

PIEDMONT PLANNING COMMISSION

Special Meeting Minutes for Thursday, May 12, 2022

A Special Meeting of the Piedmont Planning Commission was held on Thursday, May 12, 2022, both in person and via ZOOM teleconference, in accordance with Government Code Section 54953. The agenda for this meeting was posted for public inspection on May 6, 2022, in accordance with the General Code Section 54954.2 (a).

CALL TO ORDER

Chair Rani Batra called the meeting to order at 5:30 p.m.
Breaks were taken from 6:55 p.m. – 7:03 p.m. and from 8:19 p.m. – 8:25 p.m.

ROLL CALL

Present: Chair Rani Batra, Commissioners Jonathan Levine, Tom Ramsey, Douglas Strout, and Justin Zucker

Absent: Yildiz Duransoy

Staff: Planning & Building Director Kevin Jackson, Senior Planner Pierce Macdonald, Planning Technician Suzanne Hartman, and Administrative Assistant Mark Enea.

Guests: From Lisa Wise Consulting (LWC), Director David Bergman, Senior Associate Kathryn Slama, and Associate Stefano Richichi; from Plan to Place, Paul Kronser, Associate and Rachael Sharkland, Associate.

REGULAR CALENDAR

The Commission considered the following items as part of Regular Calendar:

Consideration of a Recommendation regarding the Draft 6th Cycle Housing Element

The Planning Commission held a public hearing on the Draft 6th Cycle Piedmont Housing Element (Draft Housing Element) and document related to the California Environmental Quality Act (CEQA). This was the third in a series of public events to solicit Commissioner and public input on the Draft Housing Element, a state-mandated document presenting the City’s housing policies for years 2023-2031. This hearing follows community workshops held on December 2, 2021, and March 24, 2022. The Planning Commission will provide comments on the Draft Housing Element to the City Council and consider a recommendation that the City Council authorize staff to file the Draft Housing Element to the California Department of Housing and Community Development for its state-mandated review.

Planning & Building Director Kevin Jackson introduced the agenda item and stated that the Draft Housing Element reflects the needs of the community and region and that he is confident that it will eventually meet the criteria for certification by the State of California. Staff is recommending a few clarifying edits and one additional program. The Planning Commission has the opportunity to recommend additional changes.

LWC Director David Bergman, presented a slideshow that included information on the Housing Element Overview, the Housing Element Organization, Key Findings of the Needs Assessment, Key Findings of the Constraints, New State Laws since the 5th Cycle, New 6th Cycle Housing Elements, and Frequently Asked Questions (FAQ). He recommended that for more responses to FAQs, community members should visit Piedmontishome.org/faqs.

LWC Senior Associate Kathryn Slama addressed some of the FAQs during the meetings that were previously held, and she stated they will be added to the online list. Some of those FAQs are as follows,

- What are the requirements for “Affirmatively Furthering Fair Housing (AFFH)”?
 - Do sites have to be mathematically equally distributed?
 - What are the requirements for locations of sites throughout the City?

Affirmatively Furthering Fair Housing (AFFH) is a new and important component of the City’s Housing Element. AFFH is the Housing Element’s implementation of AB 686, a new State law that was passed for the 6th Cycle. It further broadens fair housing goals from the federal level passed down through legislation. The City is able to assess policies and programs on the basis of feasibility to further federal fair housing goals.

The AFFH analyzes and documents the composition of the community. This helps to identify and understand any areas where certain protected communities, may be living and areas that are concentrated or segregated, in comparison to other communities in Piedmont. The AFFH analysis also reviews areas with high economic environmental or educational resources, which would indicate an area of opportunity. The entirety of the City of Piedmont is considered an area of high opportunity, therefore any housing no matter where it is located in the City, furthers the goals of the AFFH legislation and goals to place housing in areas of high opportunity.

There is no legal requirement for equally distributing housing throughout the City in a mathematical sense. The plan is to put housing where there is high opportunity and high resources. AFFH aims to avoid exacerbating any existing areas of isolation and segregation regarding race, ethnicity, or income.

- Deadlines and Timesheets
 - What are the deadlines for HCD review and City adoption?
 - What is the deadline for public comment?

Housing Elements are regulated by the State of California. There are many rules, regulations and requirements pertaining to deadlines, and the timing of those deadlines relate to various drafts, submitting the drafts, and the timing of the adoption.

All ABAG-member cities have a deadline when they have to submit their Housing Element to be in compliance with State law. There is an adoption deadline of January 31, 2023. The State allows a 120-day grace period, making the absolute deadline May 30, 2023. There is a review period of the draft prior to approval of the Housing Element. The review periods range from 60-90 days. Public comments are accepted throughout the process until the adoption of the Housing Element.

- Low-Income Units, ADUs, and S89

By law the City of Piedmont has to submit an inventory of sites, both vacant and nonvacant. There are four categories to the Regional Housing Needs Assessment (RHNA) income levels, including extremely low and very low, low, moderate, and above moderate. The City performed site by site analyses to compare specific conditions and to determine the likelihood of development on those sites.

The states criteria for lower-income sites includes a requirement that the site be in a zone that allows at least 20 dwelling units per acre, be greater than 0.5 acres in size, and less than 10 acres in size. The State has limitations if the site allows non-residential uses. Additional documentations is required if the site is not vacant.

The additional feasibility checks includes that non-profit affordable housing developers typically build 30+ unit developments. Residential mixed-use development is not typically affordable without additional restrictions (e.g., inclusionary ordinance or density bonus) or partnerships.

Accessory Dwelling Units (ADU) are allowed to be utilized as part of the on-site inventory. ADUs are a great resource for the community, but not all housing will be met through ADUs alone. The methodology used is the average rate of production and what the city has seen occur with ADU development since 2019.

A new State law is SB 9. This allows large sites/lots, in single-family zones, to develop up to four units. The City encourages SB 9 projects in the Draft Housing Element.

In regard to density and realistic capacity assumptions, the City is focused on ensuring the estimates in the Housing Element are realistic and pragmatic to identify a variety of different opportunities in all the zones throughout the community.

The Housing Element includes a program to carry out a specific plan for the Corporation Yard to determine the scope and criteria for potential development over the next eight years. The area is less than 13 acres. Two out of five sites could accommodate lower income housing. This is the largest City-owned opportunity site.

Mr. Bergman presented the goals, policies, and programs of the Housing Element. The Housing Plan (Section IV) of the Housing Element serves as the City's strategy for addressing its housing needs. The goals are aspirational purpose statements that indicate the City's direction on housing-related needs. The policies are statements that describe the City's preferred course of action among a range of other options and guide decision-makers. The programs provide actionable steps to implement the City's goals to further the City's progress towards meeting its housing allocation, and take into consideration Piedmont's size, opportunities for housing, and identified needs and constraints.

The seven goals are: New Housing Construction, Housing Conservation, Affordable Housing Opportunities, Elimination of Housing Constraints, Special Needs Populations, Sustainability and Energy, and Equal Access to Housing.

Key programs for ADU production are: Market-Rate Accessory Dwelling Units, Require ADUs for New Single-Family Residence Construction, Increase Number of Legal Accessory Dwelling Units, Monitoring Accessory Dwelling Unit Missed Opportunities, Monitoring Additional Accessory Dwelling Unit Development Opportunities, and Incentives for Rent-Restricted ADUs.

Key programs for zoning code amendments to increase capacity are: Allow Religious Institution Affiliated Housing Development in Zone A, Increase Allowances for Housing in Zone B, Facilitate Multi-family Development in Zone C, Increase Allowances for Housing in Zone D, and a Specific Plan for the Corporation Yard area.

Key programs the City can consider to offset costs are: City Services Impact Fee for Multi-Family Housing, Municipal Services Parcel Tax Study, and Affordable Housing Fund.

Key programs to integrate units throughout the City are: Inclusionary Housing, Small Lot Housing Study, Small Lot Affordable Housing Study, and ADU Programs.

Key programs for marketing and outreach/education are: Public Engagement for Accessory Dwelling Units, Affordable Accessory Dwelling Unit Public Information

Campaign, Monitoring Additional Accessory Dwelling Unit Development Opportunities, Media Strategy, and Public Information.

Key programs for promoting fair housing are: Accommodations for Disable Persons, Housing for Extremely Low-Income Families, Developmentally Disabled Residents, Public Information, Fair Housing Referrals, Pubic Engagement for Accessory Dwelling Units, Assistance to Nonprofit Developers, and Housing Equity.

Ms. Slama presented the 2022 – 2023 Housing Element schedule.

- April – June 2022 – Draft Review and Public Comment (State requirement for public review is only 30 days)
- June 2022 – City Council (tentative)
- Mid-July 2022 – Submit Draft Housing Element to California Department of Housing and Community Development (CA HCD)
- Mid-July – Mid-October 2022 – CA HCD (90-day Review)
- October – November 2022 – Address CA HCD comments and Public Notice
- Mid-November 2022 – Mid-January 2023 – CA HCD (60-day Review)
- January – February 2023 – Address CA HCD comments and Public Notice
- Mid-February – Mid-April 2023 – CA HCD 2nd 60-day Review (if needed)
- April – May 2023 – Adoption Hearings • May 30, 2023 – Adoption Deadline

Ms. Slama stated that public comment is accepted throughout the Housing Element process, at Piedmontishome.org. Changes to any drafts must be consistent with State law and approved by HCD.

In response to Commissioner’s questions about a scenario in which CA HCD approved the Draft Housing Element after the first 90-day review period, Ms. Slama stated that the public comment process would not be affected if the first submittal of the Draft Housing Element was accepted by CA HCD because CA HCD review is for state approval only and not the City Council adoption of the Draft Housing Element. HCD needs to give the City a letter of compliance first, and that letter and the Housing Element would need to be adopted by the City Council to conclude the Housing Element update and public process.

In response to questions from Planning Commissioners regarding Housing Element compliance, Ms. Slama explained that if you are out of compliance, CA HCD would send a letter stating you will have one year to make all zoning changes required to meet your RHNA obligations. If you submit and obtain CA HCD approval before the deadline, you will have 3 years to make zoning changes. If you don’t make have a certified and adopted Housing Element by January 2023 (May 2023 with grace period), you will be subject to enforcement under AB 72. The City could lose a lot of local control if they are out of compliance. The Housing Plan target is to do a variety of actionable measures over the next eight years, to reach that 587 target. The building of the ADUs is a goal; therefore, there is not a deadline to construct them.

Public testimony:

There were many community members that addressed the Commission including,

Beth Sala Covin
John Malick

Dimitri Magganis
Kristen Harknett
Dai Meagher
Bob Eisenbach
Rick Raushenbush
Rob Lutt
Naomi Stein
Liz Lummis O'Neil
Irene Cheng, on behalf of PREC
Sarah Karlinsky
Hugh Louch, Chair of Piedmont Pedestrian Bicycle Advisory Committee
Tyler Lopez-Ziemann
Elise Marie Collins
Ronda Kelly
Pam Hirtzer
Garrett Keating
Dan Saper
Deb Leland
Francis Fisher
Deepti Sethi
Suzie Struble
Jill Lindenbaum
Claire Parisa
Andy Madeira
Babala, The Twins, Grand Avenue
Alice Talcott
Carol Galante
Randy Wu
Vincent Fisher
Katherine
Scott Mortimer
Michael Henn
Michelle Mazeo

Many speakers complimented staff and the LWC team on drafting a comprehensive Draft Housing Element that addresses Piedmont's housing needs. Comments received during the **public testimony** included the following:

- Why is Piedmont not seeking some type of exemption?
- Has there been an economic impact study done?
- Is it the States plan to build more housing next to the Hayward Fault?
- John Malick provided photographs of multi-family housing projects that live comfortably in Piedmont.
- Regarding density, when zoning was developed in Piedmont, it was based on automobile-oriented environment, which maximizes cars on streets and not pedestrians walking through neighborhoods.
- It would be nice to have a restaurant, coffee shop, dry cleaner in Piedmont.
- SB9 should apply to every lot in Piedmont, not just the larger ones.
- What are the tax credits from the state?
- What are the restrictions on public private partnerships for development?
- Excited about proactiveness of Piedmont making more housing available.
- In support of affordable housing.
- People should be able to afford to live in Piedmont.

- More housing and more affordable housing will enrich the community
- Piedmont should be taking a leadership role in creating solutions and removing barriers for housing.
- When is CEQA starting? Why hasn't it started yet?
- How is different income level housing enforced?
- When are the traffic studies going to be performed for Moraga and St. James to ensure they can accommodate the increased traffic?
- What happens if voters don't pass the zoning changes?
- Reevaluate and reconsider the use of the proposed possible construction of the 130 units at the Corporation Yard and Moraga Avenue. The building of 130 units can't be accommodated from a traffic standpoint.
- The Corporation Yard is a wildfire risk.
- The Corporation Yard, City Hall site, and the Corey Reich Tennis Center are not suitable land. The city will be forced to consider other locations during CEQA review.
- A1 alternative location is Blair Park.
- The Housing Element is a historic opportunity for our town. Racial and economic inequities are real and are frustrating. The Housing Element helps Piedmont take the needed steps to address the issues. Piedmont should be the example. Piedmont can be an inviting, culturally rich community. This project is inspiring. We are all in this together.
- The Kehilla Community Synagogue is supportive of affordable housing. Reminder there is \$2.2 million in A1 funds from Alameda County. We have a civic, morale and spiritual responsibility. Now is the time to address the historical wrongs.
- Home values will decline if the Corporate Yard was to be developed.
- Concerns about infrastructure on Maxwellton Road and Moraga.
- Sound study needed because of increased density.
- Many use laws and zoning codes to keep certain people out, so it's great Piedmont is changing their housing polices, to become a more welcoming and inclusive place for all.
- New housing needs to be added everywhere.
- Piedmont should have a positive vision.
- Look for more sites and the possibilities of those sites.
- Go bigger on the Civic Center site.
- Remove sites that are less suitable, such as the median on Highland.
- Preservation and conservation of housing are important.
- People living in high resources areas live 15-30 years longer, than people living in lower resource areas.
- Piedmont has the opportunity to change and improve the unacceptable "invisible laws".
- The Bay Area has a homelessness and affordable housing crisis.
- Commends the City and encourages it to be more bolder and creative and show more leadership.
- Pursue all the opportunities outlined including Grand Avenue, churches, synagogues, City lots, Blair Park, downtown and the cemetery.
- We are not a third world country and homeless people should not be living in these conditions.
- Moraga Canyon doesn't have the carrying capacity within the physical constraints of the canyon.
- Moraga Canyon is a tinder box, and the fire hazard is huge.
- Incorporate more elements into the general plans.
- If 122 units aren't received in the Corporation Yard, then it can be switched to Blair Park. What is the number you will accept in the Corp Yard?

- ADUs are a huge impact on privacy. The incentives should be scaled to the zoning district.
- Make a more vibrant, diverse, inclusive community for our children to live in, and that doesn't have to sacrifice what makes Piedmont so wonderful.
- It's embarrassing that Piedmont is only a little over 1% black.
- It can be difficult to achieve affordability. The A1 funds are a great tool. How does the Housing Element allow for the use of A1 funds within the timeframe that the program requires?
- Housing roundtable forums may be beneficial for communication.
- How many of the ADUs that are being built are being used for low to moderate income people?
- Consider changing the residential zones to allow duplexes and triplexes.
- The concentration of housing in one geographic area changes the nature of existing properties and the resident's lifetime savings that are represented in properties for Piedmont residents.
- Let's do more and have more community engagement gatherings.
- The downtown area presents a great opportunity for a master plan. Consider buildings that need reinventing and a makeover and can also incorporate additional housing.
- For site selection, will religious institutions vacate the area? If not, there is too much reliance on those sites.
- The affordable housing fund should not be tied to one specific program.
- Have a continuing education program on real estate practices.
- Blair Park should be the primary site for the site inventory.
- The best way to achieve affordable housing is through density.
- There are less than 4% of Latino's in Piedmont. This caller is Latino and lives on Grand Avenue, and their property values are just as important as other residents, and they too are concerned about their property value.
- There should be changes to Zone A, just like Zone C and D.
- Take into consideration the people that have been excluded from Piedmont, because of racism and can't afford to live in Piedmont, and hear their voices and be welcoming.
- Blair Park is an undeveloped excess property, which was proposed to be a sports complex, but didn't happen.
- Reimagine the Civic Center.
- Thank you for a feasible Housing Element plan that will enable long-term affordable, multi-family housing for the first time in Piedmont, in a more diverse, vibrant community.
- Welcome new people into Piedmont, and don't segregate them into one distant area, as opposes to having affordable housing throughout Piedmont.
- Provide access to environmental reports for each of the sites. A traffic analysis with the impacts, would be very helpful.
- Let's take a pause and see what the best options may be. Allow more time for adequate community input.
- HCD is receptive to SB9 units being incorporated into Housing Elements.
- Teachers should be able to live in and afford housing in the community they teach in.
- Students who live in diverse communities, have a greater sense of self-awareness and awareness of others and greater empathy.

City staff and the LWC consulting team responded to some public comments as follows:

There is some guidance from CA HDC about SB9, and that is if these units are produced, the City would be able to count them in reporting compliance and meeting housing targets.

The preparation of an Environmental Impact Report (EIR) included a scoping session earlier this year and Rincon Consultants are preparing the programmatic EIR for the Housing Element. The Draft EIR will be circulated publicly later this year. The environmental impacts being studied include those related to potential development on sites included in the sites inventory. The EIR does look at variety of environmental impacts. In addition to the environmental document, there is a team in place to do a safety element update, which includes an update to the Piedmont Environmental Hazards Element. This is a collective approach to identify a site, study environmental impacts, and devise mitigation measures.

The City is taking a conservative approach in the EIR in which more sites than needed for the sites inventory and housing plan are included in the EIR analysis to ensure the site selection process, the community deliberation process, and the HCD review process allow for changes- Blair Park is part of the study area of the EIR.

There is no requirement that a religious site produce housing. Any property owner, be they private, public or commercial, would use their discretion to develop housing. On religious institution sites, the existing building is not required to be demolished; housing could be built on surplus land such as parking lots or undeveloped portions.

Sites in Piedmont would be very competitive for federal tax credit financing for affordable housing (LIHTC) because Piedmont is a high opportunity zone.

The Surplus Land Act would apply to City-owned sites. The State does put restrictions and obligations on the municipality when it declares land surplus and enters into private partnership for development.

Income levels are determined by the county. Housing units are deemed affordable if the occupant is spending no more than 30% on housing. The specific units are categorized by affordability levels.

Commissioner Ramsey commented that in his opinion if Measure A1 funds are to be used to produce affordable housing and the identification of a site is requisite, then there are two specific items in the Draft Housing Element that need more definition on how they align with the schedule of A1 funds.

- 1F. Increase Allowances for Housing in Zone B
 - look at more sites for the inventory review, such as Blair Park

- 1L. Specific Plan. Schedule for RFPs
 - align the RFP with the availability of A1 funds

Planning & Building Director Kevin Jackson stated that the Housing Element as drafted, is not a reclassification of any zone, nor does it expand or change any boundaries of any zone. It does not require a vote from the public, as outlined in the City Charter. State law allows for lot splits and duplexing, through SB 9. If Piedmont increased the allowed density of Zone A or Zone E to include more housing units, that may eliminate the ability to take advantage of SB 9 because SB 9 only applies to properties in single-family zoning districts. The Draft Housing Element does not

include housing units developed through SB 9 as part of the plan to allow for 587 housing units because the State limits such projections to a current rate of production. Currently, no additional housing units have been produced in Piedmont through the use of SB 9.

In response to questions about impacts on the property values of neighboring homes, David Bergman described changes in affordable housing trends nationally. Contemporary affordable housing is now often produced in mixed-income sites and is a component of a larger plan. Trulia has specific data on Oakland, for a per square foot median basis of homes between 2,000 – 4,000 feet away from a subsidized unit of affordable housing. Based on their review, it was found that there was not a significant impact. The more affluent the target market is for where the below market rate units go, the less affect it has on sales value of property that is nearby.

Commissioner Comments include the following:

Commissioner Ramsey stated the affordable housing fund currently as described in the Draft Housing Element, states that it is exclusively for ADUs. It should be modified to include small houses, shared housing, and additional housing types. A requirement that new single-family residences include an ADU may have unintended consequences, such as encouraging larger housing, and may encourage the demolition of homes instead of remodeling them. Provide incentives or carrots for ADUs, rather than requirements.

Commissioner Zucker stated that there may be an opportunity to build the affordable housing fund by having both the ADU requirement and a fee out option. The fee out option would allow the owner to pay an in-lieu fee rather than having to provide the new ADU, and that fee can replenish the affordable housing fund.

Director Jackson presented concluding slides describing the findings outlined in a draft resolution prepared for the Planning Commission's consideration. The findings gave the reasons that the Planning Commission could consider in recommending City Council support the Draft Housing Element.

The draft Planning Commission resolution, prepared by staff, also includes proposed amendments to the Draft Housing Element. The proposed amendments are:

1. 139 Lexford Road will not be included in the list of pipeline project but will be included in the vacant land inventory.
2. The income category shall be revised to correctly identify a maximum density of 60 dwelling units per acre for 801 Magnolia Avenue, resulting in 18 moderate-income dwelling units with a realistic capacity of 13 moderate-income dwelling units.
3. The description of properties included in the site inventory for low and very low-income category, shall be revised, as follows:

“B.2.5 Suitability of Nonvacant Sites

Since residential land in Piedmont is generally built out, the sites inventory includes nonvacant sites. Nonvacant sites are relied on to accommodate more than 50 percent of the City's lower income RHNA. Therefore, the City conducted an analysis to determine if substantial evidence exists to support the

premise that housing can be accommodated on these sites and/or existing uses on these sites will be discontinued during the planning period (2023-2031)..."

"... Nonvacant parcels primarily include **relatively large properties (over 0.5 acres) irrespective of current use**, underutilized sites with surface parking and commercial buildings where the existing uses are of marginal economic viability, or the structures are at or near the end of their useful life. Screening for potential sites considered market conditions and recent development trends throughout the Bay Area and the State and utilized conservative assumptions in projecting units well below observed densities for residential and mixed-use projects."

4. **Measure A1** is a **low-interest loan** program, not a grant program, and the date for requesting a second extension deadline will be **June** 2022.
5. The reach codes that require electrification of new housing for **detached** dwelling units, therefore would not apply to ADUs that are developed within an existing house.
6. A sentence is added to "**1.J SB 9 Facilitation Amendments**," stating that **the goals of the City's program to implement SB 9 are to encourage duplexes, triplexes, and fourplexes in single-family zoning districts like Piedmont's Zone A and Zone E.**
7. A new program was included: **New Housing Program 1.Q – Density Bonus Ordinance. Consider development of a local density bonus-ordinance that is inclusive of State of California density bonus incentives and considers local goals for affordable housing above the minimum requirements of State density bonus law.**

Commissioner Strout asked if it would be appropriate to insert language somehow for an assessment criteria process, including a side-by-side comparison of larger sites, a decision matrix with categories such as, traffic, parking, environmental aspects, access, and buildability. Planning & Building Director, Kevin Jackson stated that he would not recommend evaluation of specific sites be included because developers will normally do their own analysis for their own needs.

Commissioner Zucker stated since Piedmont is using Oakland as a baseline metrics, then the 12% buffer may not be enough since Oakland's buffer is 25%. Blair Park and Moraga Canyon have merit to be considered and is a viable option. The inclusionary housing ordinance should be developed further. Mr. Jackson stated that the 12% is a fair buffer. Some development happens beyond the proposed housing plan, like SB 9, and there is an invisible buffer that the state doesn't allow to be counted as part of the Housing Element.

Ms. Slama stated that the likelihood of the redevelopment of nonvacant sites, is criteria the state sets. The state does require the Housing Element to show that there is a regional market demand, that certain sites would redevelop as housing over the next eight years. Mr. Bergman stated that the criteria is to first look at neighboring jurisdiction, which is Oakland, but it could be extended throughout Alameda County. Some disadvantages to extending through Alameda County are that as you go further away geographically from Piedmont, there may be some market dynamics that may be different. If land is made available and the development entitlements are in place, then there is market demand for new residential development in the greater Oakland-Piedmont market.

Commissioner Levine asked if the plan is adopted would the City devote its efforts into developing the left-side of the Corporation Yard. Mr. Jackson stated the Housing Element proposes that Piedmont carries out a specific plan for that area, which would determine the optimal way for that to be developed with housing and maintain the City facilities in that area. The plan would be to carry out the programs and policies that are listed in the Housing Element, including this specific plan, and partner with a developer for that area. That is not exclusive of development in the Civic Center area, which are also primary sites. The City has its discretion to pursue housing and how to do it and the Housing Element allows that to happen.

Commissioner Ramsey stated that there a lot of cities that partner with developers and private partnerships, which include many different ways to achieve that, and that decision would come from City Council and a public process. Mr. Bergman stated that when a city is ready to enter into a development agreement, it goes through the requirements of the Surplus Land Act. The state wants to ensure the City is not giving away land, and the Surplus Land Act encourages below market rate transfer of land for the production of affordable housing. The specific plan is the mechanism, but the site is where there is enough capacity to accommodate the City's housing obligation under RHNA, at all income levels.

Commissioner Levine stated he assumed that the Housing Element's selection of sites, listed in order, are the Corporation Yard, then consideration of Blair Park, then consideration of the Civic Center sites. Since this is not the case, there needs to be written clarification in the Draft Housing Element.

Chair Batra stated in areas of more concentrated development, that senior housing may have less traffic impact. How could a site be designated only for senior housing? Mr. Jackson stated that it may not be appropriate at this time to designate a site to only one type of housing because housing needs to be developed at all levels and all types. All projects will be carefully designed and evaluated so it does not have a detrimental effect. Environmental reports can be developed that brings awareness to mitigation hazards.

Ms. Slama stated that if there are any environmental impacts, the goal would be to identify mitigation measures. But if mitigation was not feasible, then the City Council could determine to move forward with the Housing Element, making a find of significant and unavoidable impact. The Corporation Yard has been identified for a specific plan because of the large site, required new infrastructure and utilities, integration of new City facilities, how to access the Skate Park and Coaches Field, and how to navigate and create new roads. The intent is that the highest density housing would be placed on more level land near Moraga Avenue, not on the hillside

Chair Batra suggested that there may be value to redesignate Blair Park to undeveloped land instead of a park. It is the intention to protect park land for the future. Mr. Jackson stated that there may be some risk to redesignating the land at this time.

Commissioner Levine stated that one of the General Plan policies is to maintain the small housing stock. Ms. Macdonald stated that in the Draft Housing Element Policy 2.3 was revised to encourage the creation of small homes within Piedmont's existing stock of homes and historic houses in order to promote the affordability of smaller size homes. Ms. Macdonald stated the revision was changed from maintaining existing homes, to encourage the creation of smaller homes, in new construction.

Director Jackson stated that the Planning Commission is being asked to adopt the resolution, recommending the City Council direct staff to submit the Draft Housing Element to the State HCD for certification, with some staff recommended revisions.

Director Jackson and the Commissioners discussed the revisions the Commissioners wanted to include in its recommendation to the City Council.

Commissioner Ramsey proposed changes to Programs 1.F, Increase Allowances for Housing in Zone B, and 1.L, the Specific Plan, to clarify the priority, or lack thereof, for sites in the sites inventory for timing of implementation and the use of Measure A-1 funds, and stated the Commission doesn't recommend a hierarchy of the sites in the sites inventory. He stated the Commission recommends the sites be considered concurrently and that the City Council not wait for completion of the proposed specific plan in program 1.L to enable affordable housing on publicly owned land.

Commissioners discussed additional changes to programs 1.E, Require ADUs for New Single-Family Residence Construction, and 3.E, Affordable Housing Fund. Commissioners recommended a threshold, such as a lot size threshold, for programs to require the construction of an ADU in the construction of a new residence. Commissioners recommended that language in program 3.E provide more flexibility for potential affordable housing programs.

Commissioner Zucker made a motion to adopt the resolution below and to include in it four additional recommended revisions to Program 1.E, Program 1.F, Program 1.L and Program 3.E.

Resolution 12-PL-22

WHEREAS, enacted in 1969, the State of California housing element law, as set forth in Government Code §§ 65302 and 65580, et seq., requires all cities and counties in California to prepare detailed plans to meet the housing needs of everyone in the community, and requires cities and counties to obtain California Department of Housing and Community Development (CA HCD) certification of each Housing Element; and

WHEREAS, Piedmont's prior Housing Element was last certified by CA HCD in 2014, and Government Code section 65588 requires local agencies to update their housing element at least every eight years; and

WHEREAS, in February 2021, the City Council established a Housing Advisory Committee to provide feedback on fair housing issues and on the conduct of the next Housing Element update; and

WHEREAS, the Association of Bay Area Governments (ABAG) adopted a final methodology and Regional Housing Needs Allocation (RHNA) for every local government in the Bay Area Region in May 2021, and the RHNA assigned to Piedmont was 587 new housing units across various income categories; and

WHEREAS, on May 3, 2021, the City Council approved a contract with Lisa Wise Consulting, Inc. (LWC), to prepare the next Housing Element update in conformance with State of California 6th housing element cycle requirements, and in July 2021, LWC representatives began stakeholder interviews; and

WHEREAS, the City has undertaken an innovative and robust public engagement process, using a wide variety of media and formats, in support of the Housing Element update process; and

WHEREAS, in March 2021, City of Piedmont launched a citywide Fair Housing Community Survey, a citywide postcard mailing, an interactive pinnable mapping tool, hosted on Social Pinpoint software, and Piedmontishome.org, a fair housing website and clearinghouse for Housing Element information, updates, and resources for community members; and

WHEREAS, in September 2021, the Planning Commission and the Housing Advisory Committee held a joint meeting to receive information about the requirements for Housing Elements and fair housing law, in September 2021, City decision-makers and staff participated in person at Piedmont community events to increase public awareness of the Housing Element process, and City staff hosted the Housing Element Community Workshop #1 on December 2, 2021, at which 80 people attended; and

WHEREAS, public engagement continued in 2022, as follows: in March 2022, the City installed 30 publicity banners for the Housing Element update on Grand Avenue, Highland Avenue, and Moraga Avenue with Piedmontishome.org website information and text inviting the broader Piedmont community to participate in the Housing Element update; and a few days later, the City hosted the second Housing Element Community Workshop #2, at which the City launched the web-based Piedmont Housing Puzzle, a community planning tool with opportunities to comment on potential sites and allocate the RHNA housing units to selected sites and at various residential densities, and at which 73 people attended; and

WHEREAS, public engagement conducted for the Housing Element update has included regular news stories in local media, email newsletters to over 4,000 email subscribers, emails to the School District employees and City employees (Piedmont's largest employers), correspondence with Piedmont religious institutions, meetings with property owners in Zones A, B, C, and D, regular updates at public meetings of the Planning Commission, and posters at local businesses; and

WHEREAS, on April 8, 2022, the Draft 6th Cycle Piedmont Housing Element (Draft Housing Element) was published to the City of Piedmont homepage and the City's housing website, Piedmontishome.org; and

WHEREAS, on March 15 and April 19, 2022, the Housing Advisory Committee met to consider the progress of the Draft Housing Element; and

WHEREAS, on May 4, 2022, City staff and the consultant team presented the Draft Housing Element at a regular meeting of the Park Commission; and

WHEREAS, due to the physical changes anticipated by the City's draft new housing policies and programs planned in the Draft Housing Element in order to satisfy the Regional Housing Needs Allocation (RHNA) of 587 new housing units by 2031, as determined by the Association of Bay Area Governments (ABAG), the City has begun the preparation of an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) that will study comprehensive potential environmental impacts of the Draft Housing Element; and

WHEREAS, the Planning Commission considered the Draft Housing Element at a special meeting on May 12, 2022, received a report by staff and the consultant team, and received verbal public comment from 35 members of the Piedmont community, and, after reviewing the report, presentation, and any and all testimony and documentation submitted in connection with public comment, the Piedmont Planning Commission finds:

1. The public engagement conducted for the Draft Housing Element has successfully reached all segments of the Piedmont community, including residents in affected neighborhoods and people working, attending school, and visiting Piedmont from other areas.
2. The Draft Housing Element presents a reasonable and equitable approach to work with the private sector to enable the construction of new housing to meet the Regional Housing Needs Allocation of 587 new housing units in all income categories.
3. The Draft Housing Element presents a thoughtful and careful consideration of the potential obstacles to growth in Piedmont and presents new policies and programs to remove or reduce these obstacles.
4. The Draft Housing Element utilizes a sufficient realistic capacity for growth projections by using an 80% cap on projected growth, resulting from Draft Housing Element policies and programs, and by including a 12% buffer of surplus units above the RHNA of 587 housing units (71 housing units).
5. The Draft Housing Element affirmatively furthers fair housing by providing sites, policies, and programs that assure households of all incomes and social and racial backgrounds have access to high resources areas, economic and educational opportunities, and areas with low exposure to environmental hazards.
6. As outlined in the staff report and presentation, the Draft Housing Element complies with housing element law, as set forth in Government Code §§ 65302 and 65580, et seq.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Piedmont does hereby resolve, declare, determine, and order as follows:

SECTION 1. The Piedmont Planning Commission incorporates the findings set forth in this Resolution and recommends that the City Council authorize staff to transmit the Draft Housing Element with the revisions delineated in Section 2 of this resolution to the California Department of Housing and Community Development for its review.

SECTION 2. The Planning Commission recommends that the City Council incorporate the following revisions into the Draft Housing Element prior to its transmission to CA HCD as follows:

1. As described on pages B-4 and B-5 of Appendix B of the Draft Housing Element, the new residence proposed for 139 Lexford Road will not be included in the category of pipeline projects and instead will be included in the vacant land inventory due to the expiration of the building permit for the prior approved residence.

2. Table B-9: Draft 6th Cycle Housing Element Sites Inventory by Income Category on page B-21 of Appendix B of the Draft Housing Element shall be revised to correctly identify a proposed maximum density of 60 dwelling units per acre for 801 Magnolia Avenue as this site is in Zone B. The resulting maximum capacity is 18 moderate-income dwelling units with a realistic capacity of 13 moderate-income dwelling units.
3. The description of properties included in the sites inventory for the low and very low income category, as described in part B.2.5, page B-8 of Appendix B of the Draft Housing Element shall be revised to read as follows (change shown in bolded and underlined font),

“B.2.5 Suitability of Nonvacant Sites

Since residential land in Piedmont is generally built out, the sites inventory includes nonvacant sites. Nonvacant sites are relied on to accommodate more than 50 percent of the City’s lower income RHNA. Therefore, the City conducted an analysis to determine if substantial evidence exists to support the premise that housing can be accommodated on these sites and/or existing uses on these sites will be discontinued during the planning period (2023-2031). Nonvacant parcels primarily include **relatively large properties (over 0.5 acres) irrespective of current use**, underutilized sites with surface parking and commercial buildings where the existing uses are of marginal economic viability, or the structures are at or near the end of their useful life. Screening for potential sites considered market conditions and recent development trends throughout the Bay Area and the State and utilized conservative assumptions in projecting units well below observed densities for residential and mixed-use projects.”

4. The Regional Resources information on page 24 of the Draft Housing Element will be revised to read as follows (changes shown in bold and underlined font):

“**Regional Resources - Alameda County**

• **Measure A1:** Measure A1 is a **low-interest loan** program funded through a countywide parcel tax and administered by the Alameda County Department of Housing and Community Development (Alameda HCD). In 2016, Alameda County residents voted to adopt Measure A1, a \$580 million property tax revenue bond for affordable housing. The City’s Measure A-1 allocation (\$2.2 million) project application was originally set to be approved by the County of Alameda by December 31, 2021, with the funds be spent within 5 years after the application is approved. City staff have received an extension of the application deadline to December 2022, and are requesting a second extension in **June** 2022.”

5. The description of sustainability programs on page 32 of the Draft Housing Element shall be revised to read as follows (change shown in bolded and underlined font)

“ An implementing policy of CAP 2.0 is to monitor effectiveness of policies on greenhouse gas (GHG) emissions. The GHG inventory was last updated in 2021. Piedmont's municipal and residential accounts were enrolled into EBCE’s 100% renewable energy plan in November of 2018. The City and its

residents being enrolled into a 100% renewable energy plan helps to reduce GHGs emissions the City produces; therefore, making significant steps towards reaching the CAP 2.0 objectives. The City of Piedmont has adopted Reach Codes which require all new **detached** dwelling units to be electric and requires energy improvements at certain building permit cost and size thresholds. Other conservation programs available on a regional, State, and federal level are described below.”

6. The description of program 1.J, SB 9 Facilitation Amendments, on page 40 of the Draft Housing Element shall be revised to read as follows (change shown in bolded and underlined font):

“1.J SB 9 Facilitation Amendments

Senate Bill (SB) 9, adopted in 2021, requires proposed housing developments containing no more than two residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain criteria. SB 9 also requires local agencies to ministerially approve a parcel map for an urban lot split subject to certain criteria. **The goals of the City’s program to implement SB 9 are to encourage duplexes, triplexes, and fourplexes in single-family zoning districts like Piedmont’s Zone A and Zone E.**”

7. New Housing Program 1.E, Require ADUs for New Single-Family Residence Construction, shall be revised to read as follows (change shown in bold and underlined font):

“ In order to increase the production of ADUs, the City will amend the Zoning Ordinance to require the construction of an ADU or JADU with the construction of a new residence, whether on vacant property or on any property that is proposed to be redeveloped, **when the property meets certain size thresholds to be established in the implementing ordinance.** As part of the Program, the City will study and develop an alternative which will allow an in-lieu fee to fund City affordable housing programs, including Programs 3.E and 3.F...”

8. Draft Housing Element program 1.F, Increase Allowances for Housing in Zone B, and 1.L, the Specific Plan, shall be revised to clarify the priority, or lack thereof, to develop certain sites in the sites inventory first and to clarify the intended use of Measure A-1 funds relative to funding deadlines. The Commission recommends there be no a hierarchy of the sites in the sites inventory. The Commission recommends the sites be considered concurrently and that the City Council not wait for completion of the proposed specific plan in program 1.L to implement programs to enable affordable housing on other sites, including publicly owned land.
9. New Housing Program 1.Q – Density Bonus Ordinance. Consider development of a local density bonus ordinance that is inclusive of State of California density bonus incentives and considers local goals for affordable housing above the minimum requirements of State density bonus law.
10. Program 3.E, Affordable Housing Fund will be revised to read as follows (changes shown in bold and underlined text):

“The City will create a Piedmont affordable housing fund to receive philanthropic donations, in-lieu fees, and other sources of funding. These funds could be used for affordable housing programs including a loan program for ADUs with Habitat for Humanity or other programs for other affordable housing types. The affordable housing fund could be administered by a non-profit affordable housing developer, such as Habitat for Humanity or other entity, to make low-interest loans (e.g., 4% interest rate) available to low or moderate-income property owners (e.g., up to \$135,650 for a household of three people), with a focus on members of protected classes. Loans could be made available for the construction of new ADUs, ~~and~~ Junior ADUs, and/or other small housing units with occupancy restricted to very-low-income (31% to 50% AMI) and extremely-low-income (30% or less of AMI) residents for a minimum period of 15 years.

The City is targeting supporting approximately 5 new income-restricted units during the planning period. The Program could be extended to property owners with above moderate incomes with additional funding sources, such as fund-raising efforts, philanthropic contributions, or grant funding.

- Objective: Investigate Affordable Housing Fund for the construction of new ADUs and Junior ADUs and other affordable housing types with occupancy restricted to very-low-income (31% to 50% AMI) and extremely-low-income (30% or less of AMI) residents for a minimum period of 15 years.
- Timeframe: Meet with City Council in 2022 2023 to discuss potential risks and opportunities.
- Responsible Agency: Planning & Building Department, City Council.

SECTION 3. All portions of this resolution are severable. If an individual component of this Resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.

Moved by Zucker, Seconded by Ramsey
Ayes: Batra, Levine, Ramsey, Strout, Zucker
Noes: None
Abstain: None
Absent: Duransoy

ADJOURNMENT

There being no further business, Chair Batra adjourned the meeting at 9:48 p.m.