



CONCORD HOUSING ELEMENT UPDATE 2014-2022

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

5th Cycle Housing Element Update

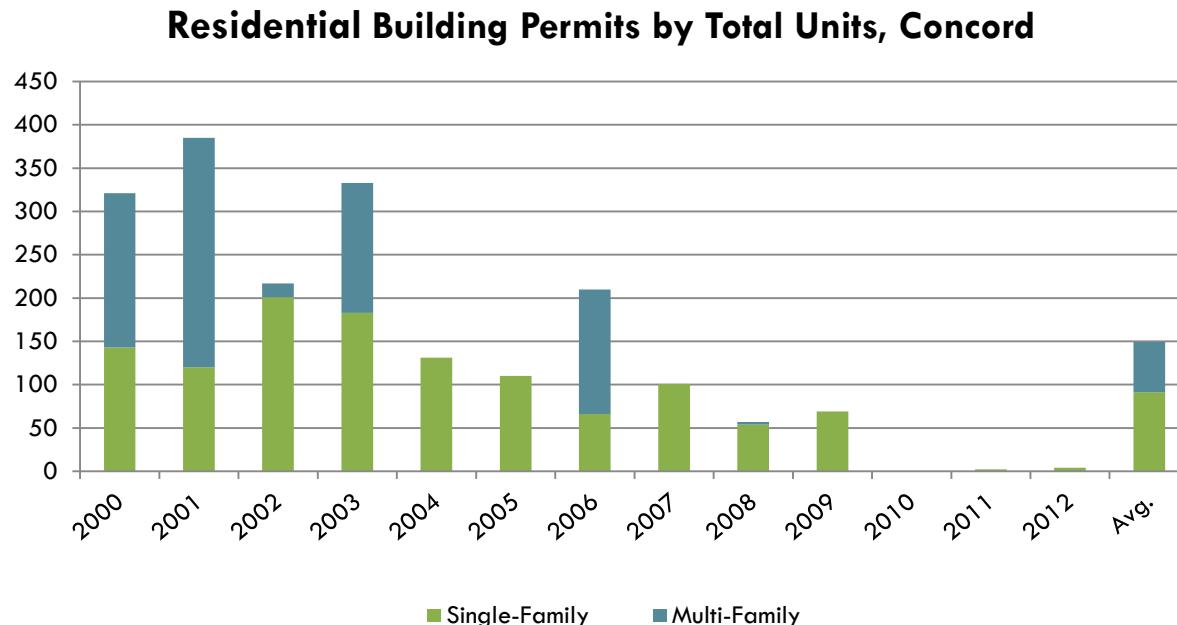
- The 5th Cycle of the Housing Element Update covers the 2014-2022 period
- Due to SB 375, the RHNA for the 5th Cycle has an increased emphasis on infill development, particularly near transit
- The RHNA for Concord between 2014 and 2022 totals 3,478 units

Income Category	Projected Need	Percent of Total
Very Low (0-50% AMI)	798	22.9%
Low (51-80% AMI)	444	12.8%
Moderate (81-120% of AMI)	559	16.1%
Above Moderate (over 120% of AMI)	<u>1,677</u>	<u>48.2%</u>
Total Units	3,478	100.0%

Sources: ABAG, 2013; BAE, 2013.

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 be needed to meet Concord 2014-2022 RHNA goals



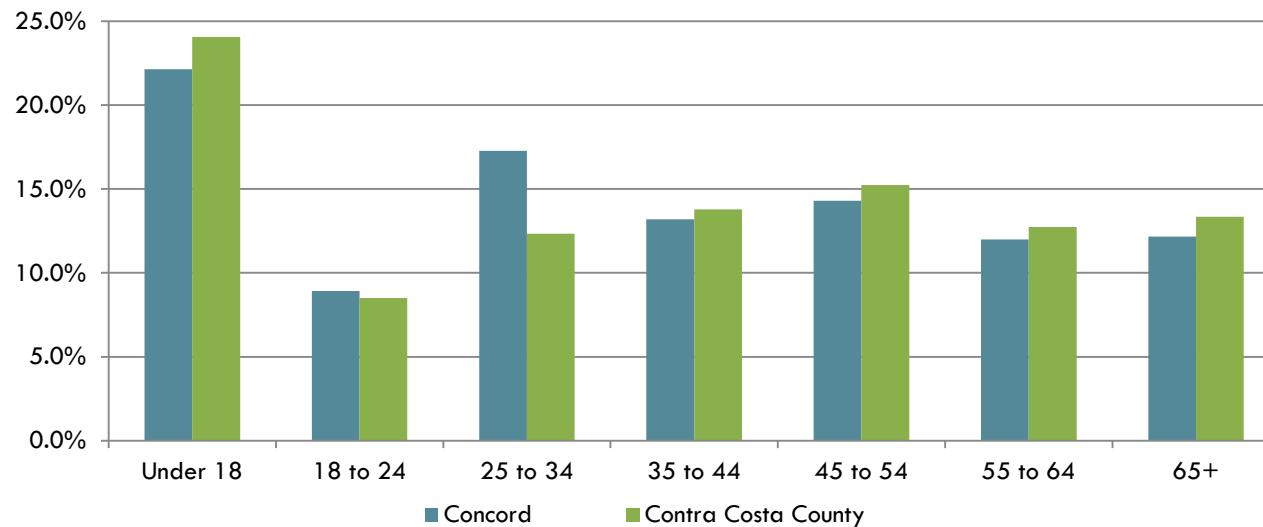
Demographic Trends

- **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

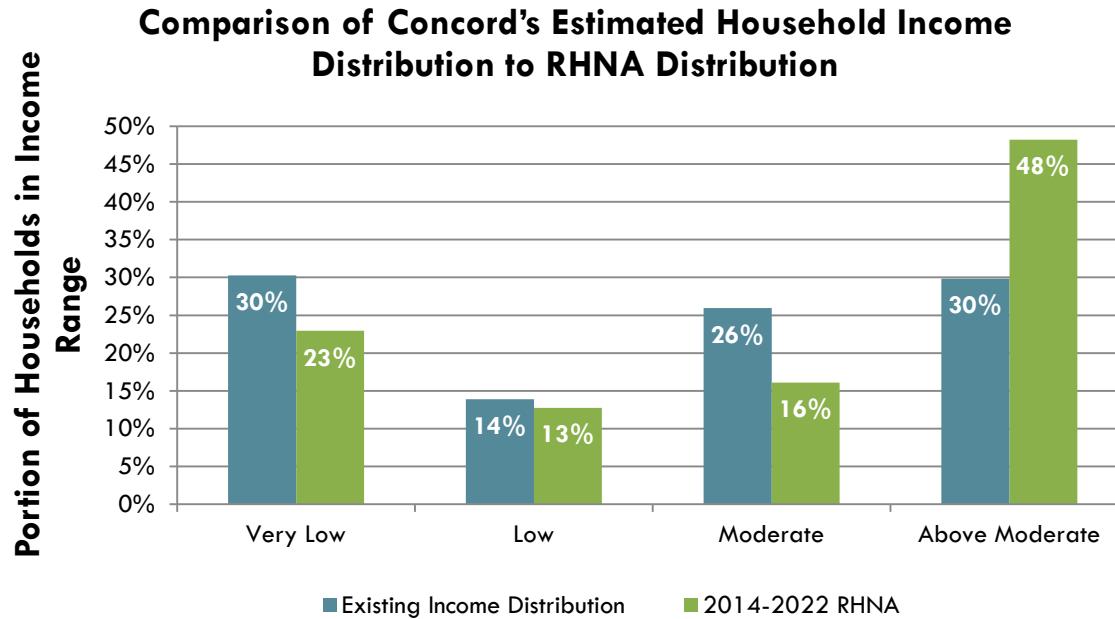
- Concord has a young population, due mostly to large concentration between age 25 and 34 (17% of Concord's population)
 - Median age is 36 years in Concord, 39 years for County overall

**Age Distribution for Concord and Contra Costa County
2012**



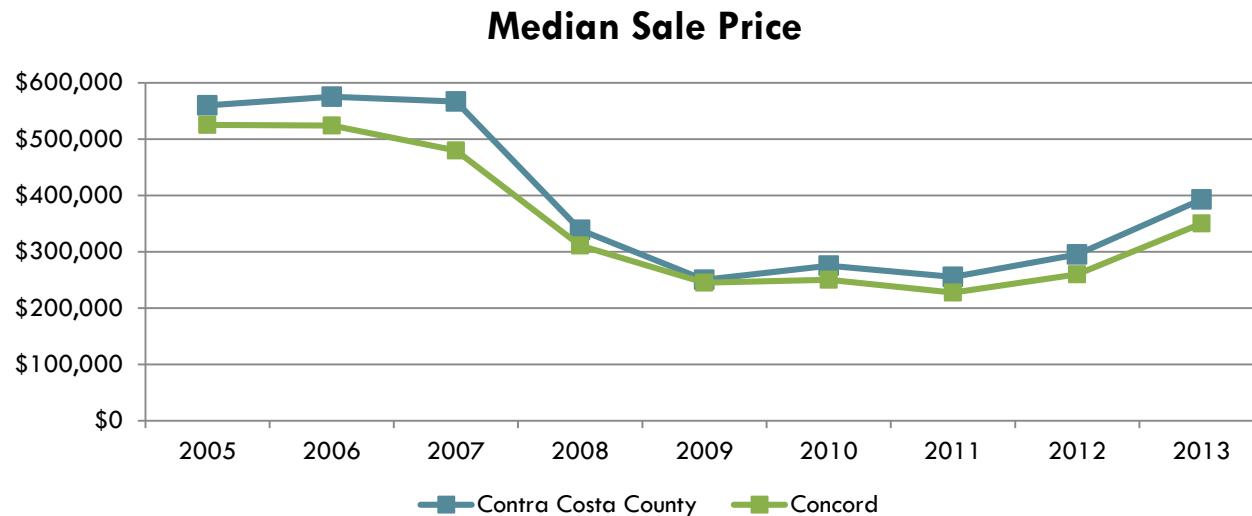
Demographic Trends

- Household incomes slightly lower in Concord, compared to surrounding areas
 - Median household income is roughly \$64,000 in Concord compared to \$74,000 Countywide
- Concord's existing distribution of households (estimated for 3-person households) aligns relatively well with 2014-2022 RHNAs goals



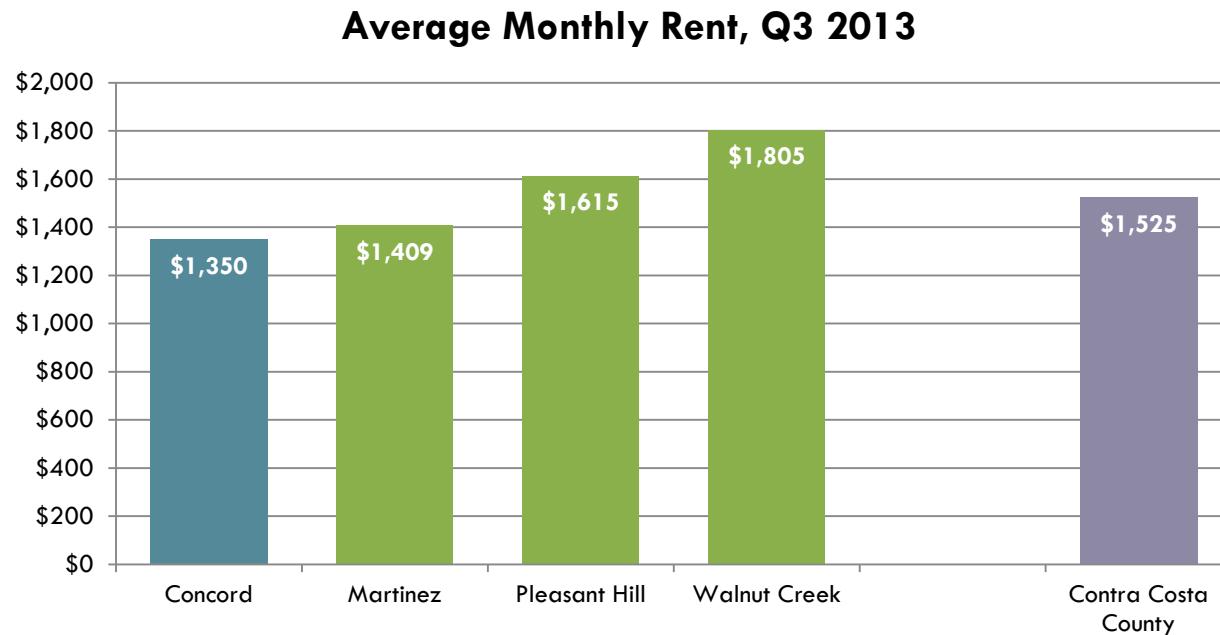
Housing Trends – Sale Prices

- **Concord home sale prices dropped significantly during the recession**
 - The median sale price peaked at \$525,000 in 2005, then declined to 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 \$350,000 in 2013



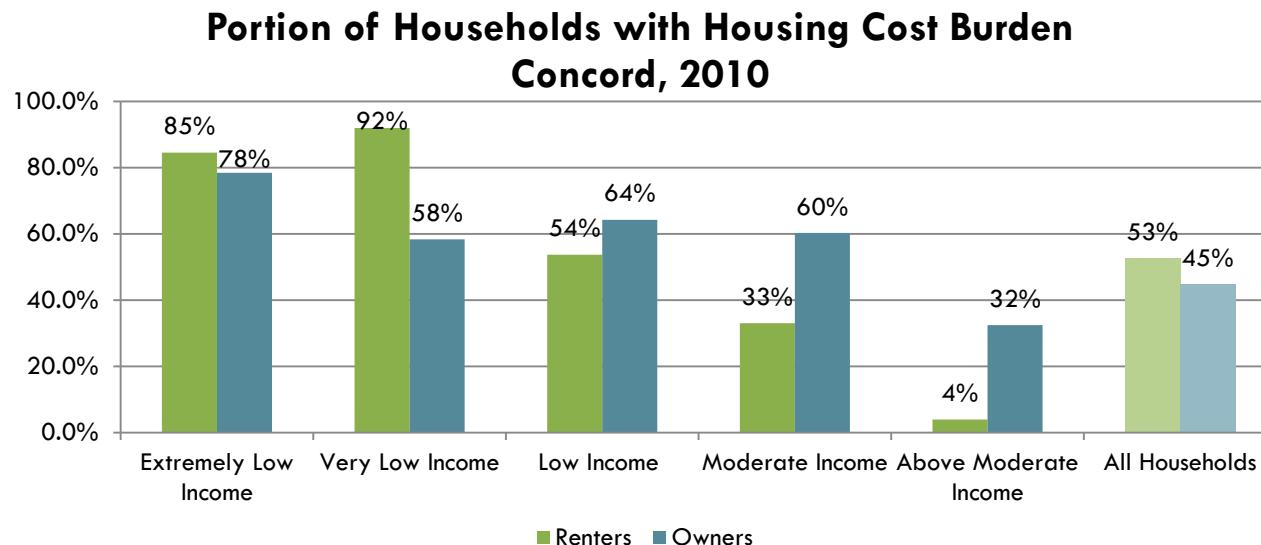
Housing Trends – Rental Rates

- 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



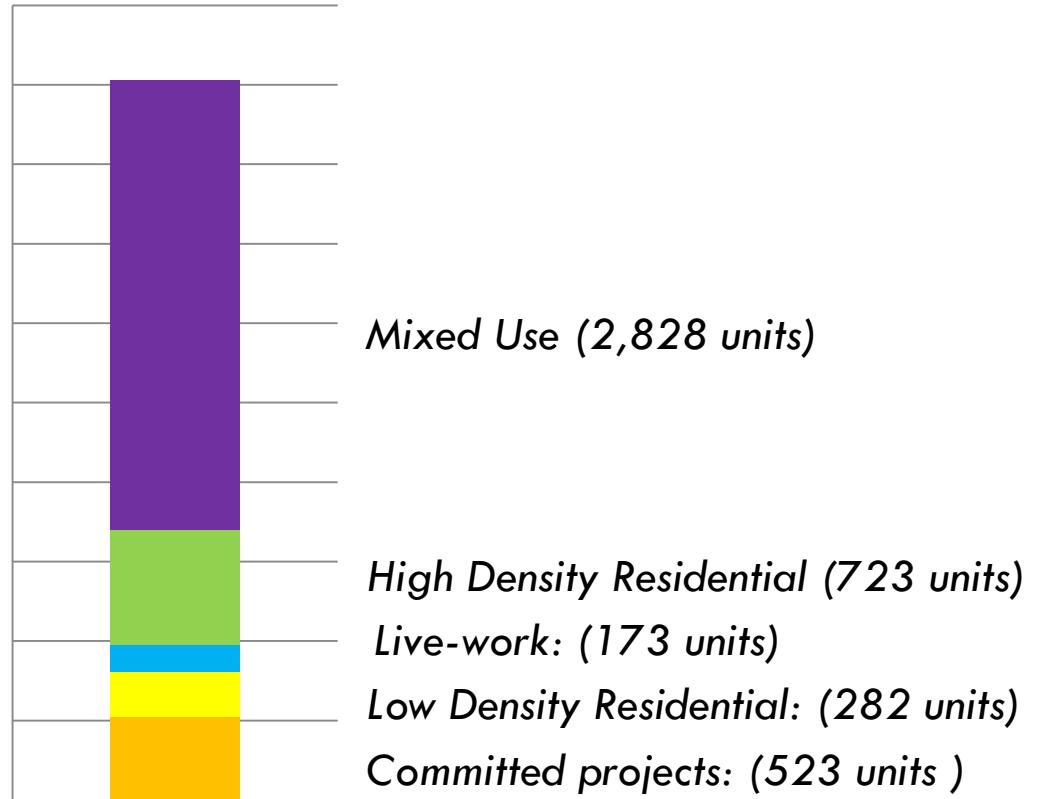
Housing Trends – Cost Burden

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



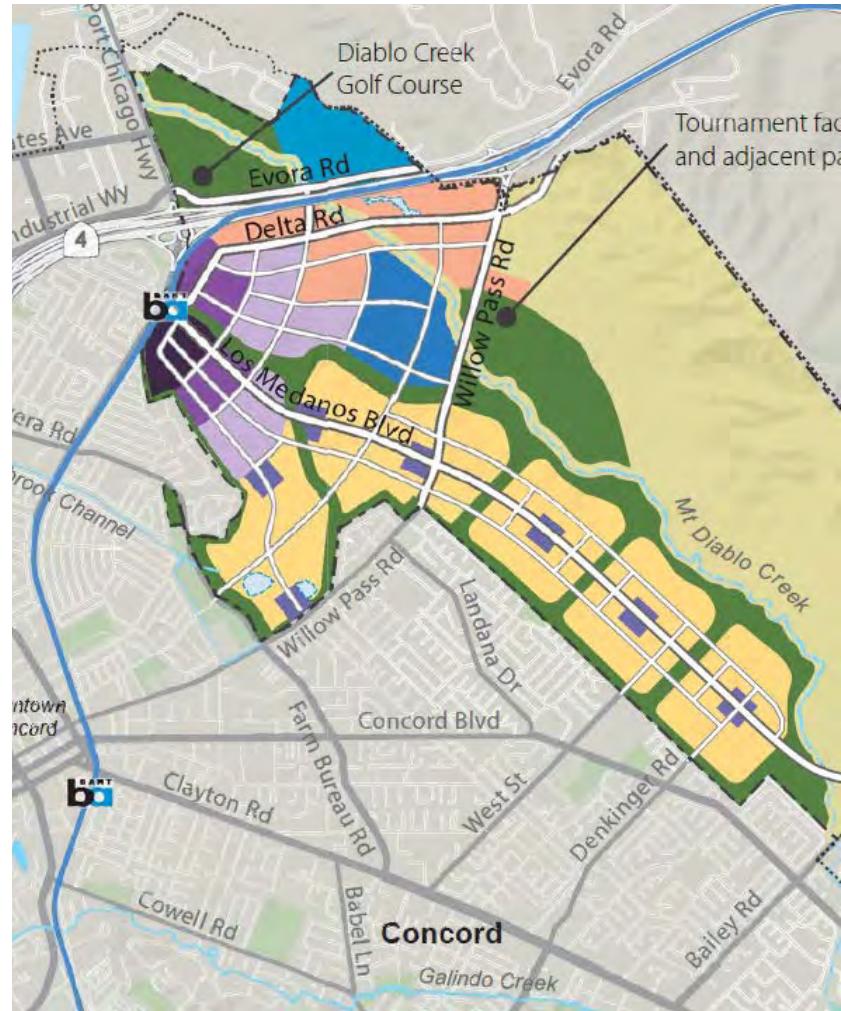
Potential for Residential Growth

- **187 sites**
- **4,529 potential units**
- **Most housing potential is on sites zoned for 30+ DU/AC**
- **Many sites are in Downtown Specific Plan Area, near BART, or along corridors**



Other Housing Opportunities

- **Concord Reuse Project**
 - 12,200 units, including 25% affordable
- **Coast Guard Housing**
- **BART Station parking lots**
 - Downtown
 - North Concord
- **Neighborhood Commercial zoned sites**
 - 0.35 FAR makes multi-family less feasible here



Research: Lagging Housing Production in Concord

- **Concord hosted three roundtable discussions with housing developers to discuss the City's lag in housing production**
- **Factors cited by market-rate developers included:**
 - Low residential rents and sale prices
 - A need for improved retail and community amenities
 - A perception of a crime
 - Problems with the public school districts
- **Additional factors cited by affordable housing developers included:**
 - Lack of City funding sources
 - Need for sites that will score well for tax credits

Discussion

- 1. Concord has a TOD overlay that allows for reduced parking for commercial uses within ½ mile of BART, but the reduced parking requirements do not apply to residential uses.**

Potential program changes:

- Offer reduced parking for residential projects on identified catalyst sites
- Offer reduced parking for residential projects within ¼ mile of BART
- Parking reductions could be coupled with requirements for the builder to provide Zipcar access on site or offer transit passes to tenants

Discussion

2. Concord charges an inclusionary in-lieu fee to market-rate residential projects to generate funding for affordable housing. Current fee rate is \$5,043 per unit. This is less than the dollars needed to subsidize affordable units. Some cities charge double or triple this amount.

Should Concord increase this fee?

Potential programs:

- Conduct nexus study to increase fee rate
- Concord could set threshold to allow development activity to start before initiating nexus study

Discussion Questions

3. Concord allows secondary dwelling units, subject to City ordinance, but has received few applications.

Should Concord consider modifying its ordinance to encourage more second units?

Potential ordinance modifications:

- Eliminate owner-occupancy requirement in 2nd unit, within the transit overlay zone?
- Review current requirements based on lot size, lot dimensions, and unit size to facilitate an increase in secondary dwelling units
- Work with water district to reduce fees for secondary units

Discussion Questions

- 4. New residential developers report that Concord's retail amenities appear less appealing than surrounding communities, which impacts residential market demand (esp. for new units).**

Should Concord assist retail owners/tenants to stimulate market demand for new housing units?

Potential program:

- Enhance code enforcement efforts, coupled with a rehab program to help retailers pay for upgrades