

City of Piedmont COUNCIL AGENDA REPORT

DATE: July 17, 2023

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Progress Report on the Piedmont 6th Cycle Housing Element

RECOMMENDATION

This report recommends that the City Council receive an informational report from City staff about the Piedmont 6th Cycle Housing Element. No action is recommended by City staff at this meeting.

DISCUSSION

The City Council adopted the 6th Cycle Housing Element on March 20, 2023. The City of Piedmont received additional comments on its 6th Cycle Housing Element from the California Department of Housing and Community Development (HCD) on May 23, 2023, at the conclusion of the State's 60-day review period.

The May 23, 2023 HCD comment letter confirms that the City has made substantial progress since first receiving written feedback from HCD on February 16, 2023, with most of the original comments having been successfully addressed in the two Housing Element revisions the City submitted to HCD (revisions sent to HCD on March 24, 2023, and May 9, 2023). The [May 23, 2023 letter from State reviewers](#) requests that the City provide additional analysis regarding housing mobility, affordability, and the likelihood of development on certain sites, as well as additional detail on the timing of some milestones, and strengthening programs. HCD did not identify major structural issues or call for significant redirection of the City's plans. HCD has not rejected any housing program in the 6th Cycle Housing Element, nor has it rejected the City's reliance on ADUs, Zone D redevelopment, religious affiliated housing, and the Moraga Canyon Specific Plan study to help meet the regional housing needs allocation (RHNA) of 587 new housing units in Piedmont.

This report describes the work that is underway to respond to HCD's comments, the ongoing implementation of the 6th Cycle Housing Element, and the agenda items that will be coming forward for City Council consideration later this year. Planning staff and consultants are carefully reviewing each of HCD's remaining comments and working to address outstanding questions. The City team continues to correspond and meet with HCD staff to clarify HCD comments and explore

possible responses to their comments. The City team is also reaching out to other jurisdictions that have received similar comments from HCD.

Housing Element Implementation

While City staff and housing consultants continue to work with HCD to obtain certification, City staff are also actively working to implement programs and policies that are part of the City's adopted Housing Element.

Under California law, if a jurisdiction does not have a certified Housing Element by May 31, 2023, the process to change city regulations to implement Housing Element programs must be completed by the accelerated date of January 31, 2024, rather than the 3-year timetable provided to compliant jurisdictions. Because the City did not receive certification by May 31st, certain implementation timelines are subject to adjustment, pursuant to Government Code 65584.09 and 65583(c)(1).

1. Earlier this year, the City established a new incentive for affordable ADUs and made it easier to convert existing spaces into new housing.
2. The City recently conducted a survey of ADU owners, partly aimed at better understanding the barriers to ADU creation and how to incentivize ADUs.
3. The City conducted an RFP process to identify a consulting firm to lead the preparation of the Moraga Canyon Specific Plan. City Council action to award a contract to prepare the Specific Plan to City Council is scheduled for July 17, 2023.
4. City staff are preparing amendments to Chapter 17 and other sections of the City Code to implement the housing programs developed to increase the production of housing on sites identified in the Piedmont Housing Element sites inventory.
 - City staff will prepare draft amendments to Chapter 17 of the City Code for Planning Commission and City Council consideration beginning in Fall of 2023. Draft amendments to implement Housing Element programs will propose allowing housing affiliated with religious institutions in Zone A, increasing the permitted residential density in Zone B, increasing the permitted residential density and heights of development on properties in Zone C and Zone D, allowing manufactured and mobile housing, allowing parking reductions for eligible projects, and permitting emergency shelters, transitional and supportive housing, residential care facilities, and low barrier housing navigations centers in zones where housing is permitted. In addition, in compliance with State law, City staff and housing consultants will bring forward revised definitions for Chapter 17.66, Article 5, section 17.90 Definitions & Measurements, for commonly used terms, including "single-family residence."
5. City staff will seek adoption of pre-approved ADU plans that are intended to reduce the cost of developing a detached ADU and incentivize their production.
6. City staff will seek adoption of Multifamily Objective Design Standards (MODS) that were re-introduced for public review in June 2023.

7. Staff is initiating other housing programs, such as preparation for additional public engagement, and actively pursuing State and regional grants, such as grants eligible to sites designated as a “Priority Development Area,” to help finance the housing plan.
8. City staff continue to work with Rincon Consultants, Inc., to complete the environmental impact report (EIR) being prepared for the implementation of the Housing Element and amendments to the General Plan.

NEXT STEPS

City staff expects to complete additional revisions requested by HCD and submit a revised Housing Element to HCD this summer, which will begin another 60-day HCD review period. The City’s implementation of Housing Element programs will include the following next steps:

- The Planning Commission will consider City Code amendments and Design Guidelines amendments to implement the MODS and ADU incentives as early as August 14, 2023, followed by the City Council’s consideration in September of 2023.
- The preparation of the Moraga Canyon Specific Plan study is anticipated for kick off later this summer, starting with stakeholder meetings and other public engagement.
- The Planning Commission will review draft City Code amendments in Fall 2023 to implement changes necessary to increase housing production on sites identified in the Housing Element sites inventory.
- The public review draft EIR is anticipated for publication in Fall of 2023.

CONCLUSION

Like Piedmont, most Bay Area cities are still awaiting final HCD approval of their Housing Elements. The volume and complexity of State laws related to fair housing have grown substantially in recent years, making the preparation and review process significantly more extensive when compared to previous cycles. As of the writing of this report, seven of the 20 jurisdictions in Alameda County have obtained letters of substantial conformance for their 6th Cycle Housing Elements, and 32 jurisdictions in the Bay Area region have obtained letters of substantial compliance out of a total of 109 jurisdictions in the region (29.36%). City officials, staff, and consultants are working diligently to respond to HCD comments and to begin to implement the 6th Cycle Housing Element programs to increase housing production, remove barriers, and increase access to housing affordable to households in all income levels.

ATTACHMENTS

- A *Online* Draft 6th Cycle Piedmont Housing Element, dated May 2023
https://static1.squarespace.com/static/5fdea2c9d61098631976bacc/t/645ade372ed4dc7c1f9c9af0/1683676742222/LWC_Piedmont_HEU_Final+Draft+Revised+Compiled_050923+R.pdf

- B *Online* [March 20, 2023 City Council staff report](#)

- C *Online* March 20, 2023, City Council Meeting Video
https://piedmont.granicus.com/player/clip/2682?view_id=3&redirect=true&h=95ccc02a44c6eccf944549f314c09593

- D *Online* March 20, 2023, City Council Meeting Minutes
<https://piedmont.hosted.civiclive.com/cms/One.aspx?portalId=13659823&pageId=14122987>

- E *Online* May 23, 2023, Comment Letter from California Department of Housing and
Community Development (HCD)
<https://static1.squarespace.com/static/5fdea2c9d61098631976bacc/t/64714d8b6f14fd4e675f1697/1685147019725/HCD+Comment+Letter+2023-5-23.pdf>