

CITY COUNCIL COMMITTEE

HOUSING & ECONOMIC DEVELOPMENT

Ron Leone, Chair
Dan Helix, Committee Member

5:30 p.m., Monday, February 24, 2014

Building A, Garden Conference Room
1950 Parkside Drive, Concord

ROLL CALL

PUBLIC COMMENT PERIOD

1. **UPDATE** – Auto District Signage Program Update. Report by John Montagh, Redevelopment/Housing Manager.
2. **UPDATE** – Progress Report on the Housing Element Update. Report by Joan Ryan, Senior Planner.
3. **ADJOURNMENT**

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Distribution: City Council
Valerie Barone, City Manager
Scott Johnson, Assistant City Manager
Mark Coon, City Attorney
Victoria Walker, Community & Economic Development Director
John Montagh, Economic Development & Housing Manager
Florence Weiss, Downtown Program Manager
Robert Ramirez, Economic Development Specialist
Joan Ryan, Senior Planner
Administrative Services

**REPORT TO COUNCIL COMMITTEE ON
HOUSING AND ECONOMIC DEVELOPMENT****TO THE HONORABLE COMMITTEE MEMBERS:**

DATE: February 24, 2014

SUBJECT: AUTO DISTRICT SIGN PROGRAM UPDATE**Report in Brief**

The City of Concord in partnership with its new auto dealerships installed 29 directional/way-finding Concord Auto District Street signs that appear on light and street poles along City streets that indicate where new car dealerships are located. The directional signs have arrows directing customers to Concord's auto dealerships and feature a car logo on a blue background with white lettering. The standard green and white City street name signs were replaced with a new street name sign featuring a blue background and white lettering. Attachment 1 provides an example of the signs.

The auto dealers' general comments regarding the new signs have been positive. They believe that the new signage helps to identify the area as a car district and also helps direct customers around the area. Additionally, some of the dealers felt the size of the signs could be bigger, however, the size, shape and color of street signs are regulated by local and state transportation codes which precluded making the signs any larger than they are currently.

Part of the original sign program effort included investigating the opportunity to obtain highway signage, and this report provides a brief discussion of that issue.

This report was provided for informational purposes and welcomes Committee members' general and specific comments on the Auto District Sign program.

Background

The City of Concord is home to 17 new car dealerships. These dealerships represent a wide range of car choices from trucks to luxury models. The majority of these dealerships are sales leaders in their respective line of cars. As a result, Concord sells more cars than any other East Bay community.

Recognizing the important role Concord's auto dealerships have in generating sales tax, the City has, in the past and recently, taken actions to bolster the relationship with its dealerships. In particular the City, through its former Redevelopment Agency, facilitated the development of Market Street into an auto row of high-end and popular car brands. The City's Economic Vitality Strategy supports creating partnerships with its auto dealerships to promote Concord as a car buying destination. In the past, the City has supported Concord dealerships in hosting auto sale events at Waterworld and facilitated showcasing new cars during downtown events.

In 2012, The City partnered with its dealerships to host the first-ever Concord Auto Extravaganza Sales Event, held President's Day weekend, where Concord was branded the "Car Capital of the East Bay" and encouraged people to buy their next car in Concord. The event was successful and was well received by the dealers and the public. This event was funded in part by the Redevelopment Agency of the City of Concord. With the loss of Redevelopment funding, the event has not been repeated.

The City approved the Concord Auto District Street Signage program on June 12, 2012, to promote Concord's new auto dealerships. The new auto dealers funded the creation and installation of the 29 Auto District signs and the accompanying street signs.

The City's most recent effort to assist and promote its dealerships was a joint marketing campaign called: "Concord has the cars for you." The campaign raised more than \$100,000 from new car dealers which was spent on advertisements with Bay Area television and radio stations. The City facilitated this effort by setting up group meetings, staffing committee meetings, collecting funds and entering into agreements with media outlets. Economic Development staff is currently finalizing a second round of branding and marketing advertisements for the new car dealerships. Staff needs to complete the collection of funds prior to entering into advertising agreements.

Discussion

The Auto District Sign program had the following objectives:

- Increase awareness of Concord's 17 auto dealerships
- Support Concord's major sales tax industry
- Support Concord's efforts to market the City as the Car Capital of the East Bay
- Foster additional goodwill with Concord's auto dealerships
- Improve customer service by providing clear directional signage to potential car buyers

Since the installation of the signs, staff has heard from various dealers that the dealers like the signs and that the signs show that Concord supports its new auto dealers. Additional comments regarding a preference for larger signs were also noted but the size of the signs is restricted by municipal and state codes. The signs were manufactured at the maximum allowable size.

During the development and implementation of the Auto District Sign program, Staff contacted Caltrans to determine if new signage identifying an Auto District could be placed on Interstate 680. It was determined that a new exit ramp sign on I680 could be installed if the name of Burnett Avenue was changed to "Auto District Way," for example. Changing the Burnett Avenue exit signage on I680 would require replacement of two existing freeway signs, and is estimated to cost the City \$80,000 to produce and install the two signs.

A street name change on a portion of Burnett Avenue would also affect approximately 12 businesses located in one of the Galaxy Office towers, the Clarion Hotel, and two existing new auto dealerships. Speaking with the real estate representative for the Galaxy Office Tower, he felt that a name change would cost tenants about \$2 per square foot to replace stationery and related items with addresses. He estimated that the 12 businesses occupy 70,000 square feet at \$2 per foot in cost which generates \$140,000 in potential stationery related expenses.

Discussion with Caltrans staff last year also revealed that there are certain periodic Caltrans' maintenance programs that could be used to replace and install the two Burnett Signs on I680 without cost to the City. The main issue with this option is the logistic challenges with coordinating the street name change. In particular, the City would not control the timing for replacing the Caltrans signs. Caltrans would change the signs based upon their own funding and schedule constraints. Caltrans would require the City to change the name of the street before Caltrans would authorize the creation of the signs. This scenario would not allow the City to provide enough notice to businesses in order for them to deplete their stationery. Staff believes coordinating a name change and associated I680 signage change would be difficult to coordinate with Caltrans. This does not take into consideration the potential cost businesses may incur with a street name change.

Fiscal Impact

There is no fiscal impact as there are no proposed projects associated with this report.

Public Contact

The Agenda Item was posted. All Concord's new auto dealerships and Concord Chamber of Commerce received notifications.

Recommendation for Action

Staff recommends the Committee hear the report, take public comment and provide input and direction to staff.

Prepared by: John Montag
 Economic Development and Housing Manager
john.montagh@cityofconcord.org



 Valerie Barone
 City Manager
valerie.barone@cityofconcord.org

Reviewed by: Victoria Walker
 Community & Economic Development Director
victoria.walker@cityofconcord.org



**REPORT TO COUNCIL COMMITTEE ON
HOUSING & ECONOMIC DEVELOPMENT****TO HONORABLE COMMITTEE MEMBERS:**

DATE: February 24, 2014

SUBJECT: PROGRESS REPORT ON THE HOUSING ELEMENT UPDATE**Report in Brief**

The City's most recent General Plan Housing Element Update is required to be certified by the State Department of Housing and Community Development (HCD) by January 31, 2015. In September 2013, the City began the process of preparing the City's Housing Element Update for Cycle 5 which covers the years from 2014 to 2022. The project consulting team, led by the consulting firm of BAE Urban Economics, has refined the scope and schedule of the project, updated the City's housing data and reviewed the current policies and programs. The project team is currently working on specified tasks including: Adequate Housing Sites Analysis, Review of Government and Non-Government Constraints to Housing, and Public Outreach.

The purpose of this progress report on the Housing Element Update is to present the updated program and schedule, as well as the City's Regional Housing Needs Allocation, received from the Association of Bay Area Governments (ABAG) to the Housing and Economic Development Committee for review and comment, prior to a joint study session with the Planning Commission and City Council tentatively planned for April 8, 2014.

Background

The City's existing Housing Element covers the current planning period of July 1, 2007, to June 30, 2014, and was last revised and adopted by the City Council in November 2010. The Housing Element was deemed to be in compliance with the State Housing Element law by HCD on January 5, 2011. A copy of the Concord 2010 Housing Element can be viewed on the City's website. The Cycle 5 Housing Element Update will cover the next eight (8) year period of 2014 to 2022.

In September 2013 after an RFP process, the City retained a consultant team led by BAE Urban Economics, Inc. (BAE) to prepare the *City of Concord Housing Element Update 2014-2022*. BAE was selected based upon the consultant's qualifications and direct experience with preparation of Housing Element Updates and coordination with HCD. The City is eligible for a new streamlined review process, intended to simplify and shorten the review process for both HCD and the City. While the goal of this project is to produce a high-quality Housing Element that serves as a resource guide for staff as well as prospective developers, it appears that the resulting format changes will not preclude use of the streamlined review process.

Staff and the project consultants have developed a Schedule (Exhibit A) for preparation of the Housing Element Update and environmental documentation within the City's planned timeline.

The objectives of the Housing Element Update include:

- broad-based, comprehensive community outreach and participation using a variety of techniques to engage and elicit input from the community;
- conformance with community priorities;
- incorporation of recent planning efforts; and
- provision of appropriate land uses to accommodate the City's Regional Housing Needs Allocation (RHNA) numbers.

Project Tasks 1 through 3 are completed, and the Project team is currently working toward the completion of Tasks 4, 5, and 7, which includes preparing and planning for the community outreach activities.

Task 1 – Timeline and Schedule

Task 2 – Update Data

Task 3 – Review Policies and Programs

Task 4 – Adequate Sites Analysis; and

Task 5 – Government and Non-Government Constraints

Task 7 – Public Outreach and Public Meetings

The remaining Tasks 6, and 8 through 10 (includes submittal of the plan, response to HCD comments, and preparation of the environmental document) will be initiated during the next six months.

Emphasis will be placed on developing a clear, concise, and legally defensible Housing Element that meets the varied housing needs of the community. The update will re-assess the community's existing and projected housing needs and will update all sections to incorporate housing, population, and employment projections that reflect the 2010 U.S. Census and recent ABAG projections for Contra Costa County.

Community Outreach

A community engagement process (Task 7) is designed to provide both targeted input and broad public participation through a series of public meetings, including three roundtables and a joint Planning Commission/City Council study session during the preparation process. The roundtable events included key stakeholder targeting: 1) the development and real estate community; and 2) social service providers and affordable housing developers. Staff kicked off the initial roundtable events in November 2013 with the City's consultant providing presentations (Exhibit B) to the two groups by sharing recent demographic and housing trends within the City and County. Minutes from those two meetings are attached (Exhibit C).

On January 28, 2014, staff hosted a third housing roundtable to obtain further input in terms of the City's regulations and how those may encourage or deter certain types of housing development. Staff plans to hold additional outreach meetings in March with residents and stakeholders.

Joint Planning Commission/City Council Study Session

An initial joint study session with the Planning Commission and City Council is planned for April 8, 2014, to review the progress on the Housing Element Update, including a review of policies and programs and a summary of the adequate housing sites analysis. Based on the feedback of the Commission and Council, the project team will prepare the Draft Housing Element Update for public review in June and July. The draft Housing Element will then be submitted to HCD in July 2014, with HCD’s response anticipated to be received in September 2014. The Initial Study/Mitigated Negative Declaration would be prepared in August 2014 with circulation of the document for public comment planned for September 2014. Hearings with Planning Commission would take place in November. The Housing Element Update would then be reviewed by the City Council in early December 2014 or January 2015; deadline for certification is January 31, 2015.

Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) is the state-mandated process to identify the housing units by affordability level that each jurisdiction must accommodate in the Housing Element of its General Plan. The purpose of the City’s Housing Element is to make adequate provision for the existing and projected housing needs of all economic segments of the community and to determine how it will meet its "fair share" of the regional housing need.

However, a community is not obligated to actually construct housing to meet the identified need. Instead, the “fair share” represents a distribution of housing development capacity that each city (and county) must provide for through appropriately zoned land during a planning period. However, cities are expected to provide policies to provide an environment where development is viable. The City’s RHNA has increased since the last planning period from 3,043 to 3,478, based on the following breakdown of affordability, shown in Table 1 below.

In addition, Senate Bill 375 (SB 375) directs the California Air Resources Board to set regional targets for reducing greenhouse gas (GHG) emissions. The new law establishes a “bottom up” approach to ensure that cities and counties are involved in the development of regional plans to achieve those targets. SB 375 builds on the existing framework of regional planning to tie together the regional allocation of housing needs and regional transportation planning to reduce GHG emissions from motor vehicle trips. SB 375 calls for a region’s RHNA to be consistent with its Sustainable Community Strategy.

Table 1
Final Regional Housing Need Allocation Comparison

Planning Period	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%	Total
2007-2014	639	426	498	1,480	3,043
2014-2022	798	444	559	1,677	3,478

Source: Concord Housing Element, Nov. 2010
ABAG Memo to City Managers, dated June 3, 2013.

Interaction and Incorporation of Specific Plan process

The Downtown Specific Plan preparation process is occurring on a separate but parallel track and has been informing the initial tasks of the Housing Element Update project. Since the Downtown Specific Plan is scheduled to go before the City Council for adoption by May 2014, there will be time available to incorporate any final changes of that document into the Housing Element Update, as needed.

Web page

Staff has implemented a project-specific webpage for the *Housing Element Update 2014-2022*. All of the documents associated with the above tasks will be found on the webpage at <http://cityofconcord.org/citygov/dept/planning/housingelement.asp> In addition, meeting invitations and announcements, presentations, agendas and meeting minutes for recent and upcoming meetings are posted on this site.

Fiscal Impact

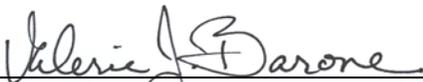
The completion and certification of the *Housing Element Update 2014-2022* will have a beneficial fiscal impact on the City by enabling the City to be eligible for future grants from State and regional agencies and will streamline future development by providing specific policies and an implementation plan. The City has been collecting a General Plan and Zoning Ordinance Reimbursement Fee of 0.25% of the building permit valuation for all building permits to support the advanced planning work in the City, including updates to the City’s General Plan, Development Code and Housing Element. A portion of these fees have been designated to pay for the cost to prepare the Housing Element Update.

Public Contact

This item has been posted at the Civic Center at least 7 days prior to the public hearing.

Recommendation for Action

Provide comments and inquiries regarding process of the City’s Housing Element Update 2014-2022.



Valerie J. Barone
City Manager
valerie.barone@cityofconcord.org

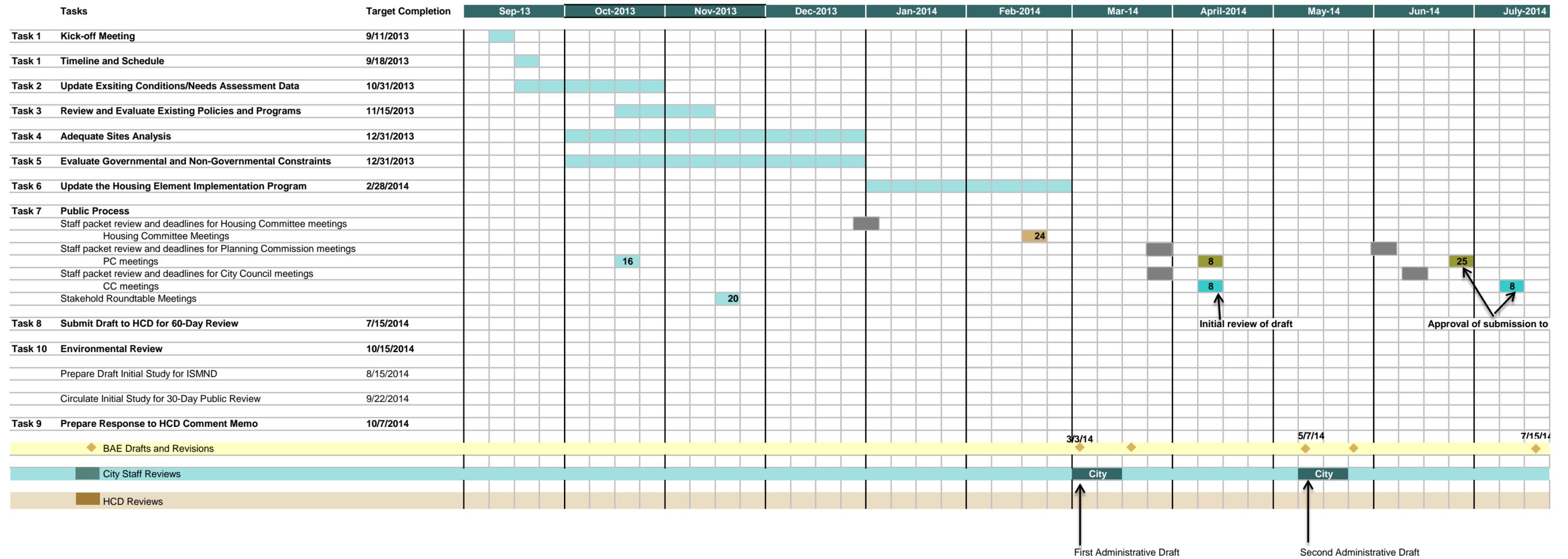
Prepared by: Joan Ryan, Senior Planner
joan.ryan@cityofconcord.org

Reviewed by: Carol Johnson, Planning Manager
carol.johnson@cityofconcord.org

Reviewed by: Victoria Walker
Director of Com. & Econ. Development
victoria.walker@cityofconcord.org

- Exhibit A: Schedule
- Exhibit B: Roundtable Presentation
- Exhibit C: Summary Roundtable Minutes

Schedule for Concord Housing Element Update - Exhibit A



Schedule for Concord Housing Element Update - Exhibit A

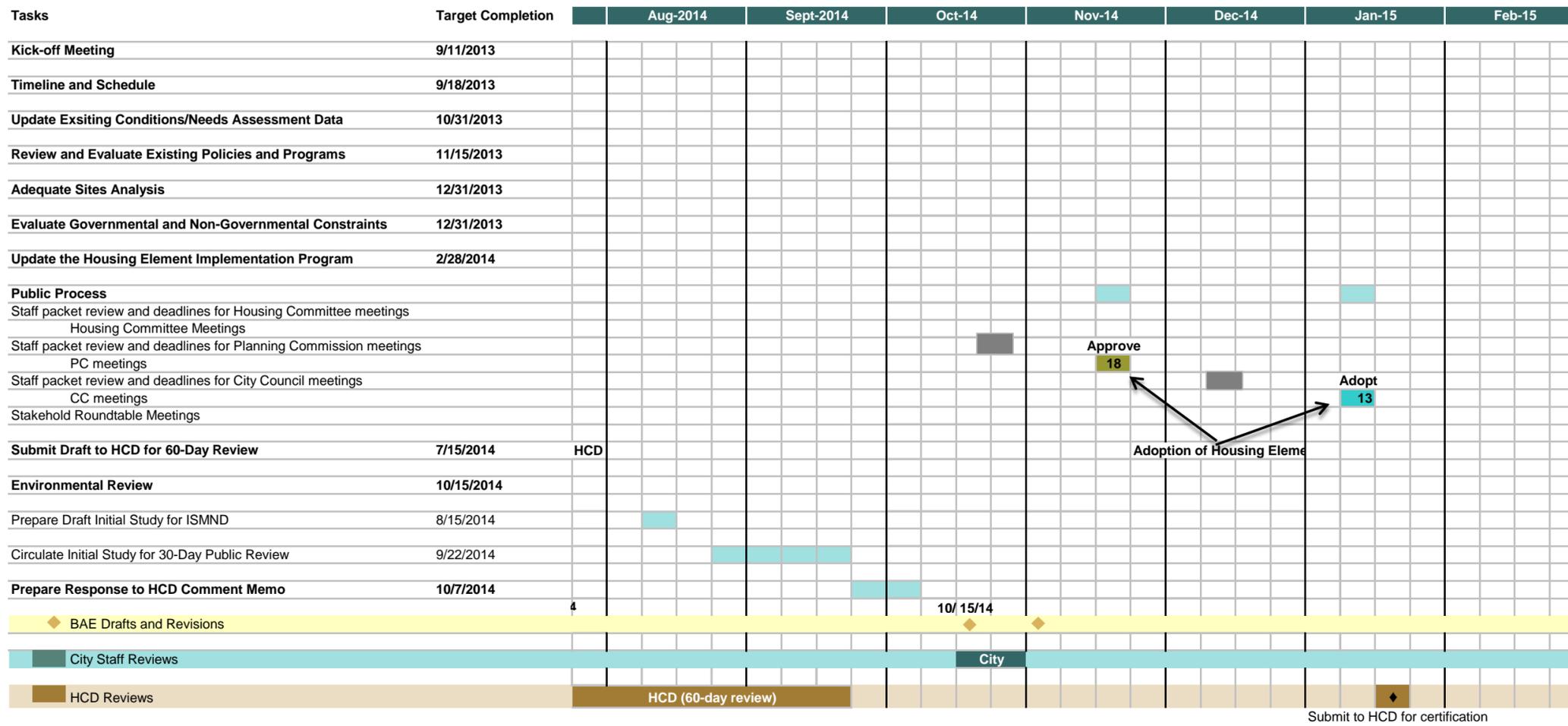


Exhibit B



CONCORD HOUSING ELEMENT UPDATE 2014-2022

Overview

- **Housing Elements in California and the Bay Area**
- **Housing Element Update Cycle 5**
- **Demographic Trends in Concord**
- **Housing Trends in Concord**
- **Discussion**

What is a Housing Element?

- **California State Law requires that each city & county create a plan to meet projected housing needs**
 - ▣ California HCD identifies the total projected housing need for each region
 - Called Regional Housing Need Allocation (RHNA)
 - ▣ In the Bay Area, ABAG and MTC work with local jurisdictions to distribute the RHNA total between cities and counties
 - ▣ RHNA figures account for projected need among households at all income levels
 - ▣ Each city and county must update its Housing Element to plan for projected need by income level
 - Very low income = 0-50% of AMI
 - Low income = 51-80% of AMI
 - Moderate income = 81-120% of AMI
 - Above moderate = over 120% of AMI

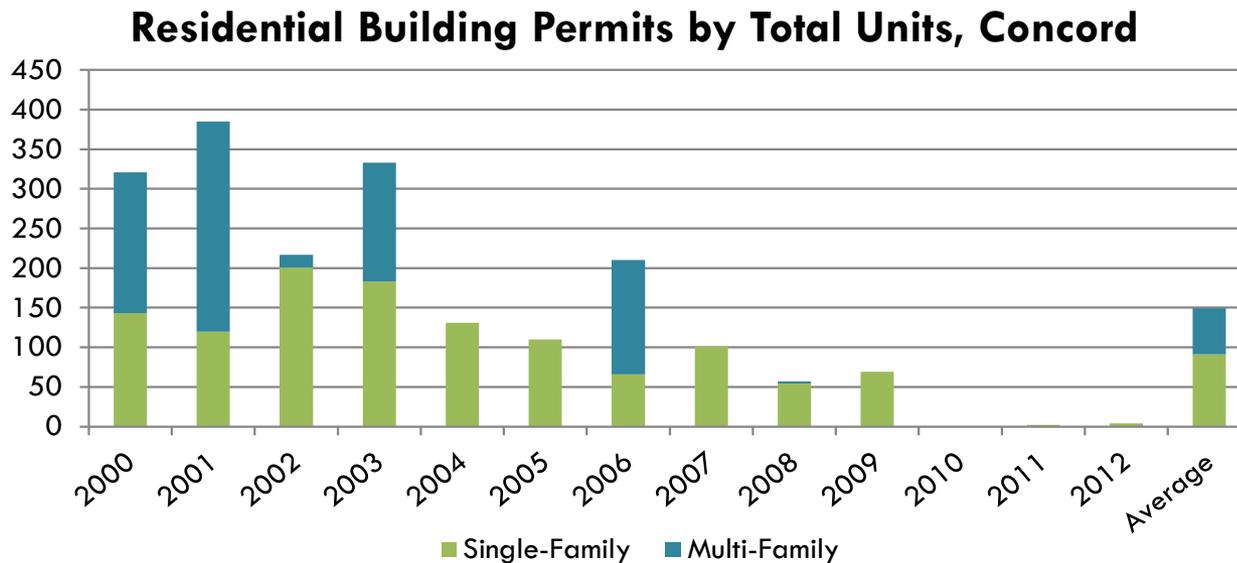
5th Cycle Housing Element Update

- **The 5th Cycle of the Housing Element Update covers the 2014-2022 period**
- **Due to SB 375, which seeks to reduce greenhouse gas emissions from cars and light trucks, the RHNA for the 5th Cycle has an increased emphasis on infill development, particularly near transit**
- **The RHNA for Concord between 2014 and 2022 totals 3,478 units**

Affordability	Number of Units	% of Total
Very low Income	798	22.9%
Low Income	444	12.8%
Moderate Income	559	16.1%
Above Moderate Income	1,677	48.2%
Total	3,478	100.0%

Building Permit Trends

- **On average, Concord issued building permits for 149 residential units per year between 2000 and 2012**
 - ▣ Units permitted in individual years ranged from zero in 2010 to 385 in 2001
- **An average of 435 units per year will need to be permitted in Concord to meet RHNA goals for the 5th Housing Element Update cycle**



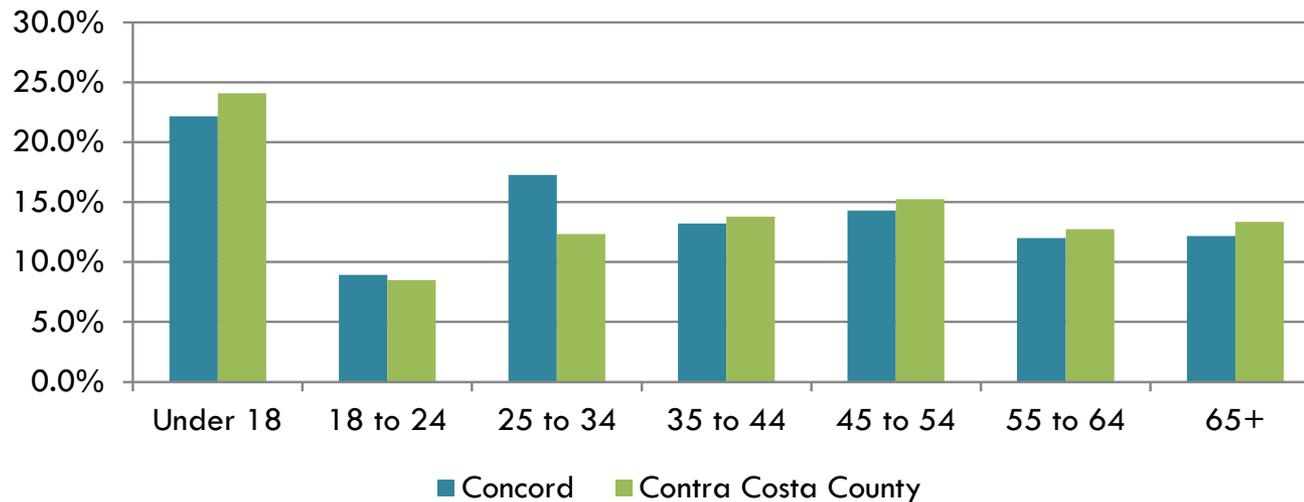
Demographic Trends

- **Concord has approximately 123,800 residents and 44,600 households**
- **Between 2000 and 2012, Concord had limited growth**
 - ▣ Population increased only 2.4%
 - ▣ Households increased only 1.4%
 - ▣ During the same time period, Contra Costa County had a 14% increase in population and an 11% increase in households
- **Household size increased between 2000 and 2012**
 - ▣ In Concord, average size increased from 2.74 to 2.77 people per household
 - ▣ Larger household sizes may be partly due to the effects of the recession

Demographic Trends

- **Concord has a relatively young population, due mostly to large population concentration between the age of 25 and 34 (17% of Concord's population)**
 - ▣ Median age is 36 years in Concord compared to 39 years for County overall

Age Distribution, 2012

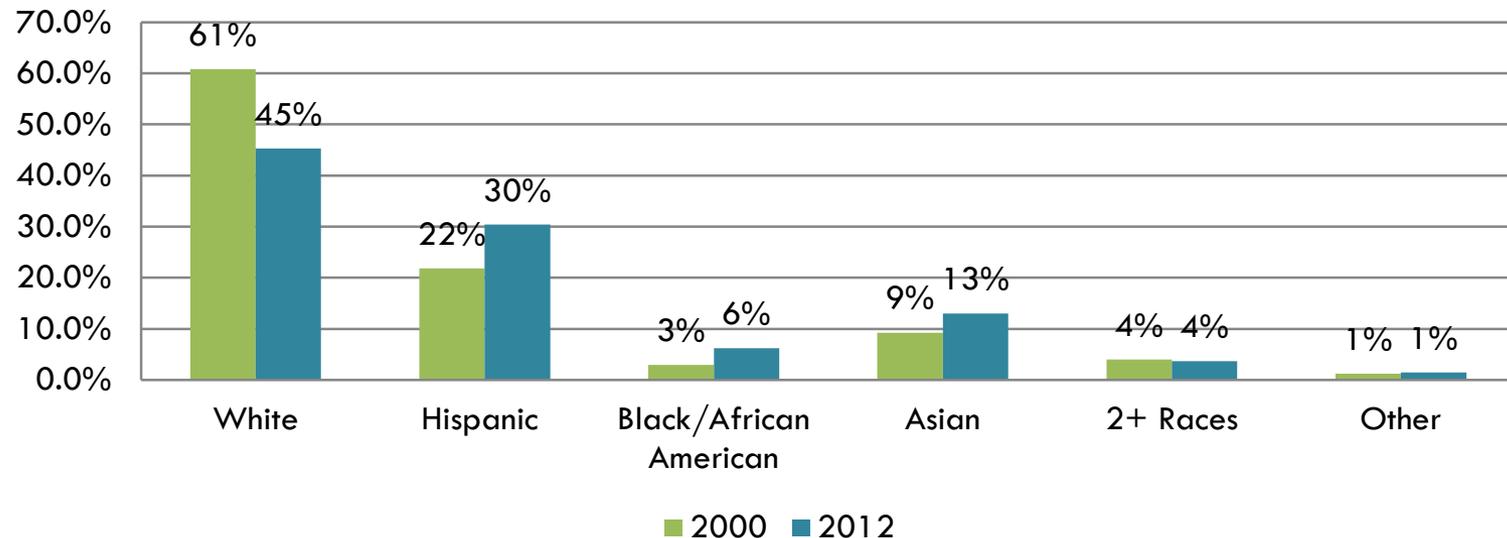


Sources: ACS, 2012; BAE, 2013.

Demographic Trends

- **Concord's population is becoming increasingly diverse**

Race & Ethnicity, Concord

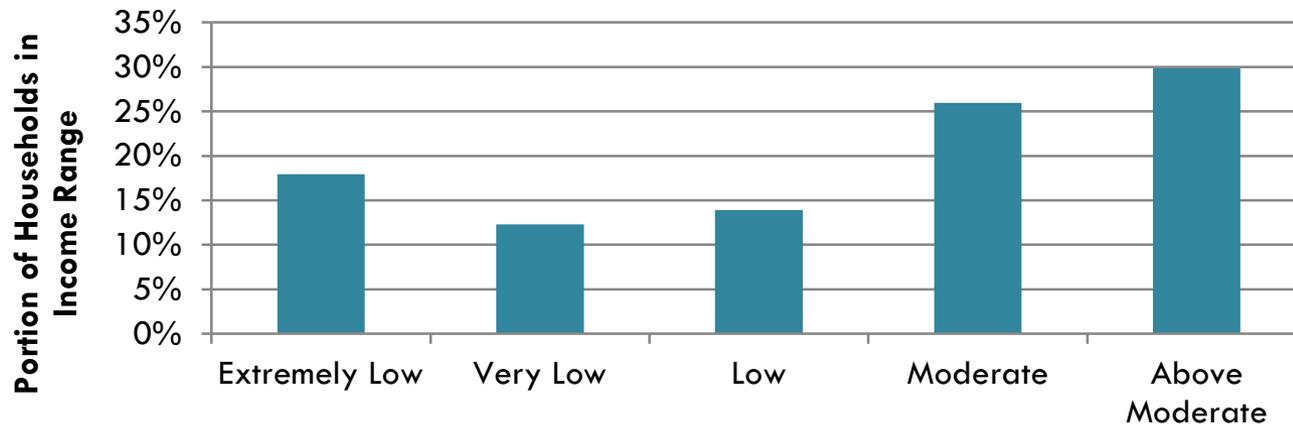


Sources: US Census, 2000; ACS, 2012; BAE, 2013.

Demographic Trends

- **Household incomes slightly lower in Concord, compared to surrounding areas**
 - ▣ Median household income is roughly \$64,000 in Concord compared to \$74,000 Countywide
- **Distribution of income segmented by HCD AMI income limits for 3-person household in 2012:**

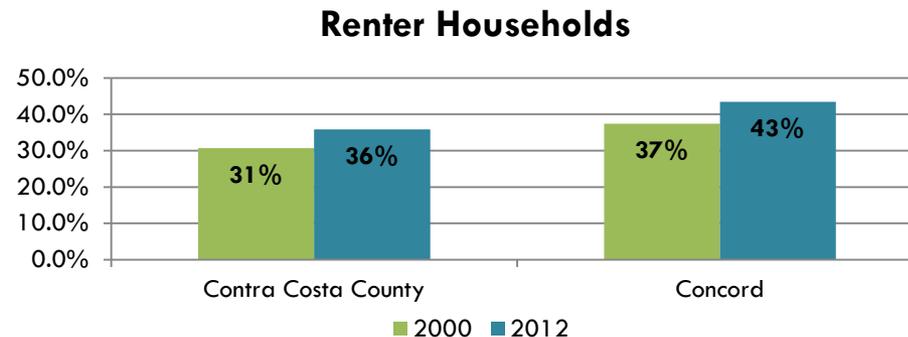
Household Income Distribution, Concord, 2012



Sources: ACS 2012; BAE, 2013.

Housing Trends

- **A significant and growing share of Concord households are renters**

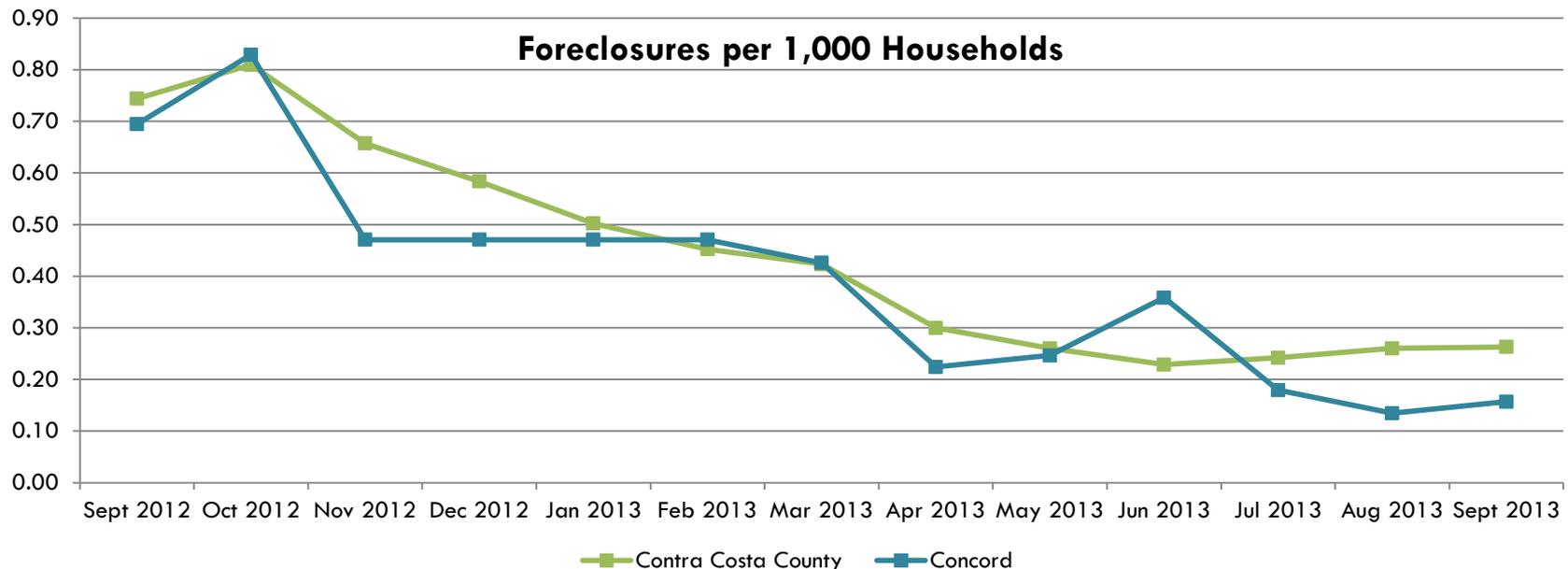


Sources: US Census, 2000; ACS, 2012; BAE, 2013.

- **Most housing units in Concord are single-family homes (65%)**
 - ▣ This is a smaller share than in the County overall, where single family homes constitute 74 percent of all housing units
- **Low for-sale and rental vacancy**
 - ▣ 1% of for-sale units are vacant (ACS, 2009-2011)
 - ▣ 4% of rental units are vacant (RealFacts, Q3 2013)

Housing Trends - Foreclosures

- **Foreclosure rates in Concord are relatively low, and have dropped significantly during the past year**
 - ▣ In September 2013, there were 0.16 home foreclosures per 1,000 households in Concord, a 77% decrease from September 2012

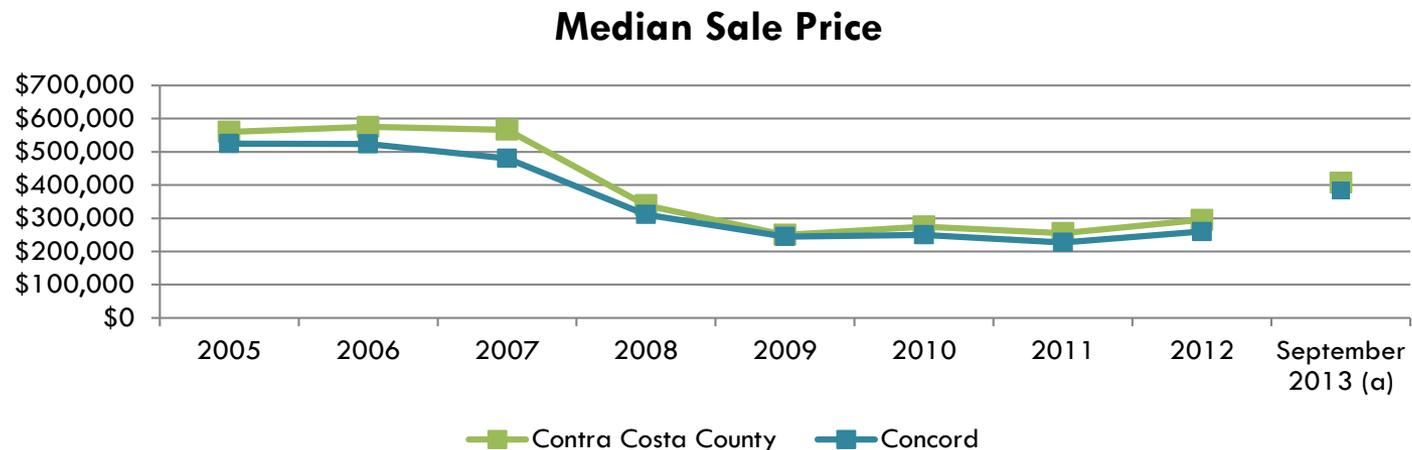


Notes: Foreclosures include the sum of Bank REOs and third party sales.

Sources: PropertyRadar.com 2013, BAE 2013

Housing Trends – Sale Prices

- **Concord home sale prices dropped significantly during the recession**
 - ▣ The median sale price was \$525,000 in 2005, but dropped between 2007 and 2011, with a low of \$227,500 in 2011
 - ▣ Concord median was slightly lower than the County median during this period
- **However, recent data suggest the beginning of a recovery**
 - ▣ Median sale price for Concord was \$385,000 in September 2013



Note:

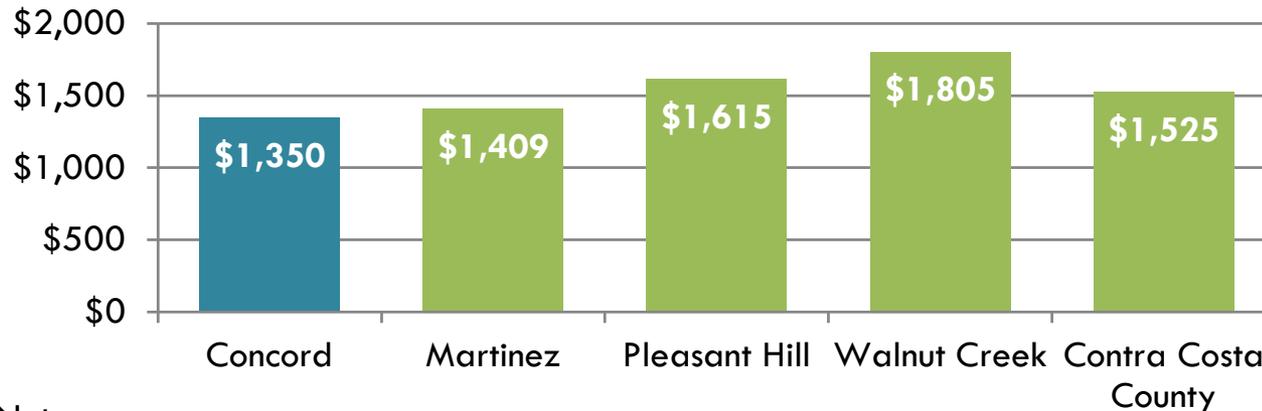
(a) September figures represent data from a single month only and therefore are not directly comparable to annual figures:

Sources: DataQuick News, 2005-2013; BAE, 2013

Housing Trends – Rental Rates

- **Concord has relatively low residential rents compared to neighboring cities**
 - ▣ Concord's comparatively low rental rates are consistent with the City's younger population and lower household incomes

Average Monthly Rent, Q3 2013



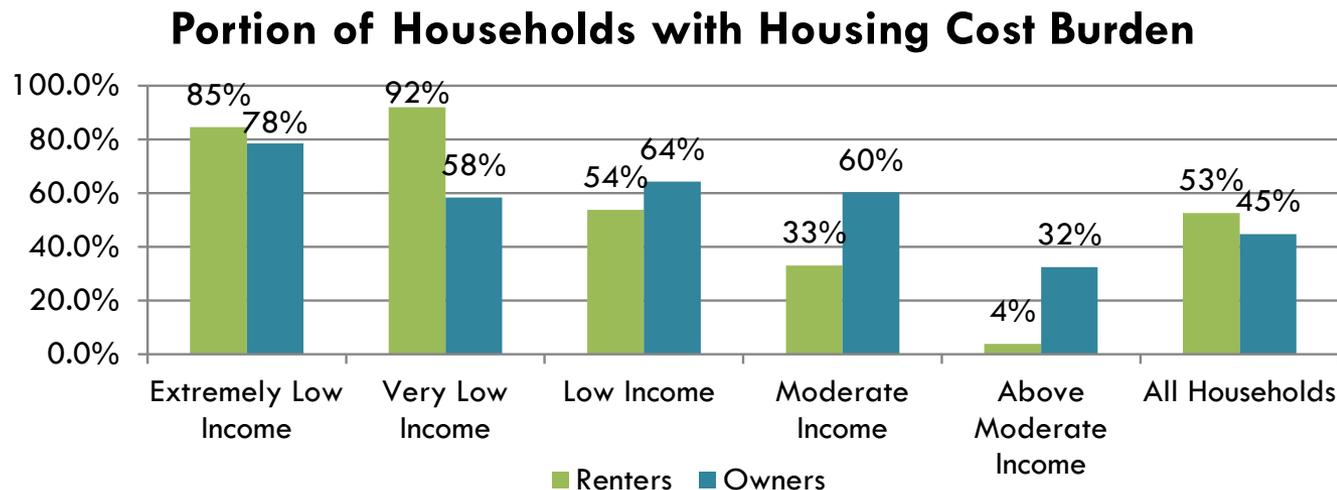
Note:

(a) Data are for apartment complexes with 50 units or more

Source: RealFacts, 2013; Nielsen, 2013; BAE, 2013

Housing Trends – Cost Burden

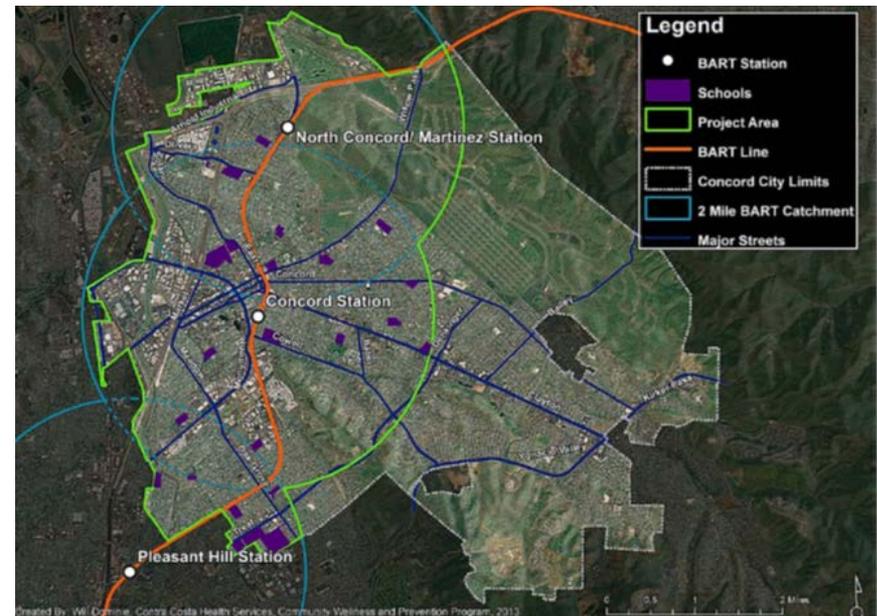
- **Despite moderate housing costs, a large portion of Concord households experience a housing cost burden**
 - ▣ Cost-burdened households spend more than 30% of household income on housing costs
 - ▣ Cost burden is more prevalent among renter households and lower-income households



Sources: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Potential for Residential Growth

- **The City has sites available for housing development, many of which are close to a BART station**
- **The Downtown Specific Plan and plans for the Concord Reuse Area will allow for additional development sites in the City**
 - ▣ The Downtown Specific Plan will be the primary location for new development in the near term
- **Concord's Housing Element Update will further analyze sites available for future residential development**



Downtown Concord Specific Plan

- **Concord is in the process of developing a Specific Plan for the area surrounding the Concord BART station**
- **The Preferred Land Use Strategy plans for 4,020 additional housing units in the Plan Area**
 - ▣ 3,500 apartments
 - ▣ 220 townhomes
 - ▣ 300 work-live lofts
- **Preferred Land Use Strategy also plans for 1.6 million square feet of office space and 743,200 square feet of retail space**
- **Plan adoption is anticipated in Summer 2014**

Concord Community Reuse Project

- **The Concord Community Reuse Area offers a large amount of future development potential**
- **The current Plan calls for:**
 - ▣ 12,270 housing units, including 25% for affordable housing
 - ▣ 6.1 million square feet of commercial space
 - ▣ 3,501 acres of parks and open space
- **The Concord Community Reuse Area is a long-term development opportunity, likely beyond the current Housing Element plan cycle**
 - ▣ Resolutions adopted by City Council in 2012 show that the Reuse Area at build-out will have 3,020 affordable units including facilities for homeless and transitional housing
 - ▣ Additional planning and site work is needed prior to development, making development unlikely in the near term

Discussion

- **Concord has had a relatively modest rate of new multifamily development in the past decade, yet there are numerous sites with sufficient land use designations to enable additional projects.**
 - ▣ What factors make Concord a desirable location to develop market-rate multifamily projects?
 - ▣ How could the City attract additional new market-rate development?
- **Concord has had a strong record of subsidizing and encouraging affordable housing development, but with the loss of redevelopment, the City has fewer tools and resources.**
 - ▣ What policies could the City implement that would encourage and/or facilitate more affordable housing development?
- **Market-rate rental prices in Concord are relatively affordable in comparison to neighboring communities.**
 - ▣ What can the City do to retain the relative affordability of existing units while providing a range of housing choices for households at all income levels?

bae urban economics

Memorandum

To: Carol Johnson & Joan Ryan, City of Concord

From: Janet Smith-Heimer and Stephanie Hagar, BAE Urban Economics

Date: January 31, 2014

Re: Notes from Residential Developer Roundtables November 20, 2013

The City of Concord and BAE Urban Economics hosted two roundtable discussions on November 20, 2013 at the City library to solicit input on the ongoing Housing Element Update from housing developers and advocates. The first roundtable discussion focused on market-rate housing and the second focused on affordable construction. Both groups received a brief presentation about existing housing conditions and ongoing planning processes in Concord, and were asked to respond to the following discussion items.

Concord has had a relatively modest rate of new multifamily development in the past decade, yet there are numerous sites with sufficient land use designations to enable additional projects.

What factors make Concord a desirable location to develop market-rate multifamily projects?
How could the City attract additional new market-rate development?

Concord has had a strong record of subsidizing and encouraging affordable housing development, but with the loss of redevelopment, the City has fewer tools and resources.

What policies could the City implement that would encourage and/or facilitate more affordable housing development?

Market-rate rental prices in Concord are relatively affordable in comparison to neighboring communities.

What can the City do to retain the relative affordability of existing units while providing a range of housing choices for households at all income levels?

San Francisco
1285 66th Street
Second Floor
Emeryville, CA 94608
510.547.9380

Sacramento
803 2nd Street
Suite A
Davis, CA 95616
530.750.2195

Los Angeles
448 South Hill St.
Suite 301
Los Angeles, CA 90013
213.471.2666

Washington DC
1436 U Street NW
Suite 403
Washington, DC 20009
202.588.8945

New York City
121 West 27th Street
Suite 705
New York, NY 10001
212.683.4486

Market-Rate Housing Roundtable

Panel Attendees:

John Compaglia, Nevin & Associates

Marilyn Cunningham, CCAR – Government and Public Affairs

Monte Davis, Discovery Builders, Inc.

Patti Gage, Government and Public Affairs

Nathan Hong, Avalon Bay

Richard Jensen, Broker/Land Specialist

Theresa Karr, California Apartment Association

Bill Nevin, Nevin & Associates

Heather Schiffman, CCAR – Government and Public Affairs

Carol Johnson, City of Concord

Joan Ryan, City of Concord

Janet Smith-Heimer, BAE Urban Economics

Stephanie Hagar, BAE Urban Economics

Notes:

Hong: factors:

- 1) What are hard costs?
- 2) What are rental rates?

In Concord, land prices have been a little out of whack (e.g. Property owners think land is worth more than it is.)

Another disparity: impact fees.

At Avalon Bay, we're just trying to do better than bonds, we're not looking for a 20% profit.

BART station – easy transit is a big draw. The office/commercial component works, but retail has struggled. Dublin BART – retail has struggled

Smith-Heimer: Is there a premium for locations near BART?

Hong: A little bit

Retail and housing support each other

I looked at property at Willow Pass & Salvio

- 5 blocks from BART - We look from the center out, denser is better
- 2.5 acres
- Zoning is ~100 du/acre
- I think I came in too low on price

I think there's interest in Concord, not sure how widespread.

I think Concord is poised for the next wave – people are moving out from SF, Berkeley, Walnut Creek

Davis: I think Concord is the next Walnut Creek. Aesthetically, you have areas in Concord that look older. Walnut Creek has been very stringent in design review, but they've recently stepped out of their traditional look. The question is how to get rents up. You can ask for more rent if your place is nicer than what is there already.

Johnson: age gap – lots of older residents and Council members who want to maintain Concord's traditional early California architecture, single-family residential. Younger age group wants something more modern looking.

Karr: Young people don't want a house – focus is not on living in suburbs even if they're having children. They don't want to put their money into a house.

Baby boomers – many don't want to live in an apartment or condo, but can't continue to take care of home. Also don't want to have to take care of yard, etc. Younger generation won't go back to those houses; they will never want it.

Compagnia: I'd like to do cottages – 2 B/2BA, 1,000 SF

Challenges in Concord:

- Willow Pass Rd/Concord Park and Shop
- Several groups wanted to redevelop the Park and Shop
- The City should undertake code enforcement on commercial areas
- To attract a base, commercial has to be updated
- City can provide incentives to people with commercial properties that want to upgrade
- Building permit fees are killer
- Concord has a good location, have to pick up shopping
- Have to make builders sure that they can get timely entitlements, etc.

Davis: The younger generation is almost glad the bubble burst, that they didn't buy that big house. Martinez is stepping up their game, meeting with businesses, getting plans in place. If Concord doesn't do this, people coming over the hill to look for a place to live will go to Martinez.

Jensen: Problem with Monument Corridor – need to get more entrepreneurs. Walnut Creek has done a good job getting new development in there. Concord needs to get people in there. In Walnut Creek, there's going to be 3,000 apt units in the next few years.

Nevin: We had a site in Concord. Planning said yes. City Manager said we're not doing a rezone. Concord has to have enough flexibility in zoning to have developers know that they can build.

Compagnia: Pleasant Hill is a competitor to some extent – they have some good sites.

There are some vacant stores in Concord that have been vacant for a long time. There's no reason to keep these as retail. They could be converted to residential use.

Cunningham: People want to live in Walnut Creek because they can be close to all these restaurants, etc. Then if that's too expensive they look at Pleasant Hill, then go to Concord b/c other places are too expensive. They're not as excited about this option – fear of crime. Walnut Creek has a tremendous draw – great shopping, great restaurants.

Jensen: We need office development, job creation

Cunningham: I've been bringing people to Concord to check it out. It's about getting over the stigma.

Compaglia: The school district does nothing for you.

Jensen: You don't see these problems in Alcalanes, WCESD. There is constant upheaval in Mount Diablo SD.

Hong: Renters – many are younger, looking for urban dense core.

Commercial needs spiffing up. We're underwriting projects based on competition. We put a lot into design, but it doesn't always translate into higher rents. What does bring rents up is revitalization. Todos Santos is getting better, nice now.

Developers can't underwrite rents if comps aren't as high. Revitalization draws foot traffic to these communities. People want to live in areas where they can get out and walk around.

Compaglia: Take Todos Santos as the center and build out from there. Take vacant offices, try to see if you make it new office, otherwise lofts. Create an identifiable area, then move out from there. Park and Shop is a gold mine. Be flexible to get people looking at it.

Hong: Some cities have hired master plan developers. Unless there's a plan there it's hard to think about what they can do.

Davis: Concord could be one project away from a tipping point.

Schiffman: It comes down to making Concord somewhere where people can walk around, go from restaurant to restaurant.

Gage: Crime is an issue. That being said I've sold homes in Concord. Let them research the crime rates and they feel more comfortable.

Cunningham: Concord needs to re-brand, show everyone "This is Concord."

Karr: What can we do about the loss of redevelopment? One priority should be to change HE law to allow for upgraded units to count toward new production goals.

Affordable Housing Developers and Advocates

Panel Attendees:

Louise Bourassa, Contra Costa Interfaith Housing
Joel Devalcourt, Greenbelt Alliance
Woody Karp, Eden Housing
Dolores Loage, Social Justice Alliance
Christina Mun, Resources for Community Development
Marty Oaks, Hello Housing
Kathy Renfro, NETO Community Network
Eve Stewart, Satellite Affordable Housing Associates
Hamid Taeb, Habitat for Humanity
Sam Tepperman-Gelfant, Public Advocates
Peter Waller, EBHO
Gwen Watson, Social Justice Alliance of Interfaith CCC
Carol Johnson, City of Concord
Joan Ryan, City of Concord
Janet Smith-Heimer, BAE Urban Economics
Stephanie Hagar, BAE Urban Economics

Notes:

Karp: Real challenges today in finding ways to fund affordable housing development. The loss of RDA was a huge blow.

It's important to look at the existing stock; to the extent that there are buildings that are at risk of going to market, evaluate these.

Mun: Look at aging nonprofits rather than just tax credit projects.

Waller: There is a large number of households downtown with incomes at or below 80% of AMI, lots of affordable market rate housing. The HE should focus on downtown.

Mun: Offer up sites that don't score high for market rate

Watson: Are you thinking about transit villages? In Walnut Creek they are trying to do things to the street to make it easier to ride bikes, walk to shopping, near BART, better lifestyle.

Ryan: We did a comprehensive update to the General Plan to do these types of things around BART. We've delved more into this for the Downtown Specific Plan.

Bourassa: We have a strong focus on family housing, Children in affordable housing typically perform less well in school. Is there a plan to address the school issue?

Johnson: During the recession, we lost some of the liaisons between the City and School District. Communication is not always open. The City needs to reengage and figure out how to be partners with them.

Renfro: Education is a huge issue. People will not want to come here if the schools don't improve.

Smith-Heimer: How can we do extremely low-income housing?

Bourassa: Subsidies. There are major properties that are underperforming (Housing Authorities). There's a question about whether these subsidies can be transferred to other properties in a more desirable area. HA is in a bind - needs partners to help develop long-term strategies.

Karp: HUD's RAD Program: publicly-financed units - smaller contract rent than what is offered @ section 8 units.

Waller: The city has a pretty robust affordable housing overlay. Is there potential to push this further (e.g. no parking for small affordable)?

Smith-Heimer: Have any of you looked into developing microunits?

Taeb: We're a little different because we do ownership housing. We worked with Pyatok trying to do units less than 1,000 sq. ft. in Fremont. You can't go less than 1,000 with a 3- or 4-BR unit. Habitat built projects in Concord a while ago (~2000?). We go down to 40% of AMI. Below that, #s don't work.

Karp: Do you ever build duplexes?

Taeb: Yes. In Walnut Creek, Bay Point, Oakland. In Fremont we'll be doing stacked-flat condos.

Bourassa: Small houses around downtown - what is discussion about preserving those?

Johnson: We don't have the funds to buy & add affordability restrictions. It's been more about preservation.

Karp: I was surprised to see large 25-34 year old age cohort

Johnson: Some of these might be living with parents, commute to work.

Karp: This is the population that might be interested in microunits.

Oaks: there are young people who want to come back to Concord.

Stewart: It would be interesting to see the age breakdown by tenure?

Tepperman-Gelfant: Land and site availability – there is a lot of high-density land, but many sites are small. How can we do a realistic assessment of feasibility/capacity? Last HE had a small sites aggregation program. Where is this program now? To meet any of these needs, sites are needed.

Waller: With housing first policy in downtown, there are some large sites poised for development.

Ryan: There will be some sites that were not included in last HE that are larger and more feasible.

Tepperman-Gelfant: Tax credit eligibility is an issue.

Devalcourt: GBA has mapped what Oakland has done with tax credit eligibility and the Broadway/Valdez plan. If sites downtown are not eligible for tax credits it doesn't do much good.

Smith-Heimer: What about the feasibility of service-enriched housing (i.e. special needs)?

Watson: The people I serve can't afford affordable housing. They could never own. They're working poor, some with full-time jobs, but low income. What is the supply of rentals? They're only with us 6.5 months, and then we run out of money. Families with children go to another church. Many of them don't have cars.

Johnson: Concord was built as a car-oriented community. We have been working on Safe Routes to Schools, Safe Routes to Transit.

Loage: We should be looking at finding housing for very poor individuals. I don't think Concord has done a good job of this. Have to get the City Council on board.

Waller: Inclusionary requirements – has the City done an impact fee study?

Ryan: No, we haven't started. Current in-lieu fee is low.

Tepperman-Gelfant: This could really be a source of funding. What is the right balance?
Market-rate housing is probably coming to Concord. The City should make sure that this development can also support affordable housing.

Bourassa: The housing stock has to be diverse – housing dynamics change over time. E.g. kids move out, people age. Mix of unit sizes at 30% AMI, mix of incomes.

Waller: It would be good to have another workshop with affordable and market-rate developers together, think about opportunities to team, figure out where overlap is and collectively work toward these goals.