



SUBJECT

Work Session on the Housing Resources, Inventory and Housing Plan of the 2023-2031 Housing Element.

RECOMMENDATION

The Planning Commission review and provides feedback on the two draft chapters of the 6th Cycle Housing Element related to Housing Resources and Sites Inventory and the Housing Plan which contains goals, policies and actions to support development of housing at all income levels in the City of Hayward.

SUMMARY

This is a work session on Hayward's 6th Cycle Housing Element (2023-2031). Pursuant to State Law, all local jurisdictions in California must update the Housing Element, a required chapter of the City's General Plan every five to eight years. The City of Hayward is on an eight-year cycle. The last Housing Element was adopted on December 2, 2014, and the updated Housing Element is due January 31, 2023.

The purpose of this work session is to provide the Planning Commission with an overview of public outreach conducted to date and to share the draft materials related to the City's sites inventory to meet the Regional Housing Need Allocation and the Housing Plan, which includes a set of policies and actions to ensure development of a housing at a variety of income levels throughout the City during the next Housing Element cycle. Feedback from this Work Session will be summarized in the Draft Housing Element and addressed prior to submittal to the State Department of Housing and Community Development later this summer.

BACKGROUND

On March 30, 2021, the City was awarded a Local Early Action Planning (LEAP) grant in the amount of \$425,000 to complete updates to the Housing Element and Safety Element and to prepare a new Environmental Justice Element.

On July 20, 2021¹, the City Council adopted a Resolution authorizing the City Manager to execute an agreement with Rincon Consultants to prepare a comprehensive update to the Housing Element, the Climate Action Plan, Safety Element and to prepare an Environmental Justice Element. These updates were combined because issues of housing, environmental

¹ July 20, 2021 City Council Meeting.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5034289&GUID=A1DD2D35-7B4A-42C8-9284-7DEB78AAD470&Options=&Search=>

justice, safety and hazard planning and climate change are inextricably linked and conducting outreach and planning for all of these efforts simultaneously will result in a more comprehensive and holistic approach to these issues.

Between August 2021 and May 2022, the Hayward Housing and Climate Team comprised of staff from the Planning Division, Environmental Services Division and the Housing Division conducted extensive outreach related to the Housing Element, Climate Action Plan and Environmental Justice Element including but not limited to:

- Development of a project website with project information, interactive components, readings and videos about housing, Hayward history, climate change and environmental justice.
- Compilation of extensive contact lists for community and advocacy groups, faith-based and school organizations, Homeowners Associations, Neighborhood Groups, Mobile Home Parks, attendees at various events and interested parties who wrote in and requested to be notified about project updates.
- Creation of a graphic, bilingual (English and Spanish) mobile gallery that was posted at City Hall, the Hayward Library and at various meeting sites and community events throughout Hayward
- Social media campaign
- Bilingual flyers in water bills and excise tax bills to all households in Hayward
- Handing out flyers at grocery stores, farmers market, laundromats and BART
- Attendance at numerous community events, meetings and focus groups with community stakeholders such as the NAACP, Hayward Promise Neighborhood, Chabot College and Community Resources for Independent Living
- Development of housing and climate surveys in English, Spanish and Chinese and prizes for participation
- Creation of a Housing Sites Simulation activity
- Three community workshops on Environmental Justice and the Climate Action Plan
- Partnership with Chabot Community College and California State University East Bay to conduct interviews with over 400 Hayward residents about housing, discrimination, segregation, neighborhood pollution and other topics designed to understand people's lived experiences. Development of a GIS site to showcase the Chabot interviews.

The Introduction chapter of the Draft Housing Element will contain detailed descriptions of each of these bullets and appendices of interviews, survey results and public comments received to date. It's important to note that outreach efforts is ongoing and will continue throughout the duration of the project.

On May 24, 2022² and May 26, 2022³, the City Council and Planning Commission, respectively, held work sessions on the Climate Action Plan and Environmental Justice Element Updates.

² May 24, 2022 City Council Meeting.

<https://hayward.legistar.com/MeetingDetail.aspx?ID=959076&GUID=51DF4603-C08E-45DE-9D67-A7D110A7E4C5&Options=info|&Search=>

³ May 26, 2022 Planning Commission Meeting.

<https://hayward.legistar.com/MeetingDetail.aspx?ID=965323&GUID=4648772E-CF9D-4B07-A71F-D6DE1AC3C6F9&Options=info|&Search=>

The Safety Element Update is currently being drafted and will come to the Planning Commission and City Council for review later this year.

PROJECT DESCRIPTION

A Housing Element Update is an opportunity for a community conversation about how to address local housing challenges and work to identify possible solutions. The Housing Element addresses a range of housing issues such as affordability, design, housing types, density and location, and establishes goals, policies and programs to address existing and projected housing needs. State law does not require that jurisdictions *build* or *finance* new housing, but they must *plan* for it by identifying sufficient sites, analysis of housing development constraints, and identifying programs and policy that will address the community's needs. It is in a community's Housing Element that local governments make decisions about where safe, accessible, and diverse housing could be developed to offer a mix of housing opportunities for a variety of household incomes. The Housing Element must identify how the city will meet its share of the region's housing need, called the Regional Housing Needs Allocation (RHNA). Per State Law, the Housing Element must contain the following statutorily defined sections:

- **Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities).
- **Evaluation of Past Performance:** Review the prior Housing Element to measure progress in implementing policies and programs.
- **Housing Resources and Sites Inventory:** Identify locations of available sites for housing development or redevelopment to ensure there is enough land zoned for housing to meet the future need at all income levels as provided in the RHNA.
- **Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
- **Housing Plan:** Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.
- **Affirmatively Furthering Fair Housing:** Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing in this Housing Element Cycle by taking “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics” as mandated by the 1968 Fair Housing Act.
- **Community Engagement Plan:** The Housing Element must include a robust community engagement program, reaching out to all economic segments of the community with an emphasis on traditionally underrepresented groups.

STAFF ANALYSIS

The Draft Housing Element will contain all the sections listed above. The purpose of this work session is to provide the Planning Commission with information specifically related to

Housing Resources and Sites Inventory, as well as the draft Housing Plan. A summary of each of those chapters (Attachments II and IV) is provided in Staff Analysis below and it's important to note that the draft chapters are subject to change before the draft Housing Element is released for public review.

Housing Resources and Sites Inventory

The Draft Housing Resources and Sites Inventory is included as Attachments II and III, respectively, to this staff report and provides background on development patterns in the City and how the City plans to meet its RHNA for the 2023-2031 Housing Element Cycle. The chapter provides a list of approved and pending projects in the pipeline which will be used to meet the RHNA; provides a methodology for how the projected housing units on each inventory site and within each Zoning District is calculated; provides samples of development in Hayward to provide evidence for the City's assumptions and a description of constraints to development, infrastructure and services to serve the future development; and, details resources available for affordable housing development.

Regional Housing Needs Allocation. Every Housing Element cycle, HCD projects the housing need for the state, referred to as the RHNA. To determine this calculation, HCD uses demographic population information from the California Department of Finance and develops a formula to calculate a figure for each region/Council of Governments based on projected growth.

In this cycle, the Bay Area was allocated 441,176 units (a 234% increase over the last cycle allocation) with about 26% allocated to Very Low Income, 15% to Low, 16% to Moderate and 43% to Above Moderate-income households. The Association of Bay Area Government's (ABAG) Housing Methodology Committee released the final RHNA in DATE following hearings on appeals⁴. Hayward's final allocation is 4,624 units, approximately 18% higher than the 2015-2023 allocation.

Table 1. RHNA Allocations

	Very Low Income (<50% of Area Median Income)	Low Income (50-80% of Area Median Income)	Moderate Income (80-120% of Area Median Income)	Above Moderate Income (>120% of Area Median Income)	Total
2015-2023 Allocation	851	480	608	1,981	3,920
2023-2031 Allocation	1,075	617	817	2,115	4,624

According to the Draft Housing Resources chapter, there are 1,895 approved or pending developments (Table 4-3 and Figure 4-1). Based on previous permit activity, the City also assumes that an average of 96 Accessory Dwelling Units (ADUs) will be built every year of the Housing Element Cycle (for a total of 320 units at varying income levels), which leaves the City with a total 2,409 units to plan for in the Housing Element.

⁴ ABAG's Final Regional Housing Needs Allocation & Methodology Report. https://abag.ca.gov/sites/default/files/documents/2022-04/Final_RHNA_Methodology_Report_2023-2031_March2022_Update.pdf

New residential development is expected to occur primarily in the Downtown Specific Plan area, along the Mission Boulevard Code area and on Caltrans Route 238 parcels, which are zoned to allow for higher density development. These sites are close to high frequency transit, commercial services and community amenities which align with the City and State’s goals to support higher density, infill development and to reduce single occupancy automobile use. Further, development trends in the City signal that most development in the last cycle occurred on these types of sites indicating that the City’s assumptions are valid. A detailed, parcel-specific Sites Inventory shows that the identified sites have a potential development capacity of 3,642. Further, the City’s analysis (summarizes in Table 4-9, Adequacy of Residential Sites Inventory) shows that there is a 51% buffer for development of lower income units in the event that development does not occur based on the City’s assumptions.

Table 2. Adequacy of Residential Sites Inventory

	Lower Income	Moderate Income	Above Moderate Income	Total
RHNA Allocation	1,692	817	2,117	4,624
Planned and Approved Units	550	82	1,263	1,895
ADUs Anticipated	192	96	32	320
Remaining RHNA	950	639	820	2,409
Downtown Specific Plan Area	650	561	395	1,606
Mission Boulevard Corridor	741	302	483	1,526
Former Route 238 Corridor	41	180	289	510
Total Units on Vacant Sites	255	364	540	1,159
Total Units on Underutilized Sites	1,077	679	627	2,483
Total Units on Vacant and Underutilized Sites	1,432	996	1,214	3,642
Total Unit Surplus	482	357	394	1,233

It is important to note that while the City’s assumptions primarily rest on higher density development in specific areas, there will likely be additional incremental, infill development in lower density neighborhoods throughout the City during the next Housing Element cycle. This is illustrated by the recent implementation of Senate Bill 9 (SB9) which allows for any single-family parcel to be split into two lots and developed with a duplex on each lot, subject to minimum setback and other standards went into effect on January 1, 2022. Since its effective date, the City’s Planning staff developed a SB9 Frequently Asked Questions handout and a Checklist application⁵ and has received many inquiries from the public about this type of development; however, there isn’t enough evidence in the record to assume a specific unit count or locations of development that will occur as a result of this State Law. However, it is safe to assume that the City will see increased development activity over the coming years as the State has relaxed laws related to this type of development, similar to ADUs. The combination of ADU and SB9 projects, along with the adoption of new Objective Standards, will allow site specific increases of development consistent with *Hayward 2040 General Plan*.

⁵ Hayward Senate Bill 9 webpage:
<https://www.hayward-ca.gov/your-government/departments/planning-division/senate-bill-9>

While higher residential densities are anticipated, the number of additional units cannot be predicted at this time.

Housing Plan

The Draft Housing Plan is included as Attachment IV to this staff report. It contains the following Goals:

- Preserve, Conserve and Improve Existing Housing Stock
- Assist in the Development of Affordable Housing
- Provide Adequate Sites
- Remove Constraints on Development
- Provide Housing for Persons with Special Needs and
- Provide Equal Housing Opportunities for All Persons

Each of the Goals is followed by a set of Policies, Actions, Objectives, Timeframes and importantly sets forth the Responsible Agency and Funding Sources for achieving the Action. Some Programs and related Actions are specific and measurable such as providing grants for home repair (Program H-1); conducting a certain number of rental inspections per year (H-2); adopting an updated Density Bonus Ordinance (Program H-5), providing housing subsidies to specific populations and holding a certain number of workshops for tenants and landlords every year (Programs H-7, H-20, H-21, H-22), and adopt a Universal Design Ordinance (Program H-19). And some Programs and Actions are intended to monitor, measure and pivot, if needed, during the Housing Element cycle meet the subject Goal. These include issuing Notices of Funding Availability which can only occur if funding is available (Programs H-3, H-4, H-7, H-19 and H-21); monitoring development of ADUs and SB9 developments and implementing changes in procedures or Municipal Code to incentivize development of this type of housing in high resource, low density areas throughout the City (Program H-17 and H-18); and providing expedited project review for affordable housing, which can take on many forms (Program H-16). Many of these Policies and Actions are prescribed by HCD while some are modified to meet Hayward's specific characteristics, policies, practices and community desires and needs. Similar to the Housing Resources and Inventory Chapter, the Housing Plan is still in draft form and subject to change based on Commission, Council, and public comments noted below.

NEXT STEPS

Following review and feedback by the Planning Commission, a City Council Work Session has been scheduled on July 5, 2022, after which both the Planning Commission and City Council comments will be summarized and included as part of the Draft Housing Element which will be released for a 30-day public review later in July 2022. The City plans to hold an additional community meeting within that 30-day review period, which has tentatively been scheduled for July 20, 2022.

Following the public review, the City will review, address and incorporate any comments into the Draft Housing Element which will then be sent to the State Department of Housing and Community Development (HCD) for a mandatory 90-day review. During that time, the City

will complete environmental analysis for the Housing Element and related General Plan Amendments.

Following the 90-day HCD review, staff will update the Housing Element to address HCD's comments and bring the Housing Element back to the Planning Commission and City Council for public hearings later this Fall prior to adoption of the updated Housing Element, which is slated to occur prior to January 31,2023.

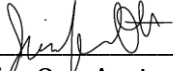
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