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## MEMORANDUM

**DATE:** July 15, 2022

**TO:** Mayor and City Council

**FROM:** Jennifer Hagen, Senior Planner  
Alexis Morris, Community Development Director

**SUBJECT:** July 21, 2022 Housing Element Workshop Revised Options including Originally adopted PA-1 Assumptions

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### **BACKGROUND**

On July 12, 2022, the City Council continued consideration of recommended changes to the Innovation Center Specific Plan (PA-1) to a later date in order to allow further discussion and analysis of the Specific Plan. The original memo for the July 21, 2022 Special Meeting on the Housing Element Update (dated July 6, 2022, and distributed to City Council on July 7, 2022) included three strategies to address the City's RHNA (Regional Housing Needs Allocation) based on the recommended changes to PA-1, not on the originally adopted plan. Based on the City Council direction and the uncertainty related to any changes to the Specific Plan at this time, staff has prepared three revised strategies that are based on the PA-1 Specific Plan currently in effect. The overall number of projected units vary slightly based on different acreages and densities assigned to each land use designation between the two versions of the specific plan and the varying assumptions for each designation.

This memo provides revised tables showing how the methodologies shared in the previous memo published July 7, 2022, work with the existing 2018 PA-1 Specific Plan designations. The table numbers correspond to the same table numbers used in the memo published July 7, 2022, for ease of comparison. Changes are relatively minor and the staff and consultant team will be able to move forward with these revisions without serious disruption to the overall Housing Element Update process. The potential changes to the PA-1 Specific Plan provide a good example of why including a buffer of 15-30% more units than identified in the lower income RHNA is recommended by HCD and staff – circumstances can evolve over the next eight years and sites can develop differently than projected, so a buffer allows the City to absorb those changes and still have other sites available to meet RHNA.

### **REVISED ANALYSIS OF EXISTING/BASELINE ZONING CAPACITY**

In order to provide a comprehensive analysis of the City's existing zoning capacity to meet the City's 6<sup>th</sup> Cycle RHNA, staff utilized the existing residential zoning capacity including capacity within Specific Plan areas, as well as Accessory Dwelling Unit (ADU) projections as described in the previously published memo. (The full discussion of this issue begins on page 4 in the memo published July 7, 2022)

#### Capacity in Existing Specific Plans

The following table includes updated information using vacant or underutilized parcels within the PA-1 Specific Plan as adopted in 2018 that allow for residential development with capacity to add new housing units.

<b>PA-1 Adopted Residential Land-Use Acreages</b>			
<b>Land Use</b>	<b>Allowable Density Range</b>	<b>Mid-Point</b>	<b>Acreage</b>
<b>HDR</b>	10-20 du/ac	15	12.42*
<b>MFVHDR</b>	15-35 du/ac	25	40.19
<b>TV/MU</b>	25-40 du/ac	32.5	39.44

\*The total acreage designated HDR is 27.02, however 14.42 acres has been included in the pipeline projects already entitled for the Amber Lane Apartments.

Based on the General Plan allowable density, staff is recommending utilizing the assumption that 80%<sup>1</sup> of the TV/MU sites would be developed with housing for the purposes of Housing Element projections. Utilizing this assumption would provide the City with a larger buffer in the very low- and low-income categories, allowing the buffer in Strategy 3 to be between the HCD recommended 15 and 30 percent range. If the 80% development assumption were to be reduced to 50%, the buffer in Strategy 3 would be approximately 12% in the very low- and low-income category which would not be supported by HCD. Based on the adopted 2018 PA-1 designations, utilizing the mid-point density, and the assumption that TV/MU sites will be developed with 80% residential, the Housing Element projections would be updated to yield approximately 2,215 units within the Specific Plan area.

### **REVISED SITE INVENTORY AND AFFORDABILITY ASSUMPTION STRATEGIES**

(The full discussion of this issue begins on page 8 in the memo published July 7, 2022.)

The summary of the three identified strategies from the original memo (Table 4 in the original memo) is updated below to reflect the adopted 2018 PA-1 land use designations. The table is followed by an updated discussion of each strategy.

<b>Table 4: Strategy Summaries – Updated with 2018 PA-1 Specific Plan Designations</b>			
	<b>Strategy 1</b>	<b>Strategy 2</b>	<b>Strategy 3</b>
<b>Description</b>	No Rezoning Required, Reduced Affordability with Increased ADU Assumptions	No Rezoning Required, HCD Approved Methodology	No Rezoning Required, HCD Approved Methodology with Conservative Affordability Assumptions
<b>HCD-supported</b>	No	Yes	Yes
<b>Affordability Assumptions*</b>	21% Low and Very Low, and 6% Moderate	100% Low and Very Low, and 100% Moderate	30% Low and Very Low, and 10% Moderate
<b>Affordable Unit Potential</b>	VL/L: 684 units Mod: 263 units AMod: 4,183 units Total: 5,075 units	VL/L: 2,557 units Mod: 608 units AMod: 1,775 units Total: 4,940 units	VL/L: 824 units Mod: 345 units AMod: 3,771 units Total: 4,940 units
<b>Buffer</b>	8% Low/Very Low, 6% Moderate-, and 544% Above Moderate	303% Low/Very Low, 146% Moderate-, and 177% Above Moderate	30% Low/Very Low, 40% Moderate-, and 488% Above Moderate
<b>No Not Loss Implications</b>	Highly likely to trigger no net loss	Least likely to trigger no net loss	More likely than Strategy 2 to trigger no net loss

\*Affordability assumptions are based on the sites inventory with the assumption that sites that allow 30 du/ac (default density) or more can accommodate capacity for lower-income units and sites that allow 15 to 25 du/ac can accommodate capacity for moderate-income units.

<sup>1</sup> Assumptions utilized in analyzing the environmental impacts for the adopted PA-1 EIR included the assumption that 50% of the TV/MU designation could be developed with up to 2,041 residential units. The PA-1 EIR unit assumptions are used for the purposes of conducting analysis of environmental impacts and are not a “cap” on development. The Housing Element assumptions are used for the purposes of projecting the number of affordable units a site can support and do not need to be consistent with the assumptions used in the PA-1 EIR.

**Strategy 1: Reduced Affordability with Increased ADU Assumptions**

(The full discussion of this issue begins on page 9 in the memo published July 7, 2022)

*Updates to Incorporate Existing 2018 PA-1 Specific Plan Designations*

Strategy 1 includes assumptions of 27% affordable units (9% very low-, 12% low-, and 6% moderate-income units) on all sites meeting the minimum default density of 30 du/ac, higher ADU projections, and a buffer as close to 0% as possible. Updating this strategy using projections based on the approved 2018 PA-1 Specific Plan could allow the assumed affordability levels to be reduced by 1-2% more to be as close to a 0% buffer as possible. Table 7 below summarizes the results of the revised evaluation of existing residential development capacity utilizing the 2018 PA-1 Specific Plan. Strategy 1 would result in slightly larger capacity than the original assumptions, which would include an 8% buffer in the lower income category. This is the smallest buffer of the three strategies and would likely result in the need to rezone or up zone parcels during the eight year Housing Element Cycle.

<b>Table 7: Summary of Strategy 1 Capacity Analysis</b>					
	<b>Very Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 1 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2	0	0	966	968
Projected ADU Production	162	81	27	27	270
<b>Remaining Need</b>	<b>471</b>	<b>166</b>	<b>--</b>	<b>--</b>	<b>314</b>
PA-1 (2018 Specific Plan)	426	132	1,657	2,215	2,215
Vacant Residential Land	94	50	1,478	1,622	1,622
<b>Total Unit Potential</b>	<b>684</b>	<b>263</b>	<b>4,128</b>	<b>5,075</b>	<b>5,075</b>
Units +/- and Buffer/Gap %	<b>50 units, 8%</b>	<b>16 units, 6%</b>	<b>3,487 units, 544%</b>	<b>3,837 units, 227%</b>	

**Strategy 2: No Rezoning Required, HCD Approved Methodology**

(The full discussion of this issue begins on page 11 in the memo published July 7, 2022.)

*Updates to Incorporate Existing 2018 PA-1 Specific Plan Designations*

Strategy 2 utilizes the preliminary analysis of RHNA and site strategies as presented in the HCD Guidebook. Based on HCD guidelines, the City may make assumptions up to 100% lower-income affordability for all sites allowing 30 du/ac or more, and 100% moderate-income affordability for all sites allowing between 15-25 du/ac. Table 8 below summarizes the results of revised evaluation of existing residential development capacity utilizing Strategy 2 capacity assumptions based on the approved 2018 PA-1 Specific Plan. Strategy 2 would continue to provide the City with the largest buffer in the very low- and low-income categories and would continue to be the strategy least likely to require rezoning or up zoning in the future.

<b>Table 8: Summary of Strategy 2 Capacity Analysis</b>					
	<b>Very Low- Income</b>	<b>Low- Income</b>	<b>Moderate- Income</b>	<b>Above Moderate- Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 2 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2		0	966	968
Projected ADU Production	80		41	14	135
<b>Remaining Need</b>	<b>552</b>		<b>206</b>	<b>--</b>	<b>449</b>
PA-1 (2018 Specific Plan)	2,029		186	0	2,215
Vacant Residential Land	446		381	795	1,622
<b>Total Unit Potential</b>	<b>2,557</b>		<b>608</b>	<b>1,775</b>	<b>4,940</b>
Units +/- and Buffer/Gap %	<b>1,923 units, 303%</b>		<b>361 units, 146%</b>	<b>1,134 units, 177%</b>	<b>3,837 units, 218%</b>

**Strategy 3: No Rezoning Required, HCD Approved Methodology with Conservative Affordability Assumptions**

(The full discussion of this issue begins on page 12 in the memo published July 7, 2022.)

*Updates to Incorporate Existing 2018 PA-1 Specific Plan Designations*

Strategy 3 utilizes the preliminary analysis of RHNA and sites strategies as presented in the initial sections of this report with the 2018 PA-1 capacity. As stated above, based on HCD guidelines the City may make assumptions up to 100% lower-income affordability for all sites allowing 30 du/ac or more, and 100% moderate-income affordability for all sites allowing up to 20 du/ac. However, this strategy uses a more conservative assumption that projects 30% lower-income affordability and 10% moderate-income affordability for very high-density sites and 30% moderate-income affordability for high-density sites. Because this strategy would be projected to have fewer affordable units, the City would be more likely than Strategy 2 to need to modify assumptions or up zone additional sites later in the planning period due to “no net loss” requirements.

Table 9 summarizes the results of the revised evaluation of existing residential development capacity utilizing Strategy 3 capacity assumptions based on the approved 2018 PA-1 Specific Plan. Strategy 3 would result in the following projected capacity, which would include a minimum 30% buffer in the lower income category:

<b>Table 9: Summary of Strategy 3 Capacity Analysis</b>					
	<b>Very Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 3 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2	0	0	966	968
Projected ADU Production	80	41	14	14	135
<b>Remaining Need</b>	<b>552</b>	<b>206</b>	<b>--</b>	<b>--</b>	<b>449</b>
PA-1 (2018 Specific Plan)	608	221	1,386	1,386	2,215
Vacant Residential Land	134	83	1,405	1,405	1,622
<b>Total Unit Potential</b>	<b>824</b>	<b>345</b>	<b>3,371</b>	<b>3,371</b>	<b>4,940</b>
Units +/- and Buffer/Gap %	<b>190 units, 30%</b>	<b>98 units, 40%</b>	<b>3,130 units, 488%</b>	<b>3,130 units, 488%</b>	<b>3,837 units, 218%</b>

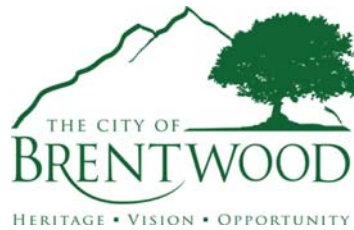
## CONCLUSION

In conclusion, the memo published on July 7, 2022 contains detailed description of each strategy and this memo seeks to update the numbers provided in the 2018 PA-1 Specific Plan due to Council's continuance of consideration of changes to that Specific Plan on July 12.

Staff is recommending that the City Council review, discuss, and receive public comments on the Housing Element Update RHNA sites strategies on July 21 and provide direction to staff on which of the above site strategies to move forward with in order to complete the public review draft of the Housing Element. Staff and the consultant team will be able to provide an interactive table during the workshop where assumed affordability levels, assumed mixed-use percent build out, ADU assumptions and inventory sites may be adjusted in real time to aid in the decision making process.

## Attachments

July 6, 2022 memorandum (published July 7, 2022)



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## MEMORANDUM

**DATE:** July 6, 2022

**TO:** Mayor and City Council

**FROM:** Jennifer Hagen, Senior Planner  
Alexis Morris, Community Development Director

**SUBJECT:** July 21, 2022 Housing Element Workshop Executive Summary

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### Workshop Objectives

At the July 21, 2022 Workshop, staff is requesting the City Council's input and direction on the list of sites to be carried forward for analysis in the Housing Element Update. The workshop is intended to accomplish the following objectives:

1. Present the initial framework for the site inventory, including HCD accepted assumptions and principles that may be used to develop the inventory.
2. Introduce the analysis of existing residential zoning capacity within the city, including the preliminary site list from which the site inventory will be compiled, and evaluation of the number of units for which additional sites may be needed to address the City's RHNA utilizing three different strategies that include varying affordability assumptions and ADU projection assumptions.
3. Receive direction from the City Council on which Site Inventory Strategy, as described in the Site Inventory and Affordability Assumption Strategies section of this report, to move forward with when preparing affordability projections and the Draft Housing Element Update.

### Developing the Site Inventory

The attached staff report provides background information on the framework for the site inventory, including HCD accepted assumptions and principles as outlined in the HCD Site Inventory Guidebook, which is attached for reference.

To move forward in the planning process in drafting the Housing Element Update, it is imperative that the City Council provide direction on which strategies should be used in forming baseline site inventory and affordability assumptions. Important things to consider when selecting the baseline site inventory strategy are:

1. Planning for vs. constructing housing: The City is not required to build housing, but is required to plan for sufficient housing to meet its regional housing need. All of the strategies summarized below utilize the City's existing General Plan designations and do not require any changes to the General Plan.

2. Importance of a buffer and “no net loss” requirements: Each time the City approves a project on a site listed in the housing element, it must compare the project with both the number of units shown in the housing element and the projected income level. If either the project has fewer units than shown in the housing element, or the units are developed at a different income level, the City must demonstrate that it still has enough properly zoned sites to meet the RHNA at all income levels. If there are not enough properly zoned sites in the inventory, the City must identify and make available additional sites within 180 days, which may require rezoning.
3. Penalties for not constructing all units assigned by the RHNA: If fewer units are built in the City than included in the City’s RHNA, at present the only consequence is that developers may submit applications under SB 35, which is described in further detail in the report.
4. Penalties for not having a Housing Element Approved by HCD: Cities with non-compliant Housing Elements may be referred by HCD to the Attorney General or may be sued by private parties. Certain state housing funds also require that the City have a housing element approved by HCD. If a court agrees that the housing element does not comply with state law, the court may restrict the City’s ability to approve certain projects or order the City to approve certain projects, and the City would likely be required to pay attorney’s fees to the successful plaintiffs.

The attached staff report includes a draft site inventory table and map for reference that shows existing vacant/underutilized residential parcels, their buildable acreage, zoning and land use designations, and allowable and mid-range densities.

There are also three potential strategies identified that would allow the City to move forward with the provided draft site inventory that would not require any rezoning of sites within the City at this time. Staff has provided analysis of each strategy that includes a description of the scenario’s affordability assumptions, the buffer each strategy would provide, the likelihood of HCD acceptance, the likelihood of requiring no net loss, and CEQA implications. The strategies provided are only a sample of the strategies and assumptions that could be utilized to address the City’s RHNA. There will be an opportunity at June 21<sup>st</sup> workshop to use in real time, a model to make affordability and site assumption adjustments as necessary. A summary of each of the three identified strategies are included on the following page.

	Strategy 1	Strategy 2	Strategy 3
<b>Description</b>	No Rezoning Required, Reduced Affordability with Increased ADU Assumptions	No Rezoning Required, HCD Approved Methodology	No Rezoning Required, HCD Approved Methodology with Conservative Affordability Assumptions
<b>HCD-supported</b>	No	Yes	Yes
<b>Affordability Assumptions*</b>	21% Low and Very Low, and 6% Moderate	100% Low and Very Low, and 100% Moderate	30% Low and Very Low, and 10% Moderate
<b>Affordable Unit Potential</b>	VL/L: 635 units Mod: 264 units AMod: 4,183 units Total: 5,082 units	VL/L: 2,321 units Mod: 851 units AMod: 1,775 units Total: 4,947 units	VL/L: 755 units Mod: 347 units AMod: 1,405 units Total: 4,947 units
<b>Buffer</b>	0% Low/Very Low, 7% Moderate-, and 553% Above Moderate	266% Low/Very Low, 245% Moderate-, and 177% Above Moderate	19% Low/Very Low, 40% Moderate-, and 500% Above Moderate
<b>No Not Loss Implications</b>	Highly likely to trigger no net loss	Least likely to trigger no net loss	More likely than Strategy 2 to trigger no net loss
*Affordability assumptions are based on the site inventory with the assumption that sites that allow 30 du/ac (default density) or more can accommodate capacity for lower-income units and sites that allow 15 to 25 du/ac can accommodate capacity for moderate-income units.			

### 5<sup>th</sup> Cycle Housing Element Sites

Lastly, for reference purposes, staff has included the adopted 2015 5<sup>th</sup> Cycle Housing Element Sites Inventory, broken down between multi-family and single-family residential parcels. Staff has included columns that indicate their buildable acreage, zoning and land use designations, the stated capacity in the previous inventory, whether the sites were developed during the planning period, how many units were developed, whether the site is recommended to be carried over into the current cycle, and if not carried over, why. It should be noted that staff is not recommending to carry over any sites that do not yield a minimum of 10 units.





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## CITY COUNCIL WORKSHOP AGENDA ITEM A

**Meeting Date:** July 21, 2022

**Subject Title:** Housing Element Update - Introduction on the analysis of existing residential zoning capacity within the city including review of a list of potential sites under consideration for inclusion in the Housing Element Site Inventory for the 2023-2031 (6th Cycle) Housing Element Update, as well as an evaluation of Site Inventory and affordability assumption strategies needed to address the City's Regional Housing Need Allocation (RHNA).

**Prepared By:** Jennifer Hagen, Senior Planner

**Submitted By:** Alexis Morris, Community Development Director  
Erik Nolthenius, Planning Manager

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### **PURPOSE AND RECOMMENDATION**

Work is proceeding on the 2023-2031 (6th Cycle) Housing Element Update, which among other components, will include an updated inventory of sites that can accommodate the City's Regional Housing Need Allocation (RHNA). As a starting point for creating the Housing Element Updated Site Inventory, staff has identified a list of sites that under the existing General Plan and Zoning designations allow for residential development at various densities. Staff has provided a map (Attachment 4) and list identifying each site (Attachment 3), as well as a calculation of the estimated yield of units for each based on the mid-point density allowed in each Zoning District or General Plan designation.

#### Workshop Objectives

At tonight's workshop, staff requests the City Council's input and direction on the list of sites to be carried forward for analysis in the Housing Element Update. This workshop is intended to accomplish the following objectives:

1. Present the initial framework for the site inventory, including HCD accepted assumptions and principles that may be used to develop the inventory.
2. Introduce the analysis of existing residential zoning capacity within the city including the preliminary site list from which the site inventory will be compiled, and evaluation of the number of units for which additional sites may be needed to address the City's RHNA utilizing three different strategies that include varying affordability assumptions and ADU projection assumptions.
3. Receive direction from the City Council on which Site Inventory Strategy, as described in the Site Inventory and Affordability Assumption Strategies section of this report, to move forward with when preparing affordability projections and the Draft Housing Element Update.

## **PREVIOUS ACTION**

The City Council authorized execution of an agreement for consulting services with Kimley-Horn to assist with preparation of the 2023-2031 (6<sup>th</sup> RHNA Cycle) Housing Element Update on October 12, 2021.

On April 14, 2022, staff presented an introduction to the Housing Element Update at a joint City Council/Planning Commission workshop.

On June 1, 2022, staff presented an update on the Housing Element Update including Regional Housing Needs Allocation (RHNA) site strategies, and implications of new State legislation on the City's policies and programs. The City Council directed staff to return with a draft site inventory when available for review.

## **BACKGROUND**

The Housing Element is part of the City's General Plan and is a comprehensive statement by the community of its current and future housing needs, including proposed actions to facilitate the provision of housing to meet those needs at all income levels. The current Housing Element, which was adopted by the City Council and certified by the State in 2015, covers the planning period from 2015 to 2022 (5<sup>th</sup> Cycle). The next Housing Element Update (the 6<sup>th</sup> Cycle) must be adopted by January 2023, to address the 2023-2031 planning period<sup>1</sup>.

### 6<sup>th</sup> Cycle RHNA

As has been previously outlined to the City Council, the City has been assigned a 6th Cycle RHNA of 1,522 housing units at various levels of affordability. As a key component of the updated Housing Element, the City must document, through a detailed, parcel-specific inventory, that there are sufficient sites available today to accommodate the entirety of its RHNA. If the City does not have enough adequate sites identified and currently zoned to accommodate the assigned RHNA, additional sites will need to be identified and ultimately rezoned.

The adequacy of the site inventory will be evaluated by the State Department of Housing and Community Development (HCD). Although HCD will review the entire inventory, it pays particular attention to sites identified to accommodate the City's lower-income RHNA, based on criteria intended to show the various sites' realistic capacity to develop during the eight-year planning period of the Housing Element.

### Ramifications of Failure to Meet RHNA

At present, there is no requirement that enough homes be constructed in a city or county to meet the community's RHNA. If fewer units are built in the City than included in the City's RHNA, at present the only consequence is that developers may submit applications under SB 35. SB 35 allows developers to submit housing developments meeting certain requirements, including specified percentages of affordable housing and payment of prevailing wages, if fewer units are being constructed in the city to meet its above moderate, very low, or low-income RHNA requirements. Projects eligible for SB 35 must be approved ministerially without CEQA review under strict timelines. In the current 5<sup>th</sup> cycle, most jurisdictions in California, including Brentwood, are subject to SB 35. Brentwood must streamline projects that apply for SB 35 approval, set aside at least 50% of units for lower-income residents, and meet all of the other requirements. To date, no such project has been submitted to the City.

HCD has also formed the Housing Accountability Unit (HAU) to investigate violations of housing laws and may refer violators to the Attorney General. HCD has emphasized that it expects cities

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<sup>1</sup> It should be noted that although January 31, 2023 is the statutory deadline to have the Housing Element adopted for our jurisdiction, there is a 120-day grace period that is allowed in order to gain compliance with HCD

to implement the programs included in their housing elements. To date, its emphasis has been on programs that propose changes in zoning.

## **FRAMEWORK CONSIDERATIONS FOR DEVELOPING THE SITES INVENTORY**

The following outlines some of the key assumptions and “building blocks” that provide the framework for developing the sites inventory that are both acceptable to HCD and were used to develop the analysis presented to the City Council on June 1<sup>st</sup>.

### Zoning Capacity and Density Assumptions for Initial Inventory

City staff and the consultant team have evaluated the City’s residential land inventory (i.e. sites zoned for residential use “today” with capacity to accommodate additional development) starting with a review of the adopted 2015 (5<sup>th</sup> Cycle) Housing Element Site Inventory which is included in Attachment 6a and 6b for reference. In addition to the existing capacity, staff and the consultant team also reviewed the “pipeline” of residential projects already entitled in the coming one- to two- year period and Accessory Dwelling Unit projections (ADU projections are described in greater detail further in the report). This comprehensive list of sites with associated map are included as Attachment 3 and 4, and together, constitute a baseline of properties that can potentially accommodate at least a portion of the City’s RHNA. A map of the City showing all properties that have general plan designations that allow for residential development has been included for reference as Attachment 2. It should be noted that the PA-1 Specific Plan, Brentwood Boulevard Specific Plan, and Downtown Specific Plan have multiple areas which allow for residential and mixed use development under the various designations, but only have one General Plan designation for the entire specific plan area; therefore, the General Plan map does not depict all of the residential sites allowed under the specific plans.

### “No Net Loss” Law and Housing Buffer

HCD recommends identifying sites with zoning capacity sufficient to provide between 15 and 30 percent more units than the identified lower income RHNA, often called the housing “buffer”<sup>2</sup>. This is to ensure that the City has enough properly zoned sites throughout the eight-year planning period. Under a provision of state law called the “no net loss” law, each time the City approves a project on a site listed in the housing element, it must compare the project with both the number of units shown in the housing element and the projected income level. If either the project has fewer units than shown in the housing element, or they are developed at a different income level, the City must demonstrate that it still has enough properly zoned sites to meet the RHNA at all income levels. For instance, if a site is identified as suitable for 100 lower income units, but a project is proposed with 100 units but only 10 lower income units, then the City must show that it still has enough properly zoned sites to accommodate its lower income RHNA. If there are not enough properly zoned sites in the inventory, the City must identify and make available additional sites within 180 days, which may require rezoning. A buffer is particularly important for sites shown as suitable for lower income housing.

### General Plan Consistency

In addition to including a buffer, staff recommends maintaining consistency with the General Plan to estimate potential unit capacity for the sites, using an “average or mid-point” density for all sites. Alternatively, the City could require a minimum density on each site and use that to calculate realistic capacity<sup>3</sup>. The mid-point assumption can be supported by the General Plan and past project approvals (development at or above the mid-point density).

Based on guidance provided by HCD for higher-density housing sites, the inventory needs to reflect a realistic capacity that takes account aspects like physical constraints, necessary on-site infrastructure and circulation, parking, and development standards like height and setback requirements. Using an average or mid-point density for high-density sites will help to align the

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<sup>2</sup> Page 22 of the HCD Sites Inventory Guidebook included as Attachment 1

<sup>3</sup> Page 19 of HCD Sites Inventory Guidebook included as an Attachment 1

initial inventory with these realistic capacity assumptions going forward, and not be overly aggressive in the assumed capacity for particular sites.

#### Default Densities and Capacity Assumptions by Affordability Level

The inventory process requires the City to identify the density ranges at which each site will be developed. As discussed previously, staff has recommended using an “average or mid-point” density for all sites, including low, medium and high-density ranges to not be overly aggressive.

With respect to the various income categories for which the inventory must show adequate capacity, State law provides for a “default density<sup>4</sup>” which is a zoning density which can be assumed to be suitable to yield the potential capacity for lower-income housing units. In Brentwood, the default density for units to be projected as lower-income units in the inventory is 30 dwelling units per acre (du/ac). There is no default density for moderate-income units, but districts allowing less than 30 du/ac, in the range of 15 to 25 du/ac, may be appropriate. Although not explicitly stated by HCD, based on past performance and peer city assumptions, the City is making the informed assumption that sites zoned at less than 30 du/ac, in the range of 15 to 25 du/ac, have the potential to accommodate capacity for moderate-income units.

Per HCD guidelines (Attachment 1), the City may project all units in the inventory that allow 30 du/ac (default density) or more as affordable for lower-income. Any site designated to accommodate lower income housing must also be between 0.5 acres – 10 acres and be projected to accommodate at least 16 units. The City has three land use designations that can accommodate residential development at this default density that would qualify for lower-income development including the R-VHD and two designations within the Innovation Center Specific Plan (PA-1), (Transit Village/Mixed-Use and Multi-Family Very High Residential).

As discussed later in this report, depending on the assumptions made, the majority of the lower-income RHNA could be addressed within PA-1 using HCD’s recommendations, as well as a significant proportion of above-moderate units on other existing higher density housing sites, without requiring any rezoning. It is a policy decision for the City Council as to how to best allocate affordability assumptions for sites at various densities in various locations.

#### **ANALYSIS OF EXISTING ZONING CAPACITY**

The following outlines the City’s RHNA, the components that make up the current sites inventory, and how the projected shortfall is calculated.

#### 6<sup>th</sup> Cycle RHNA

Table 1 summarizes the 6<sup>th</sup> Cycle RHNA for the City of Brentwood. The RHNA is distributed among the following income categories, each of which represent relative affordability to households as a proportion of the Countywide Area Median Income (AMI).

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<sup>4</sup> Sometimes called “Mullin densities” after the author of AB 2348, Statutes of 2004, which originated these requirements.

<b>Table 1: RHNA Allocation Breakdown</b>		
<b>Income Category</b>	<b>Percentage of Area Median Income</b>	<b>Brentwood RHNA</b>
<b>Extremely Low Income (ELI)*</b>	<30%	402
<b>Very Low Income (VLI)*</b>	31-50%	
<b>Low Income (LI)</b>	51-80%	232
<b>Moderate Income (MI)</b>	81-120%	247
<b>Above-Moderate Income (AMI)</b>	>120%	641
<b>Total</b>		<b>1,522 Units</b>

Analysis of Existing/Baseline Zoning Capacity

In order to provide a comprehensive analysis of the City’s existing zoning capacity, staff has utilized the following components to address the City’s 6<sup>th</sup> Cycle RHNA, discussed in further detail below.

*Existing Residential Zoning*

This includes parcels zoned for residential uses with capacity to add new housing units within the City’s single-family and multi-family residential zoning districts. Although all vacant or underutilized parcels that currently maintain zoning or general plan designations that allow residential development may be included within the inventory, staff recommends that the focus be on sites that can accommodate the largest amount of below market rate housing at the highest densities. Therefore, not all residentially zoned sites will need to be listed on the final inventory. A map of all parcels with a general plan designation that allows for residential development (excluding PA-1 and Specific Plan areas as noted above) is included for reference.

*Capacity in Existing Specific Plans*

This includes vacant or underutilized parcels within the PA-1 Specific Plan<sup>5</sup> that allow for residential development with capacity to add new housing units.

*Pipeline Projects*

Pipeline Projects are defined as residential projects already entitled, under review, or expected to be entitled during the eight year planning period, including projects under construction but which would not have building permits finalized by June 30, 2022.<sup>6</sup> This includes new proposed projects to be approved under the City’s revised Affordable Housing Ordinance. Although HCD allows Pipeline Projects to include projects currently under review, staff has only included entitled projects that have received City approval.

*ADU Production*

HCD has issued a determination to allow local jurisdictions to “count” ADU production as a component of the sites inventory based on a formula that considers the average annual number of ADU permits issued in the City over the last three years, multiplied over the Housing Element’s eight-year planning period. In 2019 the City issued nine permits, in 2020 the City issued 20 permits, and in 2021 the City issued 16. In the first six months of 2022, the City has only issued 2 new ADU permits. Since the City has not been able to show that there is currently an upward trend in ADU production, the average from 2019, 2020, and 2021 would need to be

<sup>5</sup> Estimated capacity within PA-1 is based on draft revisions that the Planning Commission recommended for City Council approval on June 21, 2022, which will be reviewed by the City Council in July 2022.

<sup>6</sup> The Housing Element 6<sup>th</sup> RHNA Cycle reporting period technically begins on July 1, 2022, meaning that units for which building permits are finalized (i.e., approved for occupancy) on or after this date, can be included in the 2023-2031 inventory.

used for future projections. This would allow the City to project 15 ADU's per year over the next eight years for a total of 135 new units. Kimley-Horn strongly recommends this approach to projection – more aggressive projection approaches attempted by other cities Kimley-Horn has worked with have not been approved by HCD.

As stated in the report previously presented to the City Council on June 1<sup>st</sup>, ABAG has prepared a preliminary ADU Affordability Report, currently under review by HCD, intended as a basis to allocate ADU production into the various RHNA affordability categories. If HCD accepts the report's analysis, ADU's would be permitted to be counted at the following income levels: 30% Very Low Income, 30% Low Income, 30% Moderate Income, and 10% Above Moderate Income. Follow-up or verification of affordability levels would not be required if utilizing these accepted income levels. Utilizing these assumptions, the City would be able to count the following ADU production shown in Table 2.

<b>Table 2: Summary of Projected ADU Production by Affordability</b>		
<b>Income Category</b>	<b>ABAG Affordability Assumptions</b>	<b>Projected ADU Production</b>
<b>Very Low Income (VLI)</b>	30%	40
<b>Low Income (LI)</b>	30%	41
<b>Moderate Income (MI)</b>	30%	40
<b>Above-Moderate Income (AMI)</b>	10%	14
<b>Total</b>		<b>135 Units</b>

These assumptions can potentially be adjusted if the City Council wants to consider including strong policies and programs to encourage the development of ADUs. Discussion of how the numbers may be adjusted and what types of programs may be considered are discussed further in the Site Inventory and Affordability Assumption Strategies section of the report.

Together, existing residentially-zoned properties, pipeline projects, and ADUs constitute a baseline of zoned capacity that can accommodate the City's RHNA. The difference between this number, and the RHNA in each category, represents the remaining need in each category. Table 3 below summarizes the results of staff's initial evaluation of pipeline projects and ADU production assumptions. The table also includes the total existing residential development capacity; however, the capacity has not been assigned affordability assumptions until further direction is provided as discussed in the Site Inventory and Affordability Assumption Strategies section of the report. Notably, the unit numbers presented in the following tables represent calculated capacity within the City's existing General Plan and zoning designations, rather than a specific obligation to meet a portion of the City's RHNA on specific sites.

<b>Table 3: Summary of Preliminary Capacity Analysis of RHNA and Site Strategies</b>					
	<b>Very Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Total Units</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>RHNA Strategies Under Existing Zoning</b>					
Projects Currently in the Pipeline	2		0	966	968
Projected ADU Production	80		41	14	135
<b>Remaining Need</b>	<b>552</b>		<b>206</b>	<b>--</b>	<b>449</b>
PA-1 (Innovation Center)	--		--	--	2,222
Vacant Residential Land	--		--	--	1,622
<b>Total Unit Potential</b>	<b>82</b>		<b>41</b>	<b>980</b>	<b>4,947</b>
Buffer/Gap	<b>-87%</b>		<b>-83.5%</b>	153%	319%

### **IMPACTS OF THE AFFORDABLE HOUSING ORDINANCE**

At the June 1, 2022 Joint Workshop, concerns were also raised questioning whether the City could include projected affordable units that may be gained from low density housing developments as part of the City’s updated Affordable Housing Ordinance. While it may seem counterintuitive, HCD does not permit affordable units required through the City’s Affordable Housing Ordinance to be counted as “projected” units in the Sites Inventory unless they are proposed or approved as part of a specific housing development. These units are; however, able to be counted toward the City’s RHNA once a project is approved by the City. According to HCD’s *Housing Element Site Inventory Guidebook* (2020) (Attachment 1):

The analysis of ‘appropriate zoning’ should not include residential buildout projections resulting from the implementation of a jurisdiction’s inclusionary program or potential increase in density due to a density bonus, because these tools are not a substitute for addressing whether the underlining (base) zoning densities are appropriate to accommodate the RHNA for lower income households.

There are currently approximately 10 residential developments under review with a total of 633 units currently proposed. If all of these projects were approved as currently proposed, the City would gain an additional 15 low- and very-low income units and 39 moderate income units. As noted above, although these projects are currently under review and are eligible to be included as Pipeline Projects, staff has only included entitled projects that have received City approval as Pipeline Projects.

On June 21, 2022, the Planning Commission recommended changes to the City’s Affordable Housing Ordinance to require a 13% affordable housing obligation for ownership and rental projects (3% Very Low / 4% Low / 6% Moderate). They also recommended changes to limit the option to pay a fee in lieu of constructing the required units to residential developments of 5-9 units, and removing the in lieu payment option for single-family residential development of 10 or more units. The proposed changes are tentatively scheduled to be presented to the City Council on July 12, 2022 for review and adoption.

## SITE INVENTORY AND AFFORDABILITY ASSUMPTION STRATEGIES

On June 1, 2022, staff presented the City Council and Planning Commission with an update on the Housing Element Update process, a description of the sites strategies, and a preliminary analysis that showed that the City has enough sites to meet the City’s RHNA obligation without having to rezone any parcels. This is a highly unusual position for communities in the sixth housing element cycle. Because the RHNA for most communities has increased significantly compared with the fifth cycle, most need to rezone substantial areas at higher densities. For instance, the total sixth cycle RHNA for Marin County is five times as large as in the fifth cycle.

The City Council reviewed the preliminary site strategies including initial assumptions and directed staff to return with a more detailed report on the sites inventory including a comprehensive draft sites inventory of every parcel when available for review. At this meeting, specific concerns were also raised regarding staff’s initial recommendation to assume that sites meeting the minimum default density of 30 du/ac be assumed to include 30% low income units and 10% moderate income units. Based on this feedback, staff has provided a comprehensive list of sites under consideration to be included in the draft sites inventory (attached for reference) and has three strategies for the City Council’s review and consideration. All three strategies include the same baseline for pipeline projects and existing residential inventory parcels, however, each will provide different affordability assumptions, and one with different ADU projections.

The strategies provided are only a sample of the strategies and assumptions that could be utilized to address the City’s RHNA. There will be an opportunity at June 21<sup>st</sup> workshop to use in real time, a model to make affordability and site assumption adjustments as necessary. A summary of the three identified strategies are included in Attachment 5 and below in Table 4 followed by a detailed discussion of each.

	<b>Strategy 1</b>	<b>Strategy 2</b>	<b>Strategy 3</b>
<b>Description</b>	No Rezoning Required, Reduced Affordability with Increased ADU Assumptions	No Rezoning Required, HCD Approved Methodology	No Rezoning Required, HCD Approved Methodology with Conservative Affordability Assumptions
<b>HCD-supported</b>	No	Yes	Yes
<b>Affordability Assumptions*</b>	21% Low and Very Low, and 6% Moderate	100% Low and Very Low, and 100% Moderate	30% Low and Very Low, and 10% Moderate
<b>Affordable Unit Potential</b>	VL/L: 635 units Mod: 264 units AMod: 4,183 units Total: 5,082 units	VL/L: 2,321 units Mod: 851 units AMod: 1,775 units Total: 4,947 units	VL/L: 755 units Mod: 347 units AMod: 1,405 units Total: 4,947 units
<b>Buffer</b>	0% Low/Very Low, 7% Moderate-, and 553% Above Moderate	266% Low/Very Low, 245% Moderate-, and 177% Above Moderate	19% Low/Very Low, 40% Moderate-, and 500% Above Moderate
<b>No Not Loss Implications</b>	Highly likely to trigger no net loss	Least likely to trigger no net loss	More likely than Strategy 2 to trigger no net loss
*Affordability assumptions are based on the sites inventory with the assumption that sites that allow 30 du/ac (default density) or more can accommodate capacity for lower-income units and sites that allow 15 to 25 du/ac can accommodate capacity for moderate-income units.			



Only strategies 2 and 3 of the aforementioned options currently create the capacity necessary to meet RHNA with a buffer consistent with HCD recommendations. Strategy 1 is presented to illustrate what the inventory may look like using affordability assumptions that are more conservative and more closely track the proposed Affordable Housing Ordinance (3%, 4%, 6%), and other strategies by which Brentwood can pursue meeting the RHNA obligation, although additional adjustments would be required. Strategy 1 is not recommended due to its reliance on ADU's, a strategy HCD has repeatedly disapproved. Table 5 below summarizes the affordability assumptions under each strategy followed by a more detailed analysis of each strategy.

<b>Table 5: Affordability and Default Densities by General Plan Designation</b>				
<b>Density Category</b>	<b>Density Range</b>	<b>Income Level Potentially Accommodated in Inventory</b>		
		Above-Mod.	Mod.	Low
<b>Strategy 1 Affordability Assumptions</b>				
Low - Medium Density	< 15 du/ac	100%		
High Density	15 – 25 du/ac	70%	6%	
Very High Density	> 30 du/ac	60%	6%	21%
<b>Strategy 2 Affordability Assumptions</b>				
Low - Medium Density	< 15 du/ac	100%		
High Density	15 – 25 du/ac	0%	100%	
Very High Density	> 30 du/ac	0%	0%	100%
<b>Strategy 3 Affordability Assumptions</b>				
Low - Medium Density	< 15 du/ac	100%		
High Density	15 – 25 du/ac	70%	30%	
Very High Density	> 30 du/ac	60%	10%	30%

**Strategy 1: Reduced Affordability with Increased ADU Assumptions**

*ADU Assumptions*

As indicated in the report, HCD allows ADU projections based on previous production averages projected over the next 8-year cycle. In order to increase these assumptions, the City would be required to include additional incentives, documented in new programs that could facilitate the added production. Additional programs that could be included to incentivize additional ADU production could include the following:

- programs to waive ADU plan check and permit fees;
- pre-approved ADU plans to streamline the project application and review process and reduce upfront project costs;
- promotion of ADUs through handouts, simplified application forms; and
- exploration of a program to provide ADU funding assistance to homeowners that provide affordability covenants.

In addition to these programs, the City would be required to document and clearly justify to HCD how and why the City believes that these programs would work as well as creating a monitoring program to track ADU and JADU creation and affordability levels throughout the planning period. The program would require the City to monitor the development of accessory units at all

income levels and track progress annually. If ADUs are not approved and permitted at the rate anticipated in the City’s increased projections, the City would need to adopt additional incentives within 2 years of the original incentives, and every two years subsequent, until ADU construction matches ADU projections.

Staff has reviewed the City’s current Municipal Code regulations, residential development trends, and overall characteristics of residential properties within the city and does not believe that with added programs and an increased effort to highly encourage and incentivize ADU production throughout the city that there is additional realistic capacity and believes that doubling the current projections to a total of 30 ADUs per year would be rejected by HCD. Although strategies similar to this have been approved in limited capacity within California, in those cases analysis and growth trends were typically provided to show a growing trend in production right up to adoption of the Housing Element. Since Brentwood is unable to show any substantial growth in production in the past six months to a year, adequate justification is not likely in this case. If increased assumptions were to still be considered, possible revised ADU production and assumptions are shown below in Table 6.

<b>Table 6: Summary of Projected ADU Production by Affordability</b>			
<b>Income Category</b>	<b>ABAG Affordability Assumptions</b>	<b>Original ADU Productions</b>	<b>Increased ADU Productions</b>
<b>Very Low Income (VLI)</b>	30%	40	80
<b>Low Income (LI)</b>	30%	41	82
<b>Moderate Income (MI)</b>	30%	40	80
<b>Above-Moderate Income (AMI)</b>	10%	14	28
<b>Total</b>		135 Units	270 Units

*High and Very High Density Affordability Assumptions*

In addition to higher ADU projections, Strategy 1 includes assumptions of 27% affordable units (9% very low-, 12% low-, and 6% moderate-income units) on all sites meeting the minimum default density of 30 du/ac. This assumption would be above what is required as part of the City’s Affordable Housing Ordinance, but would provide more conservative estimates and be more closely aligned with the City’s RHNA requirements. However, in this scenario the City would be most likely to need to modify affordability assumptions, or upzone additional sites during the planning period because the remaining undeveloped sites would be projected to provide few affordable units.

Table 7 below summarizes the results of initial evaluation of existing residential development capacity utilizing Strategy 1 capacity assumptions. Strategy 1 would result in the following projected capacity which would include a zero percent buffer in the lower income category:

<b>Table 7: Summary of Strategy 1 Capacity Analysis</b>					
	<b>Very Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 1 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2	0	0	966	968
Projected ADU Production	162	81	81	27	270
<b>Remaining Need</b>	<b>471</b>	<b>166</b>	<b>166</b>	<b>--</b>	<b>314</b>
PA-1 (Innovation Center)	377	133	133	1,712	2,222
Vacant Residential Land	94	50	50	1,478	1,622
<b>Total Unit Potential</b>	<b>635</b>	<b>264</b>	<b>264</b>	<b>4,183</b>	<b>5,082</b>
Units +/- and Buffer/Gap %	<b>1 unit, 0%</b>	<b>17 units, 7%</b>	<b>17 units, 7%</b>	<b>3,542 units, 553%</b>	<b>3,844 units, 227%</b>

*CEQA Implications under Strategy 1*

If Strategy 1 is chosen, no rezoning would be required and although affordability assumptions would be modified, all density assumptions would continue to be based on existing General Plan designations and therefore the Housing Element Update may be exempt from CEQA, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, similar to Strategy 1 and 2.

**Strategy 2: No Rezoning Required, HCD Approved Methodology**

Strategy 2 utilizes the preliminary analysis of RHNA and site strategies as presented in the HCD Guidebook. Based on HCD guidelines, the City may make assumptions up to 100% lower-income affordability for all sites allowing 30 du/ac or more, and 100% moderate-income affordability for all sites allowing between 15-25 du/ac. Although utilizing this approach would require additional analysis and justification of the sites designated for lower income housing, this is the typical assumption that most communities in California have used. Utilizing this method would also provide the City with the largest buffer in the very low- and low-income categories.

Table 8 below summarizes the results of initial evaluation of existing residential development capacity utilizing Strategy 2 capacity assumptions. Strategy 2 would result in the following projected capacity which would include a large buffer in each income category:

<b>Table 8: Summary of Strategy 2 Capacity Analysis</b>					
	<b>Very Low- Income</b>	<b>Low- Income</b>	<b>Moderate- Income</b>	<b>Above Moderate- Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 2 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2		0	966	968
Projected ADU Production	80		41	14	135
<b>Remaining Need</b>	<b>552</b>		<b>206</b>	<b>--</b>	<b>449</b>
PA-1 (Innovation Center)	1,793		429	0	2,222
Vacant Residential Land	446		381	795	1,622
<b>Total Unit Potential</b>	<b>2,321</b>		<b>851</b>	<b>1,775</b>	<b>4,947</b>
Units +/- and Buffer/Gap %	<b>1,687 units, 266%</b>		<b>604 units, 245%</b>	<b>1,134 units, 177%</b>	<b>3,844 units, 219%</b>

Strategy 2 could also be proposed with fewer sites and a smaller buffer, although this would be more likely to trigger no net loss. If that occurred, however, the City would be able to make a finding that additional properly zoned sites are available in the City.

#### *CEQA Implications under Strategy 2*

If Strategy 2 is chosen, no rezoning would be required and all density assumptions would be based on existing General Plan designations; therefore, the Housing Element Update would be exempt from CEQA review, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, which provides that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. However, HCD may require that other programs be included that could require additional CEQA review.

#### **Strategy 3: No Rezoning Required, HCD Approved Methodology with Conservative Affordability Assumptions**

Strategy 3 utilizes the preliminary analysis of RHNA and sites strategies as presented in the initial sections of this report. As stated above, based on HCD guidelines the City may make assumptions up to 100% lower-income affordability for all sites allowing 30 du/ac or more, and 100% moderate-income affordability for all sites allowing up to 20 du/ac. However, a more conservative assumption would project 30% low-income affordability and 10% moderate-income affordability for very high-density sites and 30% moderate-income affordability for high-density sites. Since not all sites are likely to develop at even this level of affordability, the City would need to carefully monitor development to ensure that it retains adequate sites at all times for the lower and moderate income categories. Because each site would be projected to have fewer affordable units, the City would be more likely to need to modify assumptions or up zone additional sites later in the planning period. A 100% affordable housing development would greatly assist in meeting the City's RHNA.

Table 9 below summarizes the results of initial evaluation of existing residential development capacity utilizing Strategy 3 capacity assumptions. Strategy 3 would result in the following projected capacity which would include a minimum 19% buffer in the lower income category:

<b>Table 9: Summary of Strategy 3 Capacity Analysis</b>					
	<b>Very Low-Income</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Total</b>
<b>2023-2031 RHNA Allocation</b>	<b>402</b>	<b>232</b>	<b>247</b>	<b>641</b>	<b>1,552</b>
<b>Strategy 3 Capacity Under Existing Zoning</b>					
Projects Currently in the Pipeline	2		0	966	968
Projected ADU Production	80		41	14	135
<b>Remaining Need</b>	<b>552</b>		<b>206</b>	<b>--</b>	<b>449</b>
PA-1 (Innovation Center)	539		223	1,460	2,222
Vacant Residential Land	134		83	1,405	1,622
<b>Total Unit Potential</b>	<b>755</b>		<b>347</b>	<b>3,845</b>	<b>4,947</b>
Units +/- and Buffer/Gap %	<b>121 units, 19%</b>		<b>100 units, 40%</b>	<b>3,204 units, 500%</b>	<b>3,844 units, 219%</b>

#### *CEQA Implications under Strategy 3*

If Strategy 3 is chosen, no rezoning would be required and all density assumptions would be based on existing General Plan designations; therefore, the Housing Element Update would be exempt from CEQA, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, which provides that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. However, HCD may require that other programs be included that could require additional CEQA review.

#### **NEXT STEPS**

As noted, the creation of the site inventory is an important initial step in the Housing Element Update process. Following this meeting, staff and the consultant team will continue to develop and refine the analysis of existing sites and solidify the existing capacity that can be used to address the City's RHNA. Based on where staff and the consultant team currently are in the analysis, a revised schedule and timeline has been prepared for Strategies 1, 2, and 3. A summary of the revised schedule is included below.

<b>Task</b>	<b>Timeframe</b>
City Council Workshop	July 21, 2022
Publish Public Review Draft	August 2022
Joint City Council and Planning Commission Meeting – Public Review Draft	August 2022
Internally Review Community Input/Feedback and Make Revisions	Early September 2022
First HCD Submittal	Mid-September 2022
Response to HCD Comments and Revisions	Mid-December 2022
2 <sup>nd</sup> Submission of Draft Housing Element to HCD	February 2023
Response to HCD Comments and Revisions	April 2023
3 <sup>rd</sup> Submission of Draft Housing Element to HCD if needed	May 2023
HCD Letter of Substantial Compliance	May 2023
Adoption Public Hearings	May 2023

It should be noted that although January 31, 2023 is the statutory deadline to have the Housing Element adopted for our jurisdiction, there is a 120-day “grace period” that is allowed in order to gain compliance with HCD. Under Strategies 1, 2, or 3, Brentwood would be utilizing this 120-day grace period to gain certification.

Staff also notes that in addition to working on reviewing the site inventory and goals and policies, staff and the consultant team are continuing to advance other components of the Housing Element. These include:

- Summary of input from the initial on-line community survey. The survey concluded on Friday, June 10<sup>th</sup> and included a total of 526 responses. A comprehensive summary of the survey results will be presented to the City Council when available.
- Completion of the Public Review Draft of the 2023-2031 Housing Element Update that will address all of the mandatory informational requirements and analyses supporting the Housing Element, including findings of the required housing needs assessment; analysis of constraints to housing; and evaluation of existing Housing Element policies and programs. This draft report is anticipated to be published and presented to the City Council and Planning Commission in August ahead of submission to HCD.

## **CONCLUSION**

To move forward in the planning process in drafting the Housing Element Update, it is imperative that the City Council provide direction on which strategies should be used in forming baseline site inventory and affordability assumptions. Staff is recommending that the City Council review, discuss, and receive public comments on the Housing Element Update RHNA sites strategies and provide direction to staff on which of the above site strategies to move forward with in order to complete the public review draft of the Housing Element.

### **Attachments**

1. HCD Site Inventory Guidebook
2. Residential General Plan Map
3. Draft Site Inventory Excel Sheet
4. Draft Site Inventory Map
5. Strategy 1-3 Site Analysis Tables
6. 5<sup>th</sup> Cycle Housing Element Site Inventory Analysis
  - a. Multi-Family Sites
  - b. Single-Family Sites