



CITY OF PIEDMONT HOUSING ELEMENT

TRACK CHANGES VERSION~~PUBLIC REVIEW DRAFT~~
MAY 2011~~JULY 2010~~

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1. Introduction

"The Congress of the United States has established as a national goal the provision of a decent home and a suitable living environment for every American family and the Legislature finds and declares that the attainment of this goal is a priority of the highest order. The national housing goal, as it applies to California, is deserving of adoption by the Legislature, with the accompanying commitment to guide, encourage, and direct where possible, the efforts of the private and public sectors of the economy to cooperate and participate in the early attainment of a decent home and a satisfying environment for every Californian."

*California Health and Safety
Code Section 50002*

PURPOSE

The purpose of the Housing Element is to ensure that an adequate supply of housing is provided for current and future residents of Piedmont. The Element also seeks to conserve the City's housing stock through programs that assist Piedmont residents with home improvement and conservation. The Element is targeted toward low and moderate income Piedmont households and households with special needs, including seniors and persons with disabilities. Its scope is comprehensive, however, addressing the State Legislature's mandate to provide a decent, affordable living environment for every Californian.

The Housing Element is part of the Piedmont General Plan and its preparation is required by the State of California. In fact, the Element is the only part of the General Plan that is subject to an official State certification process. Following its adoption by the City Council, this document was submitted to the California Department of Housing and Community Development (HCD) for a compliance determination. The Element was pre-certified by the State in May 2011, following more than a year of HCD review and several rounds of revision. A finding of compliance is important to ensure that the City remains eligible for state and federal funds such as Community Development Block Grants.

In practical terms, the Housing Element provides the City with an opportunity to assess its housing needs and develop policies and actions that effectively respond to these needs. The demand for affordable housing has been an issue of great concern to Bay Area residents for many years. It affects older Piedmont residents on fixed incomes as well as young persons who may wish to buy or rent a home in the community. It affects teachers in our schools, employees in our local businesses, and those facing the loss of a job or a change in life circumstances. Ultimately, the supply and cost of housing affects the entire Bay Area economy and the quality of life in the region.



The Government Code requires the Housing Element to evaluate the current housing market and identify programs specifically tailored to local housing needs.

LEGAL BASIS FOR THE ELEMENT

This Housing Element has been structured to meet the requirements of the California Government Code. Article 10.6, Section 65583 of the Government Code provides specific guidelines for the topics to be covered and analyses to be performed. The 2010 Piedmont Housing Element has been formatted so that relevant sections of the Government Code appear in margin sidebars throughout the document. Broadly speaking, the Government Code requires the Element to evaluate the current housing market in the city and identify programs specifically tailored to local housing needs. The document must also evaluate the past Housing Element and consider its successes and shortcomings.

Consistency With Other Elements of the General Plan

The other Elements of the Piedmont General Plan are Land Use; Transportation; Natural Resources and Sustainability; Environmental Hazards; Parks, Recreation and Open Space; Design and Preservation; and Community Services and Facilities. These Elements were updated in 2008 and adopted by the City Council in April 2009. Work on the Housing Element began immediately after adoption of the other elements, as an extension of the same General Plan update process. This allowed for a level of continuity that was not possible during the 2001-2002 Housing Element Update, which took place seven years after the 1995 General Plan was adopted.

State law requires that policies in the Housing Element do not conflict with policies in the other elements of the General Plan. Because the Housing Element was prepared as part of a continuing process that included these other elements, there is a high level of integration between the documents and they are fully consistent. The Housing Element helps advance the City's land use policies, requires no changes to the City's General Plan Map, and reinforces and affirms all other policies in the General Plan.¹

Although the Housing Element is part of the General Plan, it stands on its own as a separate document because of the State requirements for data and analysis. These requirements substantially increase the length of the Element relative to the other chapters of the General Plan. An executive summary of this Element, including the goals, objectives, policies, and actions, is included as Chapter 10 of the main General Plan volume.

Adoption of the 2010-2014 Piedmont Housing Element is also subject to environmental review under the California Environmental Quality Act

¹ *Government Code Section 65302 also requires amendment of the Safety and Conservation Elements of the General Plan to include an analysis of flood hazard policies relative to housing. In Piedmont's case: (a) the General Plan was adopted after this rule became effective (Jan 1, 2009) and includes the requisite analysis and policies, and (b) no portion of Piedmont is within the 100-year flood plain and consequently no housing sites were affected by flood hazard information.*

(CEQA). A CEQA Initial Study was performed as part of this process and it was determined that there would be no significant environmental impacts as a result of adopting the Element.

Regional Housing Needs Allocation Process

The State of California has established a process to determine each community's "fair share" of the region's future housing needs. In the Bay Area, this process is managed by the Association of Bay Area Governments (ABAG). ABAG represents 101 cities and nine Bay Area counties with a combined population of 7.4 million residents. In 2007, the State determined that 214,500 new housing units were needed between 2007 and 2014 to meet the Bay Area's housing demand. Each jurisdiction in the region was assigned a share of these units by ABAG. This assignment was based on a formula that considered projected household growth, job growth, land supply, infrastructure and environmental constraints, real estate market conditions, and the availability of public transit. Piedmont's assignment for the 2007-2014 period was 40 new housing units.

Under State law, each jurisdiction must use its Housing Element to show that there are sufficient opportunities to accommodate their assignment within the community. The RHNA process does not require the City to actually *build* the housing units—rather, it requires that the City create the *opportunity* for the private and non-profit sectors to build this quantity of housing. An important part of the Housing Element is demonstrating that the City's zoning codes, fees, and other regulations do not stand in the way of meeting their assignment.

The RHNA assignment for each city is further broken down by income type. In other words, the 40 units assigned to Piedmont include a specific number of units that should be affordable to very low, low, moderate, and above moderate income households. ABAG has structured the allocation of units by income to more evenly balance lower income housing across the region. This means that more affluent communities get larger percentages of lower income units in their assignments. In Piedmont's case, the assignment includes 13 very low, 10 low, 11 moderate, and 6 above moderate income units. The definition of these income categories and the implications of this assignment are described at length in Chapter 3 of the Housing Element.

Piedmont's previous Housing Element was adopted in November 2002 and covered the period 1999-2006. Because it was adopted midway through the period (as were all Housing Elements in the Bay Area, due to delays in the RHNA process), its focus was on 2003-2006. Similarly, this 2010 Element covers the period 2007-2014, with a focus on 2010-2014. The 2010-2014 timeline is most pertinent to the *programs* found in Chapter 6 of the Element. The *policies* in the Element are less time sensitive, and should continue to guide the City's housing decisions even after the 2010-2014 time period has ended.

As part of the General Plan Update in 2007, the City mailed a 4-page resident survey to every household in Piedmont. More than 1,100 surveys—representing over 30 percent of the city’s households—were returned. The survey was an extremely useful tool to gauge public opinion on planning issues, including those related to housing.

PUBLIC PARTICIPATION

In accordance with the Government Code, the City of Piedmont solicited public input throughout preparation of the Housing Element. The Planning Commission was the primary conduit and held five evening work sessions on the Element in 2009. Each work session corresponded to one of the chapters of the Element. The work sessions followed a longer public input process associated with the General Plan Update that took place in 2007 and 2008. Although housing was not the explicit focus of the 2007-08 work sessions, that process also offered an opportunity for Piedmonters to express their views on housing issues.

~~Early in the Housing Element process, the City developed an email data base of interested parties. Housing Element meetings were publicized through community newspapers, posting of meeting notices at City Hall and on the City’s website, and e-mails to an “interested parties” mailing list that was maintained and expanded throughout the process. Meetings were televised on local access cable (KCOM), potentially reaching most Piedmont households. Meetings could also be viewed on-line via streaming video, both in real-time and on-demand.~~

~~Piedmont residents and other interested~~ These parties were invited to attend each Planning Commission work session, and were provided with opportunities to review and comment on each working draft chapter of the element as it was completed. Working drafts were posted on the City’s website throughout 2009 and 2010. The City’s email notification list included Piedmont residents, regional housing advocates, social welfare organizations, and local non-profits, as well as members of the City Council. ~~The City worked with the local press to publicize the Commission work sessions and encourage attendance.~~

Public participation also was encouraged during the adoption process. The City conducted noticed public hearings before the Planning Commission and City Council, and solicited input from Commissioners, Council members, and the general public. The Draft Element was made available for public comment on the city’s website for several months prior to its adoption, and a data base of public comments was maintained.²

~~Despite efforts to solicit broad public input, public turnout at Housing Element meetings was relatively low. This has been the City’s experience with other long-range planning initiatives and compelled the City to seek other methods of soliciting input (see discussion of the Resident Survey below). Most Housing Element meetings included one or two public speakers, a handful of audience members, and a member of the local press.~~

² *Italicized text represents task now underway. Italics to be removed after Plan adoption. See text box on next page for additional information on the adoption process.*

INTRODUCTION
~~PUBLIC REVIEW DRAFT TRACK CHANGES VERSION~~

Comments generally addressed the City's second unit program and Design Review standards. The City has incorporated community feedback in this Element by proposing revisions to the second unit program, updating the Residential Design Guidelines, and committing to a continued dialogue about fees and Design Review procedures. The Element also reflects extensive input from the Planning Commission, who reviewed and commented on its policies and programs in their work sessions.

As noted above, the City explored new ways to engage the public in this Housing Element update, since the traditional methods of public workshops and Planning Commission meetings resulted in limited input. As part of the General Plan Update in 2007, the City mailed a 4-page resident survey ~~that was mailed~~ to every household in ~~Piedmont~~~~the City~~. More than 1,100 surveys—representing **over 30 percent** of the city's households—were returned. The survey was an extremely useful tool to gauge public opinion on planning issues, including those related to housing. The General Plan survey included questions on such topics as second units, mixed use development, and residential design review. It included a combination of interval rating questions (e.g., on a scale of 1 to 5 ...), multiple choice questions, and open-ended questions. Hundreds of written comments related to housing were received, transcribed, and analyzed.

Data from the survey was used in the development of housing policies, just as it was used to develop land use, transportation, design, conservation, and community facility policies. For example, 71 percent of the respondents indicated the City should encourage mixed use development (including housing) on Grand Avenue commercial properties. This is reflected in the policies of this Housing Element, which support multi-family residential development in this area. The survey also indicated support for second units as a form of affordable housing, which is also a focus of this Housing Element.

The General Plan Survey also helped shape housing policies related to planning and building fees, zoning regulations, and Design Review requirements. About 25 percent of the survey respondents felt the City's Design Review regulations were too restrictive, about 44 percent felt they were "just right," and 5 percent felt they were not restrictive enough. Written responses were published in a 2008 report. Where appropriate, the policy recommendations in this Housing Element reflect the recurring themes and messages from the survey—for example, the use of "sliding scales" when calculating design review fees, updating the City's Design Guidelines, and considering reduced public notification requirements for projects that are not visible from the street.

About the Housing Element Adoption Process
"Public Review Draft"

The individual chapters that comprise the adopted Housing Element is "Public Review Draft" were written in 2009 and ~~were~~ reviewed in sequence at Planning Commission work sessions throughout the year. Each chapter was edited based on comments from the Commission and the public.

The chapters were combined into an "Administrative Draft," which was submitted to the State Department of Housing and Community Development (HCD) in March 2010. HCD conveyed initial comments to Piedmont staff ~~by phone~~ in May 2010. A number of changes were made and ~~were are~~ included in a this Public Review Draft. Additional revisions ~~were are still being~~ made in response to HCD's "official" comment letter, which was received on May 25, 2010. The revisions ~~were will be~~ presented to the Piedmont Planning Commission and City Council in the form of an August 2010 "addendum."

Comments on The August 2010 addendum were received from the State in October 2010. A Second Addendum was submitted in November 2010. Following extensive dialogue with the state, a third addendum was submitted in May 2011. This State indicated the Element would be deemed compliant if it was adopted with the changes annotated in the Third Addendum. This document includes all Third Addendum revisions. Once the Public Review Draft and addendum have been approved, a revised "Final" Housing Element will be prepared, merging both documents. This will be submitted to State HCD for certification at that time.

INTRODUCTION
~~VIEW DRAFT TRACK CHANGES VERSION~~

ORGANIZATION OF THE ELEMENT

This Housing Element has been organized into seven chapters, as follows:

- Chapter 1, **Introduction**, provides an overview of the Element.
- Chapter 2, **Evaluation of the 2002 Housing Element**, describes the factors which influence the Piedmont housing market and presents an evaluation of the 2002 Element.
- Chapter 3, **Demographics and Housing Needs**, includes an analysis of Piedmont's population and housing characteristics and projections of future housing needs.
- Chapter 4, **Analysis of Housing Capacity**, identifies the potential sites in Piedmont where new housing may be built and discusses opportunities for second units.
- Chapter 5, **Constraints to Housing Production**, describes the governmental and non-governmental factors that may inhibit housing construction and conservation in Piedmont.
- Chapter 6, **Goals, Policies, and Actions**, presents quantified targets for housing conservation and production, as well as policies to guide day-to-day decisions pertaining to housing.
- Chapter 7, **Five-Year Action Program**, summarizes 2010-2014 housing programs and establishes a timeline and responsible party for implementing each action.

2. Evaluation of the 2002 Housing Element

The Housing Element shall evaluate ...

“The effectiveness of the (prior) housing element in attaining the community’s housing goals and objectives” and “the progress of the city or county in implementation of the housing element.”

Government Code Sec. 65588 (a)(2) and (3):

INTRODUCTION

This Chapter provides the context for the Housing Element and describes the factors that influence housing supply and demand in Piedmont. Its focus is on housing production and housing legislation in Piedmont between 2002 and 2010. The focus of the Chapter is a series of tables which evaluate the programs contained in the 2002 Housing Element and document the progress that has been made in their implementation and their continued relevance in 2010-2014. This review forms the basis for restructuring the 2010 Element to better meet future housing challenges.

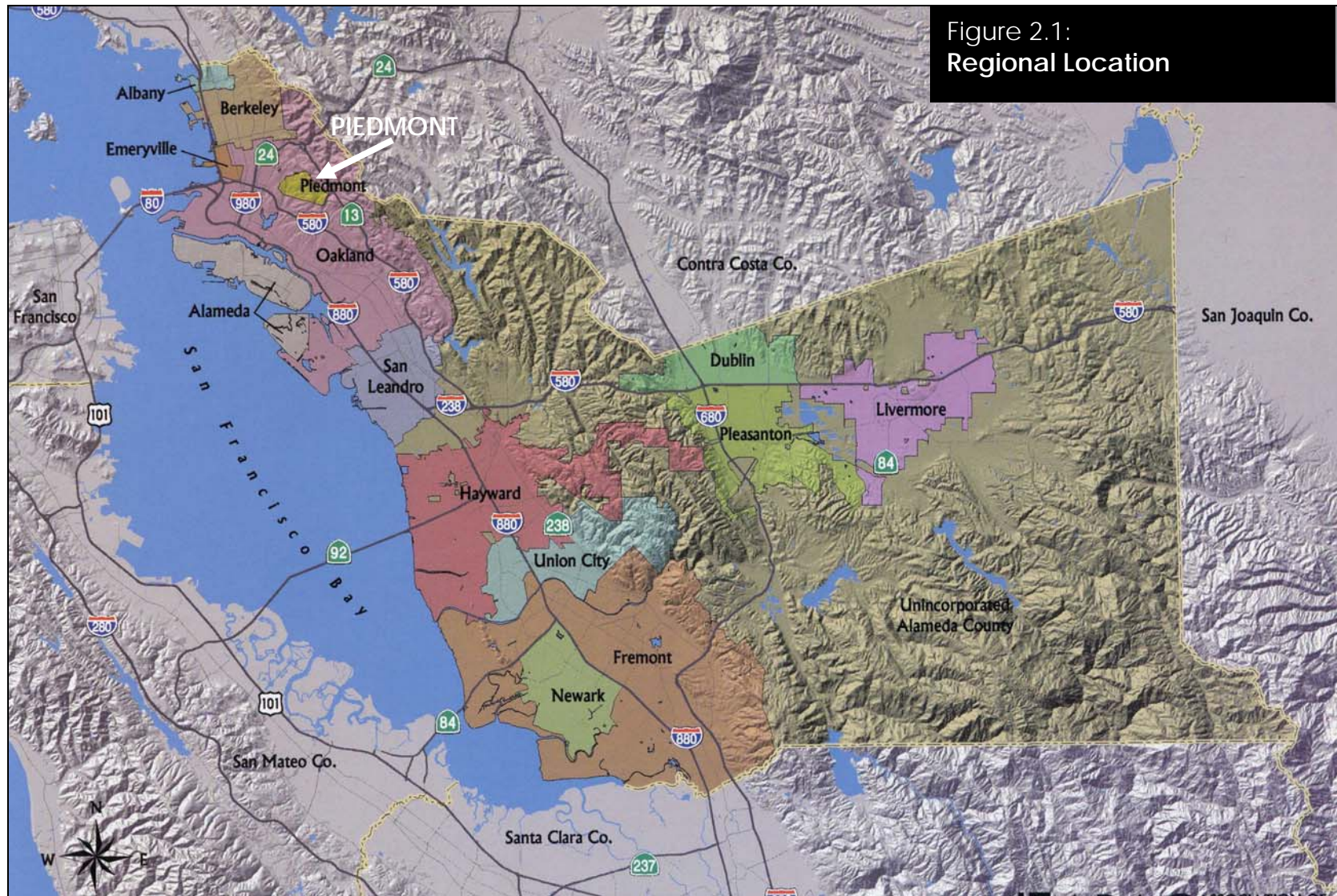
CONTEXT

Location

The City of Piedmont is an older, well-established community located in Alameda County, approximately 10 miles east of San Francisco. As illustrated in Figure 2-1, the City is completely encircled by the City of Oakland and has no opportunities for annexation. This has been the case since 1909, when Oakland annexed Piedmont’s north and east perimeter. Piedmont’s “landlocked” setting has influenced its historic development patterns and significantly affects its potential for new housing and employment today. The City encompasses 1.7 square miles—virtually all of it fully developed.

Piedmont is regarded within the Bay Area as a desirable residential community. The City’s proximity to the region’s major employment centers, coupled with its excellent schools, low crime rate, high quality housing stock, gracious architectural character, and well maintained parks have contributed to this image. More than 90 % of the City’s land area is developed with housing and 9 % consists of schools, parks, and churches. Piedmont has less than four acres of commercial land, consisting mostly of offices and small businesses. The City has no industrial land.

EVALUATION OF THE 2002 HOUSING ELEMENT
~~PUBLIC REVIEW DRAFT~~ TRACK CHANGES VERSION



Map Source: ABAG, 2009

For the past three decades, the City has had a highly effective design review and planning program. This program has enabled the City to retain the scale of its neighborhoods and preserve many of its smaller homes, while still providing homeowners with an opportunity to adapt their properties to meet contemporary needs.

Market Characteristics

Piedmont's housing market reflects the fact that the City has been built out for almost 50 years. Real estate transactions are dominated by the sale of high-end single family homes built before 1960. New home construction since 1980 has averaged just one to two units a year.

Many persons purchasing Piedmont homes wish to update or expand their homes to contemporary standards. For the past three decades, the City has had a highly effective design review and planning program to guide this process. This program has enabled the City to retain the scale of its neighborhoods and preserve many of its smaller homes, while still providing homeowners with an opportunity to adapt their properties to meet contemporary needs.

Piedmont has a very small supply of rental housing, consisting of approximately 50 conventional apartments, about 100 second units (or "in-law" apartments), and 200 to 250 private homes that are rented out.¹ In addition, some of the City's private homes have on-site living quarters for household employees.

At the present time, there are fewer than 60 vacant lots in the city. These lots are scattered throughout Piedmont and comprise a combined total of 12.9 acres of land. The number of lots that are actually buildable is much smaller. Many of Piedmont's vacant lots are constrained by steep slopes or inadequate street frontage, and many are owned by adjacent property owners and are in use as yards or gardens. During the next decade it is likely that some of these lots will be developed. Given the high cost of land, expense of development, and character of the surrounding neighborhoods, these are likely to be expensive custom homes. Opportunities for affordable housing on such sites are extremely limited.

Piedmont has almost no land suitable for conventional redevelopment, nor does it have public land that might be made available for future housing. The City's commercial acreage is fully developed and supports about two dozen active businesses and ancillary storage uses. The replacement of existing single family homes with multi-family development is not considered feasible, due to the excellent condition of the City's housing stock and the potential for displacement of existing Piedmont residents.

¹ The 2000 Census reported 355 rental units in the City. The estimate of 200 to 250 private homes has been derived by subtracting the number of apartments and second units from this number. Because some property owners may not report rental income to the City, the exact number of rented single family homes is not known.

Given the lack of vacant and redevelopable land in the City, Piedmont has historically explored other ways to meet future affordable housing needs. Since the 1990s, the City has found that the most effective approach is to actively encourage the production of second units.

The City has had a multi-family zoning district in the Linda Avenue/Oakland Avenue for many decades, but there has been very little private redevelopment in this area due to the high quality and value of the existing housing. Additionally, the City Charter requires a citywide election for the rezoning of any parcel of land to a use other than single family residential, making “upzoning” (e.g., zoning to allow higher densities) unlikely.

Given the lack of vacant and redevelopable land in the City, Piedmont has historically explored other ways to meet future affordable housing needs. Since the 1990s, the City has found that the most effective approach is to actively encourage the production of second units.

The Role of Second Units in Piedmont’s Affordable Housing Efforts

A second unit is a dwelling unit that is attached or detached from a larger dwelling unit on the same lot and that can be used for habitation. Additional information on the physical characteristics of second units is contained in the text box on the following page.

The City of Piedmont has a long tradition of allowing second unit housing. Many of these units were initially created as living quarters for domestic employees. Today, second units in Piedmont provide housing for professionals, seniors, caregivers, child care employees, relatives, and young adults entering the housing market, among others. In some cases, elderly Piedmont homeowners have moved into second units on their own properties in order to retain ownership and have a source of retirement income. Given the single family character of the city and the absence of land available for new development, second units are the most practical and prevalent form of affordable housing in the city today.

Prior to 2003, the City had a process wherein second units were permitted in residential zoning districts with a conditional use permit (CUP). The CUP requirement included a public hearing before the Planning Commission, which provided an opportunity for public input and establishment of conditions of approval. Several different types of second unit permits were established by the City in the 1990s, reflecting the different ways these units were initially developed or approved.

With the adoption of AB 1866 by the State legislature in 2002, cities in California were required to allow second units “ministerially” (i.e., without a conditional use permit) where the units complied with State standards relating to parking, square footage, and other factors. The City of Piedmont convened a Task Force in 2003 to develop a compliance strategy for AB 1866. The strategy led to a new second unit ordinance (Chapter 17D of the Municipal Code), along with creation of a new category of second units which could be rent-restricted to low and very low income households.

Table 2-1 defines the different types of second units that exist in Piedmont today. These units appear throughout the City in many different configurations. They include basement and attic units, garage apartments, detached cottages, and more. Some are over 80 years old, while others have been built within the past five years. Provisions of the City’s second unit ordinance are discussed in Chapter 5 of the Housing Element.

What’s a “Second Unit?”

Second units are an essential part of Piedmont’s affordable housing stock. As Table 2-1 notes, there are many different types of second units in Piedmont. These units share the following physical characteristics:

- *A separate entrance*
- *A private bathroom, containing a sink, toilet, and shower or bath*
- *Basic cooking facilities, including a sink independent of the bathroom sink*
- *A sleeping area (not necessarily a separate room)*
- *A permanent heating system*
- *Ceiling heights of at least 7’6” in habitable rooms and 7’0” in hallways and bathrooms*
- *At least one operable window measuring 24” x 20” or larger, the bottom of which is no more than 44” above the floor*
- *The space could potentially be used in a manner that is private and separate from the primary residence on the property*
- *The space is less than 700 square feet, unless it is rented to a low or very low income household, in which case larger units are permitted (see Chapter 5 of the Housing Element for additional information)*

A second unit may be attached to the main house, or it may be an independent structure on the property. It can be a studio (e.g., a single room with a private bath) or it may contain one or more bedrooms. Most Piedmont homeowners with spaces meeting the above physical criteria are not actively using these spaces as rental units. Common uses include housing for domestic employees, home offices, guest quarters, and sleeping quarters for family members.

Table 2-1: Types of Second Units in Piedmont		
Type	Characteristics	Number of Units
Approved Second Unit	This term includes several of the categories listed below (CUP, Exempt, Government Code, and Rent-restricted), as well as any other second unit approved since 2003.	100
CUP Second Unit	Units that were created in accordance with Chapter 17D of the Piedmont Municipal Code <u>before</u> July 1, 2003. These units were approved subject to certain conditions pertaining to parking, unit size, design, and other attributes.	12
Exempt Second Unit	Units that have been formally verified as having existed as separate living quarters in 1930, the year the Piedmont Zoning Ordinance was adopted. These units have been granted amnesty under Chapter 17D of the Piedmont Municipal Code and may be used as rentals without conditions.	33
Government Code Second Unit	The GCCUP units were created through a special City program in 1994 which provided expedited approval for property owners wishing to create second units.	32
Rent-Restricted Second Unit	These include second units approved under a special permit which requires occupancy by a low or very low income household, with rents capped at the affordable rent level for these income groups defined by HUD. (See Chapter 5 for additional information)	9
Temporary Second Unit	TUP units were initially approved under Piedmont's 1987 second unit ordinance and were to be phased out by 2002 following a 15-year amortization period. Most of these units did not meet the parking requirements of the City's previous second unit ordinance and some did not meet building code standards. The City has allowed continued occupancy of TUPs in conformance with its 2002 Housing Element.	8
Unintended Second Unit	A second unit that is <u>not</u> used in a manner that is private and separate from the main residence on the property. Unintended units include rent-free au pair and domestic employee quarters, as well as guest cottages or portions of private residences with separate entrances, kitchens, and bathrooms.	117
Illegal Second Unit	Any unit that is being used in a manner that is private and separate from the main residence on the property, without a permit or determination of exemption.	NA

Source: City of Piedmont, 2009

During the prior Housing Element period (1999-2006), second units played a crucial role in meeting local housing needs. Although the provisions for “rent-restricted” units came late in the planning period (the Ordinance was adopted in 2004 and the first unit was approved in 2006), about 10 market-rate second units were added during this time period. The market rate units were generally rented at rates that were affordable to moderate income households, serving a segment of the city’s population that has limited housing options within Piedmont. Since 2006, the City has actually approved more second units than primary units, indicating their continued importance in the City’s housing market.

Looking ahead to 2010-2014, second units will continue to be the most viable and effective way to meet Piedmont’s Regional Housing Needs Allocation for low to moderate households. Many Piedmont homes are large and could potentially support second units within their existing footprints. There are also significant numbers of Piedmont seniors and empty nesters who might find the concept of a second unit to be attractive. Moreover, in the current economic climate, second units can provide a supplemental income source for Piedmont homeowners and can help residents weather the recession and real estate slump.

HOUSING PRODUCTION DURING THE 1999-2006 PLANNING PERIOD

The 2002 Housing Element was prepared to cover the period 1999-2006. At that time, the ABAG Regional Housing Needs Allocation (RHNA) for Piedmont was 49 units, including:

- 6 very low income units
- 3 low income units
- 10 moderate income units
- 28 above moderate income units

Between January 1, 1999 and the end of 2006, there were 10 second units approved (including one rent-restricted unit and nine market rate units). There were also 18 new single family homes approved during this period, all serving above moderate income households. However, 12 of these homes included the demolition and replacement of an existing residence and only six were brand new homes.

It is significant that second units represented almost two-thirds of the net gain in housing stock in Piedmont during 1999-2006.

Thus, *actual net* production during 1999-2006 was:

- 1 very low income unit (rent-restricted second unit)
- 0 low income units
- 9 moderate income units (market rate second units)
- 6 above moderate income units (new homes)

It is significant that second units represented almost two-thirds of the net gain in housing stock in Piedmont during 1999-2006.

Information on housing production since January 1, 2007 may be found in Chapter 4 of the Housing Element.

In addition to facilitating housing construction and revising the second unit ordinance, the City of Piedmont actively encouraged the conservation and maintenance of the existing housing stock during the 1999-2006 period. Between January 1, 2000 and December 31, 2006, there were 8,164 building permits issued in the city—which is twice the number of housing units in Piedmont. Design review and city planning criteria were revised several times during this period to expedite permit processing and facilitate home rehabilitation projects.

REVIEW OF 2002 OBJECTIVES POLICIES AND ACTIONS

The following section of the Housing Element is specifically required by the Government Code. The goals, objectives, policies, and actions contained in the 2002 Element are individually assessed and reviewed. The relevance of each policy or action to current housing conditions in Piedmont is noted. Where appropriate, changes to be reflected in the new Housing Element also are noted.

To facilitate the evaluation, the evaluation is presented using a series of tables. The statement from the 2002 Housing Element appears in the first column (abridged in some cases and without the narrative text that appeared in the actual 2002 document), and the evaluation is in the second column.

Table 2.2: Evaluation of 2002 Housing Element Goal 1	
Statement	Evaluation
Goal 1: Provide a range of new housing options in Piedmont to meet the needs of all household types in the community.	Still valid—carry forward
<p><i>Quantified Objectives:</i></p> <p>1) <i>Zone the City's remaining vacant and redevelopable lots to accommodate the construction of at least 47 units of new housing.</i></p> <p>2) <i>Facilitate the production of at least 20 single family homes (suitable for above moderate income households) and 8-10 units of multi-family housing on the former PG&E site by 2006.</i></p> <p>3) <i>Include second units in least 50 % of the new homes to be added between 2003 and 2006.</i></p>	<p>1) Zoning was achieved, even though construction was not. Update to reflect new RHNA.</p> <p>2) City produced net 6 new single family homes, 1999-2006. PG&E not yet developed.</p> <p>3) One 2nd unit added this way (393 Hampton). This is still a valid objective, though 50% may be unrealistically high.</p>
Policy 1.1: Provide an adequate number of sites for the development of housing consistent with ABAG's recommendations.	Carry forward
Policy 1.2: Continue to maintain planning, zoning and building regulations that accommodate the development of housing for all income levels.	Carry forward
Policy 1.3: Continue to allow residential uses in all of Piedmont's zoning districts.	Carry forward
Policy 1.4: Participate in those state and federal housing assistance programs that are most appropriate to Piedmont's character and that recognize the nature of affordable housing opportunities in the City.	Carry forward
Policy 1.5: Continue to allow second units in all residential zones within the City. Strongly encourage the inclusion of second units when new homes are built and when existing homes are remodeled or expanded.	Carry forward
Policy 1.6: Ensure that local zoning regulations accommodate multi-family residential uses on commercial properties in the City, including the addition of apartments to existing commercial buildings.	Not yet achieved. Carry policy forward.
Policy 1.7: Encourage the development of multi-family housing on parcels that are zoned for multi-family use but developed with non-residential uses.	Carry forward. This is mainly for PG&E site.

Table 2.2, continued

Statement	Evaluation
Policy 1.8: Coordinate local affordable housing efforts with the California Department of Housing and Community Development, the County of Alameda County, and adjacent cities. Where City-sponsored housing programs are infeasible due to limited local resources, explore the feasibility of participating in programs initiated by other jurisdictions.	Carry forward
Policy 1.9: Discourage lot mergers, lot line adjustments, and other changes to legally conforming parcels which would reduce the number of buildable lots in the City.	Carry forward; the City has been doing this in practice. Note, this applies to conforming parcels only.
Program 1.1: Vacant Land Inventory <i>Prepare an annual update of the City's vacant land inventory, indicating the status and availability of each site for potential development.</i>	City has done this, but there is no formal annual update per se. Perhaps rephrase to reflect that this is ongoing.
Program 1.2: Second Units in New or Remodeled Homes <i>Develop, implement, and support incentives to incorporate second units in new and remodeled Piedmont residences.</i> Within one year after adoption of the Housing Element, the City will develop a package of incentives to promote the inclusion of second units in new and remodeled dwelling units. These incentives will be determined through a feasibility study (outlined in Program 3.2). Incentives could include, but will not necessarily be limited to: (a) Waiver of the conditional use permit requirement, provided that the dwelling meets all criteria for second units established by Chapter 17D. (b) Reduced building permit fees. (c) Reduced rental housing taxes for the property owner, or a waiver of the rental housing license fee. (d) Allowing the required parking space to be non-covered or tandem rather than covered and non-tandem.	Action has been completed. Need to update. Every second unit application received since 2004 has been approved. a) has been achieved. CUP no longer required; b) fee reductions not offered, still could consider. It is worth noting that City has not <i>raised</i> the fee, even while all other planning and building fees have increased; c) business taxes are now waived for the first year for rent-restricted second units; d) parking requirements have been relaxed/ waived for rent-restricted units, providing an incentive for affordable housing.
Program 1.3: Mixed Use Development <i>Consider zoning amendments which would facilitate the addition of multi-family units on parcels in the Commercial District (Zone D).</i>	Not yet done. This is also in the Land Use Element of the GP. Need to carry forward and complete in 2010-2014.
Program 1.4: Density Bonuses <i>In accordance with State law, adopt a density bonus ordinance which allows higher densities where affordable housing is provided.</i>	Completed. See Chapter 17.7.2 of the Municipal Code.

Table 2.2, continued

Statement	Evaluation
<p>Program 1.5: Redevelopment of the PG&E site <i>Support the redevelopment of the PG&E site on Linda Avenue with multi-family housing.</i></p>	<p>Site has become available, has been sold, and has been proposed for development with six market rate townhomes. Initial Study – Neg Dec has been prepared, but project has been stalled by the downturn in the market. Need to update this action.</p>

Table 2.3: Evaluation of 2002 Housing Element Goal 2	
Statement	Evaluation
Goal 2: Promote the conservation and maintenance of Piedmont’s housing stock.	Still valid—carry forward
<p>Quantified Objectives for Goal 2:</p> <p>(1) <i>Preserve 100 % of the existing multi-family rental units in the City through 2006.</i></p> <p>(2) <i>Preserve 100 % of the existing housing in the Commercial zoning district through 2006.</i></p> <p>(3) <i>Assist in the remodeling of at least 20 Piedmont homes by 2006 using CDBG funding for lower income households. At least 10 of these households should be senior-occupied.</i></p>	<p>(1) Achieved (2) Achieved (3) Not fully achieved</p> <p>These objectives remain valid, but should be supplemented.</p>
Policy 2.1: Strongly encourage private property owner reinvestment in the City’s housing stock.	Carry forward
Policy 2.2: Support housing stock maintenance through government funding such as Community Development Block Grants when private funding is not available.	Carry forward
Policy 2.3: Encourage the preservation of Piedmont’s existing stock of small homes and historic homes.	Carry forward
Policy 2.4: Enforce local building codes to ensure that housing is safe and sanitary, and protect the character of Piedmont neighborhoods. Promptly investigate all reports of nuisances and require the abatement of such situations as needed.	Carry forward
Policy 2.5: Allow the use of original materials and methods of construction when alterations to homes are proposed, unless a health or safety hazard would occur.	Carry forward

Table 2.3, continued

Statement	Evaluation
Policy 2.6: Preserve existing multi-family rental housing, including non-conforming multi-family units in the single family zone.	Carry forward
Policy 2.7: Preserve existing residential uses on properties that are commercially zoned.	If this is retained, need to add a caveat that this shouldn't apply if the properties are proposed for development with affordable multi-family housing.
Policy 2.8: Continue to encourage Piedmont residents to maintain home offices as a means of making housing more affordable for persons who would otherwise need to rent office space outside the home.	Carry forward
Program 2.1: CDBG Funding <i>Apply for Community Development Block Grant (CDBG) funds for housing maintenance, and establish a process for informing the public that such funds are available.</i>	Still relevant.
Program 2.2: Preservation of Small Homes <i>Maintain zoning and design review regulations that protect the existing supply of small (less than 1,800 square feet) homes in Piedmont. Explore other incentives to protect small homes, including design awards for exemplary small home improvement projects.</i>	Program remains relevant and should continue. City does now provide awards for second units. Provision to have design competition category for "best small home remodel" is still valid.
Program 2.3: Use of Original Materials and Construction Methods <i>Maintain Planning and Building standards which allow the use of original materials and construction methods in home remodeling. Explore additional measures to reduce remodeling costs for Piedmont homeowners.</i>	Remains relevant. Consider link to green/ sustainable development.
Program 2.4: Condominium Conversions <i>Maintain the existing prohibition on the conversion of apartments to condominiums.</i>	Modify somewhat based on the actual amendment to the subdivision code, which prohibits such conversions unless replacement rental units are provided.
Program 2.5: Protection of Non-Conforming Multi-Family Uses <i>Amend Chapter 17 of the Piedmont Municipal Code to protect non-conforming multi-family units, and to protect existing residential uses on commercially zoned properties.</i>	Achieved

Table 2.4: Evaluation of 2002 Housing Element Goal 3	
Statement	Evaluation
Goal 3: Increase the occupancy of Piedmont's existing second units by renters.	Still valid. Carry forward.
<p>Quantified Objectives for Goal 3:</p> <p><i>(1) Rental occupancy of at least 50 % of the existing stock of CUP and Exempt Second Units by 2006.</i></p> <p><i>(2) Conserve 10 second units with Temporary Use Permits.</i></p> <p><i>(3) Convert at least 7 "Unintended Second Units" into licensed (CUP) second units by 2006. At least 6 of these units should be income-restricted to households earning less than 50 % of the areawide median income.</i></p>	<p>(1) Difficult to measure, based on business license tax data, many of the units are not being rented.</p> <p>(2) Achieved</p> <p>(3) One was created in 2002-2006, although in 2007-2008, there were two more and both were income restricted</p>
Policy 3.1: Preserve the City's stock of existing "TUP" (temporary use permit) second units.	May want to reword. This is less of an issue now.
Policy 3.2: Encourage property owners with registered second units, including those classified as "exempt" and those permitted with CUPs, to actively use these units as rental housing and to report rental income to the City as required.	Carry forward. Need new programs to carry this out.
Policy 3.3: Encourage property owners with "unintended second units" to apply for conditional use permits to use these units as rental housing.	CUPs no longer required for second units. Explore new ways to incentivize.
Policy 3.4: Maintain zoning regulations which enable Piedmont property owners to add second units to their residences. Ensure that local standards for second units address neighborhood compatibility, parking, public safety, and other issues but are not so onerous as to preclude the development of additional units.	Carry forward
Policy 3.5: Explore incentive programs which encourage property owners to create second units and put existing second units into active use.	Carry forward or merge with 3.3
Policy 3.6: Maintain building code regulations which ensure the health and safety of second unit occupants and the occupants of the adjacent primary residence.	Carry forward
Program 3.1: Extension of Temporary Use Permits (TUPs) <i>Extend the second unit temporary use permits (TUPs) until the City's Second Unit Ordinance has been revised.</i>	Achieved. The City's ultimate objective is to convert the TUPs into fully compliant second units.

Table 2.4, continued

Statement	Evaluation
<p>Program 3.2: Second Unit Feasibility Study, Ordinance Revision, and Incentives Package</p> <p><i>Undertake a feasibility study to determine the best ways to promote second units in Piedmont. Based on the findings of this study, revise the City's second unit ordinance and initiate a second unit incentive program. This program should:</i></p> <ul style="list-style-type: none"> • <i>Encourage persons with legal (CUP, GCCUP, and exempt) second units to actively use these units as rental housing.</i> • <i>Encourage persons with TUP second units to upgrade these units to meet current building codes.</i> • <i>Encourage persons with unintended second units to apply for CUPs so that these units may be offered for rent.</i> • <i>Encourage persons building a new home or substantially remodeling an existing home to incorporate second units in their plans.</i> • <i>Encourage second unit owners to offer their units for rent at rates that are affordable to lower income households.</i> <p><i>Include provisions for monitoring the number of second units in the City, the rents being charged, data required to determine affordability under state law, and data on whether the unit is newly created or existed as a dwelling unit previously.</i></p>	<p>Achieved. Need to update this action based on "lessons learned" since 2004. Develop additional actions for 2010-2014 which make the second unit program more attractive to potential applicants (see Housing Element Chapter 5 for additional discussion).</p>
<p>Program 3.3: Public Information and Education Campaign</p> <p><i>Prepare a citywide mailing with information about second units, including definitions, regulations for their use, opportunities for their construction, and any incentive programs developed through Program 3.2.</i></p>	<p>Although a citywide mailing and pamphlet were not created, the second unit ordinance and revised rules were widely publicized. A new publicity campaign could be developed for 2010-2014. Web-based publicity should be emphasized.</p>

Table 2.5: Evaluation of 2002 Housing Element Goal 4	
Statement	Evaluation
Goal 4: Minimize constraints to the development of additional housing without compromising the high quality of Piedmont's neighborhoods.	Still valid. Carry forward.
<p><i>Quantified Objectives for Goal 4:</i></p> <p>(1) Process 80 % of all complete applications for planning and building permits within 30 days after they are received, instead of the 60 days allowed by the Permit Streamlining Act.</p> <p>(2) Provide reduced fees or fee waivers to at least 10 applicants who are rehabilitating or creating housing units suitable for lower income households in the City (including second units).</p> <p>(3) Develop an internet website with information on the Planning and Building process in Piedmont.</p>	<p>(1) This is not monitored in a way that facilitates easy reporting, but the target is generally achieved. Perhaps rephrase for 2010-14.</p> <p>(2) Not achieved. Consider alternative incentives for 2010-14.</p> <p>(3) Achieved. Need to develop a new measurable action in lieu of this one.</p>
Policy 4.1: Encourage public understanding of the planning and building processes in Piedmont to facilitate permit processing and reduce project costs and delays.	Carry forward
Policy 4.2: Ensure that planning and building standards, development review procedures, and fees do not form a constraint to the development, conservation, and rehabilitation of housing, or add unnecessarily to the cost of building or improving housing.	Carry forward
Policy 4.3: Promote the expeditious processing and approval of residential projects that are consistent with the General Plan, Zoning Ordinance, and Design Review Guidelines.	Carry forward
Policy 4.4: Periodically update codes and standards for residential development to reflect changes in state and federal law, new technology, and market trends.	Carry forward
Policy 4.5: Allow certain development standards to be relaxed to accommodate affordable housing, where there is no threat the health, safety, and welfare of the City or potential for adverse impacts on the surrounding neighborhood.	Carry forward
Policy 4.6: In accordance with state law, ensure that local land use regulations accommodate mobile homes and manufactured housing. Land use regulations may include design standards which ensure that such housing is compatible in character with the community, but these regulations shall not preclude the development of such units.	Carry forward

Table 2.5, continued

Statement	Evaluation
Policy 4.7: Designate the City Planner as the City's Housing Coordinator.	Carry forward
Policy 4.8: Support the regular maintenance of infrastructure, including water, sewer, drainage, streets, and sidewalks, so that these facilities are available when new housing is proposed.	Carry forward. Possibly update.
Policy 4.9: Participate in appropriate County programs which address financial constraints for first time homebuyers, including downpayment assistance, silent second mortgages, Mortgage Credit Certificates, and Mortgage Revenue Bonds.	Carry forward
Policy 4.10: Ensure that the other elements of the General Plan are consistent with the Housing Element.	Carry forward
Program 4.1: Pamphlets <i>Prepare pamphlets for display at the Planning Counter which educate residents about the planning and building processes in Piedmont.</i>	An updated action should be included. Pamphlets should be updated, and additional web materials should be developed.
Program 4.2: Home Improvement Seminars <i>Conduct City-sponsored meetings, programs, and seminars which inform residents on home improvement and maintenance practices in Piedmont.</i>	Carry forward. Planning Commission has hosted meetings on window replacement and City has sponsored presentations by solar energy contractors/ vendors at Piedmont Community Hall.
Program 4.3: Lot Size Exceptions <i>Establish exceptions to Piedmont's lot size requirements to facilitate the development of existing non-conforming lots and allow the creation of a limited number of additional lots in the City.</i> The following changes should be explored: <ul style="list-style-type: none"> Eliminating the requirement for a lot size variance for new homes on existing non-conforming lots. Currently, if a new home were proposed on a 9,500 square foot in Zone A, a variance would be required. This represents an additional cost for the homeowner. Allowing the creation of lots as small as 8,000 SF in Zone A where the prevailing lot size (within 500 feet) is 8,000 SF or less. There are many areas in Zone A where the prevailing lot size is between 6,000 and 8,000 SF. This measure could create the capacity for a few additional units in the City without adversely affecting neighborhood character. 	<p>May want to revisit this program. Some of its provisions have been carried out. Others may not be viable. New provisions should be added.</p> <p>Variance requirement for non-conforming lots has been eliminated.</p> <p>City has not considered reducing the minimum lot size to 8,000 SF. However, City has allowed two subdivisions (lot splits) since 2002, both of which created new lots that were smaller than 10,000 SF.</p>

Table 2.5, continued

Statement	Evaluation
<ul style="list-style-type: none"> Allowing new lots to be created with 60 feet of frontage instead of 90 feet of frontage where other minimum standards (including lot size) can be met, and where there would be no adverse effects on traffic, infrastructure, and neighborhood character. One possibility might be to allow such subdivisions subject to certain conditions, such as an agreement to include a second unit in any house constructed on the property. Allowing "flag" lots where certain conditions can be met, such as turnarounds for emergency vehicles. 	<p>City has not formally reduced frontage requirements for lots.</p> <p>Flag lots are generally not supported. Consider deleting.</p>
<p>Program 4.4: UBC Updates and Ongoing Enforcement</p> <p><i>Continue to implement the Uniform Building Code and update or amend City codes as the UBC changes, and as conditions in Piedmont warrant.</i></p>	Carry forward. Still relevant.
<p>Program 4.5: Fee Review</p> <p><i>Review all planning and building fees to be sure that they cover required costs but are not more than is necessary to provide the required City services.</i></p>	Carry forward. Fees have been raised several times since 2002, but have been adjusted to reduce the burden on small project applicants.
<p>Program 4.6: Temporary Staff Additions</p> <p><i>Add contract staff as needed to ensure prompt processing of all applications.</i></p>	Carry forward
<p>Program 4.7: Capital Improvement Plan Updates</p> <p><i>Annually update the Capital Improvements Plan to ensure that municipal systems are kept in good condition.</i></p>	Carry forward
<p>Program 4.8: Zoning Ordinance Amendment for Zone "C" Lot Coverage</p> <p><i>Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to increase the lot coverage and impervious surface coverage limits in the Multi-Family Zone (Zone C) for projects in which at least 20 percent of the units are affordable to low and moderate income households. For such projects, the lot coverage limit should be increased from 40 to 50 percent, and the impervious surface limit should be increased from 70 to 80 percent.</i></p>	Achieved. See Sec 17.12.4
<p>Program 4.9: Zone C Conditional Use Permit Amendment</p> <p><i>Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) so that multi-family projects of less than eight units are permitted by right in Zone C (the Multi-family Residential Zone).</i></p>	Achieved

Table 2.5, continued

Statement	Evaluation
<p>Program 4.10: Zoning Amendments for Mobile and Manufactured Homes</p> <p><i>To comply with the State Government Code, amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to include provisions for mobile and manufactured homes.</i></p>	Achieved
<p>Program 4.11: Allowances for Housing in the Commercial Zone</p> <p><i>Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to add multiple family housing and mixed use development (e.g., structures combining housing and commercial uses) to the list of conditionally permitted uses in the Commercial Zone (Zone D).</i></p>	Not yet achieved. Need to carry this forward to 2010-2014.

Table 2.6: Evaluation of 2002 Housing Element Goal 5	
Statement	Evaluation
Goal 5: Provide adequate housing opportunities for Piedmonters with special needs, particularly seniors and the disabled.	Still valid. Carry forward.
<p><i>Quantified Objectives for Goal 5:</i></p> <p>(1) Assist at least 10 senior Piedmont households in obtaining CDBG funding for home rehabilitation projects between 2002 and 2006.</p> <p>(2) Assist at least 10 Piedmont seniors in finding shared housing within the community between 2002 and 2006.</p> <p>(3) Facilitate the retrofitting of at least 10 Piedmont homes to enable senior residents to “age in place” rather than relocating out of the community between 2002 and 2006.</p>	<p>(1) Data not available.</p> <p>(2) Not monitored. Unlikely this was achieved.</p> <p>(3) Probably was achieved, but not monitored in a manner that is easily tracked.</p> <p>Need new measurable objectives for 2010-2014.</p>
Policy 5.1: Ensure that planning and building regulations accommodate the retrofitting of homes to meet the needs of aging or disabled residents.	Carry forward
Policy 5.2: Support the provision of housing that is designed and reserved for seniors and persons with disabilities.	Carry forward
Policy 5.3: Encourage the development of housing targeted for public employees in Piedmont, such as Piedmont school teachers and public safety (police and fire) employees.	Carry forward
Policy 5.4: Actively cooperate with and participate in regional discussions and programs addressing housing issues, such as homelessness, affordability, smart growth, sustainable development, and the jobs-housing balance.	Carry forward
<p>Program 5.1: Shared Housing</p> <p><i>Evaluate the possibility of a shared housing (or “roommate matching”) program for Piedmont seniors.</i></p>	Not accomplished. Carry forward, and modify to call for participation in ECHO Housing’s shared housing program instead—that is a more feasible approach given limited City resources.
<p>Program 5.2: Allowances for Temporary Home Improvements</p> <p><i>Allow Planning and Building Code exceptions for certain temporary home improvements which help Piedmont seniors remain in their homes as their physical capabilities change.</i></p>	Achieved on a case by case basis. City has amended Zoning Code to exempt temporary wheelchair ramps from design review (Sec 17.20.5 (a)(vii) Appropriate to carry forward.

Table 2.6, continued

Statement	Evaluation
Program 5.3: Public Information on Home Retrofits <i>Provide information to Piedmont seniors on helpful home improvements and potential financial resources for home rehabilitation projects.</i>	Achieved on an ongoing basis. Carry forward. Expand to emphasize internet resources.
Program 5.4: Housing for Public Sector Employees <i>Explore the feasibility of including housing for City or School District staff as a component of any future public building.</i>	Carry forward. Seek opportunities to apply this program in the Civic Center Area, in the event the Civic Center Master Plan is adopted.
Program 5.5: Assistance to Nonprofit Developers <i>Provide assistance to nonprofit entities interested in developing housing for low and moderate income Piedmont residents, including the elderly and others with special needs.</i>	Carry forward. Minimal activity in 2002-2006. Some inquiries and communication.
Program 5.6: Accommodations for Disabled Persons <i>Develop a public information pamphlet which describes the procedures for making a Piedmont home "barrier free." This pamphlet should be placed on the Planning Counter at City Hall and distributed to appropriate community groups for further distribution to Piedmont residents.</i>	Not achieved due to lack of staff and resources. Carry forward and potentially modify.
Program 5.7: Zoning Amendment for Emergency Shelter <i>Amend the Piedmont Zoning Ordinance to identify emergency shelters and transitional housing as conditionally permitted uses in Zone B, the Public Facilities Zone. Add definitions of Emergency Shelter and Transitional Housing to the Zoning Ordinance.</i>	Achieved. Will need to modify zoning again in 2010-2014 to comply with SB 2.
Program 5.8: Housing Support for Families in Crisis <i>Support public and non-profit agencies in Alameda County which provide food and shelter for families in crisis. Encourage participation of local residents and the local faith community in addressing homelessness in the region.</i>	Still relevant. City provides funding to County agencies. Carry forward and potentially augment.

Table 2.7: Evaluation of 2002 Housing Element Goal 6	
Statement	Evaluation
Goal 6: Encourage energy conservation and efficiency in Piedmont homes.	Still valid. Carry forward.
<p>Quantified Objectives for Goal 6:</p> <p>(1) <i>Issue building permits to retrofit at least 20 homes with energy-saving devices, such as new windows, furnaces, insulation, and appliances between 2002 and 2006.</i></p> <p>(2) <i>Approve at least 10 applications which enable the use of alternative energy sources, including solar energy, in Piedmont residences between 2002 and 2006.</i></p> <p>(3) <i>Achieve 100 % compliance with Title 24 energy efficiency requirements.</i></p>	<p>(1) Achieved</p> <p>(2) Achieved</p> <p>(3) Achieved</p> <p>Need to develop new targets for 2010-2014.</p>
Policy 6.1: Require all new housing to be designed to encourage energy efficiency. Building design and construction methods should promote and support energy conservation.	Carry forward
Policy 6.2: Encourage major additions and remodeling projects to use windows, building materials, ventilation systems, and appliances which reduce home heating and cooling costs and conserve energy resources.	Carry forward
Policy 6.3: Maintain development regulations which accommodate the installation of solar panels and other devices which result in lower energy costs for homeowners and renters.	Carry forward. Cross-reference other elements of General Plan and Climate Action Plan (CAP).
Policy 6.4: Support the use of federal, state, and utility-sponsored programs which provide financial assistance or incentives for energy retrofits.	Carry forward. Potentially augment based on General Plan and CAP. Possibly expand to address green building.
<p>Program 6.1: Title 24</p> <p><i>Continue to enforce Title 24 requirements for energy conservation.</i></p>	Implemented continuously. Carry forward. Reference emerging code standards.
<p>Program 6.2: Solar Panel Siting Guidelines</p> <p><i>Develop siting and design guidelines for solar panels and solar home energy systems.</i></p>	City does not require design review for solar, consistent with state law. Possibly incorporate in the updated residential design guidelines, to assist residents in siting decisions.
<p>Program 6.3: Financial Assistance</p> <p><i>Promote the use of programs which reduce residential energy costs.</i></p>	Carry forward. Update as necessary.

Table 2.8: Evaluation of 2002 Housing Element Goal 7	
Statement	Evaluation
Goal 7: Ensure that all persons have equal access to housing opportunities in Piedmont.	Still relevant. Carry forward.
<i>Quantified Objectives for Goal 7:</i> (1) Follow-up on 100 % of all complaints received relating to fair housing. (2) Approve 100 % of all housing development projects that meet the requirements of the City Code without regard for the personal characteristics of the applicant or occupants.	(1) Achieved (2) Achieved, though difficult to quantify.
Policy 7.1: Promote the development of housing for all persons regardless of race, religion, ethnic background or other arbitrary factor.	Carry forward
Policy 7.2: Support and participate in Alameda County programs which ensure that all persons have equal access to housing.	Carry forward
Policy 7.3: Implement and enforce relevant State and Federal Fair Housing laws.	Carry forward
Policy 7.4: Promote public education and awareness of fair housing requirements, and reduce public misconceptions about low income housing.	Carry forward
Program 7.1: Referrals <i>Allow the City's Community Relations Committee to act as a referral board for all claims of discriminatory decision making.</i>	Community Relations Committee no longer exists. Need to revise.
Program 7.2: Public Information <i>Make brochures and notices on equal housing laws available at City Hall.</i>	Achieved on an ongoing basis

3. Demographics and Housing Needs

This chapter of the Housing Element profiles demographic and housing conditions in Piedmont in order to assess the City's future housing needs. Pursuant to State Government Code requirements, data on population, household characteristics, income and employment, special needs groups, housing stock characteristics, building condition, and housing value is presented.

This document was prepared prior to the decennial census of 2010. As a result, most of the data cited is from the 2000 Census. More current data or anecdotal evidence has been used where possible to document trends over the last nine years. The absence of major new development in the city since 2000 reduces the likelihood that there have been significant shifts, but more subtle changes may have occurred. In some cases, data collected by the City of Piedmont or the State Department of Finance has been used to update the 2000 baseline.

Following the demographic and housing analysis, the Chapter provides an assessment of housing needs in Piedmont for the 2007-2014 period. This assessment incorporates the regional "fair share" allocation assigned to the City by ABAG, along with general observations about housing needs and opportunities in the City.

Government Code Sec. 65583 (a)(1):

**The Housing Element
shall contain an...
“An analysis of
population and
employment trends...**

POPULATION TRENDS

The City of Piedmont was incorporated in 1907. At the time, the population was a little more than 100 families. By 1910, Piedmont’s population had grown to 1,719. The rapid increase continued through 1930 when the population reached 9,333. Population growth slowed considerably after 1930 as the supply of vacant land in the City dwindled.

Between 1930 and 1960, the City’s population increased by another 20 %, peaking at 11,117 in 1960. Between 1960 and 1980, Piedmont’s population declined by almost 6 % as households became smaller and the pace of new construction slowed. Population increased by 4 % during the 1980s and 1990s, largely due to increases in household size. The 2000 Census reported the City’s population at 10,952.

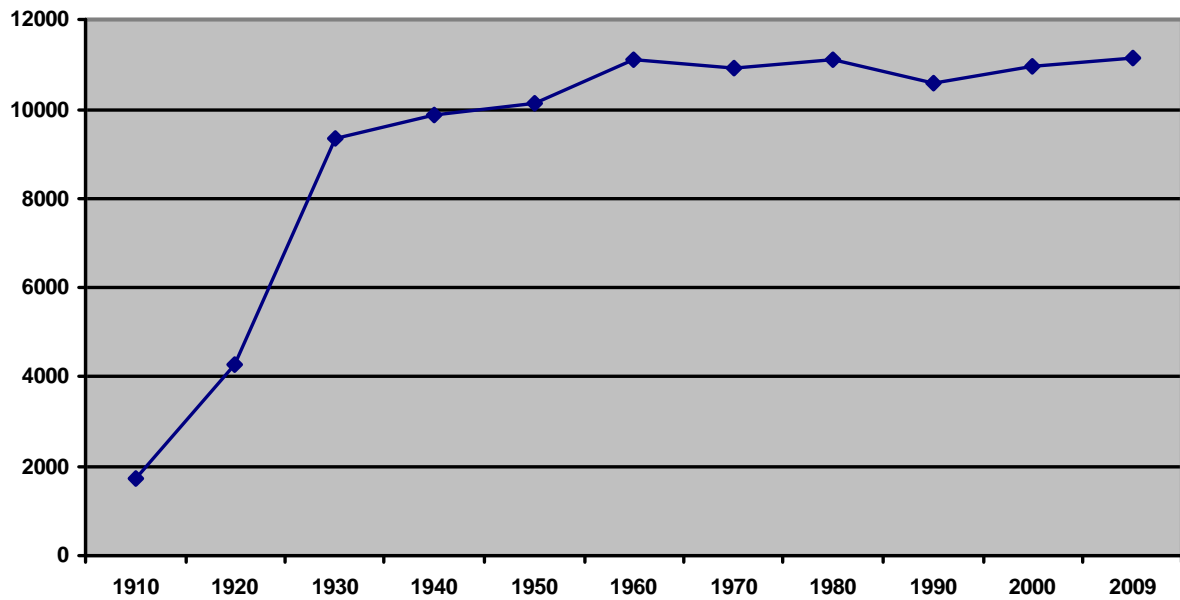
Annual estimates since 2000 are provided by the California Department of Finance (DOF) based on housing construction data and estimates of household size. DOF estimated Piedmont’s population on January 1, 2009 at 11,165, an increase of about 200 residents in the last nine years. Most of this increase is due to increased household size rather than new housing construction.

Table 3.1 and Chart 3.1 illustrate population trends in the City.

Table 3.1: City of Piedmont Population, 1910-2009			
Year	Population	Net Change	Percentage Change
1910	1,719	-	-
1920	4,282	2,563	149.1%
1930	9,333	5,051	118.0%
1940	9,866	533	5.7%
1950	10,132	266	2.7%
1960	11,117	985	9.7%
1970	10,917	-200	-1.8%
1980	10,498	-419	-3.8%
1990	10,602	104	1.0%
2000	10,952	350	3.3%
2009	11,165	213	1.9%

Source: US Census of Population (1910-2000), State Dept. of Finance (2009)

Chart 3.1: City of Piedmont Population, 1910-2009



Source: US Census of Population, State Dept of Finance

**The Housing Element shall contain...
 “An analysis and documentation of household characteristics, including level of payment compared to ability to pay, household characteristics, including overcrowding, and housing stock condition.”**

Government Code Sec. 65583 (a)(2):

HOUSEHOLD CHARACTERISTICS

The 2000 Census reported that 10,950 of Piedmont’s 10,952 residents lived in “households.” The remaining two residents were reported as living in “group quarters.” The 2000 Census counted 3,804 households in Piedmont. The 2009 estimates from the California Department of Finance (DOF) indicate that group quarters population is unchanged, and there are now 11,163 residents in households. The 2009 DOF estimates that there are now 3,811 households in the city, an increase of seven households in nine years.

Household Size

Table 3.2 tracks the number of households between 1940 and 2009. Although population was relatively stable during this time period, increasing just 11 %, the number of households increased by 43 %. As Table 3.2 indicates, average household size declined substantially between 1940 and 1980. In 1940, on average there were 3.70 residents per Piedmont household. By 1980, that figure had dropped to 2.79.

Average household size has been increasing since 1980. The 2000 Census reported an average household size of 2.88. This compares to an average of 2.71 for Alameda County. In 2009, DOF indicated household size in Piedmont was 2.93, while the County average was 2.75.

Table 3.2: Total Households and Household Size in Piedmont, 1940-2009

Year	Population	Net Change
1940	2,666	3.70
1950	3,079	3.29
1960	3,495	3.18
1970	3,556	3.07
1980	3,762	2.79
1990	3,733	2.82
2000	3,804	2.88
2009	3,811	2.93

Source: US Census of Population (1910-2000), State Dept. of Finance (2009)

Types of Households

The Census classifies households as either “family” or “non-family.” The Census defines a “family” as “a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.” “Non-family” households include persons living alone and unrelated individuals sharing a home, with no children present.

The 2000 Census reported that 82 % of all Piedmont households (3,105 households) were “families”, while 18 % (699 households) were “non-families.” The percentage of “families” is substantially higher than in Alameda County as a whole, where the figure is about 65 %.

Chart 3.2 provides additional detail on the types of households in Piedmont. In 2000, some 1,544 households—or about 40 % of the City’s total—consisted of married couples with children under 18. About 6 % of the City’s households consisted of single mothers with children at home and just over 1 % consisted of single fathers with children at home. The “non-family” households in the City include 551 persons living alone and 148 households comprised of unrelated individuals (including domestic partnerships).

More current data on household type is not available. It is unlikely that the data has changed significantly since 2000, as the housing stock has changed very little.

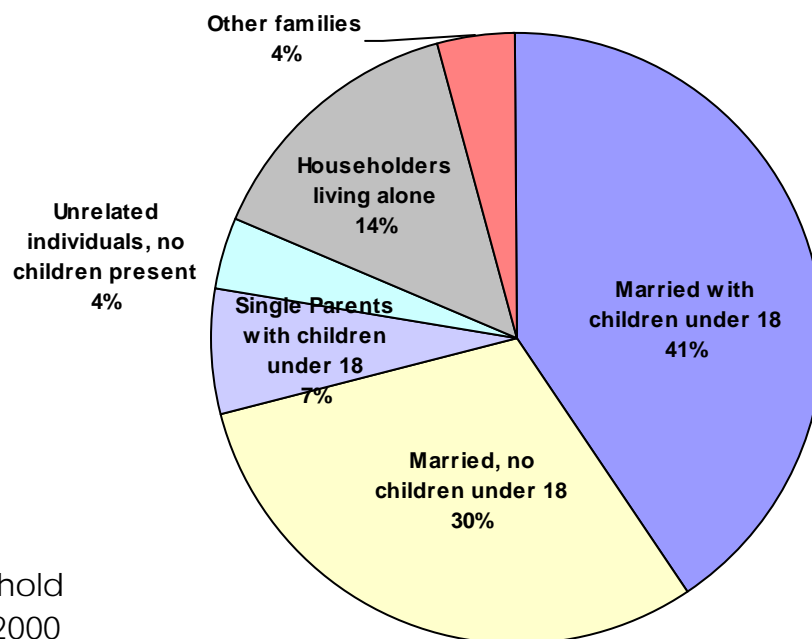


Chart 3.2:
Piedmont Household
Characteristics, 2000

Source: Census 2000

Projections for the future indicate a rapid increase in the over-65 population during the next two decades. This cohort represented 11 percent of the Bay Area's population in 2000. It is projected to be 25 percent of the population by 2035.

Age

Piedmont has the highest median age of any city in Alameda County. In 2000, the Census reported the median age at 43.7, compared to a County median of 34.5. The median age has increased since 1990, when it was 41.6.

Piedmont's high median age is primarily due to a large concentration of "baby boomer" households in the City. The 45 to 54 year-old age group increased in number from 1,676 to 2,477 (48 %) during the 1990s. A baby boom "echo" was also evident during the decade, as the children of baby boomers reached their teens. The number of Piedmonters aged 10 to 19 increased by 50 % during the 1990s, from 1,368 to 2,055.

Table 3.3 compares the age distribution of Piedmont residents in 1990 and 2000. Chart 3.3 illustrates the Year 2000 age distribution. The City has a disproportionately small number of persons in the 20-44 age cohort. Population in this age group declined significantly during the 1990s. Whereas persons in this age group represent 41 % of Alameda County's population, they represent just 20 % of the population in Piedmont. This is indicative of the relatively high cost of housing in Piedmont and the limited supply of rental units.

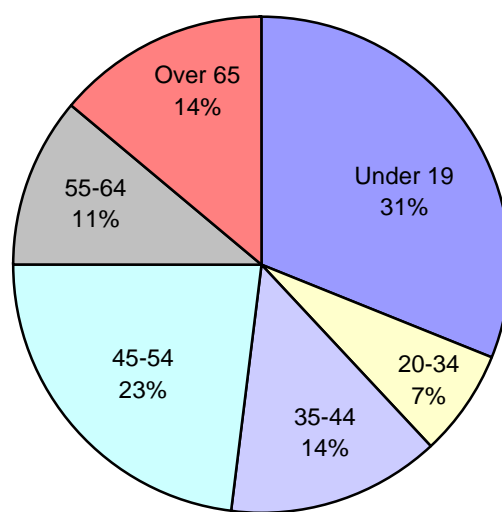
Current data on age is not available. Based on region-level data reported by ABAG, the median age has continued to rise. ABAG indicates that the percentage of residents 19 and under in the Bay Area is about the same now as it was in 2000, while the percentage of residents between 20 and 44 has declined by five percentage points. The regional percentage of residents between 45 and 64 has increased by four percentage points since 2000 and the percentage of residents over 65 has increased by just over one percentage point.

Projections for the future indicate a rapid increase in the over-65 population during the next two decades. This cohort represented 11 percent of the Bay Area's population in 2000. It is projected to be 25 percent of the population by 2035. In Piedmont, the increase in seniors may be somewhat less dramatic, as the City has limited options for aging residents, and continues to be a high demand location for families with children due to its schools, recreation programs, and other amenities. However, the City has historically had a large population of seniors "aging in place" and will continue to do so in the future.

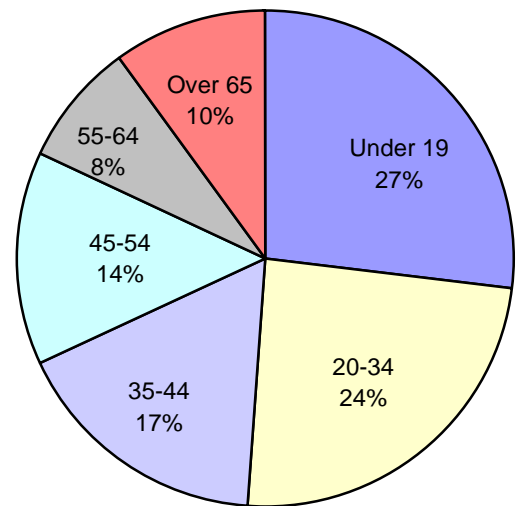
Table 3.3: Comparison of 1990 and 2000 Age Distribution in Piedmont			
Age Cohort	1990	2000	Percentage change
0-9	1,656	1,463	-12%
10-19	1,368	2,055	+50%
20-34	1,192	731	-34%
35-44	2,061	1,502	-27%
45-54	1,676	2,477	+48%
55-64	1,102	1,243	+13%
65-74	884	759	-14%
75-84	538	526	-2%
85 or over	125	196	+57%

Source: 2000 Census

Chart 3.3: Age Distribution of Residents in Piedmont and Alameda County, 2000



Piedmont



Alameda County

Source: Census 2000

Length of Residency

Length of residency data provides some indication of the stability of a community. The 2000 Census indicated that 2,239 of the City's households (59 %) had lived in their place of residence for 11 or more years. This compares to a countywide average of 33 %. Only 28 % of Piedmonters had lived in their place of residence for five years or less, compared to 52 % countywide.

As one would expect, the turnover rate was much higher for renters than for owners. About 75 % of Piedmont's renters had been in their place of residence for five years or less.

Updated data on length of residency is not available. Data from the 2007 General Plan Survey indicate that the City continues to have a very high percentage of long-term residents relative to surrounding communities.¹

Tenure

Tenure refers to the ownership status of housing (e.g., rental vs. owner). Piedmont has had the highest percentage of owner-occupied housing in Alameda County for many years. Some 89.4 % of the City's dwelling units were occupied by owners in 2000 and just 9.2 % were occupied by renters (the remaining 1.4 % were vacant). The renter/owner split was relatively stable between 1990 and 2000. The Census reported 357 renter-occupied units in 1990 and 355 units in 2000.

Based on data collected by the City, the number of rental households has not changed significantly in the past nine years. Renters continue to make up about 10 % of the city's households. One distinctive quality of the Piedmont rental market is that most properties are single family homes rather than apartments; in 2000, 83 % of the rentals in the city were detached units.

¹ About one-third of Piedmont's households completed the survey. About 86 percent of the respondents indicated they had lived in Piedmont for five years or more; and 72 percent had lived in Piedmont for 10 years or more.

Linguistic Isolation

The 2000 Census reported that 82 percent of Piedmont's residents spoke "English only," while 16 percent were multi-lingual. Approximately 1.6 percent of the city's residents indicated that they did not speak English well or did not speak English at all. Of this total, 91 percent spoke an Asian language and 9 percent spoke Spanish. The percentage of non-English speaking residents is much lower in Piedmont than in surrounding communities and in the county and state as a whole. Approximately 88 percent of Piedmont residents were born in the United States—57 percent of the city's residents are native Californians.

INCOME AND EMPLOYMENT

Piedmont is an affluent community, with a median household income that is substantially higher than the County as a whole. In 2000, the US Census reported that the median household income in the City was \$134,270. This was 140 % higher than the Year 2000 income for Alameda County. In 2000, about 31 % of Piedmont household had incomes over \$200,000.

More recent data from CNN-Money Magazine indicates that median annual income in Piedmont increased by 20 percent between 2000 and 2007, to approximately \$161,000. Median *family* income (which excludes one person households) is even higher, and was estimated at \$181,010 in 2007.²

Interestingly, the highest income-earning age group in the city was householders 35-44 years old. In 2000, this group had a median income of \$165,151. Householders in this cohort earned more than their counterparts in the 45-54 age group (\$153,128) and in the 55-64 age group (\$137,164). This suggests a "new generation" of relatively young, upwardly mobile Piedmont homeowners—it is also indicative of the high buying power required to purchase property in the City.

² Source: <http://money.cnn.com/magazines/moneymag/bplive/2007/snapshots/PL0656938.html>

Despite the relative affluence of Piedmont residents, there are households in the City earning substantially less than the Citywide median. The 2000 Census reported that 221 Piedmont residents (2 % of the City's population) were below the United States poverty level. This total included 86 children, 111 adults aged 18 to 65, and 24 persons over age 65. In 2000, there were 29 households in the city receiving Public Assistance, 58 households with Supplemental Security Income (SSI), and 956 households receiving Social Security Income.

The 2000 Census further estimated that there were 564 Piedmont households (15 % of the City's total) with incomes below \$50,000 a year. This was the approximate threshold for households meeting the HUD definition of "low income" in 2000. About half of these households are headed by senior citizens. In fact, the Census indicated that there were 163 Piedmont households headed by seniors (over 65) with incomes of \$25,000 or less.

Most state and federal housing programs are benchmarked to specific income thresholds. These thresholds are updated annually by the State of California, in accordance with procedures established by the U.S. Department of Housing and Urban Development (HUD). They vary depending on the number of persons per household, since different sized households have different spending needs. HUD uses the following categories:

- "Extremely Low Income" households earn less than 30% of the areawide median.
- "Very Low Income" households earn less than 50 % of the areawide median.
- "Low Income" households earn between 50 and 80 % of the areawide median (some housing programs use 60% as the threshold)
- "Moderate Income" households earn between 80 and 120 % of the areawide median.
- "Above Moderate Income" households earn more than 120 % of the areawide median.

Table 3.4 shows the income ranges for Alameda County effective in 2009. A family of four earning less than \$66,250 a year would be considered "low income." A family of four earning less than \$44,650 a year would be considered "very low income."

Table 3.4: HUD Annual Income Limits for Alameda County, 2009								
Income Category	Number of Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low	<\$18,750	<\$21,450	<\$24,100	<\$26,800	<\$28,950	<\$31,100	<\$33,250	<\$35,400
Very Low	\$18,751-\$31,250	\$21,451-\$35,700	\$24,101-\$40,200	\$26,801-\$44,650	\$28,951-\$48,200	\$31,101-\$51,800	\$33,251-\$55,350	\$35,401-\$58,950
Low	\$31,251-\$46,350	\$35,701-\$53,000	\$40,201-\$59,600	\$44,651-\$66,250	\$48,201-\$71,550	\$51,801-\$76,850	\$53,401-\$82,150	\$58,951-\$87,450
Moderate	\$46,351-\$75,000	\$53,001-\$85,700	\$59,601-\$96,450	\$66,251-\$107,150	\$71,551-\$115,700	\$76,851-\$124,300	\$82,151-\$132,850	\$87,451-\$141,450
Above Moderate	>\$75,000	>\$85,700	>\$96,450	\$107,150	>\$115,700	>\$124,301	>\$132,851	>\$141,450

Source: California Department of Housing and Community Development, 2001

Ability to Pay

Among the data collected by the Census is the percentage of household income that is spent on housing costs, including utilities. A household that spends more than 30 % of its gross income on housing is said to be “overpaying.” The 30 % threshold is used as the basis for a number of federal housing assistance programs. Households spending more than 50 % of their gross income on housing are said to be “severely overpaying.”

Overpayment data for the Year 2000 is shown in Table 3.5. At that time, some 29 % of all owner-occupied Piedmont households (976 households) paid more than 30 % of their income on housing. Among Piedmont renters, 36 % (137 households) paid more than 30 % of their income on housing. These statistics did not change substantially between 1990 and 2000. In 1990, 28 % of Piedmont’s homeowners and 31 % of Piedmont’s renters were “overpaying.”

The 2000 Census reported that 54 % of all Piedmont homeowners had mortgages exceeding \$3,000 a month. The median monthly owner cost for homeowners with mortgages was \$3,213. At the same time, 30 % of all Piedmont homeowners had no mortgages and owned their homes outright.

It is likely that a greater percentage of households is overpaying in 2009 than in 2000, given the rise in housing prices relative to income. Between 2000 and 2006, the median home price in Piedmont rose by over 80 percent while median income rose by 20 percent. Although home prices have fallen since 2006, the affordability gap remains greater today than it was nine years ago.

As one might expect, the incidence of overpayment is highest among the City's lower income households. Among the 360 owner-occupied households then reporting incomes of less than \$35,000 a year in 2000, 263 (73 %) spent more than 35 % of their incomes on housing. Of the 820 owner-occupied households with incomes of less than \$75,000 a year, 459 (56 %) spent more than 35 % of their incomes on housing.

Similarly, among renter households with incomes less than \$35,000 a year, more than 90 % spent more than 35 % of their incomes on housing (see Table 3-5 below). Among renter households with incomes less than \$75,000 a year, nearly half (49.7 %) spent more than 35 % of their incomes on housing.

Table 3.5: Percentage of Income Spent on Housing By Piedmont Households, 2000								
Percentage of Income Spent on Housing	ALL HOUSEHOLDS				HOUSEHOLDS WITH INCOMES UNDER \$35,000			
	Owners	Percent of Total	Renters	Percent of Total	Owners	Percent of Total	Renters	Percent of Total
Less than 25 %	2,093	62.2	178	50.2	72	20.0	0	0
25-29 %	295	8.8	39	11.0	13	3.3	6	8.8
30-34 %	142	4.2	34	9.6	12	3.6	0	0
35 % or more	834	24.8	103	29.1	263	73.1	62	91.2
TOTAL	3,364	100.0	354	100.0	360	100.0	68	100.0

Source: US Census of Population, 2000

Excluding home occupations, about half of the persons working in Piedmont are employed by the City or the School District. These workers include teachers, janitors, maintenance workers, secretaries, clerks, professional staff, and many others with incomes that are not sufficient to cover the cost of a Piedmont home.

Employment

Employment in a community can affect the demand for housing and can influence the type of housing that is needed. This is less true in Piedmont than in larger communities because of the small, residential character of the City and the limited number of local jobs. Piedmont has never been a major employment center. In fact, the City has the smallest ratio of jobs to housing in Alameda County. Whereas the nine-county Bay Area as a whole has about 1.5 jobs for every household, in Piedmont, there are more than two households for every job.

In 2008, there were an estimated 1,660 jobs in Piedmont. These were primarily associated with local government, service businesses, and home occupations. The largest employers in the city are the Piedmont Unified School District, with some 350 full- and part-time employees, and the City of Piedmont, with about 150 full- and part-time employees. Other employers include five churches (and two affiliated parochial schools), three banks, a real estate office, a hardware store, a small grocery store, several medical and dental offices, and several small retail and service businesses on Grand Avenue.

In 2008, there were 305 licensed home occupations in the city. This is more or less consistent with 2000 Census data which indicates that about 400 Piedmont residents work from home. On any given day, there are also non-Piedmont based workers in the city, including construction crews, gardeners and landscapers, delivery drivers, domestic workers, and home child care providers.

The Census does not provide data on the income characteristics of persons who work in Piedmont but live in other communities. Excluding home occupations, about half of the persons working in Piedmont are employed by the City or the School District. These workers include teachers, janitors, maintenance workers, secretaries, clerks, professional staff, and many others with incomes that are not sufficient to cover the cost of a Piedmont home.

The employment characteristics of Piedmont residents also may influence housing demand. In 2000, about two-thirds of all Piedmont residents over 16 (5,320 residents) were in the labor force. Only about 12 percent of these residents worked within the City of Piedmont (mostly from their homes). About 65 percent commuted to San Francisco, Oakland, or San Jose.

The unemployment rate in the city at the time of the 2000 Census was 2.6 percent. Unemployment has increased since 2006, as it has throughout California. In July 2009, the California Employment Development Department reported that 300 Piedmont residents were unemployed, a rate of 5.8 %. Piedmont's unemployment rate was significantly lower than that for Alameda County, which was 11.5 % in July 2009.

Nearly half of all working Piedmont residents hold professional services jobs, including nearly 1,000 people in the legal and medical fields. About one-quarter of the city's residents work in management, business, and financial operations. Only 6 % of the city's residents are employed in retail trade.

Relative to other communities in the region, the city has a high percentage of residents in managerial positions. The 2000 Census reported that 71 % of the City's employed residents were classified as managers or professional specialists.

The 2000 Census further reported that 49 % of Piedmont's working residents were employees of private companies, while 9 % were self-employed in their own incorporated businesses. Another 18 % were self-employed in non-incorporated businesses. Some 14 % of the city's working residents were employed by federal, state, or local government, and 9 % were employed in the non-profit sector.

Many Piedmont households, including those with children, have both parents in the work force. In 2000, approximately 63 % of the married couple households with children had two working parents. This suggests a potentially large population of "latch key" children and a strong demand for after school child care and related services.

The Housing Element shall contain an...
“Analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of household, and families and persons in need of emergency shelter.”

Government Code Sec. 65583 (a)(6):

SPECIAL HOUSING NEEDS

Several types of households have been identified by the State of California as having special housing needs. Such households may have a harder time than most finding suitable housing within the community. Special needs populations include seniors, persons with disabilities, large low-income families, single mothers, farmworkers, extremely low income households, and the homeless. The Census provides some indication of the presence of such groups within Piedmont. Because Year 2000 data is now almost a decade old, and because the Census may not represent the complete picture, additional data and evidence are provided below.

Seniors

As mentioned earlier in this Chapter, about 14 % of the City’s residents are 65 or older. The 2000 Census indicated that most Piedmont seniors were well established financially, with 50 % reporting annual incomes of over \$75,000 (in 1999 dollars). However, 17 % of the City’s senior households reported an annual income of less than \$25,000. Some of these residents may find it difficult to make monthly mortgage (or rent) payments on fixed or limited incomes. Others may find the day-to-day costs of home maintenance and improvement to be prohibitively expensive.

A disproportionately large number of Piedmont’s seniors live alone and are owner occupants. Although seniors only comprise 14 % of the City’s residents, they own 31 % of the city’s single family homes. The 2000 Census indicated that there were 358 seniors living alone in owner-occupied Piedmont homes. Most of these residents were over 75.

Even Piedmont seniors who are well positioned financially may have special housing needs. Many Piedmont homes are not designed to meet the needs of mobility-impaired residents, with living spaces on multiple levels and bathrooms and kitchens that are not wheelchair accessible. The City has established special permitting and design review rules to facilitate “aging in place” and has worked with many senior residents to retrofit their homes.

There are limited options for Piedmont seniors seeking to “downsize” or move into smaller units without moving out of the city. The City’s second unit program provides an important resource. It provides senior homeowners with the potential for additional income, and the chance to relocate from the main house to the smaller (and usually one-story) unit without giving up their home. It also provides the opportunity for an on-site caregiver or tenant who can assist with home maintenance and household chores. Other options (such as shared housing for single seniors, or new units designed to meet the needs of seniors) could be explored in the future.

Persons with Disabilities

Although specific data on the number of disabled residents is not available, the U.S. Census provides a number of indicators. The 2000 Census identified 874 Piedmont residents over age 20 with a disability or mobility limitation. About 51 % of those with disabilities or mobility limitations are age 65 or over. This represents approximately 8% of the City's total population, and about a third of the City's senior residents. Roughly 3.4 % of the adult population indicated a "physical" disability, while 2.3 % indicated a "sensory" disability.

California Senate Bill 520 (SB 520), passed in October 2001, requires local housing elements to evaluate constraints for persons with disabilities and develop programs which accommodate the housing needs of the disabled. The City of Piedmont has taken a number of proactive steps to remove barriers to mobility in the community. These include implementation of ADA (Americans With Disabilities Act) improvements to most municipal facilities (including City Hall) and the design of all new public buildings (including schools) to be ADA-compliant.

As a small community, Piedmont's planning and building functions are personalized and customer-focused. Requests to modify homes to meet the needs of disabled residents are handled on a case by case basis, with staff working closely with applicants to accommodate their needs. The City routinely issues building permits for wheelchair ramps, wheelchair lifts, elevators, and bathroom grab bars. There are no restrictions on lowered countertops, widened doorways, adjustable showerheads, or other adaptations which meet the needs of those with mobility limitations. The City has relaxed design review requirements for exterior wheelchair ramps and is considering adopting an expedited design review process for permanent wheelchair ramps. The City Council has the authority and discretion to grant fee waivers for such improvements.

There are no requirements in the Piedmont Zoning Ordinance which conflict with the ADA, nor has the City adopted any amendments to the Building Code which conflict with the ADA. The City fully enforces State Title 24 provisions, which ensure access for persons with disabilities.

As required by the Fair Housing Act, group homes of 6 persons or less are permitted in the City's residential districts. The City's Zoning Ordinance does not specifically address the siting of such homes, and no local standards or restrictions have been developed. There are no standards limiting the number of unrelated adults in a home, and there are no minimum separation requirements for group homes.

Large Low Income Families

Large families are defined by the U.S. Census as having five persons or more. In Alameda County, such families would have met the definition of “low income” if their total household income for the year 2000 was less than \$54,200.

In 2000, there were 420 large family households in Piedmont, representing 9 % of the City’s total households. Of these households, 334 had five members, 70 had six members, and 16 had seven or more members. Among the 420 large households, 77 (18 %) were renters and the remainder were owners.

The income characteristics of the City’s large family households are not specifically reported by the Census. The relatively high cost of housing in Piedmont suggests that most large families in the City are above moderate income. Anecdotal evidence suggests that large families may buy or rent in Piedmont in part to gain access to high-quality public schools and other community amenities.

Single-Parent Households

Single parent households may have a difficult time finding suitable housing in the Bay Area due to child care costs and responsibilities, and limited income-earning potential (e.g., only one parent working). The 2000 Census reported 248 single parent households in Piedmont, including 200 female-headed households and 48 male-headed households.

Year 2000 Census data indicated that single parents in Piedmont had household incomes that were significantly lower than other families. For example, the median income for female-headed households with children under 18 and no husband present was \$66,161. This compared to a median of \$175,419 for households with a husband, wife, and children under 18.

Farmworkers

The City of Piedmont is entirely urbanized and is not proximate to agricultural land. No farmworkers are known to live in the City.

Many of the extremely low income households in Piedmont are seniors living on fixed incomes (social security, etc.).

The 2000 Census indicated that there were 116 households in the city headed by residents over 65 with annual incomes of less than \$20,000, including 65 households with incomes of less than \$15,000.

Extremely Low Income Households

Extremely low income households earn less than 30 percent of the area median income. In Piedmont, a family of four earning less than \$25,850 would be considered extremely low income. A one-person household working full time at the California minimum wage of \$8.00 an hour (\$16,640/year) also would be considered extremely low income. There is virtually no market-rate housing available to these households in the Bay Area at an affordable price.

Based on 2000 Census data, it is estimated that there are 263 extremely low income households in Piedmont, including 116 senior (over 65) households with annual incomes of less than \$20,000 and 147 adult (age 25-64) households with annual incomes of less than \$25,000. In 2000, this represented 6.9 percent of all households in the city. The vast majority of Piedmont's extremely low income households are homeowners. Based on 2000 Census data for persons with annual incomes of under \$20,000, almost 83 percent were owners and 17 percent were renters.

Many of the extremely low income households in Piedmont are seniors living on fixed incomes (social security, etc.). The 2000 Census indicated that there were 65 households with incomes of less than \$15,000. The city also includes extremely low income families with children. Adult (25 to 64) households with incomes of less than \$25,000 a year represented 5 percent of the total households in this age cohort. Some of these households are in the special needs categories described above, including single mothers and persons with disabilities. While some of the city's extremely low income households may receive various forms of public assistance, they may still struggle to cover their housing costs, face hunger or medical problems, and are at risk of becoming homeless. There are currently no housing units in Piedmont specifically earmarked for extremely low income households.

Homeless Persons

A homeless person is defined as someone who lacks a permanent, regular, and adequate residence. The homeless include persons living on the street, in parks, in cars, in emergency shelters, and in encampments. Various factors contribute to homelessness, including unemployment, a lack of affordable housing, health problems, and reductions in mental and social service programs. Homeless persons typically require supportive services to deal with the immediate causes of homelessness, which may include job loss, substance abuse, eviction, domestic violence, family break-up, and medical problems.

Despite the absence of a visible homeless population, Piedmont is located in a dense urban area where homelessness is recognized to be a significant issue. Additionally, there may be residents “at risk” of homelessness in the city, including persons facing future eviction, foreclosure, or loss of income. Other Piedmont residents may be staying with family and friends because they have no place else to go.

Alameda County conducts a periodic Homeless Count Survey, consistent with federal (HUD) requirements. The County also maintains a Homeless Management Information Systems (HMIS) data base, which estimates the total homeless population in the county and disaggregates these estimates to the cities through field counts and interviews. In 2008, the Survey indicated an estimated 6,500 homeless residents in Alameda County. The Survey further indicated that 12 of these residents named Piedmont as their “city of last permanent housing.” By comparison, 46 homeless residents listed “Emeryville” and 19 listed “Albany,” both cities with comparable populations to Piedmont. Alameda County has estimated Piedmont’s homeless population at 15 residents, although this is based on a pro-rated formula rather than an actual count within the city.

Anecdotal data, including interviews with the City’s Police and Fire Chiefs, and the Directors of Public Works and Parks, does not support the conclusion that there is a homeless population of 15 residents in the city. This is not to discount the need for proactive solutions, but rather an observation that homelessness in Piedmont may take on different dimensions than in Oakland or Berkeley. The City does not have a visible street population or residents living in parks or commercial districts. Because Piedmont is encircled by Oakland, which has the highest homeless population in the county, there are transient residents present. Homelessness is a regional issue that does not recognize city boundaries.

The regional nature of homelessness means that each community in the County is obligated to help develop solutions. There are a number of resources that Piedmont can draw upon, including an extensive network of charitable and community service organizations. The City is also home to three churches and a synagogue, potential partners in efforts to assist persons in need. In 2004, the City amended its zoning code to allow emergency shelters in the Public Facilities Zoning District (Zone B) with a conditional use permit (CUP).

Additionally, the City could play a greater role in the Alameda County EveryOne Home Program. EveryOne Home was adopted in 2006 as a 15-year Plan to end chronic homelessness in Alameda County through multi-jurisdictional solutions. The Plan seeks to provide supportive housing units for 15,000 homeless households by 2020, and seeks to improve the safety net for those at risk of becoming homeless. The Plan includes provisions for better integration of homeless services with other services such as mental health, HIV/AIDS care, and acute medical services. The Piedmont City Council adopted the EveryOne Home Plan as official city policy in October 2009.

HOUSING CHARACTERISTICS

Number of Units

The 2000 Census reported that Piedmont had 3,859 housing units. City records indicate the actual total may be slightly higher, with the discrepancy caused by the way in which second units are counted. The Census reported an increase of just 11 dwelling units in Piedmont between 1990 and 2000. However, the City's records indicate a net increase of 58 units, including 45 second units and 13 new homes. It is likely that most of the Piedmont's 100 or so legal second units were not counted as separate dwelling units by the Census.

Intercensal housing unit estimates are prepared by the California Department of Finance (DOF) based on certificate of occupancy data reported by cities and counties. DOF indicates that there were 3,866 units in Piedmont in 2009, a net increase of seven units since 2000. According to the DOF, six of these units were single family homes and one was in a "2-4 unit" building (presumably a second unit).

Table 3.6 provides U.S. Census and DOF data on housing units from 1940 to 2009. The data parallels the household data presented in Table 3.2. The Table reflects the fact that almost all of the City's vacant land was developed by 1980, resulting in a very slow growth rate during the last 30 years.

Table 3.6: Number of Housing Units in Piedmont, 1940-2009		
Year	Housing Units	Percentage Change
1940	2,815	--
1950	3,142	11.6
1960	3,649	16.1
1970	3,624	-0.7
1980	3,837	5.9
1990	3,848	0.3
2000	3,859	0.3
2009	3,866	0.2

Source: US Census of Population (1940-2000), Department of Finance (2009)

(*) 2000 and 2009 data somewhat lower than City-generated counts due to City tabulation of second units

Vacancy Characteristics

At the time of the 2000 Census, 55 of Piedmont's dwelling units were vacant. This equates to an overall vacancy rate of just 1.4 %, which was significantly lower than the countywide vacancy rate of 3.1 %.

The California Department of Finance estimated the January 2009 vacancy rate in the city at 1.4%, unchanged since 2000. The Alameda County vacancy rate likewise is unchanged and remains about 3.1 %.

Not all of the City's vacant units are available for rent or sale. The 2000 Census indicated that Piedmont's vacancies included 13 units that were used for seasonal, recreational, or occasional use. The Census further indicated that the vacancy rate for rental units (including both apartments and houses) was 2.50 %, while the vacancy rate for owner-occupied (e.g., for sale) units was 0.2 %.

Table 3.7 compares the 2009 vacancy rate with the rates reported by previous censuses. Vacancies in Piedmont have historically been very low, averaging about 2 % over the last 30 years. The vacancy rate in 2000 and 2009 was significantly lower than it was in 1990, indicating a tighter and more competitive housing market.

Table 3.7: Vacancy Characteristics in Piedmont, 1940-2009		
Year	Number of Vacant Units	Vacancy Rate
1940	149	5.3 %
1950	63	2.0 %
1960	154	4.2 %
1970	68	1.8 %
1980	75	1.9 %
1990	93	2.4 %
2000	55	1.4 %
2009	55	1.4 %

Source: US Census of Population (1940-2000); CA Department of Finance (2009)

Structure Type

Piedmont's housing stock is dominated by single family residences. Table 3.8 provides a breakdown of the types of residential structures in the City, based on California Department of Finance (DOF) data from January 2009.

Table 3.8: Composition of Piedmont's Housing Stock, 2009		
Unit Type	Number of Units	Percentage of Total
Single Family Detached (*)	3,788	97.0
2-4 Unit Structures	36	1.3
Structures of 5 Units or More	34	1.1
Mobile Homes (**)	8	--
TOTAL	3,866	100.0

Source: California Department of Finance, 2009

Notes: (*) Includes homes with second units

(**) The DOF data is not entirely consistent with the City's own records, which do not indicate any mobile homes in Piedmont.

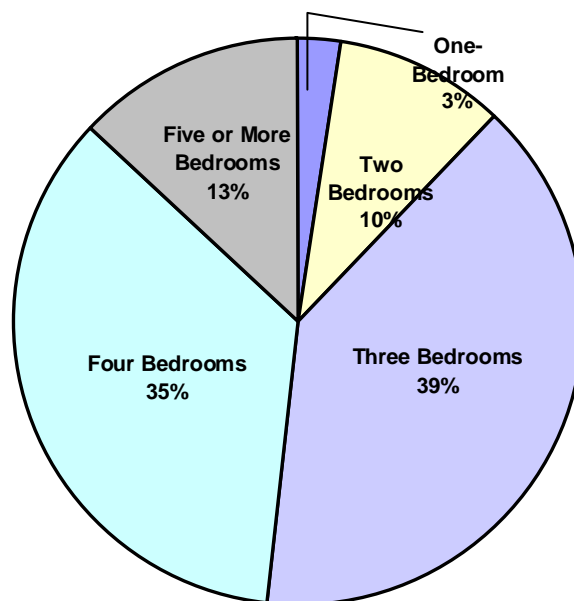
In 2009, 98 % of the City's dwellings were single family detached homes. A total of 36 units were reported to be in two- to four-unit structures and 34 units were reported to be in buildings with five to ten units. The DOF does not track data on second units. DOF data indicates there are 8 mobile homes in Piedmont. The City believes this statistic to be in error, as there are no records of mobile homes used for permanent habitation in the city.

All multiple dwelling units in Piedmont are rental apartments; the City has no condominiums.

Number of Rooms

Piedmont homes tend to be larger than homes in nearby communities. The 2000 Census reported that the median number of rooms in Piedmont's residences was 7.6. Nearly 1,300 homes in the City (33 % of the total) had more than nine rooms.

Chart 3.4: Composition of Piedmont's Housing Stock by Number of Bedrooms, 2000 (*)



Source: US Census of Population, 2000

**About 70 % of
Piedmont's housing stock
was built before 1940, a
higher percentage of
“pre-war” housing than
any other city in the Bay
Area.**

Chart 3.4 illustrates the composition of Piedmont's homes by number of bedrooms as of 2000. City building permit records indicate that this distribution has not changed significantly during the last 9 years, although second units appear to be undercounted. The 2000 Census indicated that 87 % of the City's dwelling units had three bedrooms or more. Less than 3 % of the City's units were identified as one-bedroom dwellings. Most of these were rental apartments.

Overcrowding

The U.S. Census defines an “overcrowded” housing unit as one with more than one person per room. Given the relatively large size of Piedmont residences, there are very few homes in the City which meet this definition. The 2000 Census identified only 12 overcrowded units in Piedmont, representing less than 0.3 % of the City's housing stock. All 12 of the units were occupied by renter households.

HOUSING CONDITION

Piedmont's housing is in excellent condition. The City has historically had very high levels of reinvestment and home improvement. Although there have been only six new homes completed since 2000 (excluding teardowns and replacements), there were over 10,000 building permits issued. Table 3.9 indicates the number of building permits and City Planning applications (e.g., for variances, design review, etc.) issued each year since 2000. As the Table indicates, a high level of permit activity was sustained throughout the period.

About 70 % of Piedmont's housing stock was built before 1940, a higher percentage of “pre-war” housing than any other city in the Bay Area. The percentage of pre-war housing is often used as an indicator of the need for housing rehabilitation. However, most pre-war Piedmont homes have been updated and many have been expanded. Fewer than five units in the city are believed to be in poor condition.

Table 3.9: Building and Planning Permit Applications, 2000 - 2007		
Year	Building Permit Applications	City Planning Applications
2000	1,103	367
2001	1,050	405
2002	1,210	428
2003	1,154	509
2004	1,310	563
2005	1,192	417
2006	1,145	432
2007	1,246	480

Source: City of Piedmont, 2008

HOUSING VALUE

Housing in Piedmont is expensive. The 2000 Census reported the median value of a Piedmont home as almost \$800,000. At that time, the City contained only about 90 units (about 2 % of the City's housing stock) with values below the Alameda County median of \$303,100. In fact, 20 % of the homes in Alameda County valued in excess of \$1,000,000 were located in the City of Piedmont, although the City contained less than one percent of the County's housing stock.

Real estate prices in Piedmont appreciated rapidly after 2000, with the median asking price for a new home peaking at over \$1.5 million in 2006. Like the rest of the Bay Area, Piedmont's home prices have fallen in the last two years. However, the decline has not been as steep as in the county or region as a whole.

In August 2009, a review of various industry sources indicated there were 47 homes for sale in the city, with prices ranging from \$460,000 (for a property in foreclosure) to \$6,500,000. The median asking price was \$1,340,000. This was down by approximately 10 percent from 2008.³

³ Sources include trulia.com, zillow.com, and sfgate.com

Data is also available on actual home sales in the city. Between August 1, 2008 and August 1, 2009, there were 73 homes sold. The median sales price was \$1,079,000.

Assuming a 20 % downpayment, a 6 % interest rate, and a 30-year fixed rate mortgage, the monthly principal and interest payment on a \$1,079,000 Piedmont home would be \$5,175. Adding property taxes, homeowners insurance, and utility expenses would push monthly housing costs to \$6,675. Assuming housing costs represent no more than 30 % of household income, a family would need to earn \$267,000 a year to afford such a residence. Although this may be within the reach of some Piedmont households, many longtime Piedmont residents could not afford the very homes they live in if they had to purchase them again today.

The City is particularly unaffordable for first-time buyers, including residents who rent Piedmont apartments or young Piedmont adults who wish to stay in the community after leaving their parents' homes. Given the high housing costs, the city generally attracts residents with equity from previous residences. Many Piedmont buyers are rolling over the proceeds from the sale of former homes, resulting in high down payments and more manageable monthly costs.

Piedmont rents are also significantly higher than regional averages. This is partially because a majority of the City's rental properties are single family homes, rather than apartments. The 2000 Census reported a mean rent of \$1,638 in the City.

Rents have continued to increase in the last nine years. A review of advertised Piedmont rentals on www.craigslist.com over the course of one week in August 2009 indicated 20 properties for rent. Rents ranged from \$1,000 a month for a small in-law apartment to \$14,000 a month for a gated 7,800 square foot home. The median asking price for rental properties in Piedmont was \$3,500. Available rentals in August 2009 included four apartments and 16 single family homes.

FORECLOSURES

The number of foreclosures in the United States tripled between the first quarter of 2007 and the second quarter of 2008 as home prices fell, unemployment rose, and a growing number of sub-prime loans and adjustable rate mortgages were made to higher risk borrowers. Estimates of the number of foreclosed properties in Piedmont vary. The foreclosureradar.com website lists four bank-owned properties for sale in the city. However, Trulia.com indicates 14 properties for sale that are bank-owned, slated for auction, or recipients of default notices.

**The Housing Element
shall contain an...
“analysis of opportunities
for energy conservation
with respect to residential
development.”**

Government Code Sec. 65583 (a)(7)

HOUSING AND ENERGY COSTS

One way to make housing more affordable is to reduce the percentage of household income spent on natural gas and electricity. These expenses have risen considerably in the Bay Area since 2000 as a result of the global energy shortage and increases in raw material costs. Today, energy costs may be a significant part of the household budget for low and moderate income families. Because the State’s energy future is uncertain, it is important to look for ways to reduce energy costs.

Piedmont presently enforces the California Energy Commission’s Title 24 standards for wall and ceiling insulation, thermal mass, and window to floor area ratios (to reduce heat loss). A report indicating conformance with the energy standards is usually performed by an energy consultant following methods approved by the State. These requirements only apply to new construction and major remodeling. Other homeowners can realize significant cost savings through weatherization, the use of energy-efficient appliances, and the installation of solar heating systems.

PG&E offers a number of programs to assist low income households with their energy costs. These include CARE (California Alternate Rates for Energy), which provides a 20 percent gas and electric bill discount for qualifying low income households; FERA (Family Electric Rate Assistance), which offers a 131-200 percent reduction on electric rates; a Medical Baseline Allowance for persons with high medically-related electric bills; an Energy Partners Program offering free weatherization, and the REACH (Relief for Energy Assistance for Community Help) program for low income owners who cannot pay their bill due to sudden financial hardship. PG&E also offers conservation measures that are not income-based, such as tax incentives for alternative energy use, free energy audits, and rebates for old appliances.

The Housing Element shall contain...
“...documentation of projections and a quantification of the locality’s existing and projected housing needs for all income levels. These existing and projected needs shall include the locality’s share of the regional housing need....”

Government Code Sec. 65583 (a)(1)

HOUSING NEEDS

Population and Employment Projections

The Association of Bay Area Governments (ABAG) indicates an extremely slow rate of growth in Piedmont during the coming decade, reflecting the fact that the City is fully developed and has almost no vacant land. ABAG’s Draft Projections 2009 shows just 10 new households are projected to be added between 2010 and 2025, or fewer than one new home per year.

Employment growth in the City is also expected to be very slow. ABAG projects 30 additional jobs between 2010 and 2025.

Regional Housing Needs Allocation

As mentioned in Chapter 1, the Government Code requires each community in the region to provide for its “fair share” of the region’s housing needs. The “fair share” determinations are made approximately every five years by ABAG. In Spring 2007, the ABAG Executive Board endorsed final fair share allocations for Bay Area cities and counties for the period January 1, 2007 - June 30, 2014. The Alameda County allocation was 44,937 units. Piedmont’s allocation was 40 units, or less than 0.1 % of the County total. It is worth noting that Piedmont’s RHNA allocation for 2007-2014 is four times greater than the household growth projected by ABAG for the city for 2010-2025.

The fair share allocations for each City and County have been stratified by income group. Table 3.10 indicates the distribution for Piedmont. The City’s assignment includes 13 very low income units, 10 low income units, 11 moderate income units, and 6 above moderate income units.

Credit for Units Added in 2007, 2008, and 2009

In August, 2009, the City was 2-1/2 years into the 7-1/2 year period covered by the ABAG allocation. It is important to adjust the City’s fair share assignment to reflect the units that have been added to the housing stock since January 1, 2007.

Table 3.10: Regional Housing Needs Allocation for Piedmont, January 1, 2007 – June 30, 2014	
Income Group	Number of Units
Very Low	13
Low	10
Moderate	11
Above Moderate	6
TOTAL	40

Source: ABAG Regional Housing Needs Allocation, 2007

() Pursuant to AB 2634, the City is required to disaggregate the “very low” component of its RHNA into “very low” (30-50% of areawide median income) and “extremely low” (less than 30% of areawide median income) subcategories. As noted earlier, extremely low income households represent 6.9 percent of the city’s households. Applying this percentage to the total RHNA (.069 * 40) suggests that 2.76 (rounded to 3) of the 13 very low income units should be targeted to extremely low income households.*

City planning and building data indicate that the following above moderate income housing units have been completed or initiated site preparation or construction during this time period⁴:

- 5 Hampton Court (completed, 2008)
- 3 Maxwelton Road (almost completed, 2009)
- 5 Maxwelton Road (completed, 2009)
- 73 Dudley (approved and permitted, completion date unknown)
- 74 Huntleigh (approved and permitted, completion date unknown)

In addition, the following above moderate income housing units were approved in 2007, 2008, and 2009 but have not yet pulled building permits:

- 139 Lexford
- 155 Maxwelton
- 53 Cambrian
- 22 Valant

With these 9 homes, the City has already exceeded the 2007-2014 RHNA allocation for above moderate income housing.

⁴ Excludes teardown/rebuild projects. These are all net new units.

**The Housing Element shall contain an...
“Analysis of existing housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions.”**

Government Code Sec. 65583 (a)(8):

Between 2007 and mid-2009, the City also approved eight second units, including every second unit application that was received. Four of the units were income-restricted to very low income households. The second units include:

- 161 Bell (rent-restricted to be affordable at 50% of Area Median Income)
- 594 Blair (rent-restricted at 50% of AMI)
- 128 Moraga (rent-restricted at 50% of AMI)
- 1535 Grand (rent-restricted at 50% of AMI)
- 393 Hampton (included in a new home)
- 224 Hillside
- 26 SeaView
- 56 Wildwood

Based on comparable properties, the four second units that are not income restricted are presumed to rent for between \$1,000 and \$1,600 a month. Based on advertised market rate rents for Piedmont second units, other properties Two of these units have been assigned to the “low” income category and two have been assigned to the “moderate” income category. very low” at include two units affordable for low income households rent for between \$1,200 and \$1,400 a month, which is within the range of what would be considered “affordable” for a two-person low income household.

Thus, the adjusted RHNA allocation for the period 2009 to 2014 is:

- 9 very low income
- 8 low income
- 9 moderate income
- 0 above moderate income

Protection of “At Risk” Units

The Government Code requires each Housing Element to assess the potential impact of expiring public subsidies on lower income units. Thousands of publicly assisted units in California are eligible to change from low income to market rate housing during the next decade due to the termination of various government subsidy programs.

Piedmont has no state or federally assisted projects. The City does not have a redevelopment agency, not does it have an inclusionary housing program. At present, there are no “at risk” units in the City. A number of rent-restricted units have been created through the city’s affordable second unit program since 2004, but these units have long-term affordability requirements and will not expire before 2014.

4. Analysis of Housing Capacity

The Housing Element shall contain...

“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 services and facilities to these sites.”

Government Code Sec. 65583 (a)(3):

State law requires each city and county to include an inventory of potential housing sites in their housing elements. The inventory must demonstrate that the community can meet its fair share of the region’s housing needs, as defined by the local Council of Governments (ABAG). As noted in previous chapters of this Element, Piedmont’s fair share during the 2007-2014 period is 40 units.

Demonstrating land capacity for 40 new units is only part of the equation, however. Like all cities, Piedmont must also show that this land is capable of supporting housing demand for *all* economic segments of the community. This means that opportunities to add affordable units such as in-law apartments and lower-cost rentals must be provided in addition to opportunities for single family homes.

In 2004, the State passed Assembly Bill 2348 to clarify the requirements of the Housing Element sites analysis. Cities can demonstrate that they have an adequate land supply to meet their affordable housing needs through several methods. They may cite recent data on housing production showing that affordable units have been created and are financially feasible. They can show that subsidies which contribute to the affordability of units are available and work effectively. They may also zone land for multi-family development, since such development is usually more affordable (or easier to make affordable) than single family development. AB 2348 indicates that in communities such as Piedmont, housing is more likely to be affordable on land that is zoned for at least 20 units per acre. That is referred to as the “default density” for sites deemed to be viable for affordable housing.

The analysis in this chapter begins by deducting housing units that were constructed or approved in 2007, 2008, and 2009, the first three years of the state-defined Housing Element planning period. These units may be credited toward the city’s 2007-2014 assignment. It then evaluates housing opportunities in six major categories: (a) vacant land, (b) lot split potential; (c) underutilized multi-family properties; (d) underutilized commercial properties; (e) public land; and (f) second units.

ADJUSTMENT FOR PREVIOUSLY CONSTRUCTED OR COMMITTED UNITS

As noted in the previous chapter, 17 housing units have been completed or approved in Piedmont since the start of the Housing Element reporting period on January 1, 2007.¹ This includes nine market-rate single family homes and eight second units. Four of the second units are rent-restricted at very low income levels. The other four are market rate rentals; based on advertised rents and business tax data, two have been presumed affordable to low income households and two have been presumed affordable to moderate income households.

The following sections of this chapter confirm the City's ability to accommodate the remaining allocation.

SITES FOR NEW HOUSING

Vacant Lots

Table 4-1 presents a list of vacant residentially zoned lots in Piedmont. These sites are also identified on Figure 4-1. There are 46 vacant lots in Zone "A"; 44 of these have the capacity to support one single family home (plus second unit) each, and two may have sufficient lot area to be subdivided. The subdividable sites include a 36,270 square foot parcel (two potential lots) and a 60,432 square foot parcel (three potential lots).²

As indicated in Table 4-1, there are also 11 vacant lots in Zone "E"; 10 have the capacity to support a single family home (plus second unit) and one has sufficient lot area (although inadequate street frontage) to be subdivided into two lots. If the vacant land supply were to fully develop, 61 new homes and 61 second units could be produced, or a total of 122 new dwelling units.

¹ Excludes teardowns/rebuilds.

² Theoretically, these sites could support 3 units and 6 units respectively, but site geography, access, and topography make such yields very unlikely.

ANALYSIS OF HOUSING CAPACITY
~~PUBLIC REVIEW DRAFT~~ TRACK CHANGES VERSION

Table 4-1: Inventory of Vacant Lots in Piedmont, p 1

Location (*)	Lot Size (sq. feet)	General Plan Designation	Comments
ZONE A (Single Family, 10,000 SF minimum lot size)			
Behind 162 Estates	19,860	LDR	Owned by adjacent home
Behind 170 Estates	16,212	LDR	Owned by adjacent home
Behind 172 Estates	15,932	LDR	Owned by adjacent home
Adjoins 245 Estates	11,100	LDR	Owned by adjacent home
Adjoins 145 Lexford	12,855	LDR	Owned by adjacent home
Adjoins 145 Lexford	14,135	LDR	Owned by adjacent home
Adj. 430 Hampton	8,814	LDR	Owned by adjacent home
"490" Hampton	8,841	LDR	Owned by adjacent home
248 St. James	6,032	LDR	Owned by adjacent home
164 St James	9,225	LDR	Owned by adjacent home
"1726" Trestle Glen	6,190	LDR	Owned by adjacent home
Behind 70, 80, 90 LaSalle	60,432	LDR	Landlocked—could be subdivided. Owned by 280 Indian.
"100" LaSalle	9,857	LDR	Owned by 280 Indian
"110" LaSalle	12,243	LDR	Owned by 280 Indian
"282" Indian, front	11,605	LDR	Owned by 280 Indian
"282" Indian, back	13,961	LDR	Landlocked, Owned by 280 Indian
"255" Sea View	10,385	LDR	
Adj. 111 Woodland	8,665	LDR	Owned by adjacent home
90 Florada	13,710	LDR	Home was approved here but not built
Adjoins 101 Wildwood Gardens	13,787	LDR	Owned by adjacent home
"1069" Winsor	8,081	LDR	Owned by adjacent home
Adjoins 382 Wildwood	11,640	LDR	Owned by adjacent home
"14" Littlewood	36,270	LDR	Potential for 2 lots
"195" Oak Road	13,487	LDR	Permit for new home expired
Adjoins 8 Regua	11,129	LDR	
Adjoins 152 Hazel	9,266	LDR	Owned by adjacent home
Adj. 105 Sheridan	4,745	LDR	Owned by adjacent home
90 Calvert Ct.	14,375	LDR	Owned by adjacent home
415 Pacific	14,400	LDR	Recent lot split
"532" Blair	5,590	LDR	Owned by adjacent home

Note: LDR = Low Density Residential

ANALYSIS OF HOUSING CAPACITY
PUBLIC REVIEW DRAFT TRACK CHANGES VERSION

Table 4-1: Inventory of Vacant Lots in Piedmont, p. 2

Location (*)	Lot Size (sq. feet)	General Plan Designaion	Comments
<u>ZONE A (Continued)</u>			
<u>"310" Wildwood</u>	<u>5,833</u>	<u>LDR</u>	<u>Owned by EBMUD</u>
<u>"33" Prospect</u>	<u>6,336</u>	<u>LDR</u>	<u>Owned by EBMUD</u>
<u>"1100" Harvard</u>	<u>18,858</u>	<u>LDR</u>	<u>Owned by EBMUD</u>
<u>Adjoins 150 Scenic</u>	<u>4,130</u>	<u>LDR</u>	<u>Owned by adjacent home</u>
<u>Adjoins 150 Scenic</u>	<u>6,962</u>	<u>LDR</u>	<u>Owned by adjacent home</u>
<u>"279" Scenic</u>	<u>12,773</u>	<u>LDR</u>	<u>Application submitted but home never built</u>
<u>Below 255 Scenic</u>	<u>6,495</u>	<u>LDR</u>	<u>Owned by adjacent home-landlocked</u>
<u>Adjoins 16 Nellie</u>	<u>11,590</u>	<u>LDR</u>	<u>Owned by adjacent home</u>
<u>1 Maxwellton</u>	<u>11,497</u>	<u>LDR</u>	
<u>Adj 50 Maxwellton</u>	<u>5,627</u>	<u>LDR</u>	<u>Odd-shape</u>
<u>Adj 81 Maxwellton</u>	<u>9,810</u>	<u>LDR</u>	<u>Owned by adjacent home</u>
<u>1635 Grand</u>	<u>5,793</u>	<u>LDR</u>	
<u>Adjoins 434 Pala</u>	<u>9,037</u>	<u>LDR</u>	<u>Owned by adjacent home-difficult access</u>
<u>"208" Howard</u>	<u>4,871</u>	<u>LDR</u>	<u>Flag lot</u>
<u>Adj 860 Kingston</u>	<u>5,092</u>	<u>LDR</u>	<u>Owned by adjacent home</u>
<u>Adjoins 22 Nace</u>	<u>9,025</u>	<u>LDR</u>	<u>Owned by adjacent home, difficult access</u>
<u>ZONE E (Estate 20000 SF minimum lot size)</u>			
<u>"18" Glen Alpine</u>	<u>20,293</u>	<u>Estate Res</u>	<u>Rear of 17 Sotelo (pool)</u>
<u>"5" Indian Gulch</u>	<u>11,205</u>	<u>Estate Res</u>	<u>Access to 21 Glen Alpine</u>
<u>Behind 2 Sotelo</u>	<u>9,937</u>	<u>Estate Res</u>	<u>Landlocked; owned by adjacent home</u>
<u>24 Sea View</u>	<u>17,069</u>	<u>Estate Res</u>	<u>Flag lot, contains tennis cts Owned by adjacent home</u>
<u>Access to 70 Sotelo</u>	<u>45,978</u>	<u>Estate Res</u>	<u>Separate lot in Oakland contains residence</u>
<u>Behind 21 Glen Alpine</u>	<u>5,680</u>	<u>Estate Res</u>	<u>Owned by adjacent home</u>
<u>Behind 74 Sea View</u>	<u>32,610</u>	<u>Estate Res</u>	<u>Owned by adjacent home</u>
<u>Behind 15 Glen Alpine</u>	<u>30,935</u>	<u>Estate Res</u>	<u>Landlocked, owned by adjacent home</u>
<u>1 Hampton Court</u>	<u>21,445</u>	<u>Estate Res</u>	<u>Owned by adjacent home</u>
<u>3 Hampton Court</u>	<u>22,685</u>	<u>Estate Res</u>	<u>Owned by adjacent home</u>
<u>Adjoins 47 Bellevue</u>	<u>11,308</u>	<u>Estate Res</u>	<u>Owned by adjacent home</u>
<u>ZONE C (Multi-Family, 1 unit per 2,000 Square Feet of Lot Area)</u>			
<u>408 Linda</u>	<u>15,375</u>	<u>MDR</u>	<u>Contains vacant former PG&E substation</u>
<u>ZONE D (Mixed Use, 1 unit per 2,000 square feet of Lot Area)</u>			
<u>1201 Grand Ave</u>	<u>4,000</u>	<u>Mixed Use</u>	<u>Underutilized building/ pt of Ace Garden Center</u>

Source: City of Piedmont, Barry Miller, AICP, 2010

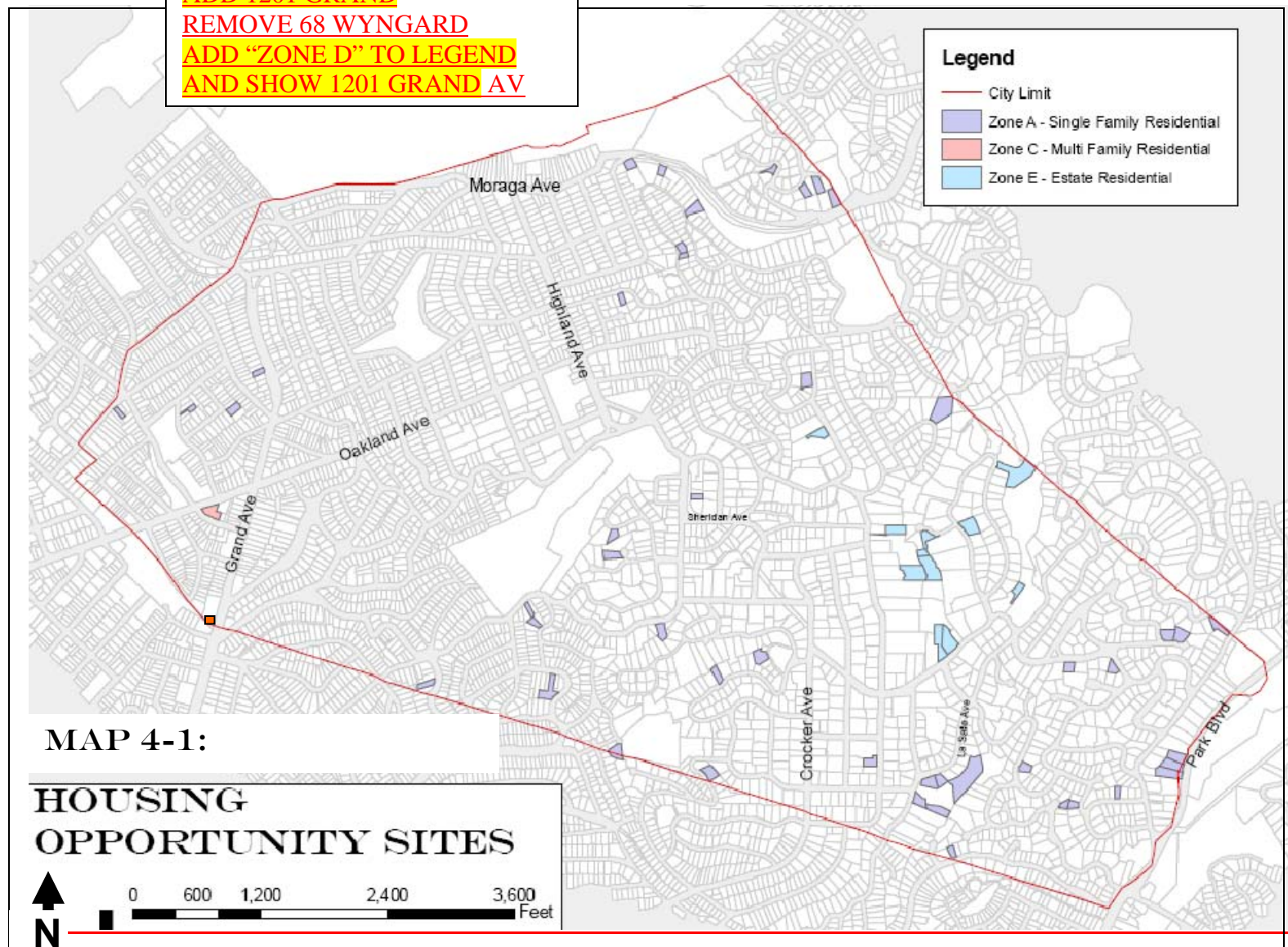
Note: LDR = Low Density Residential, MDR= Medium Density Residential

ANALYSIS OF HOUSING CAPACITY
PUBLIC REVIEW DRAFT TRACK CHANGES VERSION

Table 4-1: Inventory of Vacant Lots in Piedmont					
Location (*)	Lot Size (sq.-feet)	Comments	Location (*)	Lot Size (sq.-feet)	Comments
ZONE A (Single Family, 10,000 SF minimum lot size)			ZONE A (Continued)		
Behind 162 Estates	15,932	Owned by adjacent home	"310" Wildwood	5,833	Owned by EBMUD
Behind 170 Estates	16,212	Owned by adjacent home	"33" Prospect	6,336	Owned by EBMUD
Behind 172 Estates	19,860	Owned by adjacent home	"1100" Harvard	18,858	Owned by EBMUD
Adjoins 245 Estates	11,100	Owned by adjacent home	Adjoins 150 Scenic	4,130	Owned by adjacent home
Adjoins 145 Loxford	12,855	Owned by adjacent home	Adjoins 150 Scenic	6,962	Owned by adjacent home
Adjoins 145 Loxford	14,135	Owned by adjacent home	"279" Scenic	12,773	Application submitted but home never built
Adj. 430 Hampton	8,814	Owned by adjacent home	Below 255 Scenic	6,495	Owned by adjacent home landlocked
"490" Hampton	8,841	Owned by adjacent home	Adjoins 16 Nellie	11,590	Owned by adjacent home
68 Wyngard	6,014		"1001" Moraga	11,497	
248 St. James	6,032	Owned by adjacent home	Adj 50 Maxwellton	6,627	Odd shape
164 St James	9,225	Owned by adjacent home	Adj 81 Maxwellton	9,810	Owned by adjacent home
"1726" Trestle Glen	6,450	Owned by adjacent home	1635 Grand	5,793	
Behind 70, 80, 90 LaSalle	60,432	Landlocked—could be subdivided. Owned by 280 Indian.	Adjoins 434 Pala	9,037	Owned by adjacent home difficult access
"100" LaSalle	9,857	Owned by 280 Indian	"208" Howard	4,871	Flag lot
"110" LaSalle	12,243	Owned by 280 Indian	Adj 860 Kingston	5,092	Owned by adjacent home
"282" Indian, front	11,605	Owned by 280 Indian	Adjoins 22 Nace	9,025	Owned by adjacent home, difficult access
"282" Indian, back	13,961	Landlocked, Owned by 280 Indian	ZONE E (Estate 20000 SF minimum lot size)		
"255" Sea View	10,385		"18" Glen Alpine	20,293	Rear of 17 Sotelo (pool)
Adj. 111 Woodland	8,665	Owned by adjacent home	"5" Indian Gulch	11,205	Access to 21 Glen Alpine
90 Florada	13,710	Home was approved here but not built	Behind 2 Sotelo	9,937	Landlocked; owned by adjacent home
Adjoins 101 Wildwood Gardens	13,787	Owned by adjacent home	24 Sea View	TBD	Flag lot, contains tennis cts
"1069" Winsor	8,081	Owned by adjacent home	Access to 70 Sotelo	45,978	Separate lot in Oakland contains residence
Adjoins 382 Wildwood	11,640	Owned by adjacent home	Behind 21 Glen Alpine	5,680	Owned by adjacent home
"14" Littlewood	36,270	Potential for 2 lots	Behind 74 Sea View	32,610	Owned by adjacent home
"195" Oak Road	13,487	Permit for new home expired	Behind 15 Glen Alpine	30,935	Landlocked, owned by adjacent home
Adjoins 8 Requa	11,129	Owned by adjacent home	1 Hampton Court	21,445	Owned by adjacent home
Adjoins 152 Hazel	9,266	Owned by adjacent home	3 Hampton Court	22,685	Owned by adjacent home
Adj. 105 Sheridan	4,745	Owned by adjacent home	Adjoins 47 Bellevue	11,308	Owned by adjacent home
415 Pacific split	TBD	Recent lot split			
"532" Blair	5,590	Owned by adjacent home			

ANALYSIS OF HOUSING CAPACITY
~~PUBLIC REVIEW DRAFT~~ TRACK CHANGES VERSION

ADD 90 CALVERT
ADD 1201 GRAND
REMOVE 68 WYNGARD
ADD "ZONE D" TO LEGEND
AND SHOW 1201 GRAND AV



The actual development potential of the City's vacant land supply is smaller than 122 units, however. Twelve of the 57 lots listed in Table 4-1 are landlocked and have no street access. They would require a driveway easement across an adjoining property or a lot line adjustment to create a "flag lot" before they could be developed. These lots would also require water and sewer lateral extensions from the nearest street. The remaining 45 lots have water, sewer, storm drainage, and electrical service available at the curb.

About two-thirds of the lots listed in Table 4-1 are owned by adjacent property owners and are effectively "double lots" (or in a few cases, triple lots). In other words, a primary residence sits on an adjacent lot while the subject lot is vacant. In such cases, the "vacant" lot may be partially improved with lawns, gardens, trellises and pergolas, swimming pools, and other features that make it functionally integrated with the primary lot.

Other lots in Table 4-1 have constraints that have precluded their development to date. These include very steep topography, awkward or irregular configurations, and small size.

Once these factors are considered, the number of unconstrained developable vacant lots is closer to 20 or 25. This is the number of lots that have adequate road and utility access, are not encumbered by existing structures or landscape improvements, and have sufficient depth and width to support a new home. Although each new home could theoretically include a second unit, based on recent development practice it is more likely that only 10 to 20 percent of the new homes actually will.³ Thus, the realistic yield on these lots is estimated at between 25 and ~~30 and 35~~ units (including second units).

Given the cost of developing individual single family lots in Piedmont, these sites are not viable locations for affordable housing projects. However, the city strongly encourages the inclusion of second units in new residences, creating an opportunity for moderate, low, and very low income units whenever a new home is constructed

³ *The assumption that 10-20 percent of future new homes might contain a second unit is based on actual production during the prior (1999-2006) Housing Element period. Excluding "teardowns," six new market-rate homes were built and one of these homes included a second unit (1/6 = 17%).*

Lot Split Potential

New residential development may also occur through lot splits. The City presently requires 10,000 square feet (SF) per lot in the Single Family Residential Zone (Zone A) and 20,000 square feet (SF) per lot in the Estate Zone (Zone E). In theory, a lot which is twice the minimum could be divided to create two parcels. In practice, lot splits would be most feasible for properties with more than 180 feet of street frontage (enabling both lots to have at least 90 feet of frontage, which is the City standard). Lot splits would also be more feasible on properties where the existing residence sits to one side of the property rather than in the center, and on lots which are relatively flat.

There are currently 129 developed lots in Zone A with more than 20,000 square feet and 17 developed lots in Zone E which exceed 40,000 square feet. Of this total, at least ten lots have been identified as having the practical potential to be divided into two lots, each with sufficient street frontage. Again, second units would also be possible on these sites if new homes were added. Additional lots could be created if lot frontage variances were more liberally granted, or if the city permitted new “flag lots” (e.g., rear yard lots with panhandles extending to the street).

Underutilized Multi-Family Zoned Properties

The largest single development opportunity in Piedmont is a vacant PG&E substation building at 408 Linda Avenue. The site is 15,375 square feet and is located in Zone C (the “multi-family” zoning district). It contains a 5,600-square foot structure that was used as a substation from 1926 until it was decommissioned in 1991. The property has been sold by PG&E to a developer, and is currently under consideration for townhomes.

Based on existing zoning, which allows one dwelling unit per every 2,000 square feet of lot area, the site has the potential for seven units. With the application of a 25 to 35 percent density bonus (in the event the project includes affordable units or senior housing), the site could support 9 units. The site meets AB 2634 “default density” criteria for affordable housing, meaning it can support at least 20 units per acre (zoning allows 22 units per acre, before the density bonus).

There are other underutilized multi-family properties in the city. The city's multi-family zone includes a total of 27 parcels and only a few are actually developed with apartment buildings. Most are developed with single family homes and a few contain two- and three-unit rentals. Replacement of these homes with multi-unit buildings is allowed by zoning, but is unlikely given the small size of the properties and good condition of the housing. Because the sites are in multiple ownership, and because the City does not have a redevelopment agency to facilitate land assembly, the aggregation of small parcels to create large redevelopment sites is not feasible. Moreover, these properties already contain some of Piedmont's most affordable units. Their redevelopment could conceivably decrease—rather than increase—overall affordability, since new units would likely rent (or sell) for more than the existing older units.

Because of the limited potential for a net gain in affordable units in Zone C, the only housing site identified in this category is the former PG&E property.

Underutilized Commercial Properties

Piedmont has just 3.7 acres of land zoned for commercial use. This land consists of 19 parcels, all of which are developed. In Summer 2009, the City conducted an inventory of its commercial properties to determine which, if any, had the potential for redevelopment with housing. Only one of the 19 properties (at 1201 Grand Avenue) was determined to be underutilized. This property contains a small one-story 1920s-era storefront building. Although the interior space is being used for storage, the property could potentially support a second story addition with two multi-family units. Parking is extremely limited, however, and could not be provided on-site.

The other 18 properties include:

- six one- and two-story office buildings on scattered sites, containing a bank, real estate offices, and dental/medical practices
- a food market
- a hardware store
- two gasoline service stations
- a specialty store, with two apartment units above and behind
- six single family homes

All of the office buildings are in excellent condition and are fully occupied. The food market (Mulberry's) and hardware store (Ace) are both active businesses and are not well situated for second story housing additions. Redevelopment of the Ace site could occur at some point, but is unlikely during the next five years.

Both of the gasoline stations are in active use. Again, the sites could theoretically be redeveloped, although soil remediation (for underground storage tanks) would probably be necessary if housing were proposed. These sites are less than 0.2 acres each. The specialty store (which recently closed) already contains two units above and behind the existing structure, created during the late 1990s through the granting of a variance. The City closely worked with the applicant to facilitate the creation of these units and would be receptive to similar proposals in the future.

The six single family homes (all on Grand Avenue) are occupied and in excellent condition. Their removal and replacement with new commercial or mixed use structures is very unlikely. However, it might be possible to divide the existing homes into duplexes or triplexes. It is also possible that the homes could be internally divided to create ground floor offices with upper story apartments.

Any conversions would require the provision of two off-street parking spaces per dwelling unit. The total number of units that could be created in this manner is estimated to be fewer than ten, based on existing building footprints.

Public Land

There are no public sites in Piedmont available for future development. The City does own 2.14 acres on Maxwellton Road adjacent to Mountain View Cemetery which was identified as a potential housing site in the 1992 Housing Element, but this land is no longer considered a viable development site. A proposal for 18 units of market-rate senior housing was considered on this site in the mid-1990s but was dropped because of community opposition. Extensive hillside grading would have been required and the visual and environmental impacts of the project would have been significant.

The East Bay Municipal Utility District operates an 8.3-acre covered reservoir on the Oakland-Piedmont border. The reservoir has been empty for several years as part of EBMUD's seismic upgrade program. EBMUD has indicated that a portion of the property may become available for reuse in the coming years, creating the opportunity for a land use change. The site is currently designated as open space in the General Plan. While it is possible that EBMUD could pursue a General Plan Amendment to consider a limited amount of housing, this is not likely during the 2009-2014 period.

Considering the lack of underutilized commercial land and vacant multi-family sites, the greatest potential for affordable housing in Piedmont is in second units.

Similarly, housing opportunities are not anticipated in the Piedmont Civic Center area between 2009-2014. The City conducted a master planning exercise for this four-block area in 2007-2008. While a final plan has yet to be adopted, the initial proposals include recreational uses, civic offices, reconfigured streets and parking areas, and opportunities for a very limited number of commercial uses. Housing has not been considered, given the area's small size and the competing demand for other uses.

All other public sites in Piedmont are in active use as City parks, public buildings or maintenance facilities, schools, or utilities. The City presently falls short of accepted parkland standards and is unlikely to convert parkland to housing in the future.⁴ Similarly, the 6.3 acre part of Mountain View Cemetery within the Piedmont city limits is not considered to be available for future residential uses. The City has no surplus schools or school sites. All school properties are fully utilized for academic or athletic purposes.

SECOND UNIT POTENTIAL

Development Prospects

Considering the lack of underutilized commercial land and vacant multi-family sites, the greatest potential for affordable housing in Piedmont is in second units.

Second units may be created in a number of ways:

- they may be incorporated in brand new homes
- they may be added on to existing homes as net new floor space
- they may be created within the footprint and already habitable floor space of an existing home.

In the latter case, second units may be developed by adding new bathrooms and kitchens and configuring a separate entrance within an existing home. They may also be developed by improving existing space that already has a kitchen, bathroom and separate entrance, but is not currently used as an independent dwelling unit.

⁴ Piedmont has 44 acres of City-operated parkland, which equates to about 4 acres per 1,000 residents. Although there is no formally recommended standard, the State permits cities to levy impact fees based on a standard of 5 acres per 1,000 residents. National Recreation and Park Association standards call for 10 acres per 1,000 residents.

The latter category of facilities is sometimes referred to as “unintended second units.” These spaces already possess the physical characteristics of a second unit (i.e., a separate entrance, a kitchen, a bathroom, and a living/sleeping area that is separate from the main residence) but they are integrated into the primary residence and are not occupied by a separate household. Such rooms are often used as domestic quarters, au pair quarters, home offices, or living space for extended family (children, elder parents, etc). “Unintended” second units may also include pool houses (with kitchens and baths), guest cottages, and similar detached structures.

As of 2009, the City Planning Department had identified 117 “unintended” second units which could potentially be upgraded and made available for habitation as separate dwellings. Each of these units was registered with the City in 1987 with the condition that they not be used as independent rental apartments. The City’s second unit requirements have changed since that time, and owners may now apply to use these units for rental housing.

Under the current second unit ordinance, the owners of these units could convert the spaces to active rentals “by right” provided that certain conditions are met. These conditions include various dimensional and size standards (see Chapter 5), the provision of off-street parking, and owner-occupancy of either the primary or secondary unit.

The City has also created incentives to convert unintended second units into affordable units. The “unintended” units represent the best prospect for housing serving low and very low income households because they already have baths and kitchens, and could be converted at relatively low capital costs.

The potential for brand new units in the city also is significant. The City’s Affordable Second Unit Program, established in 2005, has created a strong incentive for rent restrictions that make these units affordable to lower income renters.

Every second unit application that has come before the Planning Commission since 2005 has been approved. In fact, the number of second units approved (11) was greater than the number of new owner-occupied homes approved during this time period.

Viability of Second Units as Affordable Housing

AB 2348 requires local governments that are meeting their RHNA requirements through means *other than* high-density zoning to demonstrate that their proposed approach is viable. Although Piedmont could theoretically accommodate 15 units of low and very low income housing on land zoned at 20 units per acre or more (the former PG&E site, gas stations and older commercial properties, and demolition and replacement of homes in the multi-family zone), such an outcome is extremely unlikely—and not necessarily desirable. The high cost of land, absence of suitable sites, and dynamics of the Piedmont real estate market make the development of traditional “apartment” projects impractical. Less than one percent of the city’s housing units are in buildings with five dwellings or more, and these units were constructed more than 40 years ago. An affordable housing strategy that relied on multi-family development would ultimately be less effective (and less productive) than one which was tailored to the unique characteristics of Piedmont’s land supply and housing stock.

In the ~~five~~ four years since adoption of the city’s new Second Unit Ordinance (Chapter 17D of the Municipal Code), the city has had a successful track record of producing very low, low, and moderate income second units. For the first time in the City’s 102-year history, Piedmont has begun to develop a pool of income-restricted affordable units which meet the needs of lower income households. ~~Every second unit application that has come before the Planning Commission since 2005 has been approved.~~ In fact, the number of second units approved during the 1999-2006 Housing Element planning period (10 units) ~~(11)~~ was greater than the number of new owner-occupied homes (6 units) approved during this time period.

As noted in Chapter 2 of the Housing Element, the City’s second unit ordinance includes incentives to create rent-restricted units for low and very low income households. These incentives include waivers of parking requirements, which are typically the greatest obstacle to creating new second units. Other incentives include allowances for larger units (up to 1,000 square feet) if the owner agrees to rent restrictions, and waiver of first year business license taxes for rent-restricted units. ~~Half of the second units approved since 2006 have been rent and income restricted for very low income households.~~

The City does not require a conditional use permit for rent-restricted units. While a “second unit permit” is required for the parking waiver or size exceptions, the findings to approve the permit are straightforward and have not been an impediment. Waiving the parking requirement in order to permit a rent restricted unit requires the following findings:

(a) the unit will not be detrimental to the health, safety or general welfare of persons residing in the neighborhood and will not negatively impact

- traffic safety or emergency vehicle access to residences or create hazards by obstructing views to or from adjoining sidewalks and streets.
- (b) The parking exception will not adversely affect the character of the surrounding neighborhood.
- (c) There is sufficient street parking available to accommodate the parking exception or the second unit is located within 1/3 mile of a public transit stop.

Similarly, increasing the unit size above 700 square feet requires that the Planning Commission find that the unit will not have significant adverse affects on adjacent properties or the surrounding neighborhood, considering such factors as views, privacy, and access to light and air.

These findings have not constrained the creation of rent-restricted second units. In fact, the contrary seems to be true. As Chart 4.1 below indicates, the volume of applications for rent-restricted second units has actually been exceeding the volume for market-rate units since 2005. Moreover, every rent-restricted second unit application that has come before the Planning Commission since 2005 has been approved.

CHART 4-1: Second Unit Production Trends in Piedmont, 1999-2010*

* = Approved through August 9, 2010



Second units that are not rent-restricted are permitted “by right,” consistent with the Government Code requirements. Although these units are rented at market rates, they help meet the city’s affordable housing needs by providing a housing resource for seniors and small low and moderate income households. The City collects data annually on second unit rents as part of its business license program. Based on data for 2009, the median rent for second units in Piedmont was \$950. There were 8 market rate units that were renting for less than \$600 a month, which would make them affordable to small, very low income households. Even the more expensive units, which were in the \$1,500 to \$2,000 a month range, meet HUD affordability criteria for one and two person “moderate” income households. Such units provide an important alternative for those who cannot afford to purchase a Piedmont home.

The market rate (i.e., non-income restricted) second units also help meet the city’s affordable housing needs. Although the rents on these units are not regulated, they are generally \$1,000-\$1,500 a month and meet HUD affordability guidelines for small low and moderate income households.

If the City continues to receive second unit applications at the rate it has since the start of the RHNA period (2007-2009), another 14 units could be approved by 2014.

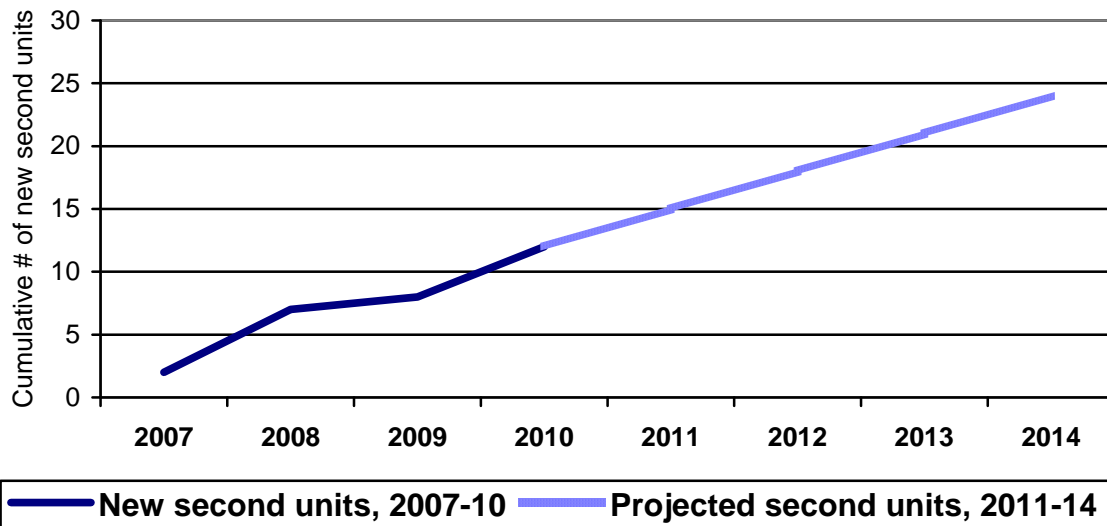
Chart 4.2 further illustrates the viability of second units to meet the city’s RHNA allocation. The chart illustrates the cumulative number of new second units added thusfar during the planning period (2007 – 2010) and includes a “straight line” projection to 2014 based on a continuation of this trend. As of August 2010, there were 12 units approved (including 8 rent restricted units). Continuing the trend of 3 new units a year to 2014 would yield a total of 24 units, which exceeds the low/ very low RHNA allocation for 2007-2014. The number could easily be higher based on the number of eligible properties, the state of the economy (and desire for extra income), and the character of Piedmont’s housing stock. Consequently, many of the City’s housing policies focus on promoting the second unit program and seeking ways to encourage more households to participate.

The potential for second units in Piedmont homes is documented on Page 4-12. As noted, there are at least 117 homes in the City that have existing floor space with the potential for conversion to a legal second unit (i.e., homes with at least two kitchens, pool houses with bathrooms, etc). About half of the city’s homes have four or more bedrooms, including more than 500 homes with five or more bedrooms. The architecture and configuration of many Piedmont’s homes is also conducive to second unit production. Many of the city’s homes were built with multiple entrances, carriage houses and other outbuildings, space for domestic employees, bedrooms and bathrooms on multiple levels, and other physical attributes that lend themselves to

second unit creation. Many of the lots are large and could support a second unit without a Zoning Variance.

The demographics of the city are also conducive to second unit production. The City includes a large population of seniors who would benefit from the availability of second units (for their own occupancy or to rent to tenants for extra income). There are also a large number of young adults who were raised in Piedmont but have limited options for staying there (other than continuing to reside in their parents homes). Second units in Piedmont are also an extremely attractive option for one- and two-person households, single parents with young children, and others who seek to enjoy the amenities and high quality of life in the city but are unable to purchase a home there. Given that the median price of a home in the city is over \$1 million, and given the absence of vacant land for multi-family housing, the need for second units in the city is substantial.

Chart 4.2:
Cumulative Number of New Second Units, 2007-10 and Projected 2011-14



ABILITY TO MEET THE ABAG FAIR SHARE HOUSING ASSIGNMENT GIVEN THE AVAILABLE LAND SUPPLY

The City of Piedmont presently has a sufficient supply of land to meet the ABAG Regional Housing Needs Allocation of 40 units. Table 4-2 illustrates the major housing opportunities for each of the income types described in the ABAG allocation.

Table 4-2: Piedmont Housing Opportunities by Income Category, 2009-2014		
Income Category	Units Needed	Housing Opportunities To Satisfy RHNA
Very Low	9	<ul style="list-style-type: none"> Conversion of existing unintended second units to income-restricted units—or creation of new income-restricted second units.
Low	8	<ul style="list-style-type: none"> Conversion of existing unintended second units to income-restricted units—or creation of new income-restricted second units. Creation of market-rate rental second units.
Moderate	9	<ul style="list-style-type: none"> Numerous potential (market rate) second units, to be provided within new or remodeled single family homes. One redevelopment site (PG&E) capable of accommodating 2 moderate income units (in addition to the market rate units) through a density bonus program.
Above Moderate	0	<ul style="list-style-type: none"> City has already met its RHNA.
Other	14	Units already approved or constructed since the start of the RHNA period (including 4 very low, 2 low, 2 moderate, and 6 above moderate)
TOTAL	40	

Source: City of Piedmont, 2009

ANALYSIS OF HOUSING CAPACITY
~~PUBLIC REVIEW DRAFT~~ TRACK CHANGES VERSION

5. Constraints to Housing Production

**The Housing Element shall contain an...
“Analysis of potential and actual government constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, fees and other exactions required of developers, and local processing and permit procedures.”**

Government Code Sec. 65583 (a)(4)

One of the most important parts of the Housing Element is the evaluation of potential constraints to housing production and conservation. Typical constraints include local zoning regulations, fees, permitting procedures, design review requirements, and conditions of approval. While these measures are necessary to protect the quality of life, they also add to the cost of housing and can make it more difficult to produce affordable units. Increased development costs are usually passed along to the consumer in the form of higher housing prices or contractors' fees.

The California Government Code requires all cities and counties to periodically evaluate local housing constraints and take proactive steps to mitigate or remove them. Constraints are broadly characterized as being regulatory or non-regulatory. The former category includes local ordinances, policies, and procedures that make it difficult or expensive to build (or improve) housing in the city. The latter category is associated with factors such as the cost of land, the adequacy of infrastructure, the availability of credit and financing, and local opinions about development.

GOVERNMENT REGULATIONS

General Plan

Piedmont's General Plan defines the vision for the future of the city and includes its basic policies for long-range growth, conservation, and development. An updated General Plan was adopted by the City Council in April 2009, following a two-year process that involved hundreds of Piedmont residents. Like previous plans for the city, the Plan emphasizes the protection of Piedmont's residential character. Policies in the Land Use Element require that new development be consistent with the City's Future Land Use Map, which is part of the Plan.



Most of Piedmont is designated for "Low Density Residential" uses of 3 to 8 units per acre.

The Land Use Map identifies three categories of residential use:

- "Estate Residential" areas have densities of 1 to 2 units per acre.
- "Low Density Residential" areas have densities of 3 to 8 units per acre. This designation applies to 75 percent of the city.
- "Medium Density Residential" areas have densities of 9 to 20 units per acre.

The City's Zoning Ordinance more or less parallels these designations, and the Zoning Map is consistent with the Land Use Map.

In addition, the 2009 General Plan created a new category called "Mixed Use," replacing what was formerly the "Commercial" category on the Plan map. Mixed Use is defined as an area where commercial uses predominate, but where housing is expressly encouraged "above any new retail or office uses." Residential densities in these areas may be 20 units per acre.

There are no policies, programs, or other statements in the General Plan which impede housing construction. The Land Use Element encourages the continued development of housing on the remaining vacant lots in the City. It strongly encourages the conservation and maintenance of the existing housing stock, and the protection of the City's residential neighborhoods from incompatible uses. Policies in the Plan explicitly encourage mixed use development (ground floor retail with upper floor housing) on Grand Avenue, redevelopment of the former PG&E substation (408 Linda) with multi-family housing, and ongoing investment in the existing housing stock.

The Community Design Element of the Plan includes a goal to integrate new construction in a way that is physically compatible with existing structures. Policies in this Element discourage overpowering contrasts in scale and height, and encourage home additions and alterations which compliment the primary residence and surrounding neighborhood. The Element also includes a policy to encourage well-designed multi-family housing and discourage "motel-style" buildings. An action item calls for multi-family and mixed use design guidelines. Nothing in this Element discourages or constrains housing production. To the contrary, the Element is very supportive of infill and conservation of residential uses.

Other elements of the General Plan address transportation, natural resources and sustainability, environmental hazards, parks and recreation, and community services and facilities. Nothing in these elements constrains housing development or inhibits investment in and maintenance of the housing stock.

Zoning

The Zoning Ordinance (Chapter 17 of the Piedmont Municipal Code) includes standards for lot size and frontage, building setbacks, height, floor area ratio, lot coverage, hardscape surface coverage, and parking.¹ The Ordinance also identifies those uses which are permitted outright and those which are permitted with a conditional use permit. Single family residences are permitted outright on every parcel in the City.

The Zoning Ordinance establishes five zones, including three residential zones, one commercial zone, and one public and open space zone. The three residential zones are:

- Zone A (single family), with a 10,000 square foot minimum lot size
- Zone C (multi-family) which allows up to one dwelling unit per 2,000 square feet of lot area
- Zone E (estate) with a 20,000 square foot minimum lot size.

Table 5-1 summarizes the development standards in each zone.

Table 5-1: Summary of Residential Development Standards			
	Zone A	Zone C	Zone E
Minimum Site Area per unit (SF) (*)	10,000	2,000	20,000
Minimum Lot Area	10,000	10,000	20,000
Minimum Frontage	90'	90'	120'
Lot Coverage	40%	40% (50% for projects that are 20% or more affordable)	40%
Hardscape Coverage	70%	70% (80% for projects that are 20% or more affordable)	60%
Building Height	35'	35'	35'
Front Setback	20'	20'	20'
Rear Setback (mid-block)	4'	4'	20' (primary structure)
Rear Setback (through lot)	20'	20'	20' (primary structure)
Side Setback	4'	4'	20' (primary structure)
Side Setback (corner lot)	20'	20'	20' (primary structure)
Floor Area Ratio	For lots less than 5,000 SF (all zones) = .55		
	For lots 5,000 – 10,000 SF (all zones) = .50		
	For lots 10,000 SF or more (all zones) = .45		

(*) excludes second units

¹ Hardscape Surface coverage was formerly called "Impervious Surface Coverage" and includes non-landscaped surfaces where vegetation does not easily grow. It includes driveways, patios, paved walkways, etc.

Neither Zones A nor E have standards which constrain housing construction. By capping home size and lot coverage, the standards actually improve affordability by discouraging teardowns and preserving smaller homes.

Single Family Residential Zones (A and E)

Approximately 85 % of the City's residential land area is in Zone A. Some 78 % of the lots in this Zone are less than 10,000 square feet, making them non-conforming. The 10,000 square foot standard has not constrained development, since the zone is completely built out and lot size. Variances are not required for construction on existing lots. However, the standard does limit the potential for lot splits. The City has allowed new lots smaller than 10,000 square feet through a Variance process when the prevailing lots in the neighborhood were less than 10,000 square feet. Such approvals have been based on a policy in this Housing Element.

Development in Zone A is subject to various setback, height, lot coverage, hardscape surface, and floor area ratio requirements (FAR). A sliding scale is used for FAR so that smaller properties are not unduly penalized. An individual seeking to build a home on a 6,000 square foot lot would be able to construct a 3,000 square foot home and could cover 2,400 square feet of the lot with structures. An individual seeking to build a home on a 4,000 square foot lot would be able to construct a 2,200 square foot home and could cover 1,600 square feet of the lot with structures. Garages and low-ceilinged attics and basements are excluded from the FAR calculation, since they are not habitable space. The FAR standards provide most homeowners with an opportunity for home expansion but are stringent enough to maintain the overall scale of Piedmont's neighborhoods.

Neither Zones A nor E have standards which constrain housing construction. By capping home size and lot coverage, the standards actually improve affordability by discouraging teardowns and preserving smaller homes. Single family height and setback allowances are more generous in Piedmont than in nearby Oakland and facilitate the improvement of the city's lots. Requests for height and setback variances are relatively uncommon, considering the large volume of planning applications received.

Multi-Family Residential Zone (C)

In the multi-family zone (Zone C), standards for lot area, frontage, height, lot coverage, hardscape surface coverage, and setbacks apply. The minimum lot area is 10,000 square feet and the minimum parcel frontage is 90 feet. Neither of these standards is a development constraint, in part because all of the City's multi-family land has already been fully subdivided and developed. The height limit in the multi-family zone is 35 feet. This corresponds to three-story construction, which is compatible with the 20 unit per acre density allowed in Zone C. Thus, height limits are not a constraint.

There are no floor area ratio standards in the multi-family zone. However, there is a 40 percent lot coverage limit and a 70 percent hardscape surface coverage limit. For projects in which at least 20 percent of the units are affordable, these allowances are increased to 50 percent and 80 percent respectively, thus creating an incentive for such development.

Setbacks in Zone C are 20' in the front yard, 4' in the side yard, and 4' in the rear yard. Larger setbacks apply for corner lot side yards and through-lot rear yards (e.g., lots with frontage on two streets). These standards are not development constraints and have helped maintain design continuity in the City's multi-family district.

Multi-family buildings with up to 8 units are permitted by right in Zone C. Buildings with 8 units or more require a conditional use permit. Since there are no sites in the multi-family zone that exceed 16,000 square feet (i.e., with the potential for 8 or more units), and since the likelihood of land assembly is very low, this standard is not a constraint. The City provides FAR and lot coverage bonuses for multi-family projects that include affordable housing, creating an incentive for such development in the event sites ever become available.

Commercial Zone

Zone D, the commercial zoning district, applies to just 19 parcels in the city and totals less than four acres. The only uses permitted by right in Zone D are single family homes. Churches, retail, office, and service uses require conditional use permits, subject to findings relating to local benefits, land use compatibility, community impacts, and similar concerns. The Zoning Ordinance is silent on the question of whether or not multi-family housing is conditionally permitted in Zone D. Since it is not explicitly listed, it is presumed prohibited. On the other hand, projects combining commercial uses and *single family* homes are explicitly allowed in Zone D (with a CUP), subject to a 50 percent lot coverage limit, 80 percent hardscape surface limit, and 35-foot height limit. Setbacks are typically half of those required in the single family district. These standards would not be constraints to mixed use development.

An action item in this Housing Element recommends amending the Zoning Ordinance to explicitly add mixed use buildings (ground floor commercial and upper story residential) to the list of Zone D conditional uses.

Parking Requirements

The City requires two off-street, covered, non-tandem parking spaces for a house with up to four bedrooms, and three spaces for a five or six bedroom house. Spaces must be 9' x 20' or more. The parking standard is rarely an obstacle when a new home is constructed. None of the new homes built in Piedmont during the past 10 years has requested a variance for parking.

The greater impact of the city's parking requirements is on the expansion of existing homes. The Zoning Ordinance requires that current parking standards are met when bedrooms are added to existing residences. Most Piedmont homes were built in the 1910s and 1920s with one off-street covered parking space. Thus, the addition of a bedroom may trigger an accompanying requirement to expand or replace the garage. Because the expense of providing off-street parking is usually very high, many homeowners have opted to make do with their existing homes rather than adding on. Like the FAR requirements, this has not been an impediment to housing affordability, but rather an extremely effective tool for conserving the City's inventory of smaller homes.

On the other hand, parking requirements do present a potential constraint for the development of new market-rate second units. Unless they are income- and rent-restricted, such units require the provision of an off-street non-tandem parking space outside the front setback. Some lots are not well configured for additional off-street parking, making this standard difficult to meet. The City has leveraged this constraint to its advantage, allowing residents to create second units *without* parking if they agree to rent-restrict the unit. This has significantly expanded the potential for *affordable* (i.e., rent-restricted) second units in the city. Some have argued that relaxation of the parking standards for *market-rate* units would provide an even greater benefit by increasing the total number of rental units, albeit at higher prices.

Parking requirements for multi-family units vary by zone. In Zone C, two spaces per unit are required regardless of unit size. In Zones A and E, one space per unit is required if the dwelling is less than 700 square feet (e.g., a second unit), and two spaces are required if it is more than 700 square feet. There may be instances where fewer spaces would be sufficient in Zone C, but this is not reflected in the current Code. For example, studios and one-bedroom units, senior units, or units on the major bus lines might make do with one off-street space. Such exceptions should be considered in the coming years. The City already allows up to 25 percent of the required spaces in multi-family development (7.5' x 16') to be compact.



Standards for residential landscaping are evolving in response to concerns about drought and greenhouse gas emissions

Density Bonuses

A 2005 amendment to the Zoning Ordinance added provisions for density bonuses. Section 17.7.2 stipulates that the Planning Commission may grant bonuses consistent with state law for projects with affordable units. As of 2009, this translates to a range of 5 to 35 percent over the density allowed by zoning, depending on the total number and percentage of affordable units and their target population (i.e., very low income, seniors, etc.).

Mobile and Manufactured Housing

A 2005 amendment to the Zoning Ordinance added provisions for mobile and manufactured housing to the Zoning Ordinance. These uses are defined to be equivalent to single family homes and are thus permitted on all lots in the city, subject to design review.

Landscape Requirements

An application for a new home in Piedmont—and an application for any project which the Director of Public Works determines will significantly impact existing vegetation—requires submittal of a landscape plan to the Planning Commission. The City may require cash deposits or letters of credit to ensure that the work is satisfactorily completed. Landscaping must conform to various standards, including 15 percent minimum lot coverage and a requirement to landscape street-facing yard areas. Maintenance agreements for landscaped areas also may be required. These conditions may add to the cost of a market-rate single family home in Piedmont, but are not an impediment to affordable housing since such housing tends to be located within existing homes (e.g., second units).

Beginning in 2010, the California Water Efficiency Landscape Ordinance (WELO) will require implementation of drought tolerant landscaping for areas 5,000 square feet or larger. In addition, Countywide Clean Water Program Requirements may affect landscaping practices starting in 2011 as the threshold for applying best management practices (BMPs) for water quality is reduced from 10,000 square feet to 5,000 square feet. Both of these changes could have short-term (or up-front) cost impacts due to new stormwater detention and planting standards. However, the ultimate intent of each measure is to reduce water use, which should ultimately result in savings.

This Housing Element recommends that an evaluation and status report on the affordable second unit program be completed during 2010-2011. The existing program has been underway for nearly four years, which provides sufficient time to assess its successes and identify opportunities for improvement.

Second Unit Regulations

Second units in Piedmont are regulated by Chapter 17D of the City Code. Consistent with state law, the city allows second units by right (e.g., “ministerial review,” with no review by the Planning Commissioners or neighbors) in all residential zones provided they meet the following requirements:

- The unit is less than 700 square feet
- Addition of the unit complies with zoning standards for floor area ratio, height, lot coverage, and setbacks
- An off-street, covered, non-tandem parking space is provided outside of the required front setback
- The owner lives on the property

New second units are subject to design review if they modify the exterior of a structure. The architectural style, architectural elements, exterior materials, and color of the second unit must be consistent with the primary unit. Staff makes this determination, and may require modifications to achieve compliance. A second unit that proposes only interior remodeling with no exterior changes is exempt from design review.

Second units which do not conform to the above standards may be approved through two methods: (a) the owner can apply for a zoning Variance (for setbacks, floor area ratio, parking space dimensions, etc.), in which case discretionary review by the Planning Commission is required; or (b) the owner can apply under the provisions of the Piedmont City Code for rent-restricted second units. As noted in Chapter 2 of this Housing Element, second units may be as large as 850 square feet if they are rent restricted to lower income households, or 1,000 square feet if they are rent restricted to very low income households. Moreover, a second unit may be permitted with a tandem, uncovered parking space if the unit is rent restricted to a very low income household.

The net effect of these regulations has been an increase in second unit applications since 2005, with approximately the same number of applications for market-rate units as rent-restricted units. The regulations have not constrained second unit production—if anything, they have stimulated their development. More importantly, the regulations have stimulated the development of rent-restricted units—a novel form of affordable housing that did not exist in Piedmont prior to 2005.

This Housing Element recommends that an evaluation and status report on the affordable second unit program be completed during 2010-11. The existing program has been underway for nearly four years, which provides

sufficient time to assess its successes and identify opportunities for improvement.

Based on the Planning Commission work sessions and public input provided during the Housing Element update process, the following observations on the program (and potential areas for improvement) have been suggested:

- The affordability term for rent-restricted units should be clarified. Presently, the units must be rent-restricted for 10 years. At the end of the 10 years, the owner may seek permission from the Planning Commission to raise the rent to market rates. There is some ambiguity as to how this requirement actually works in practice, because the program has not yet been in effect for 10 years. In addition, it is unclear when the 10 year rent restriction period begins (when the unit is occupied vs when the unit is approved), whether the Planning Commission has the authority to deny the request to remove the rent restriction, or what incentives might be offered to retain the unit.
- Some have argued that the City would be better off relaxing development standards for all second units and not just rent-restricted units. While this might create more second units overall, and could increase the supply of housing affordable to persons of *moderate* income, the downside would be the loss of the only incentive the City has for *very low* income units. At this time, the need for very low income units is believed to outweigh the need for moderate income units due to the depth of the affordability “gap” in the city. However, solutions which would produce more housing for all income levels should still be explored.
- The City cannot “require” that a rent-restricted unit actually be occupied (or for that matter, built after it is approved). The City prohibits occupancy by non-dependent family members (such as employed adult children of the homeowner), but there is still nothing to preclude the unit from remaining empty for a period after it is created or vacated.
- All of the applications for rent-restricted units thusfar have been for “very low” income units. There have been no applications for “low” income units. This is partially because the market rates for low income units are not that different than the rent-restricted rates, but it may also be because the incentives for low income units (the ability to build an extra 150 square feet into the unit, and provide a compact parking space instead of a standard space) are not sufficient. In some respects, it is counterintuitive that a larger unit can only be created if it is rented for less than a smaller unit. The standards should be revisited. One idea

worth considering is to allow the parking space for a low income unit to be uncovered or tandem.

- The City still has a large inventory of “unintended” second units that are not being used as separate rental apartments. These include pool houses, basements or attics with second kitchens, finished rooms over garages, home offices, and numerous other configurations which make these spaces suitable for conversion into in-law apartments. One of the aspirations for the rent-restricted second unit program was to incentivize the use of these units as separate dwellings, but in fact most of the new rent-restricted units have involved the development of new floor space.
- To discourage the rental of rent-restricted units to family members, and instead promote their use by separate households, the City prohibits rent-restricted units from having an interconnecting door to the main house. This requirement should be re-assessed to ensure that it is not constraining second unit production.
- Additional methods should be explored to retain the existing stock of second units, including illegal units, to avoid the loss of an important housing resource.
- Additional incentives for large second units serving moderate income households should be explored. For instance, 2 bedroom units with only one conforming parking space might be considered if the units are rent-restricted at moderate income levels.

The City is continuing to work proactively to promote second unit development. Application fees for second units have not been raised since the adoption of the last Housing Element, despite two rounds of fee increases for other planning applications. Business taxes for second units remain relatively low and are waived for the first year for rent-restricted second units. Significantly, every application for a rent-restricted second unit brought before the Planning Commission since the program was created in 2005 has been approved.

Transitional Housing and Emergency Shelter

The City of Piedmont amended its zoning code in 2005 to permit emergency shelter and transitional housing in Zone B with a conditional use permit. Properties with this designation include most of the Piedmont Civic Center complex. A master planning process for this area has identified several potential sites for new quasi-public facilities. Pursuant to SB 2 (effective January 1, 2008), the City will amend the Municipal Code after this Housing

Element is adopted to remove the CUP requirement for emergency shelter and transitional housing in Zone B.

There is sufficient capacity in this zone to accommodate the need for shelter, as determined by EveryOne Home and the Alameda County Department of Housing and Community Development. As noted in Chapter 4 of this Housing Element, the County of Alameda estimated Piedmont's homeless population at 15 residents in 2008, using a pro-rated formula based on population combined with countywide survey data. The City's Police, Public Works, and Recreation Departments estimate the actual number of homeless residents to be significantly less. Regardless, it would still be possible to meet the need for a 15-bed shelter (or two smaller shelters) in Zone B.

Zone B includes more than 80 acres of land, or about 7 percent of the city. Of this total, about 50 acres consists of parkland. The remaining 30 acres includes a mix of land owned by the City, the School District, and the private sector. Excluding the parkland, the zone includes 13 parcels. These parcels range in size from 2,500 square feet to 18 acres, with a median size of 13,626 square feet. . Typical parcel sizes are one-half acre or larger, as the sites correspond to schools and other public buildings. The areas most suitable for emergency shelter are in the Civic Center area and at the Corporation Yard, both located in Zone B.

During the past three years, the Piedmont Civic Center has been the subject of a master planning effort, that has underscored the potential for new and/or expanded community facilities. City Hall itself sits on a 36,000 square foot parcel that also includes the Fire Department and the Veterans Memorial Building (a separate structure including the Police Department and community recreation rooms). The Civic Center Master Plan identified the potential to retrofit portions of the Veterans Building for other community uses. Demolition and replacement of the Veterans Building with a structure that is more architecturally compatible with the rest of the Civic Center complex also has been discussed, raising the possibility for additional uses and more floor space.

Adjoining this complex and also in Zone B is 801 Magnolia Avenue, a 13,600 square foot parcel containing the former Christian Scientist Church. The 12,600 square foot structure was acquired by the City several years ago and is currently vacant. Some of the activities considered in recent years have included a teen center, a cafe, offices, performing arts space, community meeting space, and a senior center. No single use has been identified as a "preferred" alternative, and the potential for other uses exists and continues to be studied.

West of this block (and also in Zone B) is the Piedmont Recreation Center, occupying almost an entire city block and including the Piedmont Swim Club, the Recreation Center building, a carriage house, tennis courts, and parking areas. This area includes two parcels totaling about 81,000 square feet. The focus of the Civic Center Master Plan was the reconfiguration of this space, potentially expanding total buildable area by closing Bonita Avenue and redeveloping existing recreation facilities with larger multi-purpose structures. A May 2008 feasibility study commissioned by the City identified the potential for a complete renovation of the 11,400 square foot recreation building (including the potential for new activities), addition of a new 9,000 square foot wing, development of a new 18,900 square foot swim center, and a 132 space parking structure. In 2008, the City commissioned a scale model showing how new buildings might be accommodated in this area. The project is presently on-hold, but the capacity for additional activities and facilities has been clearly demonstrated.

The Civic Center area is well served by public transportation, including a local bus line providing frequent connections to BART and Downtown Oakland, and two trans-bay bus lines to San Francisco. It is centrally located within Piedmont and is large enough to accommodate multiple activities without conflicting with adjoining uses (which are primarily schools, parks, and a small commercial district).

The other major opportunity area in Zone B is the City's Corporation Yard. This site occupies several acres on Moraga Avenue and is used for maintenance and public works activities. In the past, the City has considered reconfiguring the site to accommodate community facilities, but no specific proposals have been made. Action 33.E of the Piedmont General Plan Community Services and Facilities Element (adopted in 2009) calls for a study of the property to determine its long term use potential.

Development standards in Zone B are likewise conducive to the construction of emergency shelter or supportive housing. The Zone has a 35 foot height limit, and no maximum lot coverage limit or floor area ratio limit. The General Plan designation that corresponds to this zone has a floor area ratio standard of 0.75. This would allow a substantial structure even on a relatively small lot.

Cumulative Impacts of Land Use Controls

State law requires the City to consider not only the impact of individual development standards, but also the cumulative effects of these standards on the cost and supply of housing. For example, it is possible that a particular setback requirement may appear reasonable on its own, but may limit

development opportunities when combined with height and lot coverage limits. Sometimes, the combined effect of different development controls can require more expensive construction (such as two-story buildings instead of single story buildings) or result in frequent Zoning Variances.

In Piedmont, single family zoning standards do not create an adverse cumulative impact on development costs or the housing supply. Side and rear setbacks are just four feet on most lots (compared to five feet on adjacent Oakland properties), creating an ample building envelope, and providing many choices for siting a home or an addition on a property. Lot coverage limits tend to favor two-story construction over single story construction on small (less than 4,000 square feet) lots, but the limits are generous enough to provide plenty of space on almost all lots for a modest one-story home. Floor area ratio limits, coupled with the other standards, still leave ample opportunities for construction and home expansion. The use of a sliding standard for FAR rather than a fixed limit ensures that even small lots still can support a substantial home. The 35-foot height allowance for all residential lots provides flexibility in design, particularly compared to nearby communities with more restrictive single family heights. Moreover, the 35-foot standard is an *average* height and some portions of a structure may be even taller.

The single family zoning standards also support the achievement of the maximum densities prescribed by the Piedmont General Plan. The General Plan indicates that “Low Density Residential” areas may have densities of up to 8 units per acre. While the 10,000 square foot lot standard would preclude that density from being attained on raw land, virtually all of Piedmont was subdivided more than 50 years ago. Prevailing lot patterns are already in the 8 unit per acre range in much of the city, and the General Plan density is achieved and even exceeded in some locations.

The development standards in single family areas are particularly conducive to the production of rent-restricted second units. In particular, the parking waiver provides a strong incentive to create an affordable second unit. Variances are rarely required for such units, given the FAR, lot coverage, height, and setback allowances for single family lots.

The multi-family zone (Zone C) contains 27 parcels, only one of which is vacant (the former PG&E substation). Nonetheless, existing single family homes in this zone could conceivably be replaced by multi-family residences. In such instances, zoning does not constrain redevelopment. However, because the existing structures are mostly owner-occupied single family homes in excellent condition, there is little economic incentive to replace them or divide them into multi-family flats.

On a 60 x 100 foot lot in this zone, the zoning density standards would permit construction of a three-unit building. After required setbacks are subtracted, the buildable area of the lot would be 3,952 square feet. The 40% lot coverage limit would mean that only 2,400 square feet of this 3,952 square foot envelope could be covered by structures. There are no FAR limits, and there is a 35' height limit, so conceivably, the parcel could support a three-story 7,200 square foot structure (2,400 square feet of floor space per unit). These standards provides ample opportunities for larger (three-bedroom) multi-family units as well as smaller 1-2 bedroom units. The opportunity for an even larger building is provided by offering a density bonus (in the form of added lot coverage and an additional dwelling unit) for affordable housing.

As noted in the text, new housing units in Zone C require two parking spaces per unit, regardless of unit size. The spaces must be outside the front setback and they must be covered and non-tandem. Given the 40% lot coverage and 20' front setback requirements, this would typically require ground level garages (or "tuck under" parking spaces) in any new multi-family construction. This could, in fact, represent a disincentive to the conversion of existing single family structures into multi-family units. It would be difficult on most Zone C lots to provide four to six off-street covered spaces outside the front setback. Accordingly, this Housing Element includes an action program to reduce the Zone C parking requirement for units less than 700 square feet to one space per unit. This would make it easier to add studios and one-bedroom units in the multiple family zones, and could facilitate the creation of new units within existing single family structures.

City Charter

A potential regulatory constraint in the City relates to Piedmont's Municipal Charter. Piedmont is a charter city, and its municipal charter contains special requirements for the rezoning of property. Section 9.02 of the Charter specifies that:

"No existing zones shall be reduced or enlarged...and no zones shall be reclassified without submitting the question to a vote at a general or special election.... No zones shall be reduced or enlarged and no zones reclassified unless a majority of the voters voting upon the same shall vote in favor thereof..."

This requirement—that a citywide vote be held to rezone property—makes it difficult to increase the supply of land for higher density housing in the City.

Given the City's single family character, it is unlikely that voters would approve the rezoning of land from single family to multi-family use.

The Charter requirements apply only to zoning map changes, and not to zoning text changes. This gives the City the flexibility to modify the lists of permitted and conditionally permitted uses, and to alter development standards, without a citywide vote. When a vote is required, the City abides by the Election Code of the State of California, as required by Charter Section 8.03. The assistance of the Alameda County Registrar of Voters is requested in the designation of polling places, counting of ballots, and so on. A rezoning measure would most likely be placed on the same ballot as the general election, although the charter does allow for a special election. General municipal elections are held on the first Tuesday after the first Monday in February in even numbered years. It is unlikely that the City would hold a special election for a zoning change alone, but if it did this would represent a municipal cost since fees could be required for polling place rental, counting of ballots, and public information about the measure.

The city's most recent experience with a zoning-related ballot measure was in 2006. The City acquired the former Christian Scientist Church at 801 Magnolia Avenue and sought to rezone the property from "Single Family Residential" to "Public Facilities." The measure was placed on the same ballot as the regular municipal election (including City Council and School Board members). The incremental cost of adding this measure was minimal, since it appeared on a general election ballot and did not require informational mailers or other "campaign" expenses. The measure was approved by 89.5 percent of the voters.

Based on actual experience, the Charter requirement has had no impact on housing production in the last 50 years. The Charter could indeed be a constraint if the city included large vacant or redevelopable areas, but Piedmont does not. In fact, it appears that all land in the City is already zoned to its highest and best use, which on 99 percent of Piedmont's privately-owned parcels is single family housing. There has been no pressure to rezone single family zoned land for multi-family housing in the city, even on parcels that are currently developed with apartments. The handful of legal, non-conforming apartments that exist in the single family zone are considered "grandfathered" structures. Zoning precludes their expansion, but it does not preclude continued investment in these properties or their use as rental apartments.

In fact, single family homes even appear to be the highest and best use in the multi-family zoning district. About half of the parcels in this district are developed with single family homes, and there have been no proposals to

Over the years, the City has taken a number of steps to remove design review constraints and streamline the design review process. A relatively large number of projects, including “as is” repair and replacement, are exempt. Landscaping and painting are also exempt, as are interior remodels with no exterior changes.

demolish these homes and replace them with multi-unit buildings. To the contrary, there *have* been proposals (not approved) to convert existing multi-unit structures in this zone into single family homes. The City has adopted policies through its Housing Element to encourage the preservation of multi-family structures regardless of location and discourage their conversion into single family homes. The condominium conversion provisions of the Piedmont Subdivision Ordinance further restrict the conversion of existing multi-family rental apartments to other uses.

Despite these factors, the requirement for a citywide vote to rezone property could influence the supply, cost, and timing of housing production at some point in the future. Through this Housing Element, the City has added an action program to monitor the Charter’s impact on housing production in Piedmont.

Design Review

Most exterior alterations to Piedmont homes require Design Review. A three-tiered system is used for design review applications:

- Administrative Design Review (ADR) is an expedited process for minor projects that replace an existing feature with a new feature that is different in some way, including changes in materials, function, or design. Examples are window replacement (not involving a change in size or location) and new deck handrails. ADR also covers new features that have no impact on neighbors or the public.
- Staff Design Review (SDR) is a process for projects valued at under \$75,000 that do not require a variance or involve construction of a front-yard fence. Examples are new decks, new porches, and new dormers. Adjacent neighbors are notified of the application and are given a chance to comment on the plans.
- Planning Commission Design Review (PCDR) is a process for projects valued at over \$75,000, and projects which also require a variance or involve construction of a front-yard fence. Staff Design Review applications may also be referred to the Planning Commission in the event there are issues that cannot be easily resolved. Examples of projects requiring PCDR include new homes and large additions such as upper level stories. A 300-foot notification radius applies to PCDR applications. The Planning Commission must make specific findings before approving an application, and may establish conditions of approval to protect the aesthetic quality of the neighborhood and respond to neighbor concerns.

Piedmont has adopted Residential Design Review Guidelines to provide a benchmark for evaluating all design applications. The Guidelines encourage alterations and additions which complement existing residences, and new homes which match the character of the surrounding area. In addition to the standard design review findings, the City has adopted specific findings for projects which involve upper level additions or new floors on an existing residence. These relate primarily to view and light impacts on nearby residences, as well as privacy.

The design review process may add to the cost of housing (and remodeling) in a number of ways, including fees, time requirements, and project modifications. Applicants may be required to use particular building materials, exterior treatments, space layouts, architectural conventions, or landscaping methods which raise the cost of their projects. The impacts of these requirements are primarily felt by above moderate income households, since design review applications are almost entirely for changes to owner-occupied, relatively high-value single family homes. However, Piedmont's homeowners include seniors on fixed incomes, and other low and moderate income families who may defer remodeling because of the expense.

Over the years, the City has taken a number of steps to remove design review constraints and streamline the design review process. A relatively large number of projects, including "as is" repair and replacement, are exempt. Landscaping and painting are also exempt, as are interior remodels with no exterior changes. Second units are only subject to staff-level review, with no review by neighbors required unless a Variance is requested or the unit will be rent restricted. Overall, the Design Review process has been a boon for reinvestment in the City's housing stock and has had a positive impact on neighborhood character and housing conservation.

There may be additional steps the City can take to expedite design review and create additional categories of exemptions. In 2007, a citywide General Plan Survey was conducted, including questions about Design Review. About 25 % of the respondents (over 300 out of 1,200 households) believed that the requirements were too strict. Many residents offered ideas for improving the process. The most common suggestions were:

- Provide more exemptions for small projects, especially those not visible to neighbors
- Provide clearer rules and more consistent decision making
- Simplify the process and make it faster and less expensive, potentially reducing fees for smaller projects such as fences and gates
- Limit the ability of neighbors to influence design outcomes

An action item in this Housing Element recommends that City staff work with the Planning Commission to consider these kinds of changes in the coming years.

Subdivision Ordinance

Chapter 19 of the City Code regulates the division of property in Piedmont and establishes standards for the design of improvements such as roads and utilities. The Code does not pose constraints to development. Because virtually all new housing in Piedmont takes place on existing lots, the provisions of the subdivision ordinance rarely apply when a new home is built.

Chapter 19 was revised in 2005 to ensure compliance with the Government Code. One outcome of the revision was a streamlined process for lot line adjustments. Another outcome was a “no net loss” provision for apartment conversions which stipulates that any apartments converted to condominiums must be replaced in kind by an equivalent number of rental units. This reduces the likelihood of condo conversions in the city and protects the rental housing supply.

Growth Control

The City of Piedmont has no City-imposed or voter-imposed growth control measures.

Building Code Requirements

Piedmont has adopted the 2007 California Building Code of Regulations, with a number of amendments to reflect issues of local concern. For example, the City requires building permits for parking pads located in the front yard setback, stairs with four or more risers, and public sidewalks. In addition, the City requires one hour fire-resistant construction for the underside of floors and decks under certain conditions. Additional requirements also have been adopted for fire sprinklers, spark arresters, and fire-retardant roof materials.

The City’s codes also require soils reports for new homes, drainage plans for large construction projects, a minimum driveway width of 12 feet and a maximum driveway slope of 20 percent. These standards do not impede housing development, but may result in slightly higher construction costs for new homes.

Piedmont is one of the few cities in the East Bay that does not collect school or park impact fees. This represents a significant savings relative to the cost of development in nearby communities.

The City only imposes requirements that have been deemed necessary to maintain public health, safety, and welfare. The City is close to the Hayward Fault and is immediately adjacent to the site of the most destructive urban wildfire in California history, in the Oakland Hills. Most of the locally-adopted building code amendments are necessitated by seismic concerns, fire safety, and emergency access considerations.

Piedmont has adopted specific Building Code standards for second units. One-hour fire separation is required between the second unit and the primary residence. Staircases accessing the unit must be at least 36 inches wide. Habitable rooms must have ceiling heights of at least 7'6", and bathrooms and hallways must have ceiling heights of at least 7'0". Proper ventilation and window openings must be provided, and adequate electrical service must exist.

Although these requirements are all based on the California Building Code, there are some Piedmont homes with separate living quarters that do not meet these standards. Converting these spaces to legal second units which meet all Code provisions could require a significant investment by the property owner and make some projects infeasible. Allowing exceptions to the building code (for instance, allowing a 30" staircase instead of a 36" staircase) under certain conditions could make it easier for some property owners to convert unintended units into rental properties.

Enforcement of the building code does not pose a constraint to the production or maintenance of housing in Piedmont. Buildings are typically inspected only when permits are obtained, or when complaints or suspected violations are reported. Given the residential character of the City and its small size, the complaint-based system of code enforcement has been very effective in addressing violations.

Site Improvement Requirements and Impact Fees

In most California cities, home builders are required to provide a full complement of on-site improvements such as streets, curbs, gutters, water lines, and sewer lines. Many cities also collect impact fees to fund the cost of expanding infrastructure and community services, such as sewers, parks, and roads, to serve new growth. Impact fees as high as \$60,000 per unit are common in newer East Bay cities. These fees are typically passed on to homeowners in the form of higher sales prices. Because Piedmont is built out and all development opportunities are on sites with a full complement of existing urban services, impact fees are not required. Piedmont is one of the few cities in the East Bay that does not collect school or park impact fees.

This represents a significant savings relative to the cost of development in nearby communities.

All development sites in Piedmont are individual vacant or underutilized lots with full utilities, street frontage, access, and services. Thus, there are no site improvement requirements associated with development, other than construction of utility laterals to connect a parcel with the electric, gas, sewer, water, drainage, and telecommunication facilities in the adjacent public right of way. For larger sites, improvements could also include curb and gutter replacement, sidewalk replacement, tree planting, and similar on-site amenities which contribute to public health and safety. The City has not adopted any requirements above and beyond those authorized by the Subdivision Map Act.

Planning and Building Permit Fees

Planning and building fees in Piedmont are designed to recover the cost of processing permit applications only, and are not used as a source of revenue for other City programs. The most commonly collected fees are:

Administrative Design Review:	\$150
(note: higher fees may apply to certain application types)	
Staff Design Review	
Project value under \$3,000	\$300
Project value \$3,001-\$25,000	\$475
Project value \$25,001-\$50,000	\$590
Project value \$50,001-\$75,000	\$880
Planning Commission Design Review	
Fence Design Review	\$415
Project value \$75,001-\$100,000	\$1,185
Project value over \$100,000	\$1,420
New house	\$3,540
Variance	\$480
With design review (separate fee)	\$710
Without design review	\$930
Second Unit Permit (with or without size/ parking exception)	\$750

Fees have risen substantially since the previous Housing Element was adopted in 2002. For instance, the Variance and Planning Commission Design Review fees have almost doubled. On the other hand, the City has placed more of its fees on a sliding scale based on project value, so fees for smaller projects have not risen to the same extent as those for larger projects. In addition, new fee categories such as "Fence Design Review" have avoided the need to pay Planning Commission caliber fees for relatively low value

projects. In addition, the City has not increased fees for second units since 2002, despite increased administrative costs.

Building permit fees represent a larger share of application costs than planning fees. These fees are calculated on a sliding scale depending on the value of the project (value includes labor and overhead costs as well as material costs). The fees include Permit and Inspection fees, a Plan Check fee, a SMIP (Strong Motion Instrumentation Program) fee, and a Title 24 energy compliance fee, among others. Piedmont's building permit fees are comparable to those in other cities.

If a new home with a project value of \$750,000 were to be proposed in the City today, the city planning fee would be \$3,540 if no variance were required. The building permit fee would depend on the number of fixtures, outlets, plumbing connections, and so on, and would be in the range of \$9,150, bringing the total cost to about \$12,700. For brand new homes, there are also water connection and system capacity fees associated with connecting to the EBMUD water system. Such fees would not apply if the project involved tearing down and rebuilding an existing home.

Total permitting fees vary depending on the characteristics of each project, but typically represent 1 to 2 % of total costs in Piedmont. By contrast, fees equal to 7 or 8 % of project value have been reported by the fast-growing communities of Southern and Eastern Alameda County.

The same fee schedules shown above also apply to multi-family construction. As noted earlier, there are 27 parcels in Piedmont zoned for multi-family development, and only one (the former PG&E site) is considered a housing opportunity site. The most recent proposal for this site had a Design Review fee of \$3,000 and a Variance fee of \$710. This amounted to just \$530 per dwelling unit, which is less than 20 percent of the planning fee that would be required for a new single family home. There were no school, park, transportation, or other impact fees. Utility connection fees are set by the various water and sewer providers and are consistent with those charged in other jurisdictions. Assuming a hypothetical construction cost of \$200,000 per multi-family unit, the building permit cost for a 6-unit structure would be \$11,803. The cost per unit cost would be \$1,967, which is less than one percent of construction cost.

Since multi-family projects are typically larger than single family projects and are subject to the California Environmental Quality Act (CEQA), environmental assessment is usually necessary. The City collects CEQA related fees to recover the cost of consultants and administrative handling. In the case of the most recent proposal for the PG&E site, the project was

subject to a CEQA Initial Study and Scoping fee of \$23,465. This resulted in a determination that an EIR was required. An additional \$78,136 was expended for this purpose, for a total of \$101,600, or about \$14,500 per dwelling unit. This relatively large expense was somewhat unique to this particular site, however, as it would involve demolition of a former electric substation that required hazardous materials remediation prior to sale. Replacement of a single family home with a three or four unit building would likely require a smaller CEQA fee, or could require no CEQA fee at all. When possible, the City seeks to apply the CEQA exemption for infill projects from Public Resources Code 21159.23 and .24, thereby further reducing development costs.

Permit Processing

All planning applications are processed in accordance with the Permit Streamlining Act (PSA), which allows 60 days between the submittal of a complete application and a formal action on that application. Most planning applications are processed in less than 40 days. Administrative Design Review applications are typically processed in less than two weeks. Staff Design Review applications are processed in 10 days, with another 10-day period for potential appeals before the permit may be issued. Planning Commission applications require a 30-day lead time before the hearing, during which time a determination is made that the application is complete. If it is, applications can be appealed for up to 10 days after the Commission hearing date.

Building permits are processed in a timely fashion. Simple applications are typically reviewed within one to five days, and more complex applications may take several weeks.

A majority of planning applications are for Design Review. Applications for General Plan Amendments or projects which require environmental impact reports or subdivision tract or parcel maps typically take several months to process, but are infrequent. Lengthy processing times are most likely to be associated with incomplete submittals or projects which do not meet the City's Design Guidelines.

Due to the high level of citizen participation in the City, new homes usually require multiple Planning Commission hearings before receiving approval. With only one to two new homes proposed in a given year, it is not uncommon for such projects to take a year or more from pre-application planning conferences to issuance of a building permit.

Typical Procedures for Single and Multi-family Projects

Building a single family home or a multi-family project in Piedmont usually begins with one or more pre-application conferences with City staff. This provides an opportunity to identify issues of concern, discuss the City's permitting requirements and application process, and review relevant Design Review requirements and zoning rules. Pre-application conferences often involve the property owner and project architect, but may also include contractors, landscape architects, and other design and construction professionals. These meetings can save the applicant time and money in the long run, by making sure all parties are aware of the City's standards and procedures. The City's zoning regulations and design guidelines are on the City's website, as are "Frequently Asked Questions" (FAQs) about planning and building permits.

Large projects such as new homes or multi-unit buildings are subject to Design Review by the Planning Commission. If Zoning Variances are necessary, the applications may be submitted concurrently. Applications must be submitted at least 30 days prior to the Commission meetings, which occur on the second Monday of each month. Applicants are required to submit two copies of their plans, an application form, a worksheet showing calculations (of floor area ratio, lot coverage, height, setbacks, etc.), and an affidavit which verifies that immediate neighbors have been notified of the plans. Prior to the Commission hearing, the City makes a determination that the application is complete and places it on the Planning Commission agenda. If the application is incomplete, the missing materials are requested and the item is not agendaized.

Two weeks before the hearing, the City notifies persons within a fixed radius of the property and invites them to review the plans. The notification radius varies from 100 feet to 300 feet depending on the scope of the project, with new homes subject to the 300 foot requirement. Applicants must then provide eight copies of their plans, six of which are distributed to the Planning Commission. A staff report is prepared, including proposed conditions of approval, recommendations, and draft findings.

The Commission then holds a public hearing, at which time the project is either approved, approved with modifications or conditions, or denied. A 10-

Design Review Findings

New homes and residential additions and exterior alterations in Piedmont are subject to the following findings:

- The exterior design elements are aesthetically pleasing as a whole and harmonious with existing and proposed neighborhood development. These elements include but are not limited to: height, bulk, area openings, breaks in the façade, line and pitch of the roof, materials, arrangements of structures on the parcel, and concealment of mechanical and electrical equipment;

- The design is appropriate, considering its effect on neighboring properties' existing views, privacy and access to direct and indirect light; and

- The safety of residents, pedestrians, and vehicular occupants and the free flow of vehicular traffic are not adversely affected, considering the circulation pattern, parking layout and points of ingress and egress.

day appeal period follows the Commission's decision. Following the appeal period, an applicant may apply for a building permit by submitting construction drawings, calculations, permit fees, and an application form. An applicant has one year to apply for the building permit following Planning Commission approval, although the City has established a process for a six-month extension to this limit.

For new homes and major alterations, the City does not require any special permits above and beyond Design Review. However, the scope of Design Review in Piedmont is very broad, and most projects that affect the exterior of a structure (or that involve a new structure) other than repair, maintenance, or replacement-in-kind are included. The City has established protocols for different types of projects to streamline the Design Review process and has created several categories of Design Review permits. For example, a separate application form has been developed for projects requiring windows and doors. The application form indicates specific design criteria which supplement those in the Residential Design Guidelines. A separate application and form also has been developed for front yard fences. A proposal for a new home would not need to submit each application form individually, but would fill out a single form that encompasses all aspects of the project.

For new residences, story poles are required to show the height and mass of the proposed construction. This represents an additional cost for the applicant. Story poles also may be required for upper level expansions of existing residences when a neighbor's light, view, or privacy is in question, and they may be required for large single-story expansions, at the discretion of the Planning Commission or staff. The City has adopted a policy for story pole installation, and requires written verification from a registered surveyor that the poles are accurately placed. The City also has adopted a design policy for driveways and off-street parking space location, intended to guide safe access and turning radii.

Design Review applications are subject to three basic findings, as indicated in the text box below. The City's Residential Design Guidelines provide additional direction as how to make these findings. References to individual guidelines are frequently made in staff reports, and are often cited in the decision to approve, deny, or modify a project. If a project involves a multi-level structure or upper story addition, the applicant must demonstrate how the project meets the City's Design Review criteria with respect to height, bulk, openings, breaks in the façade, roof lines, arrangement of structures, and concealment of mechanical and electrical equipment. The applicant must also show that the project has been designed to minimize view and light impacts on neighboring properties, and that the size and height of the

Variance Findings

Variances from the Piedmont Zoning Regulations are granted based on the following findings by the Planning Commission:

- The underlying lot and existing improvements present unusual physical circumstances including but not limited to size, shape, topography, location and surroundings), so that strictly applying the terms of this chapter would keep the property from being used in the same manner as other properties in the zone which conform to the zoning requirements. The variance is compatible with the immediately surrounding neighborhood and the public welfare.
- Accomplishing the improvement without a variance would cause unreasonable hardship in planning, design, or construction.

addition is commensurate with the size of the lot and in keeping with the neighborhood development pattern.

Findings are also required for the granting of Variances. Applicants are asked to explain how their project meets the criteria in their application form. This helps staff and the Planning Commission in making their decision and gives the applicant a chance to justify their request. The three basic findings are shown in the text box below. In determining a “hardship,” the personal economic or family circumstances of the applicant are not considered. Hardship is defined based on unique problems with the property, such as natural obstacles or awkward lot dimensions.

As noted earlier in this chapter, the processing and permitting procedures do impact the cost of housing and add a level of uncertainty to the approval process. Building a new home may require multiple Planning Commission hearings, several Plan modifications, erection of story poles, landscaping, more expensive design solutions, and the use of exterior materials that sustain the high aesthetic quality of Piedmont’s neighborhoods. As previously noted, this primarily affects households in the high end of the “above moderate income” income range. New homes in Piedmont are typically over 3,000 square feet and the cost of a vacant lot alone exceeds the affordability limits for low and moderate income households. This Housing Element includes a program to provide greater certainty and direction for Design Review applicants.

Processing and permitting procedures do not impact the supply of housing in Piedmont, due to the city’s built out character. The City typically receives requests for only one or two new homes a year—not because of its permitting procedures, but because there are so few vacant lots on which to build.

For affordable units, the permitting process provides a high level of certainty. As noted earlier in this chapter, every rent-restricted second unit application submitted since 2005 has been approved. The time required to process and approve such applications is almost always faster than for a new house, particularly if the unit involves the conversion of space within an existing structure. Even if the second unit involves construction of new space or approval of a parking waiver (for a rent-restricted unit), the application can typically be approved in one hearing. Granting a parking waiver for a rent-restricted second unit simply requires that the Planning Commission find that the unit will not be detrimental to health, safety, or welfare of the neighborhood, and that there is sufficient street parking (or a bus stop) nearby.

Other Potential Regulatory Constraints

All contractors and design professionals working on Piedmont properties are required to have a business license. These costs are typically passed on to property owners in the contractor's fees, increasing remodeling costs. However, the fees are low compared to other communities and are not regarded as a constraint to housing development or improvement.

Owners renting property in Piedmont are required to pay a tax of \$200 a year or 1.395 % of gross rental receipts, whichever is greater. The tax is relatively low and has not been an impediment to the development of rental housing. It has not increased since the last Housing Element was adopted in 2002. Reduction or waiver of the tax could provide an incentive for property owners with unintended or vacant second units to use those units as rental properties. However, in today's challenging fiscal climate, even small fee waivers such as these may not be feasible.

Housing costs also may be impacted by the City's sidewalk inspection and replacement policy. This policy requires a sidewalk inspection prior to the issuance of any building permit with a value of over \$5,000. If the sidewalk is found to be deficient, it must be repaired before the permit is issued. Although the program has not slowed the pace of home improvements, it could represent a potential cost burden for low and moderate income homeowners. On the other hand, the alternative approach would be to assess all property owners in the City for the cost of sidewalk repair—placing a potentially even greater burden on lower income owners.

Finally, new homes in Piedmont may be subject to bonding requirements to ensure that improvements are made as proposed. These requirements are also intended to protect the City and neighboring properties from potential damage or liability as construction occurs, and to cover potential City costs for consultants and attorneys in the event of litigation. While these requirements do not affect "affordable" housing since they apply to custom single family homes with construction values that typically exceed \$1,000,000, they do represent an added cost burden for above moderate income households seeking to build in the City.

The Housing Element shall contain an...
“Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.”

Government Code Sec. 65583 (a)(5):

INFRASTRUCTURE CONSTRAINTS TO HOUSING PRODUCTION

There are no infrastructure constraints to development in Piedmont. As noted above, all of the vacant lots listed in Chapter 4 have water, sewer, and drainage services, and would only require laterals from the future residence to the street. Piedmont roads are relatively uncongested and traffic-related improvements do not pose a development constraint. Police and fire services are currently adequate and are expected to remain adequate for the foreseeable future. Enrollment at Piedmont’s public schools has shown only minor variations in the last 10 years, with a slight decline in number of students since 2005.

On a regional scale, the City shares the same infrastructure constraints as its East Bay neighbors, namely the ongoing threat of water shortage due to drought, and aging utility mains that require periodic replacement. During recent years, EBMUD has implemented mandatory conservation measures due to lower than normal Sierra snowpack. The utility is also working on plans to supplement its water supply in light of long-term forecasts related to climate change as well as anticipated population growth in the service area. EBMUD is developing a project to draw supplemental water from the Sacramento River and is also exploring the use of desalination and injection wells to augment supply. EBMUD is also implementing a seismic upgrade project, designed to repair and replace aging lines and storage tanks to improve system reliability.

The City of Piedmont is likewise implementing a multi-year plan to replace its sewer lines, ensuring their reliability and reducing infiltration and inflow problems. Looking to the future, the City will continue to coordinate its capital projects closely with EBMUD to ensure that capacity remains adequate.

High land and construction costs provide a compelling reason for an affordable housing strategy that focuses on second units. The large size of many Piedmont homes makes them ideal for second units. A considerable number have second kitchens, potentially habitable basements and attics, accessory buildings, and living space over garages.

PHYSICAL CONSTRAINTS TO HOUSING PRODUCTION

One of the greatest constraints to housing development in Piedmont is its physical setting; the city is entirely surrounded by Oakland and has no potential for annexation. Piedmont has been built out since 1960 and its single family residential land use pattern has precluded traditional redevelopment. If redevelopment did occur in the city, it would likely result in a loss of affordable units rather than a gain, given the dynamics of the market and local zoning patterns.

Virtually every undeveloped property in Piedmont has one or more physical constraints, particularly steep slopes. Some of the remaining vacant single family lots have slopes in excess of 60 percent. Extensive grading is a necessity on such sites and foundations must be engineered and constructed in ways that substantially increase costs. In addition, the most recent proposal in the city to build a home on steep slopes in the city involved litigation and detailed environmental studies, which has added to development cost.

Piedmont is not affected by flooding, and the city is not crossed by any Special Studies Zones (demarking active fault lines). However, the City is less than ½ mile from the Hayward Fault and would be subject to severe groundshaking in a major quake. As is the case with all other cities in the seismically active Bay Area, earthquake hazards may translate into higher construction costs.

Piedmont does not have any hazardous materials sites. None of the properties identified in Chapter 4 would require soil clean up or remediation prior to development. The City has two gasoline service stations, each with underground storage tanks, but neither has been identified for future housing.

FINANCIAL CONSTRAINTS TO HOUSING PRODUCTION

Land and Construction Costs

Land and construction costs are a constraint to the development of affordable housing in Piedmont. Most vacant lots in the City have values exceeding \$500,000. New construction costs of over \$300 a square foot are common, resulting in real estate values of well over \$1 million for all of the single family homes built in the City during the last few years. The nature of the land supply itself – consisting of scattered, individual vacant lots suitable for one home each – is a constraint in itself, as it requires custom home construction rather than the “economies of scale” associated with multi-unit or tract development.

High land and construction costs provide a compelling reason for an affordable housing strategy that focuses on second units. The large size of many Piedmont homes makes them ideal for second units. A considerable number have second kitchens, potentially habitable basements and attics, accessory buildings, and living space over garages.

Upgrading these spaces so they are suitable for use as rental apartments is far less expensive (and more environmentally sustainable) than building new rental units. At the same time, the creation of second units within existing residences provides income for homeowners, making their own housing more affordable.

Availability of Financing

Housing affordability is affected by interest rates, mortgage lending practices, and the availability of credit. Although mortgage rates are lower today than they were when the last Housing Element was adopted in 2002, financing is harder to obtain. Between 2002 and 2006, the practice of sub-prime lending and adjustable rate mortgages enabled many households to “buy up” into more expensive homes. When housing prices tumbled in 2007 and 2008, a growing number of homeowners found themselves “underwater” —owing more on their homes than they were worth. This occurred throughout the East Bay, including Piedmont.

At the same time, lending terms became more restrictive in 2008 and 2009. Higher down payments may now be required for mortgages and higher incomes may be required to qualify for loans. Credit history on new loans is more rigorously investigated. Although Piedmont has not been hit as hard as some cities by the credit crisis, the more stringent rules for home loans and uncertainty about the economy have influenced the housing market in many ways. Probably the most pervasive impact is that more Piedmont residents may be deferring the sale of their homes until market conditions change.

On the other hand, for residents with good credit, secure jobs and incomes, and ample savings, current interest rates may create opportunities for significant reinvestment in the housing stock. This is a “housing opportunity” rather than a “housing constraint.” With home loan or refinancing rates near 5 percent, it may be more feasible today to remodel, add on, or even build a second unit, than it was a few years ago.

Piedmont remains a difficult market for first-time buyers. A 20 percent downpayment on the median priced home in the city equates to \$215,000 cash. While this may be doable for an established homeowner who is rolling over equity from a prior home, it is challenging for a renter relying on personal savings. Local government programs which assist first time homebuyers (such as Downpayment Assistance or “Silent” Second Mortgages) can be effective for first time buyers in more moderately priced markets, but the depth of subsidy that would be required in Piedmont makes such programs infeasible.

6. Goals, Policies, and Actions

The Housing Element shall contain... “a statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.”

Government Code Section 65583(b)(1)

The California Government Code requires the Housing Element to contain “a statement of goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing” (Section 65583(b)(1)). This chapter fulfills that requirement. It builds upon information in previous chapters to provide direction on key housing issues in Piedmont.

The Element’s seven goals define the major topic areas covered. These are:

- New Housing Construction
- Housing Conservation
- Affordable Housing Opportunities
- Elimination of Housing Constraints
- Special Needs Populations
- Sustainability and Energy
- Equal Access to Housing

In accordance with State law, numerical objectives have been developed for several of the goals. These objectives represent targets for the number of housing units to be preserved, improved, or developed—or the number of households to be assisted—during the time period covered by this Plan. The objectives provide a way to measure the City’s progress toward the implementation of the Element.

Each of the Element’s goals is accompanied by policies and action programs. The policies are intended to guide day-to-day decisions on housing, while the actions identify the specific steps the City will take after the Element is adopted. The actions are followed by narrative text providing further detail on the steps to be taken in the next five years.

Quantified Objectives for Goal 1:

(1) Facilitate the production of at least 10 new single family homes (suitable for above moderate income households) by 2014.

(2) Develop 7 to 9 units of multi-family housing on the former PG&E site by 2014.

(3) Approve at least 13 new market rate second units between 2010 and 2014, with the expectation that 9 of these units will serve moderate income households and 4 will serve low income households, based on prevailing market rents.

GOAL 1: NEW HOUSING CONSTRUCTION

Provide a range of new housing options in Piedmont to meet the needs of all household types in the community.

Policies

Policy 1.1: Adequate Sites

Provide an adequate number of sites for the development of housing consistent with ABAG's recommendations.

Policy 1.2: Housing Diversity

Continue to maintain planning, zoning and building regulations that accommodate the development of housing for all income levels.

Policy 1.3: Promoting Residential Use

Continue to allow residential uses in all of Piedmont's zoning districts.

Policy 1.4: Context-Appropriate Programs

Participate in those state and federal housing assistance programs that are most appropriate to Piedmont's character and that recognize the unique nature of affordable housing opportunities in the City.

Policy 1.5: Second Units

Continue to allow second units (in-law apartments) "by right" in all residential zones within the City, subject to dimensional and size requirements, parking standards, and an owner occupancy requirement for either the primary or secondary unit. Local standards for second units may address neighborhood compatibility, public safety, and other issues but should not be so onerous as to preclude the development of additional units.

Policy 1.6: Second Units in New or Expanded Homes

Strongly encourage the inclusion of second units when new homes are built and when existing homes are expanded.

Policy 1.7: Housing in Commercial Districts

Ensure that local zoning regulations accommodate multi-family residential uses on commercial properties in the City, including the addition of apartments to existing commercial buildings.

See also Land Use Element Policy 2.2 encouraging mixed use development (housing over retail) on Grand Avenue

Policy 1.8: Mobile and Manufactured Housing

As required by state law, allow mobile and manufactured housing on all lots in the city, subject to design standards which ensure that such housing is compatible in character with the community.

Policy 1.9: Maintaining Buildable Lots

Discourage lot mergers, lot line adjustments, and other changes to legally conforming parcels which would reduce the number of buildable lots in the City.

Policy 1.10: Intergovernmental Coordination

Coordinate local housing efforts with the California Department of Housing and Community Development, the County of Alameda, and adjacent cities. Where City-sponsored housing programs are infeasible due to limited local resources, explore the feasibility of participating in programs initiated by other jurisdictions.

Implementing Actions

▪ ***Program 1.A: Vacant Land Inventory***

Prepare a regular update of the City's vacant land inventory, indicating the status and availability of each site in Table 4-1 for potential development.

Description:

A vacant land inventory has been prepared as part of this Housing Element update (see Table 4-1). This inventory should be updated regularly, with an indication of the ownership, availability for sale, and status of any pending construction projects. Information about potential new parcels should be added, in the event that lot standards or subdivision regulations change.

Responsible Parties:	City Planner
Timing:	Annually, beginning in Summer 201 10
Funding:	Staff time (General Fund)

▪ ***Program 1.B: Redevelopment of the PG&E Site***

Support the redevelopment of the PG&E site on Linda Avenue with multi-family housing.

Description:

This 15,375 square foot site is currently available for re-use. Pre-application materials for its redevelopment as a 7-unit market rate townhome development have been submitted. The prospective applicant has not applied for a density bonus to include affordable units but this could potentially transpire during the approval process.

Responsible Parties: City Planner
Timing: Ongoing
Funding: Staff time (Fees)

▪ *Program 1.C: Market Rate Second Units*

Maintain zoning regulations that support the development of market rate second units in Piedmont neighborhoods.

Description:

This Housing Element includes program recommendations for two types of second units. The first recommendation, listed here, relates to market rate second units. These units have no limit on the rent that may be charged and no restrictions on the income of the occupants. The second set of recommendations, listed under Goal 3, addresses rent-restricted second units. These units are subject to deed restrictions which limit the rent that may be charged and the income of the occupants. The rent-restricted units may only be occupied by qualifying low or very low income households.

Since 2005, the City of Piedmont has allowed market-rate second units by right in all residential zones provided they meet certain criteria. Such units are permitted through “ministerial review,” meaning they require no review by the Planning Commissioners or neighbors. As noted in Chapter 5, the criteria are:

- The unit must be less than 700 square feet
- Structures on the property must comply with zoning standards for floor area ratio, height, lot coverage, and setbacks
- An off-street, covered, non-tandem parking space must be provided outside of the required front setback
- The owner must live on the property

Prior to 2005, a conditional use permit (CUP) was required for second units. The removal of this requirement has increased the volume of applications and created important new housing opportunities. The City will continue to actively promote second unit construction in the coming years. This will include keeping second unit application fees relatively low as a way to encourage their production.

Responsible Parties: City Planner, with direction from the City Council and the City Planning Commission
Timing: Ongoing
Funding: Staff time (General Fund)



Piedmont's commercial zone includes a handful of retail and office buildings with the potential for second story residential units.

▪ ***Program 1.D: Data on Second Unit Rents***

Use sources such as business tax records, reviews of locally advertised rentals, and direct surveys to track the rents being charged for local second units, and gather other relevant data on second unit occupancy, and use.

Description

Although the City maintains a list of all licensed second units in the City, it does not yet maintain data on rents and vacancy. Some of this information can be deduced from business license taxes, but it is not formally reported or used to inform local housing policy. This data is important to understand the role of second units in the local housing market, and to determine where policy or regulatory changes may be needed. This program would produce an annual report with data on median rents, number of units occupied (and vacant), characteristics of the households being served, and relevant conclusions about how the City licensed second units are being used. It would not report data by address, but would focus instead on summary information. If feasible, the report could be supplemented with data provided from a survey of second unit owners.

Responsible Parties:	City Planner, City Clerk
Timing :	Initiate in Fall January 2011
Funding:	Staff time (General Fund)

▪ ***Program 1.E: Allowances for Housing in the Commercial Zone***

Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to add multiple family housing and mixed use development (e.g., structures combining housing and commercial uses) to the list of conditionally permitted uses in the Commercial Zone (Zone D).

Description:

The Piedmont Zoning Ordinance does not presently allow multi-family housing in the Commercial zone. This amendment would add "Multiple Dwellings at a density not to exceed one dwelling unit per 2,000 square feet of lot area" to the list of conditionally permitted uses in the Commercial zone (Zone D). It would further add Mixed Use projects combining housing and retail, office, and/or service uses as conditionally permitted uses. This amendment would create an opportunity for second story residential additions above stores or offices on Grand Avenue and would also create longer-term opportunities for housing or mixed use projects in the event the City's two service stations or two retail businesses (Mulberry Market and Ace Hardware) are ever redeveloped. It would also create an opportunity to convert the six single family homes in Zone D to mixed use structures, potentially including new rental housing units.

The parking requirements for multi-family housing in Zone D would be the same as those applying elsewhere in the city, with fewer spaces required for small units (less than 700 SF). The City would consider requests for parking variances on a case by case basis, depending on the conditions at each site and opportunities for “shared parking” agreements with adjacent commercial uses. Density bonuses would be allowed for projects incorporating affordable units.

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	Fall 2011 2010
Funding:	Staff time (General Fund)

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- *Program 1.F: Modifications to Lot Size Requirements*
Establish exceptions to Piedmont’s lot size and frontage requirements to allow the creation of a limited number of additional lots in the City.

Description:

The Zoning Ordinance currently requires 10,000 square feet of lot area in Zone A and 20,000 square feet of lot area in Zone E. In addition, 90 feet of street frontage is required to create a new lot. By allowing exceptions to these standards where certain conditions are met, the City could increase the number of buildable lots and accommodate development beyond 2015.

The following changes should be explored:

- Allowing the creation of lots as small as 8,000 square feet in Zone A where the prevailing lot size (within 500 feet) is 8,000 square feet or less. There are many areas in Zone A where the prevailing lot size is less than 8,000 square feet. This measure could create the capacity for a few additional units in the City without adversely affecting neighborhood character.
- Allowing new lots to be created with 60 feet of frontage instead of 90 feet of frontage where other minimum standards (including lot size) can be met, and where there would be no adverse effects on traffic, infrastructure, and neighborhood character. One possibility might be to allow such subdivisions subject to certain conditions, such as an agreement to include a second unit in any house constructed on the property.

Responsible Parties:	City Planner
Timing:	Fall , 2011
Funding:	Staff time (General Fund)

- **Program 1G: Facilitating Multi-Family Development**
Develop incentives which would facilitate multi-family development on land zoned for multi-family or commercial uses in Piedmont, including modifications to lot coverage requirements for multi-family uses in Zones C and D, and modifications to permitted and conditionally permitted use requirements for Zones C and D. The City will also consider potential ways to streamline environmental review in the event future multi-family uses are proposed in these areas. These changes should be implemented within 24 months after the Housing Element is found to be compliant with the State Government Code by the State Department of Housing and Community Development..

Description:

The City of Piedmont will continue to explore ways to encourage or incentivize multi-family development in Zoning Districts C and D. The City already provides rapid processing of development applications and has modified the development standards (i.e., allowing greater lot coverage) in Zone C to facilitate affordable housing development. The City offers reduced fees for affordable second units (i.e., waiver of business taxes) but has not yet offered such reductions for affordable multi-family projects. Provisions for fee reductions for multi-family projects that incorporate affordable units should be explicitly provided in the Zoning Regulations.

As noted in Program 1.E, the City will be amending its Zoning regulations to permit mixed use and multi-family development in Zone D (the Commercial zoning district). As further noted in Program 4.G, the City will also amend the regulations for Zones C and D to allow fewer parking spaces for smaller multi-family units. Additional steps to incentivize multi-family and mixed use development in Zone D will be established. This should include the following specific zoning changes:

- a) **Raising the maximum lot coverage allowed for two story buildings in Zone D for projects which include housing.** The limit is presently 50 percent for one-story buildings and 25 percent for two-story buildings. Given that most multi-family and mixed use buildings are two stories, it would be difficult to do such development in this zone without a Variance for lot coverage. The ordinance should be amended to allow 50 percent lot coverage for mixed use and multi-family buildings in Zone D.
- b) **Raising the lot coverage allowed for multi-family buildings in Zone C to include all multi-family projects and not just affordable projects.** The City presently has a 40 percent lot coverage limit for structures in Zone C. This limit increases to 50 percent for multi-family projects that include affordable units. While this is an incentive for affordable housing, it may be a disincentive for market rate rental units, which are needed in the city to serve moderate income households. Lot coverage limits should be raised to 50 percent for all multi-family projects in this zone, regardless of affordability.

- c) **Adopt a minimum density standard of 12 units per net acre in Zones C and D.** Adoption of a minimum density standard roughly equivalent to one unit per 3,600 square feet of lot area in Zones C and D would further incentivize the use of any available properties in these zones for multi-family housing. The standard would help ensure that any future development in these zones maximizes the opportunity for multi-family units. The City already has a condominium conversion ordinance which **prohibits** the removal of rental apartments without providing an equivalent number of new rental apartments elsewhere in Piedmont. This effectively ensures that any existing multi-family housing in Zone C will remain, while the proposed zoning revision encourages any new development in this zone to be multi-family housing or townhomes.

The City will also pursue ways to reduce environmental review costs for multi-family or mixed use projects. Although environmental review requirements for redevelopment of the PG&E site have been extensive because the site was used as an electric substation for 80 years, this is not the case for many other properties in Zones C and D. For sites that have historically been in residential use, environmental review could be expedited and less costly.

The zoning changes described above will be implemented within 24 months after HCD certification of the Housing Element.

<u>Responsible Parties:</u>	<u>City Planner, with direction from the City Council and the City Planning Commission</u>
<u>Timing:</u>	<u>2012-2013</u>
<u>Funding:</u>	<u>Staff time (General Fund)</u>

Quantified Objectives for Goal 2:

(1) *Preserve 100 % of the existing multi-family rental units in the City through 2014.*

(2) *Preserve 100 % of the existing housing in the Commercial zoning district through 2014.*

(3) *Assist in the remodeling of at least 10 Piedmont homes between 2010 and 2014 using CDBG funding for lower income households. At least 5 of these households should be senior-occupied.*

GOAL 2: HOUSING CONSERVATION

Promote the conservation and maintenance of Piedmont's housing stock.

Policies

Policy 2.1: Encouraging Private Reinvestment

Strongly encourage private property owner reinvestment in the City's housing stock.

Policy 2.2: Public Funds for Housing Maintenance

Support housing stock maintenance through government funding such as Community Development Block Grants when private funding is not available.

Policy 2.3: Preserving Small Homes

Encourage the preservation of Piedmont's existing stock of small homes and historic homes.

Policy 2.4: Code Enforcement

Enforce local building codes to ensure that housing is safe and sanitary, and to protect the character of Piedmont neighborhoods. Promptly investigate all reports of nuisances and require the abatement of such situations as needed.

Policy 2.5: Use of Original Materials

Allow the use of original materials and methods of construction when alterations to homes are proposed, unless a health or safety hazard would occur.

Policy 2.6: Preservation of Multi-Family Housing

Preserve existing multi-family rental housing, including non-conforming multi-family units in the single family zone.

Policy 2.7: Home Occupations

Continue to encourage Piedmont residents to maintain home offices as a means of making housing more affordable for persons who would otherwise need to rent office space outside the home.

See also Land Use Element Policy 1.5 on home occupations



Floor area ratio and lot coverage standards help maintain the diversity of Piedmont's housing stock

Implementing Actions

■ *Program 2.A: CDBG Funding*

Apply for Community Development Block Grant (CDBG) funds for housing maintenance and production on an annual basis, and establish a process for informing the public that such funds are available. If and when such funds are received, a priority should be placed on their use to assist households with incomes less than 30 percent of area median income.

Description:

The Alameda Urban County CDBG program provides funds to assist lower income households with home repair and maintenance projects. A limited amount of funds are provided to local cities, with disbursement to qualifying lower income households. The City of Piedmont has participated in this program in the past and will continue to participate in the future. ~~Future participation is recommended.~~ If the City is successful in obtaining funds, a public information campaign should be initiated to solicit applications for grants/loans by Piedmont households, with an emphasis on extremely low income households. If sufficient funds are obtained to produce new affordable housing units, the City will work with non-profit developers to explore complementary measures to facilitate housing production, such as reduced permitting and environmental review costs. The City will also seek input from developers to research appropriate potential funding sources for affordable housing production.

Responsible Parties:	City Planner/ Finance Director
Timing:	Ongoing
Funding:	Staff time (General Fund)

■ *Program 2.B: Preservation of Small Homes*

Maintain zoning and design review regulations that protect the existing supply of small (less than 1,800 square feet) homes in Piedmont.

Explore other incentives to protect small homes, including design awards for exemplary small home improvement projects.

Description:

The City's existing supply of small homes is currently protected by:

- Floor Area Ratio and Lot Coverage requirements which limit the square footage and coverage of structures.
- Requirements to provide conforming off-street parking in the event that bedrooms are added (creating a disincentive to the expansion of two and three bedroom homes with one-car garages).
- Design Review Guidelines which strive to maintain the scale and mass of existing homes.

All of these provisions should be retained. In addition, the City should study measures that other cities are taking to retain smaller homes, and determine if any of these measures might be transferable to Piedmont. One concept to be explored is to include a category in the City's annual design awards program in which outstanding remodeling projects for small homes are specifically acknowledged.

Responsible Parties:	City Planner/ City Administrator
Timing:	Ongoing
Funding:	Staff time (General Fund)

- ***Program 2.C: Use of Original Materials and Construction Methods***
Maintain Planning and Building standards which allow the use of original materials and construction methods in home remodeling.

Description:

The City's Design Review, Plan Checking, and Building Inspection processes currently allow the use of original materials and methods of construction when remodeling projects are proposed. These provisions can mean significant cost-savings for property owners, who might otherwise need to use more expensive materials. Additional measures could include the application of the State Historic Building Code to structures that qualify as "historic." This Code allows the relaxation of certain UBC standards (such as staircase width) in order to preserve historic buildings.

Responsible Parties:	Building Official
Timing:	Ongoing
Funding:	Staff time (General Fund)

- ***Program 2.D: Condominium Conversions***
Maintain the existing requirement that the removal of any multi-family rental apartment must be matched by the creation of a new rental apartment elsewhere in the city.

Description:

Recent revisions to the City's Subdivision Code established a "no net loss" provision for apartment conversions. Section 19.63 (C) of the code states that any apartments converted to condominiums must be replaced in kind by an equivalent number of equivalently priced rental units. If the units currently rent for very low, low, or moderate income rents, the replacement units must remain rent-restricted for at least 55 years. This requirement reduces the likelihood of condo conversions in the city and protects the rental housing supply.

Responsible Parties:	City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

▪ *Program 2.E: Streamlining Design Review*

Conduct a Planning Commission Study Session to identify steps that might be taken to expedite and improve the design review process.

Following this Session, develop amendments to the Design Review process consistent with Action 28.C of the General Plan (Design and Preservation Element).

Description:

Design review is an important part of Piedmont's housing conservation program and has helped retain many of the city's smaller and more relatively affordable homes. At the same time, some aspects of design review increase the cost of construction, which affects housing affordability and decisions about reinvestment. This may pose hardships for low and moderate income households in the City. It is important to continually revisit design review requirements, procedures, and fees in response to public concerns, construction trends, and staff resources.

This program calls for a special work session on design review to be sponsored by the Piedmont Planning Commission. The work session should be widely publicized, with opportunities for community feedback on a range of topics. Among the specific proposals that may be considered by the Commission would be:

- Additional categories of exemptions from design review, especially for small projects that are not visible to neighbors or from the street
- Changes to the notification requirements, and the extent to which comments from neighbors may change a project's design and materials
- Clearer rules for decision making
- Potential modifications to the fee schedule, to further discount certain types of projects or raise the fees for other types of projects

Following the work session, City Planning staff will propose appropriate changes to the Design Review procedures based on guidance from the Planning Commission. These changes would subsequently be presented to the City Council for consideration. Consistent with Action 28.C of the Piedmont General Plan, it is expected that the changes would include additional exemptions for rear yard projects that comply with zoning standards and are minimally visible from the street. The changes could also relate to the fee schedule, and to the rules for decision making.

See also Design and Preservation Element Action 28.C regarding amendments to the Design Review requirements and Action 28.E regarding an update to the City's Residential Design Guidelines

Responsible Parties:	Planning Commission
Timing:	Fall 2010 <u>Underway</u>
Funding:	Staff time (General Fund)

- **Program 2.F: Update of Design Guidelines**
Update the 1988 City of Piedmont Residential Design Guidelines,
consistent with Action 28.E of the Piedmont General Plan.

Description:

As noted in the Design and Preservation Element of the General Plan adopted in April 2009, the Guidelines document should be given a more contemporary look and should be reformatted to reflect current graphic design standards. The content also should be assessed, and changes should be made to make the Guidelines more relevant and descriptive where necessary. In addition to the drawings in the Guidelines, photos should be incorporated to illustrate desired outcomes and provide greater certainty to applicants. Consistent with the General Plan, a specific section of the Guidelines should address development of small (less than 5,000 square foot) lots.

Also as noted in the General Plan, the scope of the City's Design Guidelines should be expanded to address mixed use and multi-family residential development. This could expedite the processing of such development if future proposals are received, and would ensure that multi-family development is not evaluated using standards intended for single family homes.

<u>Responsible Parties:</u>	<u>City Planner, with direction from the City Council and the City Planning Commission</u>
<u>Timing:</u>	<u>2013</u>
<u>Funding:</u>	<u>Staff time (General Fund)</u>

Quantified Objectives for Goal 3:

(1) Create at least 9 second units that are rent-restricted to very low income households between 2010 and 2014.

(2) Create at least 4 units that are rent restricted to low income households between 2010 and 2014.

GOAL 3: AFFORDABLE HOUSING OPPORTUNITIES

Create additional housing opportunities for moderate, low, and very low income Piedmont residents.

Policies

Policy 3.1: Rent-Restricted Second Units

Continue incentive-based programs such as reduced parking requirements and more lenient floor area standards to encourage the creation of rent-restricted second units for low and very low income households.

Policy 3.2: Occupancy of Registered Units

Encourage property owners with registered second units to actively use these units as rental housing rather than leaving them vacant or using them for other purposes.

Policy 3.3: Conversion of Unintended Units to Rentals

Encourage property owners with “unintended second units” to apply for City approval to use these units as rental housing. “Unintended” second units include spaces in Piedmont homes (including accessory structures) with second kitchens, bathrooms, and independent entrances that are not currently used as apartments.

Policy 3.4: Second Unit Building Regulations

Maintain building code regulations which ensure the health and safety of second unit occupants and the occupants of the adjacent primary residence.

Policy 3.5: Density Bonuses

Consistent with State law, allow density bonuses (such as allowances for additional square footage or lot coverage) for multi-family projects which incorporate affordable or special needs housing units.

Policy 3.6: Room Rentals

Continue to allow the renting of rooms in private homes to provide housing opportunities for single people. Recognize the potential for rented rooms to meet the housing needs of single low income and very low income Piedmont residents.

Policy 3.7: Regional Dialogue

Work with housing advocates, non-profits, community groups, nearby cities, the real estate industry, and appropriate regional agencies to address affordable housing issues in the San Francisco Bay Area. Although Piedmont is fully developed, meeting regional housing needs is an issue of crucial importance to its residents and to the future quality of life in the city.

Implementing Actions

- *Program 3.A: Second Unit Ordinance Assessment and Revisions*
Complete a 5-year assessment of the Piedmont Second Unit Ordinance, with a focus on the incentives that are being used to promote rent-restricted units and the steps that can be taken to increase second unit production and occupancy rates.

Description:

In 2004, the City of Piedmont undertook a year long process to revise its Second Unit Ordinance. The process was guided by a Citizens Advisory Committee (CAC) and focused on ways to more effectively use second units to meet the City's affordable housing needs. In March 2005, Chapter 17.D of the Municipal Code was completely revised to incorporate the CAC recommendations. As noted earlier in this Housing Element, the new Code created a new incentive-driven category of "rent-restricted" second units which may only be occupied by low or very low income households.

It has now been more than four years since adoption of the new standards. This is sufficient time for the City to assess the successes and shortcomings of the Ordinance and revise it as needed to increase production. Accordingly, this action calls for a comprehensive evaluation and recommendations for improvement.

Among the specific topics to be addressed by the evaluation are:

- Additional tools to incentivize the use of existing legal second units as rentals. City records indicate that many legal units are not actually being rented out. The City currently provides a first -year business tax abatement for units that are rented to low or very low income households. Extension of this abatement for additional years could be considered.
- Additional tools to encourage the conversion of "unintended" second units to active rental units. "Unintended" units are not considered legal second units, but have the physical characteristics to be easily converted. These spaces are particularly well suited for rent-restricted units because the capital cost to create them is minimal. One possible incentive would be reductions of planning and building fees if the units are rent-restricted.
- Additional incentives for *low and moderate* income units, since all of the units created under the program thusfar have been for *very low* income households. For example, this could include reducing the off-street parking requirement to one space for a two-bedroom low income second unit, provided that adequate on-street parking exists.

- Additional steps to “match” rent-restricted second units with local employees, particularly low and very low income City and School District employees.
- Clarification of the 10-year affordability term for rent-restricted units. There is some ambiguity about how the 10-year timeframe is calculated and what happens at the end of the 10-year period. The Code currently gives the Planning Commission the authority to terminate the deed restriction after 10 years at the owner’s request, but also gives them the authority to deny the request and retain the rent restriction. If the Commission allows termination, the owner must then upgrade the unit to meet the planning and building standards in effect at the time of its creation before it may be used as a market-rate rental. This requirement could result in the loss of the unit entirely, which may be a less desirable outcome than its reversion to market rate rent.
- The effectiveness of size requirements as an incentive for creating low and very low units. In some respects, it is counterintuitive that a larger unit can only be created (without a CUP) if it is rented for less than a smaller unit. The rent-restricted units created to date have generally been less than 700 square feet and have benefitted much more from the parking waiver than the size incentives.
- Parking requirements for *low* income units. Presently, the required off-street space for a low income unit may be compact, but it must still be covered and it may not be tandem. Allowing such spaces to be uncovered or tandem should be considered. (Only *very low* income units may be approved with no off-street parking whatsoever. This is a very strong incentive, and it should not be removed or compromised by extending it to *low* income units).
- Design requirements. Presently, there is a design requirement that there may be no direct access between the primary unit and the rent-restricted second unit. The interior access restriction must be permanently constructed. This was intended to discourage the use of second units for dependent family members, but it may be a disincentive to their creation in some cases.
- Administrative Extensions. Consideration should be given to allowing administrative extensions of Planning Commission approvals of rent-restricted second units if the applicant does not pull a building permit in the first year, rather than requiring a new Commission hearing.

Responsible Parties:	City Planner/Consultant, City Council
Timing:	201 2 ¹
Funding:	Staff time (General Fund)

- *Program 3.B: Affordable Second Unit Public Information Campaign*
Initiate a public information and education campaign about second units, including definitions, regulations for their use, opportunities for their construction, and the various incentives offered by the City to create rent-restricted units..

Description:

This program would use a variety of media to inform the community about the second unit program. This would include a dedicated page on the City's website informing residents of what second units are and why they are an essential part of the City's housing stock. The website could describe the different types of second units in the City, the regulations that govern them, and the application process.¹ Additionally, the City would continue to use FAQs, brochures, and other print media to explain the steps for applying for a second unit, with special attention given to the homeowner benefits of applying for a rent-restricted unit. The City's local access cable station (KCOM) should also be used to convey this information.

Further positive news coverage about second units could be generated through press releases and articles in the Piedmonter and Piedmont Post. In addition, the City should establish a category in its annual design awards for outstanding second units.

An important part of the City's outreach strategy should be to target owners of "unintended" second units. The City already has a roster of such units (by address) and should contact owners with a letter informing them of the opportunity to apply for a market rate or rent-restricted rental unit. Efforts should also be made to contact the owners of suspected illegal second units, with a focus on legalizing these units as new rent-restricted units.

Responsible Parties:	City Planner/ Consultant
Timing:	201 <u>2</u> 4
Funding:	Staff Time (General Fund)

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- *Program 3C: Monitoring Affordable Second Unit Opportunities*
Monitor the supply of unintended second units, illegal or suspected second units, and vacant second units. A confidential data base listing the addresses of such units shall be maintained for administrative purposes. Recognize the potential for such properties to help meet the City's affordable housing needs, and take proactive steps to realize this potential in the coming years.

¹ Some of this information can already be accessed on the City's webpage via downloadable PDF files, but it has not been "packaged" in html format.

Description:

As noted in Table 2.1 of the Housing Element, the City maintains an address data base of second units, noting the year they were created, the way they were permitted, and comments on their current status. The data base provides a mechanism for monitoring second unit development opportunities, and the supply and status of legal and illegal second units. As noted in Program 1.D, the City will begin monitoring data on second unit rents in 2011, providing an additional source of information on this component of the housing supply.

Program 3.A describes the City's intent to pursue additional development opportunities in "unintended" second units. These are spaces that are not used for habitation as separate living quarters, but have the potential for conversion to second units based on their physical characteristics. Examples include pool houses with indoor cooking facilities; basements with kitchens, bathrooms, and separate entrances; and finished rooms over garages. There were 117 unintended second units counted in the city in 2009. As noted in Program 3.B, the City intends to remind owners of these units of the opportunity to apply for legal second unit status.

The address data base of "suspected" and "illegal" second units is an important resource. The illegal status of such units provides leverage to convert them into rent-restricted units. The City will work with the owners of such units in to convert them into legal apartments, on the condition that they either provide conforming parking or be rent-restricted to a low or very low income household. The latter option provides a "win-win" for all parties, since it provides the owner with a legal second unit and legitimate source of rental income, the City with an affordable unit, and a low income tenant with a secure place to live.

As noted on P. 5-17 of the Housing Element, the City also collects annual business license taxes (generally around \$200 annually) from second unit rentals. The owners of many legal units are not paying these taxes, suggesting that the units are vacant or are being used for guest quarters, family members, home offices, etc. These legal units are a housing resource for the City, and steps should be taken to incentivize their use as rental apartments. Even though they are not rent-restricted, such units are usually affordable to low and moderate income households.

Finally, it is acknowledged that the City's data base of "unintended units" represents only a portion of the potential for second units in the city. There are many other homes in Piedmont that contains physical features conducive to second unit creation. The City will make an ongoing effort to expand its data base of such spaces in the future as planning and building permit applications are received and as plans are reviewed. Part of the plan checking process should include an evaluation of whether the property contains an unintended second unit (i.e., does it have two kitchens? is there habitable space over the garage or in the basement or attic?) Properties

should be added to the unintended unit data base over time, so that when the City does periodic mailings on second unit opportunities, these addresses are included.

Responsible Parties: City Planner, City Clerk, Building Official
Timing: Ongoing
Funding: Staff time (General Fund)

▪ **Program 3D: Monitoring Additional Second Unit Development Opportunities**

Monitor potential opportunities for second units within new homes and on existing homes located on larger lots that are conducive to second unit creation.

Description:

While Program 3.C addresses opportunities for second units through the conversion of existing floor space, Program 3.D focuses on lots which are conducive to second unit creation due to their large size, location, or ability to accommodate additions or new structures. This includes vacant lots, lots in the Estate Zone, and lots in Zone A that are larger than 20,000 square feet. These lots are more likely to have space for a new second unit, as well as room to meet the off-street parking requirements for market-rate units. As development applications for new homes or major home additions are received on these properties, the City will advise applicants of the opportunity to add a second unit.

Responsible Parties: City Planner
Timing: Ongoing
Funding: Staff time (General Fund)

Quantified Objectives for Goal 4:

(1) Process 80 % of all complete applications for planning and building permits within 30 days after they are received, instead of the 60 days allowed by the Permit Streamlining Act.

GOAL 4: ELIMINATION OF HOUSING CONSTRAINTS

Minimize constraints to the development of additional housing without compromising the high quality of Piedmont's neighborhoods.

Policies

Policy 4.1: Communicating Planning and Building Information

Encourage public understanding of the planning and building processes in Piedmont to facilitate permit processing and reduce project costs and delays.

Policy 4.2: Planning and Building Standards

Ensure that planning and building standards, development review procedures, and fees do not form a constraint to the development, conservation, and rehabilitation of housing, or add unnecessarily to the cost of building or improving housing.

Policy 4.3: Expeditious Permitting

Promote the expeditious processing and approval of residential projects that are consistent with the General Plan, Zoning Ordinance, and Design Review Guidelines.

Policy 4.4: Updating Standards and Codes

Periodically update codes and standards for residential development to reflect changes in state and federal law, new technology, and market trends.

Policy 4.5: Code Flexibility

Allow certain development standards to be relaxed to accommodate affordable housing, where there is no threat the health, safety, and welfare of the City or potential for adverse impacts on the surrounding neighborhood.

Policy 4.6: Housing Coordinator

Designate the City Planner as the City's Housing Coordinator.

Policy 4.7: Infrastructure Maintenance

Support the regular maintenance of infrastructure, including water, sewer, drainage, streets, and sidewalks, so that these facilities are available when new housing is proposed.

Policy 4.8: Housing Finance Programs

Participate in appropriate County programs which address financial constraints for first time homebuyers, including downpayment assistance, silent second mortgages, Mortgage Credit Certificates, and Mortgage Revenue Bonds.



Piedmont's televised Planning Commission meetings provide an important vehicle for informing the public about the City's planning processes.

Implementing Actions

- ***Program 4.A: Media Strategy***
Prepare printed brochures and web-based materials which inform residents about the planning and building processes in Piedmont.

Description:

Several pamphlets and printed handouts have been prepared to explain Piedmont's design review, planning, and permitting requirements. Over time, the City has improved and updated these materials to make them more readable and incorporate contemporary graphic design conventions. The City's website also continues to expand and improve. During the last 10 years, the website has become a more important information resource and has overtaken printed pamphlets as the preferred means of obtaining information by most customers. Many application materials are now downloadable from the web. Continued efforts should be made to improve the content and usability of information on the "Planning" homepage, and to use the web to assist residents and reduce permitting delays.

Responsible Parties:	City Planner/ Consultant
Timing:	Ongoing
Funding:	Staff time (General Fund)

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- ***Program 4.B: Home Improvement Seminars***
Conduct City-sponsored meetings, programs, and seminars which inform residents on home improvement and maintenance practices in Piedmont.

Description:

In the past, the City Planning Commission has held special sessions on topics such as window replacement and upper story additions. Additional Planning Commission special sessions on bay-friendly landscaping, solar panel installation, energy conservation, and other home improvements would be helpful and could ultimately make home maintenance and improvement projects more affordable for Piedmont households. Such seminars should be aired on KCOM (local access cable) to reach as broad an audience as possible.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	Staff Time (Permit/User Fees)

- ***Program 4.C: Building Code Updates and Ongoing Enforcement***
Continue to implement the California Building Code of Regulations, as locally amended. Update or amend the codes as state requirements change, and as conditions in Piedmont warrant.

Description:

This is an ongoing program. The City should amend Chapter 5 of the City Code (the Building Code) as updates to the California Building Code of Regulations are published. Amendments reflecting local concerns may be made as needed. Particular attention should be given to standards which would encourage creation of second units in the City. There may be instances where exceptions to the Code could be considered (for instance, lower ceiling heights) to make it easier for property owners to convert unintended units into rental properties. The new Second Unit Ordinance adopted in 2005 provides such flexibility as an incentive to create rent-restricted units.

Responsible Parties:	Building Official
Timing:	Ongoing
Funding:	Staff time (General Fund)

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- ***Program 4.D: Fee Review***
Review all planning and building fees to be sure that they cover required costs but are not more than is necessary to provide the required City services.

Description:

Fees should be reviewed annually to ensure that they cover operating costs only. Planning and building fees should not be used to subsidize other City departments and services. The City should continue efforts to use a “sliding scale” for planning and building fees based on project value to reduce the cost burden on applicants for minor home improvements.

Responsible Parties:	Finance Director / City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

- ***Program 4.E: Temporary Staff Additions***
Add contract staff as needed to ensure prompt processing of all applications.

Description:

As a small city, Piedmont is susceptible to fluctuations in the volume of planning and building applications. With only one building inspector, one plan checker, and a small planning staff, processing all applications at the same speed throughout the year can be a challenge. Vacation schedules, staff absences, and staff turnover add to this challenge. Because the City is committed to customer service in its Planning and Building functions, contract staff may be hired to provide building inspection, plan checking, and planning services during peak periods or prolonged staff absences. This will continue in the future.

Responsible Parties:	Public Works Director
Timing:	Ongoing
Funding:	Staff Time (Permit Fees)

- ***Program 4.F: Capital Improvement Plan Updates***
Annually update the Capital Improvements Plan (CIP) to ensure that municipal systems are kept in good condition.

Description:

The CIP update provides assurance that City-maintained facilities such as streets, sidewalks, and storm drains are kept in excellent condition, thereby avoiding deferred maintenance expenses for Piedmont residents. The City has created a CIP Committee to provide citizen input in this process. At least once a year, the CIP Committee should be briefed on the Piedmont General Plan and the requirement that CIP decisions be consistent with Plan policies and priorities.

Responsible Parties:	Public Works Director
Timing:	Ongoing
Funding:	Staff time (General Fund)

- **Program 4.G: Amendment to Parking Standards in Zones B, C, and D**
Amend Chapter 17 of the Municipal Code to require one (rather than two) off-street parking spaces per housing unit for units smaller than 700 square feet in all zones of the City, rather than just Zones A and E.

Description:

Presently housing units that are less than 700 square feet are permitted to have only one off-street parking space in Zones A and E (the single family zone). Two spaces per multi-family unit continued to be required in Zone C, regardless of unit size. In addition, parking requirements for housing units less than 700 square feet are not specified in Zones B and D, since multi-family units have not previously allowed in these zones. Chapter 17 of the Municipal Code should be amended to establish a consistent standard for all units under 700 square feet.

Responsible Parties:	Public Works Director
Timing:	Fall 2011 2010
Funding:	Staff time (General Fund)

-
- **Program 4.H: Bonding Requirements**
Explore programs to reduce the financial burden to prospective homeowners associated with bonding requirements.

Description:

Bonding requirements are intended to reduce the potential for nuisances, adverse impacts on neighbors, and damage to City property when new homes are constructed. However, the requirements may be burdensome for prospective homebuilders and represent an additional cost. The City will consider ways to reduce these costs, and explore other means of addressing liability issues.

Responsible Parties:	Public Works Director
Timing:	201 2 ⁺
Funding:	Staff time (General Fund)

- **Program 4.I: Monitoring the Effects of the City Charter**
Piedmont's rent-restricted second unit program has been successful in accommodating and achieving the City's share of the regional housing need, including producing housing for very low income households. However, the Charter requires a citywide vote for zoning map changes, which constrains the development of a variety of housing types, particularly high-density multi-family housing. To address this constraint, the City has added Programs 1.E (allowing multi-family density housing and mixed use in the commercial zone) and 1.G (creating new incentives for multi-family uses). Program 4.I supplements these two programs to ensure their effectiveness by monitoring and annually evaluating and reporting on the effects of the City Charter on: (a) the cost and supply of housing, particularly multifamily housing and (b) the effectiveness of City strategies to mitigate related impacts such as allowing multifamily uses in Zone D (Program 1.E) and incentives for multifamily uses in Zones C and D (Program 1.G). Based on the outcome of the evaluation, the City will adopt strategies to address and mitigate identified constraints.

Description:

City Planning and Building Staff will continue to track annual housing production and permit activity as they have in the past, and will prepare annual reports to the Council evaluating housing and building permitting trends and the effects of the Charter as described above. These reports will specifically evaluate the Charter for impacts on multi-family housing production and costs based on various criteria such as:

- the failure of a citywide ballot measure associated with a proposed Zoning Map change to multi-family housing
- a multi-family development proposal which has been endorsed or approved by the Planning Commission or City Council but does not proceed because a citywide ballot measure to change the zoning would be required
- conclusions of research done by a third party finding that the City Charter constrains the ability to do multi-family housing;
- lack of multi-family development proposals
- input from the development community, including non-profits, property owners, stakeholders and advocates on behalf of lower income households such as the Non-Profit Housing Association of Northern California (NPH), EBHO and the League of Women Voters.

Based on the outcomes of the evaluation, the City will implement program and zoning changes within 12 months including, if necessary, a Charter amendment or other appropriate remedies not requiring voter approval. These remedies could include streamlining multifamily permit procedures and identifying and designating, additional sites for multifamily development within 12 months.

GOALS, POLICIES, AND ACTIONS
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Responsible Parties: City Planner
Timing: Annually
Funding: Staff time (General Fund)

Quantified Objectives for Goal 5:

(1) Assist at least 5 senior Piedmont households in obtaining CDBG funding for home rehabilitation projects between 2010 and 2014.

(2) Facilitate the retrofitting of at least 10 Piedmont homes to enable senior residents to "age in place" rather than relocating out of the community between 2010 and 2014.

GOAL 5: SPECIAL NEEDS POPULATIONS

Provide adequate housing opportunities for Piedmonters with special needs, particularly seniors and the disabled.

Policies

Policy 5.1: Retrofits for Diminished Mobility

Ensure that planning and building regulations accommodate the retrofitting of homes to meet the needs of aging or disabled residents.

Policy 5.2: Second Units, Shared Housing, and Seniors

Encourage second units and shared housing as strategies to help seniors age in place. Second units and shared housing can provide sources of additional income for senior homeowners and housing resources for seniors seeking to downsize but remain in Piedmont.

Policy 5.3: Reasonable Accommodation

Provide reasonable accommodation for people with disabilities in the City's rules, policies, practices and procedures related to zoning, permit processing and building codes.

Policy 5.4: Extremely Low Income Residents

Strive to meet the needs of extremely low income Piedmont residents, especially single parents, seniors on fixed incomes, and persons in financial crisis or at risk of losing their homes.

Policy 5.5: Regional Approaches to Homelessness

Actively cooperate with and participate in regional discussions and programs addressing homelessness and the need for emergency shelter and supportive housing in the East Bay.

Policy 5.6: Foreclosure

Support state, regional, and countywide initiatives to reduce the risk of foreclosure and to assist those facing foreclosure.

Implementing Actions

- ***Program 5.A: Shared Housing***
Consider participating in ECHO Housing’s shared housing program as a way to improve housing opportunities for lower income seniors and extremely low income households.

Description:

Some of Piedmont’s “empty nesters” or other residents who have surplus space in their homes may wish to rent that space in return for income or care, but may be reluctant to rent to strangers. The non-profit Eden Council for Hope and Opportunity (ECHO Housing), which serves residents throughout Alameda County, operates a shared housing program which could potentially benefit these residents. The program matches persons needing housing with homeowners who have available space.

Shared housing programs can also provide a resource for extremely low income households, including families as well as seniors. The ECHO program includes counseling on shared living, supportive services, and informational and referral., as well as educational workshops on home sharing. Any shared housing program in Piedmont should be designed to include extremely low income families, as well as empty nesters and other seniors.

Responsible Parties:	City Planner/City Administrator
Timing:	201 2 <u>4</u>
Funding:	General Fund

- ***Program 5.B: Allowances for Temporary Home Improvements***
Allow Planning and Building Code exceptions for certain temporary home improvements which help Piedmont seniors remain in their homes as their physical capabilities change.

Description:

Section 17.20.5(a)(vii) of the Piedmont Code creates exemptions for temporary home improvements such as wheelchair ramps. Other exemptions could be explored in the future. For example, the City could permit the addition of a first floor bathroom or bedroom without conforming parking—or the addition of a temporary second unit for a nurse or live-in aide. The construction might be permitted with the condition it be removed (or approved with a variance or CUP) when the occupancy of the home changes.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

▪ ***Program 5.C: Assistance to Nonprofit Developers***

Provide assistance to nonprofit entities interested in developing housing for low and moderate income Piedmont residents, including the elderly and others with special needs.

Description:

There are several nonprofit entities in the East Bay who are actively engaged in developing housing for low and moderate income households. These builders make an important contribution to the region's housing market and have been the largest producers of affordable housing units in the area during the past decade. Although there are very few vacant or redevelopable sites in Piedmont, the City is committed to working collaboratively with the nonprofit sector in the event a viable development proposal is made. The City could also be a potential partner in the event such housing is proposed in a nearby community.

Program 5.C will be implemented on an on-going basis. As development opportunities arise, the City will provide technical assistance to nonprofits in the completion and/or co-sponsoring of applications for state and federal housing funds and other grants. The City will also work with nonprofit applicants to identify and proactively address issues of concern in the community, such as traffic, parking, and design compatibility. Finally, the City will consider regulatory concessions, incentives, and other methods which reduce project costs and make the project more viable.

Responsible Parties:	City Administrator and City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

▪ ***Program 5.D: Accommodations for Disabled Persons***

Develop printed and web-based information which describe the procedures for making a Piedmont home "barrier free."

Description:

The City will work with local advocates and service providers (such as the Center for Independent Living) to provide an explanation of the process to retrofit a home to meet the needs of persons with disabilities. Both web-based information and printed information (such as brochures or FAQ handouts) should be developed. This information should identify the range of features that might be incorporated in a barrier-free home, and the steps an applicant would need to take to add these features to a residence. The process for applying for building permits, fee waivers, expedited design review, and variations from the City's design guidelines would be included.

Responsible Parties:	City Planner
Timing:	2012 ⁺
Funding:	Staff Time (General Fund)

GOALS, POLICIES, AND ACTIONS
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- **Program 5.E: Zoning Amendment for Emergency Shelter**
Amend the Piedmont Zoning Ordinance to identify emergency shelters and transitional housing as permitted uses in Zone B, the Public Facilities Zone. Pursuant to Chapter 633, Statutes of 2007 (SB2), the revised zoning text will stipulate that transitional and supportive housing will be considered a residential use subject only to the same permitting processes as other housing in the subject zone without undue special regulatory requirements.

Description:

This action would bring Piedmont into compliance with California Senate Bill 2 (effective January 1, 2008) which indicates that cities must identify adequate sites for emergency shelter and transitional housing “by right” through appropriate zoning and development standards. The action would add emergency shelters to the list of permitted uses in the Public Facilities Zone (Zone B). Presently, they are only conditionally permitted. As indicated in Chapter 5, there is sufficient capacity in Zone B to meet the local need for emergency shelter, which is estimated as being between 0 and 15 people, depending on the data source.²

The City will amend Chapter 17 of the Municipal Code (the zoning regulations) to that ~~Shelters and~~ transitional and supportive housing are ~~would be permitted~~ as residential uses and are subject to the same requirements that apply to other residential uses of the same type in the same zone without undue special regulatory requirements elsewhere in Zone B. ~~This zone~~ The zoning district where such uses would be permitted by right – in other words, without discretionary review (Zone B) – has no minimum lot area, no minimum lot frontage, and no limit on lot coverage or impervious surface. Setbacks are 20’ on all sides and a height limit of 35 feet applies. Because most of the parcels in this zone are large, these setbacks would not preclude new structures. Given the small size of the homeless population and the potential cost of developing a new shelter or transitional housing development, it is more likely that such a facility would use an existing structure rather than a brand new building. The zone includes numerous structures, including a vacant church, municipal buildings, recreation centers, schools, and portables.

Responsible Parties:	City Administrator/ City Council
Timing:	Fall 201 0
Funding:	Staff Time (General Fund)

² The reference to “0 to 15” is based on the City’s observation that there is not a quantifiable homeless population in Piedmont, while recognizing that the County Homeless Management Information System used a pro-rated population-based formula to estimate that the City had 15 homeless residents. The City of Piedmont has estimated that there is a need to assist three extremely low income households in the City during for 2010-2014 (based on the Regional Housing Needs Allocation), which could include homeless residents.

- ***Program 5.F: Housing Support for Families in Crisis***
Support public and non-profit agencies in Alameda County which provide food and shelter for families in crisis.

Description:

Despite the absence of a visible homeless population in Piedmont, the City is located in an urban area where homelessness is a serious issue. Piedmont currently provides financial assistance to Alameda County to fund countywide programs which meet the needs of homeless persons and persons at risk of becoming homeless. The beneficiaries of these programs may include Piedmont residents as well as those in other cities. On an ongoing basis, the City will stay apprised of homelessness issues, work with homeless service providers, and offer referrals for any Piedmont resident faced with the risk of homelessness.

Responsible Parties:	City Administrator/City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

-
- ***Program 5.G: EveryOne Home***
Participate in the Alameda County EveryOne Home Program, a Countywide planning effort to increase housing opportunities for extremely low income and disabled persons and strengthen the services the County provides to the homeless.

Description:

In October 2009 the City of Piedmont joined 13 other cities in committing to work with Alameda County to alleviate homelessness. The Countywide Plan has been prepared in response to federal requirements that mandate the development of subregional plans to end homelessness. It recognizes the regional nature of the problem and the need for regional solutions. The Plan was designed to end chronic homelessness and provide more secure and permanent housing for low-income people with mental illness, HIV/AIDS, and other disabilities or high risk of homelessness. It includes a 10-year action plan, within a broader 15-year implementation plan.

Participating in EveryOne Home is an important part of Piedmont's efforts to meet the housing needs of extremely low income households, as required by state law. Endorsement of the Plan by the City establishes general agreement with its strategies and provides a guide to address homelessness in a way that is consistent with other communities in Alameda County.

Responsible Parties:	City Planner / City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

■ ***Program 5.H: Faith Community Participation***

Work with the local faith community to serve residents in need within Piedmont and the greater East Bay, and to identify potential partners for meeting local extremely low income housing needs.

Description:

Piedmont's churches and synagogue may be potential partners in efforts to address the housing needs of extremely low income residents in Piedmont and nearby cities. Additional efforts should be made to coordinate local housing programs with the faith community. The City should work with its congregations to promote charitable contributions and develop proactive solutions to avoid homelessness and help those at risk of becoming homeless.

Responsible Parties:	City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

■ ***Program 5.I: Second Units for Extremely Low Income Households***

Maintain an inventory of second units that are available at rents that are affordable to extremely low income households. Explore ways to expand this inventory and encourage the development of additional extremely low income second units through the City's affordable second unit program and other means.

Description:

The City of Piedmont has identified the need to assist three extremely low income households during the 2010-2014 Housing Element period, based on its Regional Housing Needs Allocation. Pursuant to Assembly Bill 2634, local governments are required to assist in the development of a variety of housing types to meet the needs of these households. In larger communities, this is usually done by accommodating single room occupancy hotels (SROs), providing multi-family developments with units set aside for extremely low income households, and facilitating supportive and transitional housing. In smaller communities, provisions for shelters and supportive and transitional housing are required by state law, but additional steps must still be taken to meet the diverse housing needs of extremely low income residents.

Based on data from the 2000 Census, about 40 percent of Piedmont's extremely low income households are headed by senior citizens. Programs 2.A, 5.A, and 5.B focus on these residents. As these programs are administered, the City will place a priority on serving extremely low income senior applicants.

Providing Extremely Low Income Housing in Small, Residential Cities: Solutions from Across the Bay Area

As part of the Housing Element Update, the City of Piedmont conducted a “best practices” review of peer cities in the Bay Area. The focus was on Housing Element programs to address the needs of extremely low income households. Four cities—all with recently certified Housing Elements, high median incomes, high home values, and mostly residential land uses—were surveyed. The results are below.

Hillsborough (pop. 11,200; estimated Extremely Low Income need: 10 units). Programs include:

- Waiving planning and building fees for second units
- Informing developers of opportunities to build transitional and supportive housing
- Allowing the renting of individual rooms in single family homes
- Supporting shared housing
- Encouraging second units (the Town’s Housing Element concluded that 55 percent of its second units were affordable to extremely low income households, including all units for which no rent was reported.)

Belvedere (pop 2,150; estimated Extremely Low Income need: 3 units). Programs include:

- Considering an affordable housing impact fee and Housing Trust Fund to assist very low income households
- Allowing Single Room Occupancy (SRO) hotels in the Commercial zoning district
- Creating home sharing and tenant matching opportunities
- Providing reduced fees for extremely low income housing
- Using existing rental assistance programs (Section 8, etc.)

Portola Valley (pop. 4,800; estimated Extremely Low Income need: 16 units). Programs include:

- Allowing larger second units and considering reduced fees
- Waiving fees for extremely low income units
- Encouraging shared housing
- Considering an affordable housing impact fee

Moraga (pop. 16,200; estimated Extremely Low Income need: 42 units). Programs include:

- Allowing renting of rooms in single family homes
- Facilitating access to housing subsidies, including subsidies for extremely low
- Recognizing that some second units are free, and therefore may serve extremely low (10 percent of the Town’s units are estimated to rent for less than \$670/month)

For extremely low income residents in Piedmont who are *not* seniors, second units and shared housing are the best prospects for meeting housing needs. As the text box above indicates, this is the strategy that has been taken by other small residential cities in the Bay Area with demographic and land use characteristics similar to Piedmont.

Data collected by the City of Piedmont indicates there were several second units in the city in 2009 with monthly rents of less than \$468.³ These units meet affordability criteria for extremely low income households and demonstrate that such units are already meeting a portion of the City's extremely low income housing needs with no public subsidy. Based on rental tax data, an additional unknown number of the city's second units appear to be occupied by extremely low income households who pay no rent at all. Such units are an important resource for extremely low income households and should be sustained.

In the future, the City will explore options to increase the inventory of extremely low income housing. This could be done through a permanent waiver of the business license tax for extremely low income second units (rather than a one-year waiver). The City will also explore fee reductions or other incentives so that some of the very low income units produced through the affordable second unit program are suitable for extremely low income households, including seniors and persons with disabilities. Other programs in this Housing Element, including the monitoring of second unit rents (see Program 1.D), will enable the City to gauge the extent to which second units are already serving extremely low income households. The City will also increase public awareness of the rules for renting a room in a Piedmont house, since such rentals can provide an income source for homeowners and a potential resource for extremely low income households.

<u>Responsible Parties:</u>	<u>City Planner, City Clerk</u>
<u>Timing:</u>	<u>Ongoing</u>
<u>Funding:</u>	<u>Staff time (General Fund)</u>

³ \$465 would be the affordable monthly rent for a one-person extremely low income household in 2009, based on HUD Income data for Alameda County, e.g. 30 % of \$18,750 annual income / 12 months = \$468.

- ***Program 5.J: Housing for Extremely Low Income Families***
Develop incentives to meet the needs of Piedmont's extremely low income households potentially including modified development standards for new multi-family buildings that include units for extremely low income families.

Description:

Piedmont presently allows second units to be as large as 1,000 square feet if the units are rent restricted to very low income households, including extremely low income households. The allowance for larger units if the unit is rented to a very low income household provides a strong incentive that benefits extremely low income families. A unit of this size would typically be associated with a two-bedroom apartment or carriage house, which could accommodate a three or four person extremely low income family. The City will pursue additional incentives to encourage the inclusion of units that are affordable to extremely low income households in new multi-family development. These incentives could include allowances for higher lot coverage and floor area ratios in Zone C for buildings that dedicate one or more units for extremely low income families.

<u>Responsible Parties:</u>	<u>City Planner, Building Official</u>
<u>Timing:</u>	<u>2012</u>
<u>Funding:</u>	<u>Staff time (General Fund)</u>

Quantified Objectives for Goal 6:

(1) Issue building permits to retrofit at least 20 homes with energy-saving devices, such as new windows, furnaces, insulation, and appliances between 2010 and 2014.

(2) Approve at least 25 applications for alternative energy sources, including solar panels, in Piedmont residences between 2010 and 2014.

(3) Achieve 100 % compliance with Title 24 energy efficiency requirements.

GOAL 6: SUSTAINABILITY AND ENERGY

Encourage “greener” construction to reduce household utility costs and create healthier living environments.

Policies

Policy 6.1: Energy-Efficient Design

Require all new housing to be designed to encourage energy efficiency. Building design and construction methods should promote and support energy conservation.

See also Natural Resources Element Policy 16.2 on green building

Policy 6.2: Energy-Efficient Materials

Encourage major additions and remodeling projects to use windows, building materials, ventilation systems, and appliances which reduce home heating and cooling costs and conserve energy resources.

Policy 6.3: Weatherization

Encourage weatherization of existing homes to reduce heating and cooling costs and lower home energy bills.

See also Natural Resources Element Policy 17.2 on energy conservation

Policy 6.4: Renewable Energy

Maintain development regulations which accommodate the installation of solar panels and other devices which result in lower energy costs for homeowners and renters.

See also Natural Resources Element Policy 17.3 on alternative energy sources

Policy 6.5: Energy Retrofits

Support the use of federal, state, county, and utility-sponsored programs which provide financial assistance or incentives for energy retrofits.

Policy 6.6: Housing and Climate Change

Recognize the link between housing and climate change in the City’s decision-making process. Specifically, the City should strive to create additional local housing opportunities for persons employed within Piedmont in order to reduce commuting and associated greenhouse gas emissions. A particular emphasis should be placed on housing for municipal and school district employees, since these are the largest employers in the city.

Policy 6.7: Water Conservation

Encourage drought-tolerant and bay friendly landscaping as a way to conserve water, reduce greenhouse gas emissions associated with water transportation, and reduce homeowner water bills, thereby freeing up more income for other purposes.

See also Natural Resources Element Policy 16.3 on water conservation

Implementing Actions

- ***Program 6.A: Title 24***

Continue to enforce Title 24 requirements for energy conservation.

Description:

The City will continue to require compliance with the Title 24 energy efficiency standards established by the California Energy Commission. Adhering to these standards can reduce energy costs in new construction by as much as 50 %.

Responsible Parties:	Plan Checker (Public Works)
Timing:	Ongoing
Funding:	Staff Time (Plan Check Fees)

See also Natural Resources Element Action 16.A on Title 24

- ***Program 6.B: Green Housing***

Explore ways to encourage and incentivize greener residential construction.

Description:

“Green” construction has the potential to reduce home utility costs and produce healthier living environments. The City should use tools such as the “Build it Green” checklist to encourage greener housing construction. The City will also monitor proposed changes to the building code at the state level and amend its ordinances accordingly. In the coming years, this could include provisions to allow graywater recycling, which could reduce residential water bills.

Responsible Parties:	Building Official/City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund)

See also Natural Resources Element Action 16.B on green building

- ***Program 6.C: Renewable Energy Funding Assistance***
Participate in the California FIRST Program, a countywide program which enables homeowners to finance renewable energy and energy efficiency improvements on their property.

Description:

In 2009, the City of Piedmont developed a Climate Action Plan (CAP) to help achieve local greenhouse gas reduction goals. Because it is a city of older single family homes, Piedmont must find ways to improve the energy efficiency of its existing housing stock in order to meet these goals. In December 2009, the City voted to join the California Statewide Communities Development Authority (CSCDA) and the California FIRST Program. This program enables property owners to voluntarily finance renewable energy, energy efficiency and water efficiency improvements on their properties. If an owner chooses to participate, the improvements will be financed by the issuance of bonds by CSCDA. CSCDA will then levy “contractual assessments” on the owner’s property to repay the portion of the bonds used to finance improvements on that property. While the assessment represents an additional housing expense, there are long-term savings from reduced utility bills.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund)

▪ *Program 6.D: Financial Assistance*

Promote the use of programs which reduce residential energy costs.

Description

These programs include:

- Energy audits, which may be provided by PG&E or private vendors
- Rebates (sponsored by non-City entities) for the use of energy efficient appliances, and for the recycling of less efficient appliances.
- The federal Low Income Home Energy Assistance program (LIHEAP), which offers qualifying low income households financial assistance to offset energy costs (through weatherization or assistance in paying energy bills)
- “REACH” (Relief for Energy Assistance through Community Help), which is a PG&E program administered by the Salvation Army that provides energy assistance to low-income customers in the form of one-time payments for energy costs.
- CARE (California Alternate Rates for Energy) and FERA (Family Electric Rate Assistance), both programs which provide rate discounts for lower income households
- A Medical Baseline Allowance for persons with high medically related electric bills.

Information on these programs should be kept at the Planning and Building counter for interested residents, and should be accessible via links on the City’s website.

Responsible Parties:	Building Official/City Planner
Timing:	Ongoing
Funding:	PG&E and State/federal programs

**Quantified Objectives
for Goal 7:**

(1) Follow-up on 100 % of all complaints received relating to fair housing.

(2) Approve 100 % of all housing development projects that meet the requirements of the City Code without regard for the personal characteristics of the applicant or occupants.

GOAL 7: EQUAL ACCESS TO HOUSING

Ensure that all persons have equal access to housing opportunities in Piedmont.

Policies

Policy 7.1: Housing Choice

Promote the development of housing for all persons regardless of race, religion, ethnic background or other arbitrary factor.

Policy 7.2: County Fair Housing Programs

Support and participate in Alameda County programs which ensure that all persons have equal access to housing.

Policy 7.3: Fair Housing Enforcement

Implement and enforce relevant State and Federal Fair Housing laws.

Policy 7.4: Fair Housing Education

Promote public education and awareness of fair housing requirements, and reduce public misconceptions about low income housing.

Implementing Actions

- ***Program 7.A: Public Information***

Make brochures and notices on fair housing laws available at City Hall.

Description:

This is an ongoing program that will be continued in the future. Pamphlets on fair housing laws and procedures are kept at the Planning and Building Counter. Materials should be provided in English, Spanish and Chinese to ensure that those in need are made aware of their fair housing rights. This information should also be posted on the City's website.

Responsible Parties:	City Clerk
Timing:	Ongoing
Funding:	Staff Time (General Fund)

- ***Program 7.B: Fair Housing Referrals***

Continue the City's referral arrangement with ECHO Housing on fair housing issues and discrimination complaints.

Description:

The City presently refers discrimination complaints to the ECHO Housing, a Countywide non-profit agency. If mediation fails and enforcement is necessary, tenants may be referred to the State Department of Fair Employment and Housing or HUD, depending on the complaint.

Responsible Parties:	City Clerk / City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund)

GOALS, POLICIES, AND ACTIONS
~~PUBLIC REVIEW DRAFT~~TRACK CHANGES VERSION

7. Five-Year Action Program

OVERVIEW

The following pages organize the 35 actions listed in Chapter 6 into an implementation program for 201~~10~~-2014. The City department, agency, or other entity with primary responsibility for each action has been identified in **bold** type. Where actions have funding requirements or fiscal impacts, potential sources of funding are identified. The list of funding sources is not intended to be exclusive; other sources may also be explored as each action is implemented.

The Implementation Program also identifies the proposed timing of each action. The time horizon begins upon adoption of the Housing Element in 201~~10~~ and runs through 2014. Most of the actions should be implemented within the next two years or should be implemented on an ongoing and continual basis.

Table 7-1: Summary of Quantified Objectives, 2011-2014				
Income Category	New Construction	Home Rehabilitation	Age in Place Retrofits	Energy Efficiency
Extremely Low Income	3	10	10	25 (solar) 20 (retrofits)
Very Low Income	6 ¹			
Low Income	8 ²			
Moderate Income	9 ³			
Above Moderate Income				
Single Family	10			
Multi-Family (PG&E)	7			

¹ Rent-restricted second units

² Includes 4 rent-restricted second units and 4 second units rented at market rates

³ Market rate second units

FIVE-YEAR ACTION PROGRAM
PUBLIC REVIEW DRAFT TRACK CHANGES VERSION

Table 7-2: Housing Action Plan				
Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
1.A: Vacant Land Inventory	City Planning, City Clerk	General Fund (staff time)	201 10 , ongoing	Completed for 2010 Housing Element. Should maintain in future years.
1.B: Redevelopment of the PG&E Site	City Planning, Planning Commission, City Council	Project-Related Fees	2010 Ongoing	Progress subject to private real estate market conditions
1.C: Market-Rate Second Unit Production	City Planning, Building Official	General Fund, Permit Fees	Ongoing	This is an ongoing initiative undertaken by City Planning staff
1.D: Second Unit Rental Data Tracking	City Clerk, City Planning	General Fund (staff time)	Fall, 201 10 , ongoing	
1.E: Allowing Multi-family housing and mixed use in the Commercial Zone	City Planning, Planning Commission, City Council	General Fund (staff time)	Fall 201 10	Part of a package of changes to be made to Chapter 17 of the Piedmont Municipal Code
1.F: Modifications to Lot Size Requirements	City Planning, Planning Commission	General Fund (staff time)	Fall, 2011	
<u>1G: Facilitating Multi-family Development</u>	<u>CityPlanning</u>	<u>General Fund (staff time)</u>	<u>2012-2013</u>	
2.A: Apply for CDBG Funding	City Planning, Finance Department, City Clerk	General Fund (staff time)	Ongoing	
2.B Preservation of Small Homes (through zoning and design review)	City Planning, Planning Commission, City Administrator	General Fund (staff time)	Ongoing	Regular City program, implemented through zoning and design review
2.C Use of Original Materials and Construction Methods	Building Official, City Planning, Planning Commission	General Fund (staff time)	Ongoing	Standard operating procedure
2.D Condominium Conversions	City Council	N/A	Ongoing	Standard operating procedure
2.E Streamlining Design Review (Study Sessions)	Planning Commission, City Planning, City Council	General Fund (staff time)	<u>Underway</u> Fall 2010	Done periodically
<u>2.F:Updating Design Guidelines</u>	<u>City Planning, Planning Commission, City Council</u>	<u>General Fund (staff time)</u>	<u>2012-13</u>	

FIVE-YEAR ACTION PROGRAM
PUBLIC REVIEW DRAFT TRACK CHANGES VERSION

Table 7-2: Continued

Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
3.A: Second Unit Ordinance Assessment	City Planning , Planning Commission, City Council	General Fund (staff time)	201 2 ⁴	Comprehensive study and evaluation of the second unit ordinance.
3.B: Affordable Second Unit Public Information Campaign	City Planning , Planning Commission	General Fund (staff time)	201 2 ⁴	
<u>3C: Monitoring Affordable Second Unit Opportunities</u>	<u>City Planning, City Clerk, Building Official</u>	<u>General Fund (staff time)</u>	<u>Ongoing</u>	
<u>3.D: Monitoring Additional Second Unit Opportunities</u>	<u>City Planning</u>	<u>General Fund (staff time)</u>	<u>Ongoing</u>	
4.A: Media Strategy	City Planning , City Clerk	General Fund (staff time)	Ongoing	Focus is on website improvements, press releases, etc.
4.B: Home Improvement Seminars	Planning Commission	General Fund (staff time)	Ongoing	Special sessions hosted by the Planning Commission
4.C: Building Code Updates and Ongoing Enforcement	Building Official , City Council	General Fund (staff time)	Ongoing	Done as needed, standard operating procedure
4.D: Review of Planning and Building Fees	Finance Director , City Administrator, City Planning, City Council	General Fund (staff time)	Ongoing	Done annually as part of the budget process
4.E: Add Temporary staff as needed	Public Works , City Council	Permit Fees (staff time)	Ongoing	Standard operating procedure
4.F: CIP Updates	Public Works , CIP Committee, City Council	General Fund (staff time), CIP budget	Ongoing	CIP Committee advises City Council on annual expenditures
4.G: Amendment to Parking Standards	Public Works , City Planner, Planning Commission	General Fund (staff time)	Fall 2011 2010	Should be done in conjunction with 1.E and other zoning ordinance changes
4.H: Study alternatives to Bonding Requirements	Public Works , City Attorney, City Council	General Fund (staff time)	201 2 ⁴	
<u>4I: Monitor the Effects of the City Charter</u>	<u>City Planner</u>	<u>General Fund (staff time)</u>	<u>Annually</u>	
5.A: Shared Housing Program	City Planner , City Administrator, City Clerk	General Fund (staff time)	201 2 ⁴	Will require coordination with ECHO Housing
5.B: Allowances for Temporary Home Improvements	City Planner , Building Official	General Fund (staff time)	Ongoing	Standard operating procedure

FIVE-YEAR ACTION PROGRAM
PUBLIC REVIEW DRAFT TRACK CHANGES VERSION

Table 7-2: Continued

Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
5.C: Assistance to Non-profit Developers	City Administrator, City Planner	General Fund (staff time)	Ongoing	Standard operating procedure
5.D: Accommodation for Disabled Persons	City Planner	General Fund (staff time)	201 2 ⁴	Involves outreach and preparation of web-based resources.
5.E: Zoning Amendment for Emergency Shelter	City Administrator, City Planner, City Council	General Fund (staff time)	Fall 201 1 ⁹	Should be done in conjunction with 1.E, 4.G, etc. within 12 months of Housing Element adoption
5.F: Housing Support for Families in Crisis	City Administrator, City Council	General Fund (staff time)	Ongoing	Standard operating procedure
5.G: EveryOne Home Program	City Planner, City Council	General Fund (staff time)	Ongoing	Was initiated in October 2009
5.H: Faith Community Participation	City Council	General Fund (staff time)	Ongoing	Standard operating procedure
<u>5I: Second Units for Extremely Low Income Households</u>	<u>City Planner, City Clerk</u>	<u>General Fund (staff time)</u>	<u>Ongoing</u>	
<u>5J: Incentives for Extremely Low Income Housing</u>	<u>City Planner, Building Official</u>	<u>General Fund (staff time)</u>	<u>2012</u>	
6.A: Enforce Title 24	Plan Checker/ Building Official	Permit Fees (staff time)	Ongoing	Standard operating procedure
6.B: Green Housing (Building Code changes)	Building Official, City Planner	General Fund (staff time)	Ongoing	Includes monitoring changes to state legislation
6.C: Renewable Energy Funding Assistance	City Planner	Grants (for administrative costs)	Ongoing	Program approved in January 2010
6.D: Financial Assistance (to reduce energy costs)	Building Official, City Planner, City Clerk	PG&E, State and federal programs	Ongoing	Standard operating procedure, includes REACH, CARE, LIHEAP, rebates. etc
7.A: Public Information on Fair Housing	City Clerk	General Fund (staff time)	Ongoing	Includes expanded web-based materials and web links
7.B: Fair Housing Referrals	City Clerk, City Planner	General Fund (staff time)	Ongoing	Requires coordination with ECHO Housing