

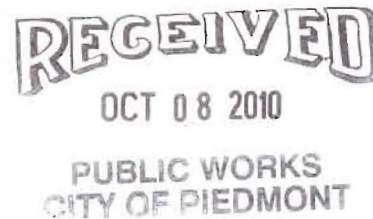
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 7, 2010

Mr. Chester Nakahara
Interim Director of Public Works
City of Piedmont
120 Vista Avenue
Piedmont, CA 94611



Dear Mr. Nakahara:

RE: Review of the City of Piedmont's Revised Draft Housing Element

Thank you for submitting Piedmont's revised draft housing element received for review on August 10, 2010. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on September 29, 2010 with Mr. Barry Miller, the City's consultant, facilitated the review.

The revised draft element addresses most of the statutory requirements described in the Department's May 25, 2010 review (see link below). However, the following revisions are still necessary to comply with State housing element law (Article 10.6 of the Government Code):

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Emergency Shelters: The revised element has been updated to describe the range of lot sizes within Zone B, but still does not demonstrate the suitability of the zone. As noted in the previous review, it should analyze how the characteristics of parcels are suitable to facilitate development of emergency shelters, such as typical parcel sizes and how existing uses are appropriate for conversion to emergency shelters.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential*

use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

Multifamily Opportunities: While Program I.G has been added to "develop incentives which would facilitate multi-family development," it should commit to specific actions to adopt or establish incentives by a specific date. For example, the City should commit to adopting incentives such as relaxing lot coverage requirements and streamlining environmental review by 2011.

In addition, given all the housing production in the City during the previous planning period consisted of second-units and single-family homes, policies and programs must be established that encourage the development of multi-family housing and reduce or eliminate constraints to development. Facilitating the development of multi-family housing provides more compact development to address climate change objectives and maximize limited land resources. As a result, the City should analyze the impacts of permitting single-family uses by-right in Zones C and D while multi-family uses are/will be conditionally permitted in these zones. For example, the City should consider eliminating the conditional use permit for multi-family and prohibit single-family uses in these zones.

Second Units: While Program 3.C has been added to monitor unintended, illegal and suspected second-units, as noted in the prior review, it should also include actions that monitors and maintains the availability of second-unit development opportunities such as lots with capacity for second-units.

Emergency Shelters: As noted in Finding 1, the City must provide further analysis demonstrating the appropriateness of Zone B to accommodate the City's need for emergency shelters. Depending on the outcome of that analysis, the City may need to revise Program 5.E to identify alternate zones that can adequately facilitate the development of emergency shelters.

Transitional and Supportive Housing: While Program 5.E has been added to permit transitional and supportive housing in Zone B, it proposes to limit these uses to only Zone B. Pursuant to Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing must be considered a residential use subject only to the same permitting processes as other housing in the subject zone without undue special regulatory requirements. Program 5.E should be revised consistent with SB 2. Please see the Department's memorandum on SB 2 at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

As noted in the previous review, programs should include actions to assist the development of housing for extremely low-income households. Examples of programs that should be added or revised include, but are not limited to:

Second Units (Programs 2.A, 5.A and 5.I): While the revised draft now includes Program 5.I to maintain an inventory of existing second units that are affordable to extremely low-income households, it does not include a commitment to encourage their development. For example, Programs 2.A and 5.A could be revised with actions to apply or support funding applications and offer incentives or regulatory concessions such as modifying development standards

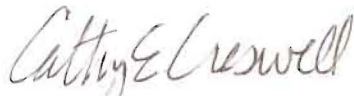
Extremely Low-Income Households: The revised draft relies solely on the availability of second-units to meet the needs of extremely low-income (ELI) households. Second-units, however, do not address the needs of families or larger ELI households. As a result, pursuant to Chapter 891, Statutes of 2006 (AB 2634), existing programs should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of ELI households. To address this requirement, Program 1.G (noted in Finding 2 above) could be revised to describe how the City will encourage developers to build rental housing for ELI households.

4. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

City Charter for Rezoning of Parcels: The revised draft now includes a general analysis of the City's charter for rezoning parcels and Program 1.E to conditionally permit multifamily housing in the Commercial Zone (Zone D). However, given the statutory requirement to encourage a variety of housing types including multifamily rental housing, programs should be added or revised to monitor the charters' effect on the cost and supply of housing, particularly multifamily, and commit to adopt strategies to address identified constraints such as streamlining permit procedures for multifamily uses in Zone D.

Once the element has been revised to address these requirements, it will comply with State housing element law. The Department is committed to assist the City in meeting the statutory requirements. If you have any questions, please contact Brett Arriaga, of our staff, at (916) 445-5888.

Sincerely,



Cathy E. Creswell
Deputy Director