In January 2017, Assembly Bill 686 (AB 686) introduced an obligation to affirmatively further fair housing (AFFH) into California state law. AB 686 defines “affirmatively further fair housing” to mean “taking meaningful actions, in addition to combat discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes.

AB 686 requires that all Housing Elements prepared on or after January 1, 2021, assess fair housing through the following components:

- An assessment of fair housing within the jurisdiction that includes the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity; an analysis of segregation patterns and disparities in access to opportunities; an assessment of contributing factors; and identification and prioritization of fair housing goals and actions.
- A sites inventory that accommodates all income levels of the City’s share of the RHNA that also serves the purpose of furthering more integrated and balanced living patterns.
- Responsive housing programs that affirmatively further fair housing, promote housing opportunities throughout the community for protected classes, and address contributing factors identified in the assessment of fair housing.
- The analysis must address patterns at a regional and local level and trends in patterns over time. This analysis compares the locality at a county level for the purposes of promoting more inclusive communities.

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the Housing Elements and General Plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

### 6.2 FAIR HOUSING ASSESSMENT- PRIMARY FINDINGS

This section summarizes the primary findings from the Fair Housing Assessment for Lafayette; the factors that contribute to the city’s fair housing challenges; and the city’s fair housing action plan to address those challenges.

#### 6.2.1 Segregation/Integration

Compared to Contra Costa County overall, Lafayette residents are much less diverse racially and ethnically. Lafayette’s residents are 75% non-Hispanic White. Persons of Hispanic descent comprise 8.5% of Lafayette’s residents. The next largest racial group is Asian at 11%. Fewer than 1% of Lafayette’s

residents are Black/African American. The county, in contrast, is 48% non-Hispanic White and 24% Hispanic. 9% of county residents are Black/African American. The only racial group where the city is close to the county is Asian (11% in Lafayette v. 15% in the county).

*Contributing factors:* Lafayette incorporated as a semi-rural community and has a history as a low-density suburban community, with good schools, access to jobs, goods and services, and above-average median household income. Limited supply and above average median housing costs have constrained opportunities for residents and workers who need affordable housing from locating in Lafayette.

### **6.2.2 Income and Renter Segregation**

Lafayette is a high-income community, with little variance in median household income by neighborhood. Low to moderate income (LMI) households are concentrated in central Lafayette, where 50 – 75 percent of the population is considered LMI, and downtown Lafayette and along the south side of State Route 24, where about 25 – 50 percent of the population is considered LMI (see Map 10). The downtown Lafayette neighborhood also has a higher proportion of renter-occupied households, higher levels of cost-burdened renter households, and the highest share of Housing Choice Voucher holders. Additionally, the vast majority of housing units are 3 or more-bedroom units with limited options for one-bedroom units or studio apartments.

*Contributing factors:* The city's most affordable housing is found in neighborhoods with mixtures of commercial and residential properties, relatively high-density allowances, and those that abut Highway 24. Although these neighborhoods are identified as high opportunity areas and are rated as healthy communities, consistent with the city overall, the concentration of affordable housing limits residents and workers choice of housing in settings outside of mixed-use settings in less traffic-intense environments. The increase in ADU development throughout the community will provide new opportunities for lower-income people to find housing that is affordable to them.

### **6.2.3 Disproportionate Housing Needs**

The only neighborhood where renters are vulnerable to displacement is also one of two neighborhoods where residents have the best opportunity to find affordable housing.

*Contributing factors:* Barriers to housing choice are largely related to the city's very high costs of housing and rate of affordable production.



### 6.2.4 Fair Housing Action Plan

Based on these findings, the Fair Housing Action Plan can be found below

Table 5: Fair Housing Action Plan

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action Area 1. Enhancing housing mobility strategies:</b> consist of removing barriers to housing in areas of opportunity and strategically enhancing access.								
<b>AFFH Action 1.1:</b> Support residential development that brings new publicly subsidized and naturally affordable market rate multifamily housing to Lafayette.	Under-representation of Hispanic and Black/African American residents in Lafayette relative to Contra Costa County.	Lack of affordable housing and opportunities for low- and moderate-income households; community resistance to development.	Disparities in access to opportunities	Land use resources	City of Lafayette	Provide staff support, land use flexibilities, and financial resources to developers who propose to develop publicly subsidized and naturally affordable market rate housing.	Develop regular roundtable discussions with developers (every year in the winter) to highlight goals, policies, and programs to meet development needs. Include information on the City's website about potential opportunities for development, including the list of housing opportunity sites, development and impact fees, and other information.	Develop website additions by the middle of 2024; conduct roundtable discussions beginning in January 2025.



AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action 1.2:</b> Design a regional forgivable loan program for homeowners to construct an ADU that is held affordable for low to moderate income households for 15 years.	Under-representation of Hispanic and Black/African American residents in Lafayette relative to Contra Costa County.	Lack of affordable housing; Prevalence of large lot single family development and zoning restrictions; Lack of land zoned to allow moderate or high-density housing.	Disparities in access to opportunities	Land use resources	C4, EBHO, other cities	Increase opportunities for lower-income households to find housing that is affordable.	Design a regional loan forgiveness program.	Begin design in Summer 2025 and complete by winter 2026.
<b>AFFH Action 1.3:</b> Develop a policy to target inclusion of all types of affordable housing.	Under-representation of Hispanic and Black/African American residents in Lafayette relative to Contra Costa County. Senior developments typically serve non-Hispanic White residents	Lack of affordable housing and opportunities for low- and moderate-income households; community resistance to development.	Disparities in access to opportunities	Land use resources	City of Lafayette	Increase equitable treatment of developments that serve low- and moderate-income households; develop more affordable housing for diverse populations	Conduct a best practice review of Cities that have developed specific targets for various kinds of affordable housing; select the policies most appropriate for Lafayette and implement by 2027.	Conduct best practices work in 2026; bring recommendations to Council in the beginning of 2027; implement program by mid-2027.

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action Area 2. Encouraging new housing choices and affordability in high resource areas:</b> promoting housing supply, choices, and affordability in areas of high opportunity and outside of areas of concentrated poverty.								
<b>AFFH Action 2.1:</b> Pilot a by-right approval for low density attached housing that exceeds the BMR affordability requirements.	Under-representation of Hispanic and Black/African American residents in Lafayette relative to Contra Costa County.	Lack of affordable housing and opportunities for low- and moderate-income households to live in the city	Disproportionate housing need for low income households and protected classes	Land use resources	TBD	Increase development of accessible units beyond minimum requirements	Develop pilot program with other jurisdictions that would create more opportunities for lower income households to live in Lafayette	End of 2027

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<p><b>AFFH Action 2.2:</b> Evaluate and adjust the city's inclusionary and density bonus programs to allow a smaller unit contribution (&lt;15%), larger density bonuses, and/or increased city support in exchange for affordable units that address the needs of under-represented residents with disproportionate housing needs (e.g., child-friendly developments with day care on site for single parents, and 3-4 bedroom units for larger families).</p>	<p>Under-representation of Hispanic and Black/African American residents in Lafayette relative to Contra Costa County.</p>	<p>Disproportionate housing need for low income households and protected classes</p>	<p>Disparities in access to opportunities</p>	<p>Land use resources</p>	<p>City of Lafayette</p>	<p>Expand the variety of housing units produced under the inclusionary housing and density bonus programs after those programs have had time to produce results. Ensure that the units being created are needed by and affirmatively marketed to county residents and workers who are under-represented in the city</p>	<p>Perform a feasibility analysis to redesign the program to allow a menu of options (e.g., 8% of units for extremely low income or 15% for low income or 30% for moderate income).</p>	<p>Begin design in Summer 2024 and complete by winter 2025.</p>

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action Area 3. Improving place-based strategies to encourage community conservation and revitalization including preservation of existing affordable housing:</b> involves approaches that are focused on conserving and improving assets in areas of lower opportunity and concentrated poverty.								
<b>AFFH Action 3.1:</b> As part of updates to the General Plan and the downtown Specific Plan, evaluate the need for housing rehabilitation in older multifamily developments throughout the community. Create a plan to join rehabilitation efforts with infrastructure improvements, such as trails, recreation areas, and other amenities.	Residents occupying housing in one of the two most affordable neighborhoods of the city face greater housing livability challenges.	Need for rehabilitation because of low rents and deferred maintenance.	Disparities in access to opportunities	Land use resources	City of Lafayette to lead	Create opportunities for livability improvements without increasing housing costs.	Develop policy for the use of City funding that addresses rehabilitation needs of the community. <u>Goal: rehabilitate 90 units during the life of the Housing Element, 30 ELI, 30 VLI, 30 LI</u>	Begin best practices research in 2025; complete review and develop policy by 2026, with implementation in early 2027.

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action Area 4. Protecting existing residents from displacement:</b> strategies that protects residents in areas of lower or moderate opportunity and concentrated poverty and preserves housing choices and affordability.								
<b>AFFH Action 4.1:</b> Develop a plan to preserve the city's affordable units that will expire in the next decade to keep them affordable long term.	Very high rates of cost burden for <50% AMI households and Black and Hispanic households; high rates of overcrowding among minority populations.	Lack of affordable housing citywide; low housing production	Disproportionate housing needs	Human resources	City of Lafayette	Work with property owners of existing assisted housing developments for lower-income households and partner with nonprofits to determine methods to extend affordability covenants to preserve affordable units, including assistance from the City.	Conduct best practices research on other jurisdictions' programs and prepare recommendations to City Council.	Conduct best practices work in 2025; bring recommendations to Council in the beginning of 2026; implement program by mid-2026.

AFFH Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
<b>AFFH Action 4.2:</b> Partner with fair housing service providers to perform fair housing training for landlords and tenants. Focus enforcement efforts on race-based discrimination and reasonable accommodations.	Landlords refuse to rent to Section 8 voucher holders or are unaware regarding laws against discrimination for source of income.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts; Lack of understanding of reasonable accommodation requirements by landlords and property owners.	Outreach Capacity and Enforcement	Human resources	Fair Housing Service Providers; C4	Increase awareness of fair housing laws and tenants' rights to reduce unlawful discrimination and displacement.	Work with C4 and fair housing service providers to provide training every two years in the Spring, targeting <del>50-30</del> landlords each training.	Begin working with C4 to develop scope in 2024; launch first training in Spring 2025

## 7. HOUSING PLAN

The City of Lafayette has many positive attributes, especially being a desirable residential community to live in, work in, and play in. The City's primary objective is to maintain a diversity of housing opportunities. There should be a variety of housing types and sizes, a mixture of rental and ownership housing, and housing that supports special needs populations, including farmworkers, single female heads of household, people with disabilities, and those who are unhoused. This variety of housing opportunities will accommodate a diverse population, leading to a variety of household sizes, all age groups, and a wide range of income levels.

In addition, Lafayette will need to plan for an increased housing supply to meet the housing demand caused by current and future job growth. The types of new housing created should accommodate all income levels consistent with the Regional Housing Needs Allocation. The goals, policies, and actions contained in this Housing Plan support these overarching objectives while also ensuring that the City will meet its statutory obligations, affirmatively further fair housing, and facilitate housing production at all income levels. To implement each of these policies, the city has identified specific programs and actions, which are outlined in the Implementation Plan included in Appendix C.

### 7.1 GOALS, POLICIES, AND PROGRAMS SUMMARY

The City has identified ten goals to guide the Housing Element's policies and programs to address a range of community priorities identified through community engagement, housing needs of special populations, affirmatively furthering fair housing, and the production, preservation, and protection of a range of housing types.

#### **Goal 1: Develop infrastructure through funding mechanisms that support the demands of current and future residents, housing, commercial, and retail development.**

- **Policy H-1.1** Ensure capital improvements meet development needs.
- **Policy H-1.2** Evaluate and establish funding for new infrastructure.
- **Policy H-1.3** Regularly identify and address infrastructure needs.

#### **Goal 2: Promote a vibrant commercial and cultural downtown that meets the needs of residents and visitors and encourages a mix of retail, commercial, and residential building through zoning.**

- **Policy H-2.1** Provide clear information on requirements for development in the downtown.
- **Policy H-2.2** Support mixed-use development.
- **Policy H-2.3** Encourage housing rehabilitation in commercial zoning districts.

#### **Goal 3: Promote environmental responsibility, long-term sustainability, and adaptability in residential development and related infrastructure to minimize impacts to global climate change.**

- **Policy H-3.1** Promote existing and develop new energy conservation programs.
- **Policy H-3.2** Provide information to the public on programs for energy conservation.
- **Policy H-3.3** Sponsor an annual Earth Day event.

#### **Goal 4: Promote housing opportunities for all persons regardless of race, age, gender, sexual orientation, marital status, ability, or national origin.**

- **Policy H-4.1** Equal Housing Opportunity: Continue to facilitate non-discrimination in housing in Lafayette.
- **Policy H-4.2** Nondiscrimination Clauses: Provide nondiscrimination clauses in rental agreements and deed restrictions for housing constructed with City assistance.

**Goal 5: Affirmatively further fair housing by taking meaningful actions that overcome patterns of segregation and foster inclusive communities.**

- **See Fair Housing Action Plan in Table 5**

**Goal 6: Promote the expansion of the housing throughout the City to accommodate a variety of housing types that are attractive and affordable to potential renters and home buyers at a wide range of income levels.**

- **Policy H-6.1** Facilitate and support the production of new affordable housing units.
- **Policy H-6.2** Seek to retain existing subsidized affordable housing units.
- **Policy H-6.3** Promote and incentivize the construction of accessory dwelling units.
- **Policy H-6.4** Utilize County, State, and federal programs that provide housing opportunities for lower-income households.
- **Policy H-6.5** Monitor affordable projects at risk of conversion to market rate.
- **Policy H-6.6** Monitor Federal actions and appropriations regarding extension of Section 8 contracts.
- **Policy H-6.7** Support efforts to retain existing FHA and HUD subsidized low-income units.
- **Policy H-6.8** Support the County Housing Authority housing rental subsidies.
- **Policy H-6.9** Support efforts to obtain available State and federal assistance to develop affordable housing.
- **Policy H-6.10** Support State and regional efforts to reinstate Redevelopment-like tools.
- **Policy H-6.11** Allow placement of manufactured housing units.
- **Policy H-6.12** Promote development of a range of housing types.

**Goal 7: Promote access to affordable housing opportunities for persons with special housing needs such as seniors, developmentally disabled, large households, and very low to moderate income households.**

- **Policy H-7.1** Collaborate with special population service providers to identify specific housing needs and guide City policies.
- **Policy H-7.2** Provide information on housing options for special populations.

**Goal 8: Facilitate a mix of housing types with development standards appropriate for the subject neighborhood.**

- **Policy H-8.1** Encourage infill housing development.
- **Policy H-8.2** Establish building height requirements that are sensitive to neighborhood context.<sup>1</sup>
- **Policy H-8.3** Provide a density bonus to projects with affordable units.

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<sup>1</sup>One example might include increasing heights immediately next to single-family homes less than elsewhere in the Downtown, such that heights “step down” towards single-family neighborhoods.



**Goal 9: Promote a wide variety of housing types that balance valued aspects of the existing community character, including quality design, scale, and preservation of natural features.**

- **Policy H-9.1** Encourage quality design.

**Goal 10: Adopt and implement a Housing Element that complies with State Law.**

- **Policy H-10.1** Pursue available funding for the preservation and rehabilitation of older housing.
- **Policy H-10.2** Encourage new multifamily housing.
- **Policy H-10.3** Provide active leadership in implementing the Housing Element policies and programs.
- **Policy H-10.4** Review implementation progress annually.
- **Policy H-10.5** Encourage public participation in creating the City's housing and development policies.
- **Policy H-10.6** Collaborate with owners to reclaim residential units illegally converted to commercial uses.
- **Policy H-10.7** Support County housing rehabilitation programs for low- to moderate-income households.
- **Policy H-10.8** Allow employee housing in areas designated with a residential land use.

## 8. QUANTIFIED OBJECTIVES

The quantified objectives section estimates the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the 2023-2031 planning period. The quantified objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve, based on needs, resources, and constraints.

According to HCD, the sum of the quantified objectives for the programs should ideally be equal to or surpass the community's identified housing needs. However, State law recognizes that the total housing needs identified may exceed available resources and the community's ability to satisfy this need within the content of the general plan. Under these circumstances, the quantified objectives need not match the identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over an eight-year time frame. The quantified objectives do not necessarily meet the goals of RHNA because they are not a full projection of anticipated housing development within the Housing Element Cycle. It is an estimate of actual production, given available resources and projected pipelines projects.

With respect to affordable units, the City has estimated the potential subsidies available during the planning period and has calculated the potential number of units that could be assisted with these funds. In addition, The City has compiled a list of known or expected development projects in the next few years anticipated to be completed within the next eight years. In total, 459 affordable units are expected to be produced during the next cycle.

Based on residential building permits issued in the last year and residential projects that have been initially reviewed or approved by the Planning department that have not been built, the quantified objective for non-subsidized units developed in market projects is 970 units. The total quantified objectives for housing production over the next eight years and how they align with the City's overall RHNA are outlined in the two tables on the following page.

Table 6: Quantified Objectives for Cycle 6 (2023 – 2031)

New Construction	Affordable Total	ELI	VLI	LI	MOD	Market	Total
Potential Future All-Affordable Projects*	63	16	16	32	0	0	63
Woodbury Highlands	7	0	3	0	4	42	49
West End	2	0	0	0	2	10	12
Lenox Lafayette Circle	2	0	0	0	2	10	12
Lafayette Lane	38	0	38	0	0	128	166
Samantha Townhomes	2	0	1	0	1	10	12
Lynx/Schadek	1	0	0	1	0	8	9
The Mill at Brown Avenue	2	0	0	0	2	11	13
Madison Park	0	0	0	0	0	46	46
950 Hough	3	0	0	0	3	17	20
Terraces of Lafayette	63	0	0	63	0	252	315
Future Inclusionary BMR Units (TBD)	60	0	24	0	36	400	460
ADUs (30% VLI, 30% LI, 30% MOD, 10% AMOD)	216	0	72	72	72	24	240
<b>New Construction Total</b>	<b>459</b>	<b>16</b>	<b>154</b>	<b>168</b>	<b>122</b>	<b>958</b>	<b>1,417</b>
	<i>Affordable</i>						
<b>Rehabilitation</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>	<b>Market</b>	<b>Total</b>
Units in Multifamily Dwellings	90	30	30	30	0	0	90
	<i>Affordable</i>						
<b>Preservation</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>	<b>Market</b>	<b>Total</b>
Units Preserved (none at risk 2023-31)	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>549</b>	<b>46</b>	<b>184</b>	<b>198</b>	<b>122</b>	<b>958</b>	<b>1,507</b>

Table 7: Quantified Objectives Alignment with Lafayette’s RHNA

Income	Quantified Objective	Eight-Year RHNA Figure	% of RHNA to be Produced
ELI/VLI	170	599	28%
LI	168	344	49%
MOD	122	326	37%
Market	958	845	113%
<b>TOTAL</b>	<b>1,417</b>	<b>2,114</b>	<b>67%</b>

## 9. REVIEW OF THE PRIOR ELEMENT SUMMARY

The update of the Housing Element provides an opportunity to reflect on past achievements and challenges. The following summary highlights key accomplishments and challenges from the previous Housing Element’s planning period (2015 to 2023), as well as identifies opportunities for where the city took lessons learned and applied them as future tasks for current Housing Element. A detailed evaluation of the prior housing element can be found in Appendix E - Review of Prior Housing Element.

The following achievements were made:

- Progress towards meeting affordable housing goals
- Market rate housing goals were met
- The rate of ADU production have increased greatly
- Increasing efficiency in the housing development process

The following challenges were experienced:

- A divided and polarized vision for the future of the city
- High land and construction costs
- Outdated housing programs and policies
- Falling short of the quantified objectives

The following opportunities were identified:

- Revisions to the zoning code
- The General Plan update
- Programs to encourage and support development of affordable housing
- New opportunities for Transit Oriented Development

The 2015-2023 quantified objectives for total housing units, including market rate housing, was 270 units. Through the seventh year of this housing cycle, a total of 333 units have been completed. The following two tables summarize the quantified objectives from the last Housing Element Update and detail the City’s progress in achieving those objectives.

Table 8: Quantified Objectives, 2015 - 2023

Income Level	Total	New Construction	Rehabilitation/Conservation	Preservation
Extremely/Very Low Income	131	50	15	66
Low Income	25	10	15	0
Moderate Income	45	10	20	15
Above Moderate Income	150	150	0	0
<b>GRAND TOTAL</b>	<b>351</b>	<b>220</b>	<b>50</b>	<b>81</b>

SOURCE: LAFAYETTE PLANNING DEPARTMENT, 2015

Table 9: Progress towards Quantified Objectives, 2015 - 2023

Income Level	Total	New Construction	Rehabilitation/Conservation	Preservation
Extremely/Very Low Income	0	0	0	0
Low Income	13	8	0	5
Moderate Income	8	3	0	5
Above Moderate Income	36	28	0	8
<b>GRAND TOTAL</b>	<b>57</b>	<b>39</b>	<b>0</b>	<b>18</b>

SOURCE: LAFAYETTE PLANNING DEPARTMENT, 2022

Table 10: Below-Market-Rate Summary of Recent Residential Projects, 2015 - 2023

New Construction	<i>Affordable Total</i>	Total	ELI	VLI	LI	MOD	AMOD
The Paloma	3	18	0	0	1	2	15
The Woodbury	0	56	-	-	-	-	56
Town Center III	7	69	0	0	0	7	62
210 Lafayette Circle	2	12	0	0	0	2	10
The Brant	10	66	0	2	2	6	56
Woodbury Highlands	15	99	0	6	0	9	84
The Mill at Brown	2	13	0	0	0	2	11
<b>Total</b>	<b>39</b>	<b>333</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>28</b>	<b>294</b>

Preservation	Total	ELI	VLI	LI	MOD
Woodbury BMR at Redwood Creek	18	0	5	5	8
<b>GRAND TOTAL</b>	<b>18</b>				

SOURCE: LAFAYETTE PLANNING DEPARTMENT, 2022

**10.1.1 Legislative Context for the Housing Element’s Inventory of Sites**

Per State law, the State of California, in conjunction with Association of Bay Area Governments (ABAG), has projected future population figures for the nine Bay Areas counties which translates into the need for additional housing units. Each jurisdiction is then assigned a portion of the regional need based on factors such as growth of population and adjusted by factors including proximity to jobs, and high resource areas that have excellent access to amenities such as good school and employment centers. This assignment is known as the Regional Housing Needs Allocation (RHNA).

Each jurisdiction must ensure that there is enough land at appropriate zoning densities to accommodate its RHNA in its Housing Element in four income categories (very low-, low-, moderate- and above moderate-income). This sites list is required to include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, including analysis of the development capacity that can realistically be achieved for each site.

The RHNA for City of Lafayette for the Housing Element 2023-2031 is 2,114 units, which are broken down by income category in Table 11.

Table 11: Lafayette RHNA Targets Summary

Income Category	Very Low 50% AMI	Low 80% AMI	Moderate 120% AMI	Above Market Rate	Total
2023-31 Allocation	599	344	326	845	2,114

Table Source: Housing Element Cycle 6 RHNA Allocation

**10.1.2 Basis for the Inventory**

The sites inventory is based on the City’s current land use designations, zoning requirements and an analysis of the likelihood of redevelopment within the eight years of the Housing Element cycle. The analysis does not include the economic feasibility of specific sites, nor does it take into consideration the owner’s intended use of the land now or in the future. It does not dictate where residential development will actually occur, and the decision whether or not to develop any particular site always remains with the owner of the property, not the City. Based on previous Housing Elements, the City anticipates that some of the sites on the list will be developed with new housing, some will not, and some housing will be built on sites not listed in the inventory.

~~Although the Sites Inventory was prepared after extensive analysis, it is still in draft form and may be revised throughout 2022 in response to public input or HCD reviews before including into the final adopted 2023-2031 Housing Element.~~ The Sites Inventory is further outlined below, with a breakdown of the units in Table 14. The complete Sites Inventory is included as Appendix C.

### 10.1.3 Parcel-by-Parcel Review

The City inventoried vacant and underutilized parcels in Lafayette to determine what land is available for development at various levels of density. In addition, through the General Plan Advisory Committee’s efforts, residents were asked to nominate additional sites to be considered for inclusion on land that is currently vacant as well as parcels with existing uses that are considered underutilized. As housing is permitted in all zoning district, sites that are zoned commercial or office still allow for residential uses without a land use permit. [Appendix C includes a detailed analysis for all sites included in the inventory that do not include pipeline projects.](#)

### 10.1.4 Affordability

The number of units that might be able to be developed at various affordability levels was then estimated, e.g., available land zoned at higher densities can be counted toward the very low- and low-income level needs, and land zoned at lower densities are counted toward the moderate and above moderate-income housing need. The analysis was then completed using the actual average residential densities for developments built on land with various zoning designations over the past five years.

### 10.1.5 Ranking

Each site – or potential aggregation of sites – was analyzed to discern the likelihood and feasibility of development during the period 2023-2031. Factors such as underperforming or vacant uses, owner or developer interest, age and size of current improvements, site size, and site constraints were reviewed. Depending on these considerations, sites were color-coded as red, orange, yellow, or green to identify the likelihood of redevelopment during the 8-year planning period.

### 10.1.6 Realistic Capacity

When establishing realistic unit capacity calculations, the jurisdiction must consider current development trends of existing or approved residential developments at a similar affordability level in that jurisdiction, as well as the cumulative impact of standards, such as maximum lot coverage, height, open space, and parking. The capacity methodology must be adjusted to account for any limitation because of availability and accessibility of sufficient water, sewer, and dry utilities. For non-residential zoned sites (i.e., mixed-use areas or commercial sites that allow residential development), the capacity methodology must account for the likelihood of residential development on these sites. While a site may be zoned to accommodate, say, 100 units, site constraints or other development standards may preclude development to the full 100 units.

Since the certification of the last Housing Element, a series of new laws have been implemented that make it easier for developers to use the State density bonus provisions by providing a certain percentage of units in proposed developments as affordable.<sup>2</sup> As a result, many developers are taking advantage of the additional density offered, which has resulted in significant changes to the realistic capacity for development. The following table illustrates that for last five years, from 2017-2021, residential development projects have been proposed and/or approved at densities even above 100% of

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<sup>2</sup> For more than forty years, California’s Density Bonus Law (Government Code Section 65915 et seq.) has been a mechanism to encourage developers to incorporate affordable units within a residential project in exchange for density bonuses and relief from other base development standards through concessions and waivers. The amount of additional density allowed depends on the level of affordability provided

zoned density. Although the State has specifically stated that cities cannot rely on density bonuses alone to calculate capacity (primarily because use of the density bonus is optional), cities can use up to 100% of zoned density as the realistic capacity as long as the city can demonstrate that as-built densities are consistently above zoned density.

**Table 12: 2017-2021 Residential Project Densities & Yields**

Project Name	VLI Units	LI Units	Mod Units	AM Units	Base Units (Before SDBL)	Density Bonus Units (#)	Total Units	% BMR (of Base Units)	Density Bonus (%)	Project Density (units/acre)	Mathematical Capacity (units)	Yield % (Total Units / Mathematical Capacity)
<b>Lenox Lafayette Circle</b> 210 Lafayette Cir	0	0	2	10	12	0	12	17%	0%	32	13	90%
<b>Valley View Apartments</b> 1059 Aileen & 1044 Stuart	0	0	0	42	42	0	42	0%	0%	35	43	99%
<b>The Mill at Brown Avenue</b> 3408 Mt. Diablo Blvd	0	0	2	11	13	0	13	15%	0%	34	13	98%
<b>950 Hough Avenue</b> 950 Hough Ave	0	0	3	14	17	3	20	18%	18%	47	15	134%
<b>Madison Park</b> 3483 Golden Gate Way	6	4	0	42	52	19	71	19%	35%	48	52	136%
<b>Miramar/Lafayette Lane</b> 3470 Mt Diablo Blvd	38	0	0	108	146	20	166	26%	14%	40	146	114%
<b>Samantha Townhomes</b> 1050 Stuart St	0	0	2	10	12	0	12	17%	0%	29	14	83%
<b>West End</b> 3721 Mt. Diablo Blvd	0	0	2	10	12	2	14	17%	17%	47	11	133%
											<b>Average Yield</b>	<b>111%</b>

SOURCE: Lafayette Planning Department

MFR projects > 10 units of new construction in the Downtown

Although the current maximum base densities of Multifamily Zones are limited to 35 dwelling units per acre, the average residential project has resulted in 39 dwelling units per acre (du/ac) due to the attractiveness of density bonus provisions to developers. Based on this history, the City’s inventory generally calculates the realistic capacity as follows:

- 95% of base zoned density for sites off the main commercial corridor, Mt. Diablo Blvd. This is well below actual built percentages of zoned density, and therefore conservative.
- 90% of base zoned density for sites fronting Mt. Diablo Blvd. to account for the potential for ground floor commercial or retail space. This is well below actual built percentages of zoned density, and therefore conservative.
- Calculated at 35 du/ac in accordance with base zoning or otherwise adjusted to a higher density as indicated in the inventory.

### 10.1.7 Affirmatively Furthering Fair Housing

The new requirements to Affirmatively Further Fair Housing (AFFH; AB 686) dictate that the city avoid, to the extent possible, the location of potential affordable housing in the inventory in a manner that would exacerbate existing concentrations of poverty, as well as contribute to increasing the number of lower-income households in lower-income neighborhoods. The city must also consider locating housing away from environmental constraints such as creeks or hillside topography, and near areas of higher or highest opportunities, including quality schools, parks, and educational opportunities. The State indicates



that jurisdictions consider the following factors when determining the best locations for affordable housing.

- Proximity to transit.
- Access to high performing schools and jobs.
- Access to amenities, such as parks and services.
- Access to health care facilities and grocery stores.
- Locational scoring criteria for Low-income Housing Tax Credit (TCAC) Program funding.
- Proximity to available infrastructure and utilities.
- Sites that do not require environmental mitigation.
- Presence of development streamlining processes, environmental exemptions, and other development incentives.

One measurement tool to evaluate neighborhood amenities and resources is the Tax Credit Allocation Committee (TCAC) Opportunity Area Map. Each site in the inventory list is rated as either Low, Moderate, High or Highest Resource area utilizing the mapping tool. Overall, the sites identified as suitable for lower income housing in Lafayette are in high or highest resource areas. Information about how the AFFH requirements for the Sites Inventory is included in Appendix D.

### 10.1.8 Distribution of Units by Affordability

The State suggests using the proportion of units in the RHNA allocation as a guide for allocating units among sites. This mathematical process is intended to demonstrate that there are enough sites zoned at appropriate densities to accommodate all of the RHNA allocation, rather than an assumption about where affordable units will actually be built. In part, this is because the City does not determine specific sites for affordable housing, but rather reviews and evaluates projects as they are proposed by outside developers.

Table 13: Example RHNA Income Distribution

RHNA Allocation Income Distribution				
Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
28%	16%	16%	40%	100%

Thus, for a 1-acre site at 50 du/ac, the distribution would be as follows:

RHNA Allocation Income Distribution				
Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
14	8	8	20	50

### 10.1.9 Pipeline Projects

In addition to the sites potentially available for new development or redevelopment, projects that have been approved, permitted, or completed since the beginning of the RHNA projected period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development. For these projects, affordability is based on the actual or projected sale prices, rent levels,

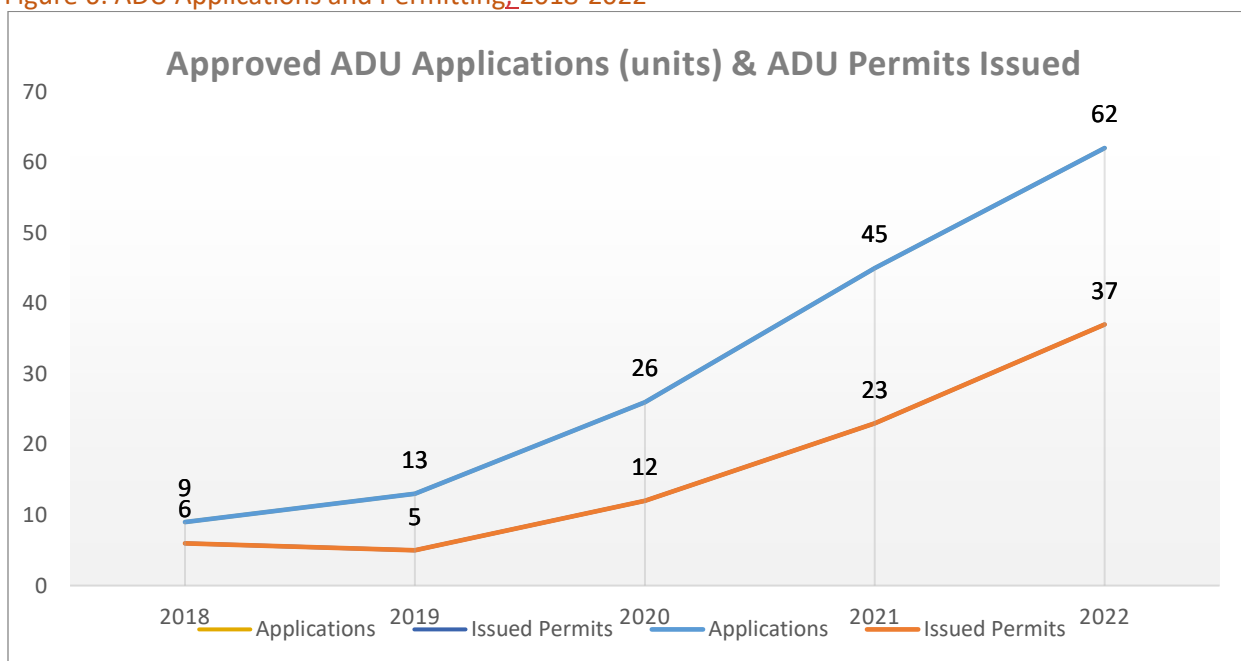
or other mechanisms establishing affordability in the planning period of the units within the project. These sites are included in the Sites Inventory (Appendix C), as each is presumed to receive its Certificate of Occupancy (C of O) after June 30, 2022. If any of these sites receive their C of O before this date, or the project does not continue, the spreadsheet will be modified accordingly.

### 10.1.10 Accessory Dwelling Units

The State now allows jurisdictions to count projected development of accessory dwelling units (ADUs) based on prior years’ production averages. Substantial changes in State law pertaining to ADUs in the last several years have made it much easier for homeowners to create ADUs throughout Lafayette. According to City records, 95% of building permits for new housing units were ADUs or JADUs in 2021 (21 units) whereas ADUs and JADUS only comprised 18% of all residential building permits (15 units) in 2020. This increase in applications for these smaller units is likely due to the cost and time efficiency of the streamlined permitting processes and reduced construction costs of smaller unit sizes. Applications for ADUs and JADUs remain a high proportion of the proposed new residences in Lafayette with 27-37 new ADUs proposed-permitted in 20221. The City anticipates a sustained interest in this housing type over the coming years, with additional streamlining, pre-approved plans, and reduced fee incentive programs.

In the first five months of 2022, the City has received 5820 applications for ADUs and approved permits for 62 ADUs. According to data collected by the City, between 2018 and through 2022, the following number of ADU/JADU permits were issued:

Figure 6: ADU Applications and Permitting, 2018-2022



The City distributed a survey to ADU applicants who submitted applications to the City over the past five years to gain a better understanding of the barriers to constructing ADUs. Respondents identified two items that would have been most helpful in the design and construction process as reduced development fees and pre-approved plans. The City aims to promote ADU production by addressing these barriers through development fee reductions and preparation of pre-approved plans

to reduce the overall cost and time required to construct a secondary unit. These actions are included in the Implementation Plan in Appendix G as programs 6.3.c ADU Fee Reductions and 6.3.a Permit-Ready ADUs respectively.

There are several other factors that support this projected ADU development outlined below. Please see Appendix C for additional information.

- Zoning: ADUs and Junior ADUs are permitted in every zoning district within the City.
- Waiver of development fees for ADUs under 750 sq. ft.
- Large lot sizes throughout the City present an opportunity for development on existing properties
- Above average household income that is not reliant on external financing mechanisms
- An aging demographic seeking to downsize their residences

A study conducted by the Association of Bay Area Governments (ABAG) from September 2021 found that ADUs are rented at a variety of rates, including at lower incomes. Although the State has not yet officially approved the conclusions of the study, it has agreed that jurisdictions can allocate ADUs towards a range of income levels. For the purposes of this inventory, ADUs are distributed according to the affordability mix recommended by ABAG for use in the Bay Area: 30% very low-income, 30% low-income, 30% moderate-income, and 10% above moderate-income.

*"We recently submitted and were approved for an ADU to be constructed on our property ... [and] we anticipate my Mother-In-Law will occupy the ADU. She is of advanced age and wishes to spend time close to her immediate family.*

*We have been designing site-specific ADUs in jurisdictions throughout the Bay Area and Monterey Peninsula for approximately 5 years ... [and] it has become easier to navigate the approval process. Our experience with the Lafayette Planning and Building Services Department was excellent. We found the application submittal process straightforward, and approval was granted in reasonable time.*

*We currently have numerous active ADU design projects, more in the early planning phase and anticipate demand will continue to accelerate. The occupancy we plan for our ADU is similar to virtually every ADU we have designed thus far. Grandparents desiring to age-in-place, sons and daughters returning from college to pursue careers and the occasional au pair, represent the vast majority of planned ADU uses we encounter. We have yet to encounter an owner who intends to rent their ADU to the public. None of our clients intend to charge market rate rents; most will be rent free."*

William and Melissa Thorn, Thorn Architects

#### **10.1.11 ~~Inclusion of BART Parking Lots in the Opportunity Sites Inventory~~ Publicly-Owned Sites in the Inventory**

The City has included one publicly-owned site in the inventory, which is located at 949 Moraga Rd. The site composed of six parcels in the downtown core, four of which are owned by the City, that 2.26 acres. This site presents a unique opportunity for new development that includes a higher level of affordability than that provided under Inclusionary Housing as well as an opportunity to collaborate with the church that owns another parcel on this site. The Implementation Plan includes a program for the City to issue an RFP to pursue development on this site during this planning cycle.

The City has included the BART parking lots as opportunity sites in the inventory. The sites, collectively, represent nearly 12 acres of land that must be upzoned pursuant to AB 2923. The City's final 6<sup>th</sup>-cycle RHNA allocation of more than 2,000 units — more than five times the last allocation — was the result of the methodology used by the Association of Bay Area Government's Housing Methodology Committee. The HCD-approved methodology weighed several factors to develop each jurisdiction's allocation and, after nearly a year of revisions, the methodology emphasized three factors above all others: Access to High Opportunity Areas, Access to Jobs by Transit, and Access to Jobs by Automobile. Because of the presence of the Lafayette BART station, the City's initial draft allocation of 1,660 units increased to 2,114 units as a result of the changes to more heavily weigh access to transit. The City supports transit-oriented development at the BART station as an effective method for infill development that aligns with the City's sustainability and housing production goals.

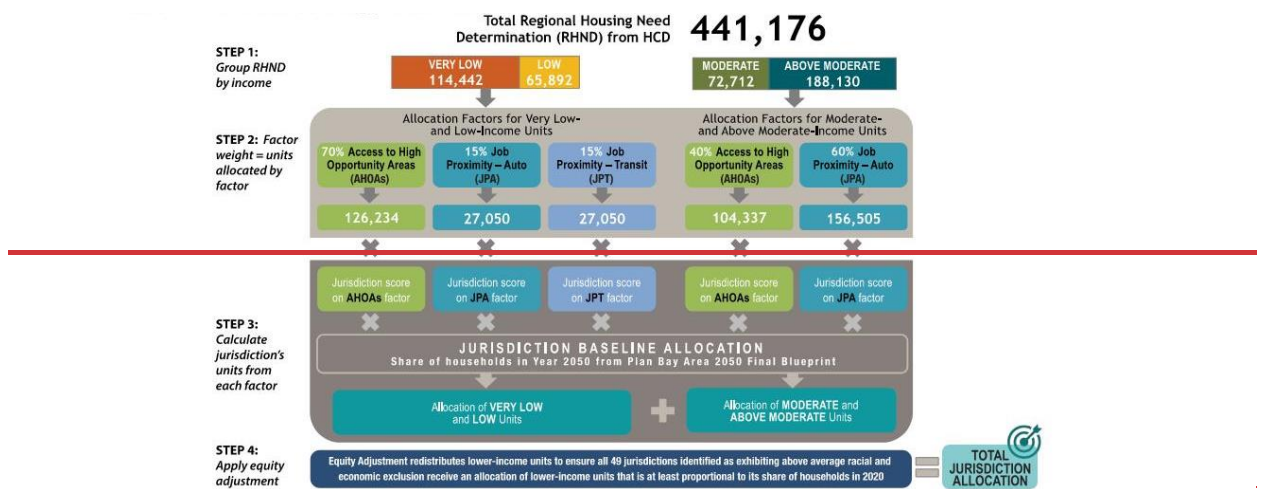


Figure 7: Graphic Depicting ABAG's Final Regional Housing Needs Allocation Methodology

While not identified as an opportunity site, the City has taken, and will continue to take, actions necessary to ensure these sites the BART parking lots can be developed within the eight years of the next Housing Element. The City supports transit-oriented development at the BART station as an effective method for infill development that aligns with the City's sustainability and housing production goals. These actions include, but are not limited to, the following:

- Proactively upzoning the sites to 75 du/ac and allow five stories in height (rezoning to be completed, along with the required environmental review, in August 2022);
- Collaborate with BART staff dedicated to this work – the City has already initiated monthly meetings with BART staff to discuss strategies for moving Lafayette into the 10-year workplan and plans to maintain regular communication about strategies to promote development on the site;
- Research potential financial resources to assist in the development of the sites, including investigating ways to develop replacement parking scenarios, enhance station access, and buy out the remaining leases for the solar panels; and

- Provide other support to BART to facilitate the opportunity to develop the sites ~~within the eight-year period~~, including strategizing ways to address the need for replacement parking and enhance station access.

~~The City acknowledges BART parking lots are an important opportunity for new housing in Lafayette and the timing of this development was previously determined based on a variety of factors. When BART initially drafted its workplan related to the requirements of AB 2923, the Lafayette BART sites were excluded from consideration in either the short- or mid-term development timeline, in part because of community concerns over the required density on the site, which at 75 du/ac was far greater than anything Lafayette had ever considered. However, discussions among the General Plan Advisory Commission, the Planning Commission, and the City Council over the past two years have resulted in the consensus that accelerating the timeline for the BART sites to within the 6<sup>th</sup>-cycle made good planning sense given the growing climate and housing crises. Further, this site presents an opportunity for the City to meet a substantial amount of the RHNA allocation (approximately 825 units, as identified in the Inventory). For these reasons, all three decision-making bodies and many members of the public supported inclusion of the BART property in the Sites Inventory.~~

~~BART’s criteria for prioritizing its sites for development analyze properties based on the relative strength of each station area in three overall categories:~~

- ~~A. **Transit-Oriented Development (TOD) Market Readiness** — TOD Market Readiness is evaluated based on relative market strength using standard indicators, the ability of the surrounding environment to accommodate a viable TOD project with reduced auto dependence, and efforts made by local jurisdictions to streamline the development process.~~
- ~~B. **Local Support** — BART has considered “local support” in several ways, focused around the extent to which local jurisdictions have prepared a site for the possibility of TOD. While zoning is one factor, adopting changes to the municipal code can take years and the existence of a plan might not signal community support in the short term. For this reason, BART is also considering whether a local jurisdiction has expressed recent interest in development, and whether a community has been engaged in recent discussions about development of BART property.~~
- ~~C. **Implementation Barriers and Opportunities** — This score addresses the cost and complexity of BART replacement parking needs and other infrastructure that would need to be addressed as part of development.~~

~~Within each of these categories, there are additional factors to be considered to arrive at an ultimate score. The City is actively engaged with BART staff to discuss each of these categories to strategize ways to improve Lafayette’s overall score, and thereby be considered for earlier implementation in the workplan.~~

### ~~10.1.12 — Iterations of the Sites Inventory~~

~~After the GPAC finalized its recommendations for sites to be included or excluded in the inventory,~~

as well as recommendations for changes in density, the Planning Commission reviewed the inventory and made several modifications in March and April 2020. The Commission's changes can be summarized as follows:

- ~~The southern "DeSilva" site (west end of Lafayette) should be excluded from the inventory (approximately 11 acres) to allow for the eventual development of a sports field and to allow passive recreation on one of the remaining undeveloped sites in the community. However, the northern "DeSilva" site should be upzoned to 35 du/acre, consistent with neighboring multifamily uses.~~
- ~~The proposed sites north of the BART station parking lots should be excluded from the inventory.~~
- ~~Planning Areas 1, 3, and 5 — which lie north of Mt Diablo Blvd — should be upzoned to 50 du/ac. Areas 2, 4 and 6 should remain at 35 du/ac.~~
- ~~The BART parking lots should be upzoned to 80 du/ac, slightly above the mandated density of AB 2923, and realistic development should be set at 95% of zoned density.~~

### **10.1.123 Summary of Inventory**

As seen in Table 14 below, the adequate sites analysis demonstrates that there is enough land to meet the City's RHNA, with the upzoning of the BART parking lots. The analysis for affordable housing units for extremely low, very low, and low-income households assumes that land zoned at densities higher than 30 units to the acre can facilitate affordable housing development. More than 50% of the City's below market rate housing would be developed on lands that are currently occupied with existing uses. However, the city is experiencing a high volume of residential and mixed-use development projects looking to revitalize these sites and seeking density bonus and other incentives to achieve higher density residential development.

The inventory of opportunity sites includes a range of sites located Citywide that could be developed with up to 2,144 new housing units, plus a buffer of approximately 1,000 units to ensure ongoing compliance with "no net loss" provisions. Table 14 provides a high-level summary of the sites listed on the Sites Inventory broken down by income. Figure 6 shows a map of where each site is located within the city and the housing opportunity areas.

The City submitted its initial draft Housing Element to the State on June 30, 2022 and has made several revisions to the inventory in response not only to comments received from HCD but also from members of the public. The inventory was revised to remove the southern "DeSilva" sites on the western side of the City, which is located in the Very High Fire Hazard Severity Zone. BART parking lots, which were subject to enhanced transit-oriented development standards under AB 2923, were also removed from the inventory given limitations on timing and resources available to promote development on the site during the planning period. The City also removed a publicly-owned parking lot on Golden Gate Way due to concerns regarding development feasibility given environmental constraints on the site. Three other sites were added or modified in the inventory as the City received owner interest in redevelopment or an application for residential development.

Table 14: Sites Inventory Affordability Breakdown

Planning Area	Common Name	Very Low	Low	Moderate	Above Moderate	Total Units	% of Total
<u>1</u>	<u>West End North</u>	<u>15</u>	<u>8</u>	<u>8</u>	<u>21</u>	<u>52</u>	<u>2%</u>
<u>2</u>	<u>West End South</u>	<u>107</u>	<u>61</u>	<u>57</u>	<u>152</u>	<u>377</u>	<u>13%</u>
<u>3</u>	<u>Downtown Core North</u>	<u>95</u>	<u>57</u>	<u>50</u>	<u>178</u>	<u>380</u>	<u>13%</u>
<u>4</u>	<u>Downtown Core South</u>	<u>12</u>	<u>7</u>	<u>7</u>	<u>17</u>	<u>43</u>	<u>2%</u>
<u>5</u>	<u>East End North</u>	<u>153</u>	<u>87</u>	<u>82</u>	<u>218</u>	<u>540</u>	<u>19%</u>
<u>6</u>	<u>East End South</u>	<u>53</u>	<u>30</u>	<u>28</u>	<u>76</u>	<u>187</u>	<u>7%</u>
<u>9</u>	<u>DeSilva N</u>	<u>18</u>	<u>10</u>	<u>10</u>	<u>26</u>	<u>64</u>	<u>2%</u>
<u>13</u>	<u>Dewing/Brook/Rosedale</u>	<u>52</u>	<u>38</u>	<u>38</u>	<u>69</u>	<u>197</u>	<u>7%</u>
<u>ADUs</u>	<u>Accessory Dwelling Units</u>	<u>84</u>	<u>84</u>	<u>84</u>	<u>28</u>	<u>280</u>	<u>10%</u>
<u>Pipeline</u>	<u>Pipeline Projects</u>	<u>44</u>	<u>66</u>	<u>20</u>	<u>596</u>	<u>726</u>	<u>25%</u>
-	<b><u>TOTAL</u></b>	<b><u>633</u></b>	<b><u>448</u></b>	<b><u>384</u></b>	<b><u>1,381</u></b>	<b><u>2,846</u></b>	<b><u>100%</u></b>
<u>RHNA</u>	-	<u>599</u>	<u>344</u>	<u>326</u>	<u>845</u>	<u>2,114</u>	-
<u>Buffer</u>	-	<u>34</u>	<u>104</u>	<u>58</u>	<u>536</u>	<u>732</u>	-
	-	<u>6%</u>	<u>30%</u>	-	-	-	-

The Sites Inventory was developed to meet all applicable statutory requirements and provide a realistic and achievable roadmap for the city to meet and potentially exceed its RHNA. The Sites Inventory is summarized as follows:

- The housing sites are spread throughout the city downtown, with all sites located in high resource areas, to meet AFFH requirements.
- The housing projections require some significant rezoning, including on the BART sites in the downtown.
- The inventory removes sites for potential development from Very High Fire Hazard Severity Zones.
- It includes conservative production and density assumptions for the identified housing sites.
- The city has a significant number of pipeline projects that are anticipated to be completed by the end of this housing cycle.
  - 150+ housing units are currently under construction; and
  - 570+ housing units are approved or entitled.
- The housing projections do not have any reliance on new units developed under SB 9.

In addition, the City’s General Plan Update process is currently underway, through which various Elements will be updated to be consistent with the Housing Element, including but not necessarily limited to Land Use and Circulation. A full description of the inventory development process, including the methodology and a detailed listing of sites, is included in Appendix C.