



MEMORANDUM

Date: November 1, 2012

To: East Pleasanton Specific Plan Task Force

From: Brian Dolan, Director of Community Development
Janice Stern, Planning Manager

Subject: Dwelling Unit Information—State's Regional Housing Needs Allocation (RHNA), Dwelling Unit Estimates, Previous Housing Cap, and Other Housing Matters

This memo is provided in response to questions by the East Pleasanton Specific Plan Task Force about RHNA, dwelling unit estimates, Pleasanton's previous housing cap, and other housing-related matters.

2007-2014 RHNA Cycle

Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need for all income levels. The State Department of Housing and Community Development (HCD) issues housing unit numbers for all regions. The Association of Bay Area Governments (ABAG) then assigns the Bay Area's units to local jurisdictions. For the 2007-2014 RHNA cycle, HCD assigned the Bay Area a housing needs allocation of 214,500 units and ABAG assigned 3,277 units to Pleasanton. The City was also obligated to plan for a shortfall of 871 units from the previous planning period, making a total of 4,148 units to be planned for.

In 2011 and 2012, the City of Pleasanton met its fair share housing obligation for the present 2007-2014 RHNA cycle by rezoning sufficient land on three sites in Hacienda near the BART station which could accommodate approximately 830 units and 9 other sites citywide to accommodate 2,326 housing units at a density of 30+ units to the acre or more¹. Land already zoned to accommodate residential development met the rest of the RHNA need.

2014-2022 RHNA Cycle

For the next housing element planning period (2014-2022) the City will again need to calculate its inventory of available residential land, compare it to the RHNA requirement, and rezone additional land if needed. The Draft RHNA obligation by income category for the City is shown in Table 1.

¹ Government Code section 65583.2(c)(3)(B) provides that sites zoned at a default density of 30 units to the acre or more are suitable for lower income housing.

Table 1: Draft Regional Housing Need Numbers

Income Category	Draft Regional Housing Need Allocation (2014-2022)
Very Low Income	713
Low Income	389
Moderate Income	405
Above Moderate Income	551
Total	2,058

Without going into too much detail (those who are interested should read California Government Code Section 65583.2) the income distribution of the numbers is important because the City must have land zoned for higher density residential development (30 plus units per acre) to meet its obligation for very-low and low-income households. Therefore, the City must have approximately 37 acres of appropriately zoned land to meet its obligation to accommodate (713 + 389) 1,102 units affordable to low- and very-low income households. It cannot count sites that get approval during the 2007-2014 period. The large multifamily housing sites which are likely to get approvals in the next year or so, and the ones that are likely to remain in the City's housing inventory, are listed in Table 2, below.

Table 2: Nine Rezoned Sites and Roche Site: Higher Density Sites Available for 2014-2022 RHNA Cycle

Projects Anticipated to Be Approved in the 2007-2014 RHNA Cycle	# of Units	Higher Density Sites Anticipated to Be Available in the City's inventory in 2014-2022 RHNA Cycle	# of Units²
Auf de Maur	345 ³	BART	249+
California Center (formerly CarrAmerica)	305 ⁴	CM Capital Properties	378
Nearon	168 ⁵	Kaiser	183
Pleasanton Gateway	210+ ⁶	Sheraton	99+
		Stoneridge Shopping Center	400+
		Roche Site	372+
TOTAL	1,028		1,681+

² Project unit count is from the Housing Element Background Report, February 2012 (see: <http://www.ci.pleasanton.ca.us/pdf/Background-FINAL-2012.pdf>).

³ Project unit count is from the applicant's preliminary review application submitted to the Planning Division 2012.

⁴ Project unit count is from the applicant's PUD application submitted October, 2012. 294+ units were anticipated in the February 2012 Housing Element Background Report.

⁵ Project unit count is from the applicant's preliminary review application submitted to the Planning Division 2012.

⁶ Housing Element Background Report, February 2012.

Anticipated 2014-2022 Rezoning Requirement

As noted in Table 2, sites anticipated to remain in the City's inventory for the 2014-2022 planning period include five of the nine sites recently rezoned as part of the Housing Element update, and the 12.4 acre Roche site (in Hacienda near the BART station). Higher density residential sites anticipated to be available in the 2014-2022 RHNA cycle could accommodate approximately 1,681 or more units. In addition, there is land zoned for lower density residential development that would accommodate approximately 210 units⁷, making a total of approximately 1,894 residential units that could be accommodated. By this calculation, the City would need to zone for fewer than 200 additional units to meet its RHNA need for the 2014-2022 period. Some of these units may need to be zoned for higher densities (23 to 30 units per acre).

One other factor to remember is that the East Pleasanton Specific Plan area is one of the few, large undeveloped areas in the Pleasanton area and the City will be obligated to plan for its share of the regional housing need beyond 2022. Therefore it would be prudent to consider planning for housing beyond the need for the next Housing Element cycle.

Number of Dwelling Units

There were 26,132 dwelling units in Pleasanton on 1/1/2012⁸. By the end of 2012, it is estimated that there will be approximately 26,180 units in Pleasanton⁹. Assuming construction of the housing units in the first column of Table 1, plus approximately 1,136 more units (CLC: 630 units and BRE: 506 units) constructed in this RHNA cycle, there would be approximately 28,344 units in Pleasanton by the end of the present 2007-2014 RHNA cycle or soon thereafter.

Trying to estimate housing construction beyond 2014 is highly speculative. The City will have an inventory of land sufficient to accommodate over 2,000 units (assuming some additional rezoning). How much of that is constructed over the eight year period will depend on the general economic outlook, the match between land zoned for lower or high density development and the demand for multifamily or single family homes, availability of financing and many other factors. However, if approximately 1,500 homes were constructed during that period, the housing unit count would rise to almost 30,000.

Housing Cap

In 2006, voters approved a dwelling unit cap of 29,000 housing units in the City of Pleasanton. Pleasanton's housing cap provision was challenged and subsequently struck from the General

⁷ The 115 unit estimate includes: the Harvest Valley Christian Church Site on Hopyard Road (44 units); the Auf der Maur property on Bernal Avenue by Bonde Ranch (51 units); 98 medium density units on the Pleasanton Gateway site; and other sites, such as lower density properties by Foothill Road (20 units). The existing available site inventory for residential development is shown in Appendix B of the Housing Element Background Report, February 2012 (see: <http://www.ci.pleasanton.ca.us/pdf/Appendix-B.pdf>).

⁸ State of California, Department of Finance, Table E-5, 2012 (see: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>).

⁹ State of California, Department of Finance, Table E-5, 2012, plus 31 units finalized in 2012 per City records, plus an estimate from the City of Pleasanton Building Division of 17 more dwelling units likely to be finalized by the end of 2012.

Plan in 2010 in compliance with the Settlement Agreement in the matter of *Urban Habitat v. City of Pleasanton*.

Housing Element and East Pleasanton Specific Plan

In February 2012 (as part of the Housing Element), the City committed¹⁰ to work in good-faith with non-profit and for-profit developers in the East Pleasanton Specific Plan area during the specific plan process to secure property for the development of family housing affordable to low- and very-low-income households. As the specific plan process progresses, the Task Force may wish to consider where such housing would be appropriate.

Financing Affordable Housing

At the October 4th East Pleasanton Specific Plan Task Force meeting, a member of the audience requested information related to financing opportunities for non-profit housing.

Tax Credits

The State of California administers both the State's and Federal government's tax credit programs. Both programs were created to encourage private investment in affordable rental housing for households meeting certain income requirements. Projects which are awarded credits are able to deduct a portion of their tax liability. Tax credit financing is only available to rental projects, and are allocated on a competitive basis. A project receives a higher score if there are amenities near the housing site such as transit, a grocery store, a library, pharmacy, etc. For the Task Force's information, web links to the State's tax credit financing program are:

- <http://www.treasurer.ca.gov/ctcac/>; and
- <http://www.treasurer.ca.gov/ctcac/program.pdf>.

Other Financing Opportunities

Other financing opportunities include grants and the City's Lower Income Housing Fund. The City provides grants to nonprofit agencies that provide housing and human services primarily to low-income residents through its Housing and Human Services Grant (HHSG) program. The HHSG program is based on funding from federal sources such as the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs, as well as local funding sources. For the Task Force's information, web links to information about the City's grant program and the City's Lower Income Housing Fund are:

- <http://www.ci.pleasanton.ca.us/community/grants/cdbg-grants.html>; and
- <http://www.ci.pleasanton.ca.us/community/housing/cityizo.html>.

¹⁰ The language following "committed" is from program 45.5 of the City of Pleasanton Housing Element.