DANVILLE

ADMINISTRATIVE STAFF REPORT 13

TO: **Mayor and Town Council** **September 7, 2010**

SUBJECT: **Status of correspondence with the State Department of Housing and Community Development regarding certification of the Adopted Danville 2007-2014 Housing Element**

BACKGROUND AND DESCRIPTION

At the conclusion of the 90-day statutory review period, the State Department of Housing and Community Development (HCD) faxed a copy of a "Review Letter", dated March 22, 2010 to the Town. The Review Letter forwarded HCD's remaining concerns with the Adopted Danville 2007-2014 Housing Element. While the Town made effort to engage HCD staff during the review period to discuss any areas of concern, the issuance of the Review Letter closed out the review period without Danville securing the requisite HCD-certification of its Housing Element.

In an attempt to address HCD's concerns, staff subsequently prepared and sent two letters to HCD (i.e., response letters dated May 14, 2010 and August 13, 2010). Copies of both response letters were supplied to the Town Council for informational purposes at the time they were forwarded to HCD. The response letters reflected a conscious desire by the Town to seek HCD certification of its Housing Element without returning the document to the Town Council for a new public hearing.

HCD's Review Letter forwarded comments on two topic areas. One area of discussion centered on obligations coming out of Senate Bill SB2, which pertains on zoning regulations and the entitlement review process that would be established relative an emergency shelter that might seek authority to locate in Danville.

The second topic area in HCD's Review Letter dealt with "Adequate Sites" analysis. Following framing commentary, the Review Letter forwarded the following concerns relative the Housing Element's Adequate Sites analysis and the associated work programs:

> "Adequate Sites: The element identifies a shortfall of sites to accommodate the City's housing needs for lower-income households (221 units). To address this shortfall, the element identifies several candidate sites for rezoning (Table 34) and Programs 1.7.1. to 1.7.4. However, the element was not revised to commit to rezone sites that provide a minimum capacity of 16 units per site and several sites permit commercial use. This is particularly important since many sites in Table 34 do not

allow 16 units per site and appear to require assemblage. This program should also clarify when sites will be rezoned since it only mentions when sites will be re-designated as part of the General Plan update.

In addition, pursuant to Section 65583(c)(B), the element must include an analysis of the suitability and availability of candidate sites for rezoning with all components specified in Section 65583.2. For example, the element should list existing uses for non-vacant sites and sufficiently demonstrate their potential for redevelopment and evaluate the extent to which existing uses may impede additional residential development."

HCD's comments pertaining to the Adequate Sites analysis and associated work programs lead Town staff to the assumption there was a need to expand the factual background discussion, on a site-by-site basis, for each of the sites cited in Table 34 of the Housing Element. Operating from this assumption, both Town response letters forwarded lengthy, detailed analysis to HCD, which was consciously structured to document there are more than sufficient "viable rezoning sites" set forth by Table 34, when framed by the corresponding goals, policies, and work programs in the Adopted Housing Element.

The Town will make use of the site-by-site analysis to further define the General Plan Update "Project", as required under CEQA. Framing the project scope of the General Plan Update effort, and the associated Project Alternatives, are requisite steps for the Notice of Preparation for the Environmental Impact Report (EIR) to be prepared for the General Plan Update. The range of possible land use designation changes to be reviewed under the Plan EIR needs to be determined at the front end of the environmental review process so adverse impacts potentially associated with the land use designation changes can be assessed, and mitigated as necessary and feasible, by the Plan EIR.

As a follow-up to the second response letter, staff arranged a meeting with Paul McDougall of HCD, which occurred on August 31, 2010. The Town's response letters underscored that Danville had effectively moved from a "housing element-preparation mode" to a "housing element-implementation mode", as evidenced by work on the General Plan Update and by numerous, ongoing, and detailed discussions with residential developers regarding sites listed on Table 34. The response letters also sought to indicate Danville's commitment, as evidenced by the work programs contained within the Adopted Housing Element and as evidenced by work that has commenced for the General Plan Update, to: make the requisite changes to underlying land use designations; to rezone an appropriate number and mix of sites to allow

multifamily residential use "by right" at the 25 units per acre minimum density standard for the identified 7.9 acre minimum "gap" for the extremely low and very low income household components of Danville's Regional Housing Needs Allocation (RHNA); and to allow "by-right" an appropriate number and mix of sites for the identified 1.7 acre minimum "gap" for the low income household component of the RHNA.

Taken collectively, the two Town response letters and the discussion at the recent meeting with HCD staff lead to an HCD-determination that the two areas of concern identified in HCD's March 22, 2010 Review Letter had been satisfactorily addressed by the Town. A remaining concern was HCD's desire to identify an appropriate mechanism of "linkage" between the Adopted Housing Element and the two Town response letters. Scheduling this informational staff report before the Town Council was the agreed upon mechanism for the linkage.

This informational meeting provides an opportunity for the Council to be appraised of the outcome of distribution of HCD's Review Letter and the two Town response letters while also providing the opportunity to secure Council concurrence for the addition of HCD's Review Letter and the two Town response letters into the Adopted Housing Element as supplemental appendices. Adding these three documents as appendices to the Housing Element was deemed a satisfactory manner to address HCD's desire for linkage.

Following this informational meeting, staff will pass on a copy of this informational report, a copy of the Summary of Action for this meeting, and a copy of the modified Housing Element showing the addition of the three supplemental appendices. HCD has committed to an expedited review of the material once submitted, with a collective assumption that this step would lead to HCD's issuance of a letter indicating Danville's Housing Element is certified as meeting the intent and requirement of State Housing Law.

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public. Copies of HCD's March 22, 2010 Review Letter and the two Town response letters will be posted on the Town website in conjunction with the current posting of the Adopted Danville 2007-2014 Housing Element and associated documents for review by the general public.

FISCAL IMPACT

None.

RECOMMENDATION

Participate in a discussion of the status of correspondence with the State Department of Housing and Community Development regarding certification of the Adopted Danville 2007-2014 Housing Element.

Prepared by:

Kevin J. Gailey
Chief of Planning

DANVILLE TOWN COUNCIL
SUMMARY OF ACTIONS
September 7, 2010

CALL TO ORDER

Mayor Doyle called the regular meeting of the Danville Town Council to order at 7:30 p.m.

Present: Mike Doyle, Mayor
Karen Stepper, Vice Mayor
Candace Andersen, Councilmember
Newell Arnerich, Councilmember
Robert Storer, Councilmember

Mayor Doyle announced that the Town Council met in closed session to complete the Town Manager's annual performance evaluation. The Town Council has concluded that the Manager continues to perform his duties in a professional and highly satisfactory manner. By acting on agenda item # 7A on tonight's consent agenda, the Town Council will extend the Manager's employment agreement by one additional year. Because of economic necessity, there will be no increase in the Manager's compensation this year (for the second straight year).

PLEDGE OF ALLEGIANCE TO THE FLAG

The pledge of allegiance to the flag was led by Councilmember Arnerich.

CHANGES TO THE ORDER OF THE AGENDA

There were no changes to the order of the agenda.

FOR THE GOOD OF THE TOWN

Dana Wilke, San Ramon Valley High School student, discussed a proposal to request that restaurants in Danville serve water to customers only upon request. She distributed a mock-up of a table top sign that is proposed to be placed on tables in participating Danville restaurants. The students would facilitate the process, solicit restaurant participation, choose the table top designs, and distribute the table toppers.

DANVILLE TOWN COUNCIL
SUMMARY OF ACTIONS
SEPTEMBER 7, 2010

INFORMATIONAL STAFF REPORTS

ITEM 13 - STATUS OF CORRESPONDENCE WITH STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REGARDING CERTIFICATION OF THE ADOPTED DANVILLE 2007-2014 HOUSING ELEMENT

Chief of Planning Kevin Gailey presented the staff report. Mr. Gailey advised the Council that the Town had received a "Review Letter" from the State Department of Housing and Community Development (or "HCD") on March 22, 2010 that indicated HCD's remaining concerns with Danville's Housing Element, which was adopted on December 15, 2010. In an attempt to address concerns expressed in HCD's Review Letter, Mr. Gailey indicated that staff had sent response letters, dated May 14, 2010 and August 13, 2010, to HCD, copies of which had been supplied to the Council for informational purposes at the time they were forwarded to HCD. Mr. Gailey indicated that HCD's Review Letter forwarded comments on two topic areas, including: concerns dealing with Housing Element obligations linked to Senate Bill SB2 - pertaining to zoning regulations for emergency shelters, and concerns dealing with the "Adequate Sites" analysis in the Housing Element. The Council was advised that HCD's comments pertaining to the Adequate Sites analysis prompted the Town to expand the factual background discussion provided to HCD, on a site-by-site basis, for each of the sites cited in Table 34 of the Housing Element. Mr. Gailey indicated that HCD's response to the Town's two response letters was expressed in a meeting the prior week conducted at HCD's offices. The Council was advised that HCD indicated at the meeting that it was comfortable with the information passed on in the response letters relative SB2 – with this determination made in light of the elaborated discussion in the response letters about the work programs contained in the Housing Element pertaining to SB2 requirements. Mr. Gailey further advised the Council that HCD also indicated at the meeting that the additional analysis supplied in the Town's two response letters regarding the Adequate Sites analysis – when taken with the Town's clarification on the intended timing to rezone sites to meet the minimum acreage requirements for Danville's Regional Housing Needs Allocation "gap" (or RHNA "gap") - was sufficient to allow HCD to determine that there were adequate "viable rezoning sites" set forth by the Adopted Danville 2007-2014 Housing Element. Mr. Gailey indicated that HCD expressed the determination at the recent meeting that the additional analysis supplied, when taken in conjunction with Danville's reiteration of its understanding as to the timing and process requirements to deliver "by-right" sites for the RHNA "gap," satisfies HCD's concerns about Adequate Sites.

Mr. Gailey reminded the Council that the Adequate Sites analysis in the Housing Element leads to a Town obligation to provide a minimum of 7.9 acres where zoning "by right" is created for a 25 units per acre minimum density to address the extremely low and very low income household components of Danville's RHNA gap and a corresponding obligation to provide a minimum of 1.7 acres where zoning "by right" is created for a 20 units per acre minimum density for the low income household component of the RHNA gap. The Council was advised that the remaining HCD concern centered on their desire to identify an appropriate mechanism of "linkage" between the Adopted Housing Element and the Town's two response letters. Mr. Gailey indicated that scheduling this informational staff report before the Town Council was the agreed upon mechanism for the linkage as the meeting provided an opportunity for the Council to be appraised of the outcome of distribution of HCD's Review Letter and the Town's two response letters while also providing the opportunity to secure Council concurrence for the addition of HCD's Review Letter and the two Town response letters into the Adopted Housing Element as supplemental appendices. Mr. Gailey indicated that the addition of these three documents as appendices to the Housing Element was deemed by HCD to be a satisfactory manner to address HCD's desire for linkage.

Mr. Gailey concluded by advising the Council that, following this informational meeting, staff will pass on a copy of this informational report, a copy of the Summary of Actions for this meeting, and a copy of the modified Housing Element showing the addition of the three supplemental appendices. Mr. Gailey indicated that HCD had committed to an expedited review of the material once submitted, with a collective assumption that this step would lead to HCD's issuance of a letter indicating Danville's Housing Element is certified as meeting the intent and requirement of State Housing Law.

The Town Council considered and accepted the staff presentation as provided in the staff report and the verbal presentation, concurring with the direction to add the cited documents to the Danville 2007-2014 Housing Element as supplemental appendices.

Mayor Doyle opened the item to public comment

There were no speakers.

Mayor Doyle closed the item to public comment.