



*City of Pleasant Hill
Planning Division*

MEMORANDUM

TO: General Plan Advisory Committee

FROM: Troy Fujimoto, Planning Division

DATE: November 17, 2021

SUBJECT: Pleasant Hill Housing Element - Proposed Housing Sites

Background

Since 1969, the state of California has required every jurisdiction to include a Housing Element as part of their General Plan. Unlike other mandatory General Plan elements, the Housing Element must be updated every eight years and is subject to review and approval by the California Department of Housing and Community Development (HCD). Major components of the Housing Element include a housing needs assessment, the identification of sites for housing at all income levels, a review of constraints to housing, and updated policies and programs to carry out the goals of the updated element.

The purpose of a Housing Element is to provide an assessment of current and future housing needs, identify opportunities and constraints on housing production, establish goals, policies, and programs to meet those needs, and to update City practices and regulations to reflect new State laws. Contemporary housing elements often identify strategies and programs that focus on conserving and improving existing affordable housing, maximizing housing opportunities throughout the community, assisting in the provision of new affordable housing, removing governmental and other constraints to housing investment, and promoting fair and equal housing opportunities.

5th Cycle vs. 6th Cycle Housing Element Updates

Every update of a housing element is called a *cycle*. For every cycle, there is a window of time for all jurisdictions in California to update their housing elements. The City's current 2014-2022 Housing Element was adopted in 2015 and was part of the 5th Cycle of housing element updates in the state. This update for the 2023-2031 Housing Element is part of the 6th Cycle of housing element updates. Between the 5th and 6th Cycles, the State has passed over a dozen new housing laws, many of which aim to lower barriers to building affordable housing. All of the new housing legislation will be addressed as part of the 6th Cycle update. Additionally, a major component of every housing element update cycle requires each jurisdiction to identify the capacity to support

the development of a pre-determined number of housing units. This requirement is known as the jurisdiction’s Regional Housing Needs Allocation, or RHNA.

Overview of RHNA

In the process of updating the Housing Element, each jurisdiction is required to accommodate its fair share of the regional housing need. RHNA is the process used to determine housing allocations for each jurisdiction. As part of the RHNA, HCD determines the total number of housing units needed across California over the next decade. The Association of Bay Area Governments/Metropolitan Transportation Commission (ABAG/MTC) is tasked with developing a methodology to determine the number of housing units for which each Bay Area jurisdiction is required to provide sites.

Under State law, the RHNA is distributed across the following four income categories:

- Very low household income
- Low household income
- Moderate household income
- Above moderate household income

The household income for each of these categories is based on a percentage of the Area Median Income (AMI). The breakdown of these categories is shown in Table 1.

Table 1: Income Category

Income Category	Percent of AMI
Very Low	<50%
Low	51-80%
Moderate	81-120%
Above Moderate	>120%

In May 2021, ABAG/MTC updated its methodology for RHNA for all Bay Area jurisdictions. The City of Pleasant Hill’s draft RHNA requirement is shown in Table 2. Table 2 also illustrates that Pleasant Hill is responsible for identifying housing sites that can support 1,803 total units in this 6th Cycle, which is 1,355 more housing units than required in the 5th Cycle. The substantial increase in the total RHNA is not unique to Pleasant Hill, as most communities across the state are seeing increased housing allocations well over 300 percent.

Table 2: 5th and 6th Cycle RHNA Comparison

Cycle	Lower		Moderate	Above Moderate	Total RHNA
	Very Low	Low			
5 th Cycle	118	69	84	177	448
6 th Cycle	566	326	254	657	1,803
Change	+448	+257	+170	+480	+1,355

As part of the inventory and analysis of adequate sites, Pleasant Hill will need to evaluate the overarching General Plan land use categories and the underlying zoning designations to determine whether there is enough land available to accommodate the assigned RHNA allocation

for each income category. If unable to accommodate the RHNA, Pleasant Hill must rezone enough additional land to satisfy the RHNA obligation. The inventory evaluation must include land of adequate potential to meet the City's RHNA number.

Overview of May 12, 2021, GPAC Meeting

At the General Plan Advisory Committee (GPAC) meeting on May 12, 2021, The City's consultants, Mintier Harnish, provided an overview of what is required in the Housing Element and what the 6th Cycle RHNA entails. The consultants also reviewed the GPAC-preferred land use alternative, which reflected the land use configuration of the preferred land use diagram that was developed as part of the Planning and Design Workshop in November 2019. Because the Housing Element and General Plan Updates both require a land use buildout analysis, Staff and the consultants are revisiting the 2020 GPAC-preferred land use alternative as part of the Housing Element Update process. During the GPAC meeting, members of the GPAC suggested several sites for Staff to consider for potential housing.

Overview of June 23, 2021, GPAC Meeting

At GPAC meeting on June 23, 2021, the City's consultants provided an overview of the GPAC Alternative Buildout and a discussion of 14 potential housing opportunity sites (Opportunity Sites A-N). These opportunity sites were originally formed around the General Plan Alternative Focus Areas derived from the Planning and Design Workshops in 2019. For each opportunity site, the consultants included the site area, assumed density, housing unit capacity, constraints, and staff recommendations. The consultants also provided a detailed summary of the preliminary sites including the assumed densities, which would result in a residential capacity of 2,417 units.

During this meeting, members of the GPAC suggested, confirmed, or rejected sites for Staff and the consultant to consider for potential housing as part of the 6th Cycle Housing Element update. Staff and the consultants later met to discuss each site and determine its feasibility and usability in the buildout process. The purpose of the June 23, 2021 GPAC meeting was to present Staff's recommendation on how to proceed with the suggested sites. Staff also recommended two additional sites for GPAC consideration.

Overview of July 14, 2021, Housing Element Workshop

At a Housing Element Workshop on July 14, 2021, the City's consultants provided an overview of what is required in the Housing Element, what the 6th Cycle RHNA entails compared to previous cycles, and a made presentation on Opportunities Sites A-N. For each opportunity site, the consultants included the site area, assumed density, potential housing unit capacity, site and development constraints, and the GPAC's recommendation for the site. The meeting included a public comment period and discussion with panelists and City staff.

Overview of October 27, 2021, Pleasant Hill Housing Element Town Hall

The City held a Town Hall meeting on October 27, 2021, to provide additional information to members of the public regarding the Housing Element. Extensive public outreach (social media, mailings, newspaper, website, etc.) occurred prior to this Town Hall to encourage public participation. Over 70 members of the public participated, and many asked questions of Mayor Noack and Councilmember Carlson, who lead the GPAC, as well as City staff and the consultants regarding the Housing Element and overall process. Mayor Noack, Councilmember Carlson, City Staff, and the consultant facilitated an introductory presentation focusing on an overview of the Housing Element and RHNA, including a discussion of incentives for Housing Element compliance and consequences and penalties for non-compliance. Following the presentation, the Town Hall concluded with a discussion with the community members addressing their questions or concerns with the Housing Element process and preliminary opportunity sites. Most questions from the community were focused on the increased density proposed for Opportunity Site D: Mangini-Delu. The primary concern of commenters was the compatibility with surrounding neighborhoods, traffic impacts, and the loss of the open space. Other topics raised included potential traffic and parking constraints, active transportation, and community engagement in the process moving forward.

Sites

An evaluation and inventory of available housing sites is a requirement for every Housing Element update. Sites appropriate for consideration typically include vacant or underutilized sites, or areas that the City plans to re-designate to a residential land use. Another method to satisfy the RHNA requirement is to increase permitted densities on existing residentially zoned parcels.

Property Owner Feedback

Since the last GPAC meeting, City staff has reached out to all property owners of GPAC-recommended housing opportunity sites. Staff provided information on the Housing Element process and the preliminary inclusion of their properties as housing opportunity sites, as well as the proposed development intensity envisioned. In addition, City staff wanted to understand if property owners had any objection to inclusion of their property or if there were any obstacles that would prevent housing from developing onsite within the 6th Housing Element Cycle. While the City did not receive responses from all property owners, the following property owners had concerns and/or objected to the City's designation of their sites as housing opportunity sites:

- 1530 Contra Costa Boulevard
- 2396 Pleasant Hill Road
- 2571 Jewel Lane
- 2583 Jewel Lane
- 1817 Contra Costa Boulevard
- 2590 Pleasant Hill Road, Winslow Center

Staff and the consultants note that, as part of the process to identify housing opportunity sites, HCD will employ a more rigorous scrutiny of the methodology and feasibility of each proposed site than in previous cycles. This will occur during HCD's review of the Public Review Draft Housing Element. If HCD does object to the inclusion of a site, the City must remove that site from the available sites inventory identified to satisfy the City's RHNA requirement.

Remaining Sites Summary

Following the previous GPAC Meetings, Housing Element Workshop, and Housing Element Town Hall, the Consultant adjusted the opportunity site densities based on GPAC recommendations, and removed parcels based on property owner feedback. The remaining opportunity sites (excluding vacant, ADUs, and pending and approved projects) would create a potential capacity to support 1,862 housing units. While this is above the total RHNA requirement, a breakdown of housing capacity by income level (Table 3) shows that Pleasant Hill still needs to locate housing capacity for moderate-income households to address both the RHNA and the State-required 20 percent buffer.

RHNA Buffer: No Net Loss Law

Senate Bill 166 (2017) requires sufficient adequate sites to be available at all times throughout the RHNA planning period for each RHNA income category. To ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the planning period, HCD requires that jurisdictions create a buffer in the housing element inventory of at least 15 to 30 percent more capacity than required.

The total number of dwelling units, including the GPAC-recommended sites, vacant sites, ADUs, and pending approved projects, total 2,761. Of the 2,761 units, 1,727 units are designated as lower income sites. These sites were the result of the GPAC-recommended sites and a pending project that includes 82 affordable senior units. Most of the moderate-income sites came from assumed ADU development. The above moderate-income sites include pending and approved projects, individual vacant sites, 25 percent of the ADU assumption, and the GPAC-recommended Mangini-Delu site.

ADU Assumption

HCD allows jurisdictions to count a projected number of ADUs toward the RHNA. While the projection is typically based on ADU permitting trends in the city and based on the average number of ADU permits approved each year in the last three years (2018, 2019, and 2020), jurisdictions may project a higher rate if they can justify their assumptions to HCD. Because of the combination of the pandemic's effect on permitting (only 5 ADUs permitted in 2020) and new State laws aimed at accelerating ADU production statewide, we have assumed production will increase to 320 ADUs over the eight-year planning period.

Table 4 below shows the designations associated with each income category. Table 5 shows pending and approved projects.

To reach the moderate income goals, the GPAC could consider:

- Identifying one or more of the Mixed Use High Density Opportunity Sites where

affordability may be constrained despite increased density (such as in an area with high land costs) and recommending the site(s) be applied toward moderate income goals. This allows the City to move a portion of the excess Lower Income units to meet Moderate Income goals without any further changes to GPAC preferred land use designations.

- Reducing the density of certain Mixed Use High Density opportunity areas to Mixed Use.¹ Due to reduced density, parcels designated Mixed Use fulfill moderate income goals. While this option would decrease density and capacity in the specific opportunity area, it shifts units from the lower income excess to meet the moderate income need.
- Changing the designation of one or more of the additional housing sites (listed below) to a designation assumed for moderate income housing (Table 4).

Table 3: Site Summary

	Lower		Moderate	Above-Moderate	Total
	Very Low	Low			
6 th Cycle RHNA	566	326	254	657	1,803
	892				
2021 Alternative Total	1,727		240	794	2,761
<i>GPAC Sites</i>	1,645		0	217	1,862
<i>Vacant Sites</i>	0		0	163	163
<i>Assumed ADUs</i>	0		240	80	320
<i>Pending and Approved Projects</i>	82		0	313	395
Difference	835 (+94%)		-14 (-6%)	116 (+18%)	937 (+52%)

Table 4: Income Category Breakdown

Above Moderate Income Units	Single-Family Low Density (1.3-3.0 du/ac) Single-Family Medium Density (3.1-4.5 du/ac) Single-Family High Density (4.6-6.9 du/ac) Multi-Family Very Low Density (7.0-11.9 du/ac) Multi-Family Low Density (12.0-19.9 du/ac)
Moderate Income Units	Multi-Family Medium Density (20-30 du/ac) Multi-Family High Density (40-70 du/ac) Mixed Use (12-40 du/ac) Mixed Use Neighborhood (1.3-20.0 du/ac)
Lower Income Units	Mixed Use High Density (40-70 du/ac) Mixed Use Very High Density (70-100 du/ac)

¹ Does not apply to sites currently designated Mixed Use. Applies only to sites A: DVC, E: JFK University, K: Jewel Lane, M: Monument Triangle, and N: JCPenny.

Table 5: Pending and Approved Projects¹

Project	Units	Income Category
PLN 19-0416: Single Family Residence	1	Above Moderate
PLN 19-0457: Single Family Residence	1	Above Moderate
PLN 20-0246: Single Family Residence	1	Above Moderate
PLN 17-0386: Single Family Residence	1	Above Moderate
PLN 19-0506: Single Family Residence	1	Above Moderate
PLN 18-0435: Single Family Residence	1	Above Moderate
PLN 19-0104: Single Family Residence	1	Above Moderate
PLN 19-0345: Single Family Residence	1	Above Moderate
PLN 21-0294: SAHA, 490 Golf Club Road	82	Lower Income
PLN 20-0144: New Residences	2	Above Moderate
PLN 21-0026: Single Family Residence	1	Above Moderate
PLN 21-0028: 401 Taylor	46 residences 16 ADUs	Above Moderate
PLN 18-0359: 85 Cleaveland	189	Above Moderate, based on expected affordability
PLN 18-0383: 1750 Oak Park Contra Costa County	34	Above Moderate
PLN 17-0013: Reliez Terraces (Former Molino Property) 2150 and 2198 Pleasant Hill Road	17	Above Moderate
Total Lower Income:		82
Total Moderate		0
Total Above Moderate		313

¹: Projects completed before July 1, 2022 may not be counted toward the 6th Cycle RHNA tally and must be removed from this list.

Additional Sites Discussed at the GPAC Meeting #14, July 2021

During the July 2021 GPAC meeting, two new sites were mentioned as potential options. These sites were not recommended; however, the GPAC felt they could be considered if the City's lower income goals are not met by the current opportunity sites. The two sites are outlined below.

Shopping Center at Contra Costa Boulevard and 2nd (CCB-2ND)

- 11.35 acres
- Existing General Plan Land Use: Commercial and Retail
Existing Zoning: Retail Business

Shopping Center at Taylor and Morello (TAY-MOR)

- 9.05 acres
- Existing General Plan Land Uses: Neighborhood Business, Commercial and Retail
Existing Zoning: Neighborhood Business, Single Family - 7000 sq ft Lots, Retail Business

Additional Housing Sites Submitted for Consideration

Since the last General Plan Advisory Committee meeting, the City has received input and feedback on additional sites for consideration as housing opportunity sites. A summary of the sites is provided below.

DVC Triangle (DVC-2)

- 1 acre
- Existing General Plan Land Use: School
- Existing Zoning: Single Family - 7000 sq ft Lots

Oak Park Shopping Center (OAKPARK)

- 2.66 acres
- Existing General Plan Land Use: Neighborhood Business
- Existing Zoning: Neighborhood Business

Summary of Public Comments

Through the Housing Element process, the City has received numerous public comments on the Housing Element and the Housing Opportunity Sites. A list of public comments can be found in Attachment B. Many of the comments relay concerns about the potential increase in housing units envisioned for the Mangini-Delu Site (Opportunity Site D). Other comments expressed concerns about the number of units that the City has to plan for in the upcoming Housing Element and the potential effects upon the City of Pleasant Hill, including changing the appearance of the City and the loss of a small town feel, traffic issues, water supply and long-term impacts to existing neighborhoods.

Recommendation

Staff recommends that the Committee receive all public input, review the potential housing opportunity sites, consider sites for removal or change in housing density and any additional sites for inclusion, and make a recommendation to the Planning Commission and City Council.

Attachments

Attachment A Summary of Proposed Housing Sites

Attachment B Public Comments