



City of Hercules 2023-2031 Housing Element

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ACKNOWLEDGMENTS



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Chapter 1

INTRODUCTION



Background & Purpose

The City of Hercules, incorporated in 1900, is located on the southeast shore of the San Pablo Bay in Contra Costa County. A small community, the population remained well under 1,000 until it began its growth in the 1970s, whereby the population had reached approximately 6,000 by 1980 and 16,800 by 1990. Between 2010 and 2020, as reported by the Census, the population of Hercules grew approximately 5.25 percent, from 23,825 to 25,075 residents. The Association of Bay Area Governments (ABAG) growth forecasts predict a steady increase in population through 2040. From 2020 to 2040, ABAG estimates that the City's population will grow by 14.14 percent.

Originally inhabited by the Miwok and Ohlone people, the area was part of a tract of land known as "Pinole y Canada del Hambre," which was granted to Ygnacio Martinez for his service as the commandant of the Presidio of San Francisco. This area became part of the United States in 1848 with the rest of California as part of the Treaty of Hidalgo. The City of Hercules has a unique history which has transformed the City from a small company town to a bustling and thriving community.

In the late 1800s, the Industrial Revolution changed the face of business throughout the country. The California Powder Works company was a part of this revolution and played a key role in the formation of the city now known as Hercules. The California Powder Works factory made black powder, an explosive substance used mostly in guns. The company opened in Hercules in 1879 and incorporated the town on December 14, 1900.

The first City Council consisted of plant managers who passed ordinances primarily to ensure the success of their products. California Powder Works sold its dynamite under the name Hercules Powder, in honor of the Greek mythological hero, making Hercules a natural choice for the name of the new City. The dangers of producing explosives, the growing Bay Area population, and changing market trends forced plant managers to transition the plant to fertilizer, and dynamite manufacturing was discontinued in 1964. When the plant switched to fertilizer production, it was renamed Hercules and incorporated, and major land

owners sold tracts of land near the plant to residential developers.

In 1976, Hercules, Inc. was sold to Valley Nitrogen Producers, which ended up closing the plant a year later. Another big influence in the development of the City of Hercules was the Pacific Refinery Company. The refinery opened in 1966 and provided quality jobs to residents as well as valuable revenue to the City. Pacific Refinery provided so much revenue that the City did not truly feel the effects of Proposition 13 until after the refinery closed in 1995. The first housing subdivision in Hercules was built in 1975, and beginning in 1980 and continuing into the 1990s, the City added substantial new housing, shopping centers, civic centers, making it one of the fastest growing suburbs in California during the 1980s. During the 1990s, the City's neighborhoods felt disconnected, and there was an increasing need for city services coupled with budget constraints. In 2000, the City involved over 300 participants (citizens and stakeholders) in a charrette process to establish a coherent vision for the City. This process resulted in the Central Hercules Plan, which lays out how four under-developed neighborhoods could be transformed into thriving, distinct neighborhoods. The City continued to add new subdivisions in the early 2000s as well as new live/work and transit-oriented developments. Hercules continues to pursue transit-oriented development using smart growth principles and ensuring that development conforms to the Central Hercules Plan.

More recently, the City has focused on residential development, and in 2006 strongly opposed Walmart supercenter store, subsequently using eminent domain to prevent the development and then purchasing the land back from Walmart. The City then undertook an extensive planning effort to increase residential opportunities with the Waterfront District Master Plan and the New Town Center District.

Regulatory Framework

The Housing Element is a mandatory General Plan element. It identifies ways in which the housing needs of existing and future residents can be met. State law requires that all cities adopt a Housing Element and describes in detail the necessary contents of the Housing Element. California planning law provides more detailed requirements for the Housing Element than for any other General Plan element. This Housing Element responds to those requirements and responds specifically to conditions and policy directives unique to Hercules.



The California Legislature has identified the attainment of a decent home and suitable living environment for every Californian as the state's main housing goal. Recognizing the important part that local planning programs play in pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of their comprehensive General Plans. Section 65581 of the California Government Code reflects the legislative intent for mandating that each city and county prepare a Housing Element:

1. To ensure that counties and cities recognize their responsibilities in contributing to the attainment of the State housing goal
2. To ensure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goals
3. To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs

4. To ensure that each local government cooperates with other local governments to address regional housing needs

Scope and Content of the Housing Element

The Housing Element covers the planning period of January 31, 2023 through January 31, 2031 and identifies strategies and programs to: 1) encourage the development of a variety of housing opportunities; 2) provide housing opportunities for persons of lower and moderate incomes; 3) preserve the quality of the existing housing stock in Hercules; 4) minimize governmental constraints; and 5) promote equal housing opportunities for all residents.

Toward these ends, the Housing Element consists of:

- An introduction of the scope and purpose of the Housing Element
- A Housing Plan to address the identified housing needs, including housing goals, policies, and programs
- An analysis of the City's demographic and housing characteristics and trends
- A review of potential market, governmental, and environmental constraints to meeting the City's identified housing needs
- An evaluation of land, administrative, and financial resources available to address the housing goals
- A review of past accomplishments under the previous Housing Element

Acronyms

This element includes use of many acronyms to identify agencies, housing programs, funding sources, and planning terms. Commonly used acronyms are:

AFFH	Affirmatively Furthering Fair Housing
AI	Analysis of Impediments to Fair Housing
ACS	American Community Survey
AMI	Area Median Income
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CHAS	Comprehensive Housing Affordability Strategy
CHDO	Community Housing Development Organization
DOF	State of California Department of Finance
HCD	State of California Department of Housing and Community Development
HUD	Federal Department of Housing and Urban Development
LIHTC	Low-Income Housing Tax Credit
MFI	Median Family Income

MRB	Mortgage Revenue Bonds
RHNA	Regional Housing Needs Assessment
ABAG	Association of Bay Area Governments
SRO	Single Room Occupancy
TOD	Transit-Oriented Development

Relationship to Other General Plan Elements

State law requires that the General Plan and all individual elements collectively form an "integrated, internally consistent, and compatible statement of policies." The goals, policies, and programs of this Housing Element are consistent with the goals, policies, and programs contained in other elements of the City of Hercules General Plan. When any element of the General Plan is amended, the City will review the Housing Element and if necessary, prepare an amendment to ensure continued consistency among elements. Several new laws require additional General Plan update requirements upon revision of the Housing Element. Concurrent with the Housing Element, the City undertook a focused General Plan update to address safety and environmental justice policies. As such, information on flood hazard, flood management, fire hazards, evacuation routes, wildfire hazard and risk reduction, and climate adaptation will be up to date. Consistent with State law, the City will initiate a review of the entire General Plan, especially land use provisions after any subsequent amendment to the Housing Element or other General Plan elements to ensure internal consistency is maintained.

Public Participation

The Housing Element must reflect the values and preferences of the community; therefore, public participation plays an important role in the development of this Element. Section 65583(c) (7) of the Government Code states: "The local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." This process not only includes residents of the community, but also coordinates participation among local agencies and housing groups, community organizations, and housing sponsors. A comprehensive Public Engagement Plan was developed to guide the community outreach process of the Housing Element. Through this outreach process, the strategies in the Housing Element were defined. This 2023 Housing Element Update builds upon these strategies, maintaining direction defined in the extensive General Plan outreach process. Community outreach for the 2023 Housing Element update included two workshops, a community survey, interviews with identified stakeholders, and a stakeholder workshop, study sessions with the joint Planning Commission and City Council, and a digital education campaign, including a website, and social media posts. Outreach for the sixth cycle Housing Element was challenging because much of the update process occurred following the COVID-19 pandemic. Restrictions on public gatherings prevented the City from holding traditional public workshops. Instead, the city utilized online engagement tools, including an online survey, social media posts, provision of links to online resources, and online documents to provide opportunities for the community to share their feedback. Following guidance from public health agencies regarding public gatherings and COVID-19, all workshops and meetings were held virtually using online video conferencing. The workshops, survey, and outreach material were accessible to English, and no requests were made for materials in languages for non-English speakers.

Community Workshops

On March 17 and April 21, 2022, the City conducted community workshops to gather input from key local stakeholders, housing advocates, and residents. The meeting included a PowerPoint presentation about the intent of the Housing Element update and Regional Housing Needs Assessment (RHNA), opportunities to meet local housing needs, and creative approaches to address the City's constraints to housing production, which was followed by a facilitated discussion regarding housing issues. The first workshop had 37 attendees and the second workshop had 6 attendees. To ensure that the housing concerns of low- and moderate-income and special needs residents were addressed, the City notified agencies and organizations that serve these communities in Hercules and surrounding areas. The list of agencies and organizations invited to the workshop are listed in Appendix A and included nearly 100 groups and agencies working with special needs groups, civic and religious groups, and housing developers and local businesses. Outreach for the workshops was conducted via list-serv emails, social media posts, and emails to the stakeholder list. Information was posted on the General Plan/Housing Element website. A summary of the workshops is provided in Appendix A.

Stakeholder Interviews

As part of the Hercules 2023 – 2031 Housing Element, the City identified key stakeholders, documented in the Public Engagement Plan (PEP) and provided, as well as a summary of the interviews, in Appendix A. The City conducted eight interviews with both internal and external community members and stakeholders, all held via telephone, videoconference, and/or email. These interactions provided an opportunity for participants to share their feedback the City of Hercules' strengths, challenges, while exploring options for future growth. Interviews were conducted as a one-on-one conversation with the project team and stakeholder.

Planning Commission and City Council Study Session

On October 30, 2021, the City conducted the first Planning Commission and City Council Study Session to present proposed key policy directives for the Housing Element based on information gathered during the community workshops, survey, and first subcommittee meeting. The session also covered additional opportunities for engagement before providing an overview of the Housing Element. Upon the conclusion of the first study session presentation, the City provided a timeline for the next steps and then opened the meeting for any final questions or comments. There were no further comments recorded during the first study session.

Public Review Draft Housing Element

The Draft Housing Element was posted on the City's website and distributed to stakeholders on August 9, 2022. During the public review period, a study session with the Planning Commission and City Council was held to provide an additional opportunity for public input prior to submitting the draft to HCD for review and comment. During the meeting, the City's consultant presented a summary of Housing Element requirements, public input, and the content of the Housing Element. There were no public comments received during the study session.

Between June 21, 2022, and July 30, 2022, the draft Housing Element was advertised for public review, and an online comment form was available for the public to provide feedback on the Draft Element. During this time, three public comments were received.

The Draft Element remained available on the City’s website for additional public review and comment during the HCD review period. As revisions are made to respond to HCD comments, this information was also posted on the City’s website. HCD reviewed the draft Element and provided two comment letters with requests for revisions. The Housing Element was revised in response to these comments, and the public was invited to attend and comment on the Housing Element at hearings held before the Planning Commission and the City Council. The revised Draft Housing Element was available on the website and at City Hall no less than 10 days prior to each hearing.



CHAPTER 2

HOUSING PLAN

This Housing Plan's goals, policies, and programs have been established to address housing issues in Hercules and to meet State law housing requirements. The City's enduring objective is to facilitate and encourage safe, decent housing that fulfills the diverse needs of current and future residents. To achieve this vision, the Housing Plan identifies long-term housing goals and shorter-term policies and programs to address identified housing needs, constraints to development confronting the City, and resources available to address the housing needs. These are informed by recent community input, the housing needs assessment (Chapter 3), housing constraints analysis (Chapter 4), housing resources analysis (Chapter 5), and the review of program accomplishments for the previous (2015-2023) Housing Element (Chapter 6).

To make adequate provision for the housing needs for people of all income levels, state law (Government Code 65583[c]) requires that the City, at a minimum, identify programs that do all of the following:

- Identify adequate sites, with appropriate zoning and development standards and services, to accommodate the locality's share of the regional housing needs for each income level.
- Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households.
- Address and, where possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for people at all income levels, as well as housing for people with disabilities.
- Conserve and improve the condition of the existing affordable housing stock and preserve assisted housing developments at risk of conversion to market-rate housing.
- Promote equal housing opportunities for all people, regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

The programs below identify the actions that will be taken to make sites available during the planning period with appropriate land use and development standards and with services and facilities to

accommodate the City's share of regional housing need for each income level. The programs also address identified housing issues in Hercules and approaches to meet State law housing requirements.

Programs generally include a statement of specific City action(s) necessary to implement a policy or goal and identify the City department or other agency responsible for implementation, the quantified objectives (where applicable), and a timeframe for completion. A summary of quantified objectives is included following the program descriptions.

Goals and Policies

A. Assist in the Development and Preservation of Affordable Housing

Hercules strives to have a balanced community, with housing units available for all income segments of the population. Prior to its dissolution, the Redevelopment Agency facilitated the production of affordable for-sale and rental housing through the provision of both financial and regulatory incentives. With the dissolution of the Redevelopment Agency, the City supports affordable housing through participation in the CDBG and HOME programs, through technical assistance and regulatory incentives, and through regional programs.

Goal H1: Assist in the provision of adequate housing to meet the needs of the community. Establish a balanced approach to meeting housing needs that includes the needs of both renter and owner households.

Policy H1.1 Facilitate development of housing affordable to lower-income households by providing technical assistance, regulatory incentives and concessions, and financial resources as funding permits.

Policy H1.2 Encourage and provide incentives for both the private and public sectors to produce or assist in the production of affordable housing, with emphasis on housing affordable to persons with disabilities, seniors, large families, female-headed households with children, and people experiencing homelessness.

Policy H1.3 Establish partnerships with private developers and non-profit housing corporations to assist Hercules in meeting its housing goals.

Policy H1.4 As funding allows, provide rental assistance to address existing housing problems and support regional programs to assist prospective homebuyers.

Program H1-1: First-Time Homebuyer Assistance Programs

The City of Hercules is committed to supporting first-time, low- and moderate-income homebuyers by facilitating access to various housing assistance programs. They are actively promoting the Down Payment Assistance program offered by Cal Home, directing residents to the Community Housing Development Corporation (CHDC) for eligibility review, and encouraging applications to the federal Home Ownership Program (HOP) funded by HOME Investment Partnerships Program (HOME) funds from HUD. Additionally, the City will be collaborating with local service providers and community organizations to raise awareness of these programs through multiple channels including the City's website, social media, flyers at city facilities, and staff assistance at City Hall. The overall goal in this cycle is to increase access to information about available resources for all community members by referring individuals and tracking annual statistics.

Specific Actions and Timeline	<ul style="list-style-type: none"> Continue to support first-time, low- and moderate-income home buyers in Hercules by connecting interested residents and members of the public to the Down Payment Assistance program run locally by Cal Home. Direct residents to the Community Housing Development Corporation (CHDC) offices and website and review key eligibility requirements. Advertise and encourage interested first-time, low-income homebuyers in Hercules to apply for the federal Home Ownership Program (HOP), financed with HOME funds provided by the U.S. Department of Housing and Urban Development (HUD). Coordinate with Hercules service providers and other community-based organizations to publicize these housing assistance programs. Provide information on these programs on the City's website and via social media, through flyers posted at City facilities, and via staff assistance at City Hall.
Primary Responsible Departments/Division	Community Development Department
Resources	Departmental Budget; HOME; Federal Income Tax Credit
Relevant Policies	Policy H1.2, Policy H1.3

Program H1-2: Affordable Housing Partnerships and Funding Sources

The City is actively engaged in expanding affordable housing initiatives through collaboration with agencies and organizations, facilitating construction, rehabilitation, and financial aid for renters and owners. They provide access to housing programs via the City website and seek partnerships and funding from various sources such as CAIPFA, CHFA, and federal programs like HOME and LIHTC. Additionally, the City provides loans and grants to maintain housing quality for lower-income households, while actively pursuing state, federal, and private funding to leverage local resources. They track funding sources annually, ensure compatibility with affordable housing goals, and maintain regular contact with affordable housing agencies and developers. Furthermore, they coordinate annual gatherings of stakeholders, create a database of suitable development sites, and establish a streamlined process to prioritize affordable housing applications.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Work with agencies and organizations to increase affordable housing activities such as construction, rehabilitation, or financial assistance to renters and owners. Provide a link to available housing programs for residents and developers on the City website. Facilitate partnerships and programs to continue and/or pursue funding sources that include but are not limited to: California Public Finance Authority (CAIPFA), California Housing Finance Agency (CHFA), Housing Authority of Contra Costa County, HOME Investments Partnership program (HOME) and Low-Income Housing Tax Credit Funds (LIHTC) with the goal developing two affordable housing projects during the time period. ▪ As federal funding permits, continue providing loans and grants to maintain a high-quality housing stock, and assist lower-income households and property owners in maintaining affordable housing units. ▪ Actively support efforts to secure state, federal, and private funding sources as a means of leveraging local funds and maximizing assistance for the development of extremely low-, very low-, low-, and moderate-income households. And track these funding sources annually and screen for funding sources that are compatible with the affordable housing goals of the jurisdiction. ▪ Proactively contact affordable housing agencies and organizations, including affordable housing developers on an annual basis. ▪ By 2025, coordinate or participate in an annual convening of affordable housing agencies, organizations, or developers. ▪ By 2024, create a database of sites to help developers identify suitable sites for affordable residential and mixed-use developments.
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	<ul style="list-style-type: none"> By 2025, Develop a process that prioritizes the processing of affordable housing applications.
Primary Responsible Departments/Division	Community Development Department
Resources	Departmental Budget; CDBG; HOME
Relevant Policies	Policy H1.4

Program H1-3: Housing Choice Voucher Program

The City is committed to supporting the Housing Choice Voucher (HCV) Program by directing eligible households to the Contra Costa Housing Authority's rental assistance program. They actively engage landlords, providing information on participation in the program and promoting HCV use in high-resource areas. Additionally, the City aims to expand participation by adding information for property owners and landlords on the City's website and advertising informational seminars conducted by the County. Through these proactive measures, the City seeks to enhance access to affordable housing options and facilitate the utilization of Housing Choice Vouchers within the community.

Specific Actions and Timeline	<ul style="list-style-type: none"> Continue to support the Housing Choice Voucher (HCV) Program. Direct eligible households to the Housing Choice Voucher rental assistance program managed by the Contra Costa Housing Authority. Provide information to landlords regarding participation in the Housing Choice Voucher Rental Assistance Program. Work with the Contra Costa Housing Authority to promote Housing Choice Voucher use in high resource areas in the city. By 2024, expand the location of participating voucher properties by adding information for property owners and landlords to the City's website about participation in the Housing Choice Voucher Rental Assistance Program and advertising the County's Informational Seminars for Landlords.
Primary Responsible Departments/Division	Contra Costa Housing Authority; Community Development Department
Resources	HUD
Relevant Policies	Policy H1.2

Program H1-4: Monitor and Preserve Affordable Housing and At-Risk Housing

The City commits to leveraging Community Development Block Grant (CDBG) funds or other available resources to offer financial assistance for minor repairs to homes owned and occupied by lower-income residents. Eligible repairs encompass a wide range of essential maintenance tasks such as plumbing, electrical, painting, carpentry, roof repairs, and masonry work. By prioritizing the allocation of these funds, the City aims to improve the living conditions and safety of residents in need, ultimately enhancing the overall quality of housing within the community.

Specific Actions and Timeline	<ul style="list-style-type: none"> Throughout the planning period, utilize CDBG or other funds, as available, to provide financial assistance for minor repairs of homes owned and occupied by lower-income residents. Eligible repairs include plumbing, electrical, painting, carpentry, roof, and masonry, with a goal of assisting 16 households.
Primary Responsible Departments/Division	Contra Costa Housing Authority; Community Development Department
Resources	Department Budget, General Fund, HUD
Relevant Policies	Policy H1.4

Program H1-5: Code Enforcement

The Code Enforcement Division is responsible for enforcing City Municipal Codes and specific state codes that address public health and safety, property maintenance regulations dealing with rubbish, debris, overgrown yards/vegetation, lack of landscaping, unsecured vacant buildings, dilapidated fences and walls, inoperable abandoned vehicles on private property, and other public nuisance conditions. Enforcement actions are taken proactively and in response to citizen complaints and requests for action by other City departments and outside public agencies. The City will continue using code enforcement to identify housing maintenance issues and to expedite rehabilitation of substandard and deteriorating housing by offering technical assistance or assistance referrals to homeowners and occupants. The City provides information on the Code Enforcement program. It includes the process to file complaints, appeal a violation, and provides a detailed description of code violations enforced by the Code Enforcement Division. As new projects, code enforcement actions, and other opportunities arise, the City will investigate ways to meet its housing needs by rehabilitating and preserving existing units.

Specific Actions and Timeline	<ul style="list-style-type: none"> Throughout the planning period, inspect all inquiries of code enforcement violations and document in annual report
Primary Responsible Departments/Division	Community Development Department

Resources	Department Budget, General Fund
Relevant Policies	Policy H1.4

B. Encourage Housing Variety

Meeting the housing needs of all residents in the community requires the identification of adequate sites for all types of housing. By capitalizing on the allowances in the Zoning Ordinance and continuing to maintain an inventory of potential sites, the City will ensure that adequate residentially zoned and mixed-use sites are available.

Goal H2: **Encourage a variety of housing types to meet the existing and future needs of Hercules residents.**

Policy H2.1 Accommodate a range of residential development types in Hercules, including low-density single-family homes, moderate-density townhomes, higher-density multi-family units, and residential/commercial mixed use in order to address the City's share of regional housing needs.

Policy H2.2 Continue to maintain an up-to-date residential sites inventory and provide information to interested developers in conjunction with information on available development incentives.

Policy H2.3 Encourage development and long-range planning that uses compact urban forms that foster connectivity, walkability, and use of alternative transportation modes, particularly within the Hercules Hub (planned train station) planning area.

Policy H2.4 Continue to allow accessory dwelling units (ADUs) as a means of providing additional infill housing opportunities.

Policy H2.5 Support the provision of high-quality rental housing for large families, students, and senior households.

Policy H2.6 Encourage preservation and development of housing for low- and moderate-income households to be located in many different locations and not concentrated in any single portion of the city.

Policy H2.7 Encourage infill development and recycling of land to provide adequate residential sites and support the assembly of small vacant or underutilized parcels to enhance the feasibility of infill development.

Program H2-1: Ensure Adequate Sites to Accommodate Regional Fair Share of Housing Growth

The City has a Regional Housing Needs Assessment (RHNA) of 344 extremely low/very low-income, 198 low-income, 126 moderate-income, and 327 above moderate-income units for the 2023-2031 RHNA planning period (995 units total). As of May 2024, the City can credit 929 units against its RHNA (0 extremely low/very low, 10 low, 31 moderate, and 888 above moderate-income units) using pipeline projects. The City has a remaining RHNA of 627 units (344 extremely low/very low, 188 low, 95 moderate,

and zero above moderate-income units) for which the City must identify adequate sites. Based on existing zoning, the sites inventory includes 855 units in capacity (469 extremely low/very low, 197 low, 189 moderate, and zero above moderate), 402 units from vacant land, and 453 units from nonvacant land. Of the 666 combined lower-income units, only 264 units (40 percent) are being accommodated on non-vacant sites. Therefore, the City is not required to rezone to accommodate its remaining RHNA, nor does the City rely on nonvacant land to accommodate more than 50 percent of its remaining lower-income RHNA. No rezoning is required and both nonvacant sites are primarily used as a transit center and maintenance yard.

A portion of this target will be achieved with credits for approved and proposed projects. The sites inventory identifies vacant and underutilized land in residential and mixed-use zones, as well as projections about ADUs, and shows that the City can adequately accommodate the remaining RHNA under existing General Plan and Zoning Ordinance standards.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ By 2025, maintain an inventory of available sites for residential development and provide it to prospective residential developers upon request. ▪ Continue to track new housing projects and progress toward meeting the City's RHNA and post the sites inventory on the City's webpage. ▪ Create a regulatory environment that enables the private market to build a variety of housing types for all income levels. ▪ By the end of 2026, the City will pass a resolution stating that the Caltrans excess land will be pursued for the housing/mixed use development. ▪ Beginning in 2025, proactively engage Caltrans to develop a long-range land use vision for the Caltrans site. By the end of 2027, partner with developers to pursue the decertification or disposition process for a portion of the Caltrans site for residential/mixed use development. If by the end of 2028 that development of housing on the Caltrans site is determined to be infeasible, identify and rezone as necessary alternative sites to fully accommodate the RHNA for all income categories.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1

Program H2-2: Mixed-Use and TOD Sites Lot Consolidation

The City remains committed to fostering residential development within mixed-use zones and the transit-oriented Waterfront District Master Plan area. This involves providing zoning and development standards that support residential and mixed-use projects, with a focus on incentivizing the inclusion of affordable units. Regular monitoring of development interest and progress ensures adaptive planning strategies. Furthermore, the City encourages parcel consolidation in mixed-use areas, offering technical assistance and advertising opportunities to property owners and potential developers. Through proactive outreach and support, the City aims to maximize the potential for mixed-use residential development, including affordable housing, in alignment with community goals and planning initiatives.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Continue to facilitate the construction of residences in mixed-use zones and within the transit-oriented Waterfront District Master Plan area. Continue to provide zoning and development standards to facilitate residential and mixed-use development within the transit-oriented Waterfront District Master Plan Area, including incentives for the inclusion of affordable units with the goal of developing at least one transit-oriented residential project. ▪ Continue to monitor development interest, inquiries, and progress towards mixed-use development. Periodically reevaluate approach and progress. ▪ Continue to provide incentives for consolidation of parcels in mixed-use areas, including rounding up when calculating allowable units. Provide technical assistance with consolidation of parcels. Technical assistance includes land development counseling by Community Development staff with a goal of establishing at least one land consolidation for the purpose of residential housing development. ▪ Advertise potential site opportunities to existing property owners and prospective mixed-use and affordable housing developers. Advertisement actions may include preparation and distribution of a brochure with information about program incentives and an invitation to attend a working session to discuss opportunities for lot consolidation and mixed-use residential development, including affordable housing development with the goal of developing at least two residential projects.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget

Relevant Policies	Policy H2.2, Policy H2.3
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Program H2-3: Senior Housing

Review/revise Zoning Ordinance to provide appropriate standards to encourage development of senior housing to meet the needs of the City's growing senior population. This should include alternative entitlement procedures if senior housing is consistent with applicable property development and performance standards. Currently, a Conditional Use Permit is required for any senior housing in a residentially zoned district in Hercules; this program will consider permitting senior housing through an administrative use process in appropriate zoning districts.

Specific Actions and Timeline	<ul style="list-style-type: none"> By 2024, conduct a comprehensive analysis of the current Zoning Ordinance to identify areas where adjustments can be made to better accommodate the development of senior housing. This analysis should consider factors such as zoning regulations, density requirements, setback provisions, and parking standards. By 2025, engage with stakeholders, including local senior advocacy groups, developers, and residents, to gather input and insights on the specific needs and preferences of the senior population in Hercules. This collaborative approach will ensure that any revisions to the Zoning Ordinance are tailored to address the unique requirements of senior housing. By 2026, develop and propose amendments to the Zoning Ordinance that introduce alternative entitlement procedures specifically tailored to senior housing projects. This may include streamlining the approval process for senior housing developments that comply with applicable property development and performance standards, such as considering senior housing as an administrative use in appropriate zoning districts rather than requiring a Conditional Use Permit. These amendments should be presented to the City Council for review and adoption after thorough evaluation and public input.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.5

Program H2-4: Accessory Dwelling Units (ADUs)

The City is proactively addressing accessory dwelling unit (ADU) development by staying abreast of revisions to state law and promptly updating the City's ADU Ordinance to ensure compliance. In January 2021 and again in January 2023, the City amended its Zoning Ordinance to address changes in state housing law affecting local regulation of Accessory Dwelling Units. In addition, a public outreach program is being implemented to promote ADU development, including the creation of an information packet and utilizing various channels such as the City's website, social media, and City events to advertise ADU opportunities. Additionally, the City is coordinating with Code Enforcement to address unpermitted ADUs, providing support and information to encourage their conversion into permitted units.

Efforts also include responding to ADU inquiries, supporting outreach initiatives, and collaborating with neighboring jurisdictions and organizations like ABAG to participate in educational opportunities and incentives for the community. Monitoring ADU permit applications and approvals, including their affordability, is integral, with data reported through the Housing Element Annual Progress Report process. Should targets not be met, mid-term adjustments and additional incentives will be identified and implemented to ensure sufficient housing opportunities during the planning period. Through these proactive measures, the City aims to facilitate ADU development and address housing needs effectively.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Upon HCD's review of the City's updated ADU Ordinance (adopted April 2023), the City will amend the ordinance if necessary to be consistent with ADU law by the end of 2024. ▪ Establish, by 2025, a public outreach program to encourage ADU development, including developing an information packet to market ADU construction. Opportunities could include advertising ADU development opportunities on the City's website, through social media, at City Hall, and at City events, with the overall goal of the construction of 16 ADUs. ▪ Continue coordinating with Code Enforcement on cases of unpermitted ADUs and provide information to the applicant/homeowner to encourage conversion of existing unpermitted ADUs into permitted ADUs. ▪ Respond to ADU inquiries and support outreach efforts. ▪ Coordinate with neighboring jurisdictions and ABAG to participate in educational opportunities and incentives for the Hercules community, such as workshops on ADUs, stock plans, etc. ▪ Annually monitor ADU permit applications and approvals (including the affordability of constructed ADUs) through the mandatory Housing Element Annual Progress Report process.
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Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget; State Grants
Relevant Policies	Policy H2.4

Program H2-5: Alternative Housing Models

The City is proactively addressing housing diversity by encouraging the provision of innovative housing types suitable for the community. This includes modular homes, middle housing types, community care facilities, supportive housing, and assisted living for seniors. Efforts are focused on promoting these alternative housing models during discussions with developers to foster their inclusion in future projects.

Additionally, the City is reviewing and modifying the Zoning Ordinance to ensure that manufactured housing is subject to the same standards applicable to conventional single-family dwellings. This ensures that all housing options meet appropriate safety and quality standards, regardless of their construction type.

Through these proactive measures, the City aims to broaden the range of housing options available to residents, promote inclusivity, and address the diverse needs of the community effectively.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Encourage the provision of innovative housing types that may be suitable for the community, including modular homes, middle housing types, community care facilities, supportive housing, and assisted living for seniors. ▪ Promote alternative housing models during discussions with developers. ▪ By 2026, review the Zoning Ordinance (Section 13-7.500) and modify as necessary to ensure that manufactured housing is subject to the same standards applicable to conventional single-family dwellings.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1

Program H2-6: No Net Loss

Government Code §65863 states that no jurisdiction shall “reduce, or require, or permit the reduction of, the residential density for any parcel to, or allow development of any parcel at, a lower residential density, or allow development at a lower residential density than projected” for sites identified in the Housing Element sites inventory unless the jurisdiction makes written findings that the reduction is consistent with the General Plan, and that the remaining sites identified in the Housing Element are adequate to accommodate the jurisdiction’s need.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Evaluate residential development proposals for consistency with goals and policies of the General Plan and the 2023-2031 Housing Element sites inventory and make written findings that any density reduction is consistent with the General Plan and that the remaining sites identified in the Housing Element are adequate to accommodate the RHNA by income level. ▪ If a proposed reduction of residential density will result in the residential sites inventory failing to accommodate the RHNA by income level, identify and make available additional adequate sites to accommodate its share of housing need by income level within 180 days of approving the reduced density project.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1

Program H2-7: Replacement of Units on Sites

The City is proactively implementing requirements outlined in Government Code Section 65583.2(g)(3) and Government Code section 66300(d) to ensure the replacement of affordable housing units in any development on nonvacant sites identified in the Housing Element. This includes requiring replacement units affordable to the same or lower income level as those previously existing on the site, as well as adherence to specific affordability criteria outlined in Government Code section 66300(d). These measures aim to maintain housing affordability and prevent the loss of residential dwelling units, contributing to the city's overall housing stability and inclusivity.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ As needed, conduct a thorough review of all development proposals on nonvacant sites identified in the Housing Element to ensure compliance with Government Code Section 65583.2(g)(3) and Government Code section 66300(d). This review process
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	<p>should involve assessing proposed replacement units' affordability levels and comparing them to those of the units being replaced. Any discrepancies or non-compliance issues should be addressed promptly.</p> <ul style="list-style-type: none"> By 2025, establish clear guidelines and criteria for determining the affordability of replacement units based on the income levels of previous occupants and the specific requirements outlined in Government Code section 66300(d). These guidelines should be communicated effectively to developers and stakeholders involved in the development process to ensure a common understanding of expectations regarding affordable housing replacement. By 2026, implement monitoring and enforcement mechanisms to track the progress of affordable housing replacement within development projects. This includes regular inspections and audits to verify that replacement units are constructed and maintained according to the prescribed affordability standards. Any instances of non-compliance should be addressed swiftly through enforcement actions and corrective measures to uphold the City's commitment to maintaining housing affordability and preventing the loss of residential dwelling units.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1, Policy H2.6

Program H2-8: Development on Nonvacant Sites

The City is committed to promoting residential development on nonvacant sites. As funds are available, target nonvacant sites identified in the Housing Element as priorities for fund allocations, if available. Additionally, as part of the annual review of state and federal funding sources for affordable housing development, the development of nonvacant sites will be identified and pursued in conjunction with affordable housing development as an additional pathway for housing production.

The City will expand the opportunities for adaptive reuse of nonresidential existing buildings for housing through the expansion of by-right processes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses and locations that can be converted to support proposed developments. Where appropriate, the City will revise development standards to accelerate housing development in the planning period by updating codes and ordinances that will facilitate development on

nonvacant sites, including prioritizing the approval process for land divisions, lot line adjustments, and/or specific plans or master plans resulting in parcel sizes that enable affordable housing development.

Specific Actions and Timeline	<ul style="list-style-type: none"> Identify and prioritize nonvacant sites identified in the Housing Element for residential development through a comprehensive assessment of available funding sources and potential fund allocations. This process should involve collaborating with relevant stakeholders and conducting periodic reviews of state and federal funding opportunities for affordable housing development to ensure alignment with the City's housing production goals and the issuance of one RFQ/RFP during the planning period. Enhance opportunities for adaptive reuse of nonresidential existing buildings for housing by expanding by-right processes, reducing parking standards, and implementing flexible building standards. This may involve revising development standards to streamline the approval process for land divisions, lot line adjustments, and specific plans or master plans that enable affordable housing development on nonvacant sites. These revisions should prioritize the conversion or replacement of non-residential buildings to residential use and provide increased flexibility on the types of uses and locations suitable for conversion. Facilitate housing development on nonvacant sites by updating codes and ordinances to accelerate the approval process. This includes revising development standards to accommodate affordable housing development and expedite the review and approval of proposed developments. Additionally, the City should provide support and guidance to developers navigating the development process on nonvacant sites, ensuring a smooth transition from planning to implementation.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1

C. Remove Constraints to Housing Development

Market and governmental factors pose constraints to the provision of adequate and affordable housing. These factors tend to disproportionately impact low- and moderate-income households due to their

limited resources for absorbing the costs. Hercules is committed to removing governmental constraints that might hinder the production of housing.

Goal H3 **Minimize the impact of governmental constraints on housing production and affordability.**

Policy H3.1 Review and adjust residential development standards, regulations, ordinances, departmental processing procedures, and residential fees related to rehabilitation and construction that are determined to constrain housing development.

Policy H3.2 Provide regulatory incentives, such as density bonuses and reduced parking, to offset the costs of developing affordable housing.

Policy H3.3 Monitor state and federal housing-related legislation and update City plans, ordinances, and processes as appropriate to remove or reduce governmental constraints

Program H3-1: Zoning Code Amendments

In order to facilitate a variety of housing types, especially housing for lower-income households and those with special needs, the City will remove constraints to housing development by amending the Zoning Ordinance.

<p>Specific Actions and Timeline</p>	<p>Include the following Zoning Ordinance amendments by January 31, 2025:</p> <ul style="list-style-type: none"> ▪ Density Bonus: Update the City's Density Bonus Ordinance to comply with the most recent amendments to State Density Bonus Law, AB 1287. (As of March 2024, the City has already adopted the State Density Bonus Law by reference.) ▪ Development Standards: Review and revise the following uses and development standards in the City's Zoning Ordinance to help promote housing development <ul style="list-style-type: none"> - Single-Family Homes: Remove the Administrative Use permit requirements for single-family homes and allow them by-right in the RS-E and RS-L zones. - Multi-Family Homes: Remove the CUP and PDP requirements and have all multi-family housing projects, regardless of the number of units, but subject to design review only based on objective design standards. - Manufactured Housing: Add a definition for manufactured housing. The definition should include that manufactured housing is allowed in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. (Note: Manufactured
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	<p>housing is separate from mobile homes. The City's mobile home regulations remain unchanged).</p> <ul style="list-style-type: none"> ▪ Use Permit Findings: Finding # 3 for Use Permit applications may be considered subjective due to the "compatible" requirement. Amend the finding in the Zoning Ordinance to remove subjective language with language that provides for approval certainty. ▪ Design Review Findings: Findings #4 and #5 for design review approval contain subjective language that may serve as a constraint to development. Amend these findings to remove subjective language with language that provides for approval certainty. ▪ Residential Care Facilities: Allow group homes that operate as single-family residences and that do not provide licensable services to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences. Ensure that any permitting or approval requirements for group homes that provide licensable services to seven or more residents are consistent with state housing laws. ▪ Reasonable Accommodation Procedures: Amend Finding #6 under the Reasonable Accommodation Procedures Ordinance to remove subjective language with language that provides for approval certainty. ▪ Emergency Shelters: Modify parking requirements for Emergency Shelters to accommodate staff only, pursuant to state law. (As of March 2024, the Zoning Ordinance has already been updated to be consistent with AB 139 and AB 2339.) ▪ Supportive and Transitional Housing: Amend the Residential Land Use Regulations table in the Zoning Ordinance, and associated text, to comply with: <ul style="list-style-type: none"> - SB 745: requires transitional and supportive housing to be considered a regular residential use to be similarly permitted as other similar residential uses in the same zone. - AB 2162: requires that supportive housing meeting specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects to be located within 0.5 mile from transit, no minimum parking requirements may be applied.
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Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H2.1

Program H3-2: Housing for Extremely Low-Income and Low-Income Households

The City proactively supports housing opportunities for extremely low-income and low-income households through various measures. This includes allowing transitional and supportive housing developments and single-room occupancy developments, consistent with Zoning Ordinance provisions. Efforts are underway to update the Zoning Ordinance to comply with state laws such as AB 2162 and AB 101, ensuring streamlined processes for supportive housing and low-barrier navigation centers.

Furthermore, the City is exploring concessions and incentives to encourage the development of affordable housing units, particularly those with deeper affordability targets such as tax credit projects. Funding priorities are aligned with housing needs, with a focus on extremely low-income housing projects. The City is actively assisting in pursuing funding applications for projects targeting extremely low- and low-income households, leveraging resources to maximize housing opportunities for those in need. Through these proactive actions, the City is committed to addressing housing affordability challenges and promoting inclusive communities.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Annually pursue funding at the local, regional, state, and federal levels such as CDBG, CalHome, PLHA, and Project Homekey funds ▪ Examine and negotiate concessions and incentives for the development of affordable housing units, especially on projects that include deeper affordability targets, such as tax credit projects. ▪ Prioritize funding toward extremely low-income housing projects as available, including at least 30% of Housing Asset Funds assisting extremely low-income households. ▪ Assist pursuing funding applications for projects which target housing for extremely low- and low-income households. ▪ Ensure infrastructure is in place to accommodate new housing.
Primary Responsible Departments/Division	Community Development Department, Public Works Department

Resources	Department Budget, Capital Improvement Program
Relevant Policies	Policy H3.1, H3.2, Policy 3.3

Program H3-3: Development Approval Process Streamlining

The City is taking proactive steps to streamline residential development processes and promote housing diversity. This includes providing timely review of development requests with fees covering actual costs, periodic evaluation of processing procedures for efficiency, and conducting detailed analyses of zoning ordinances to identify constraints on housing types. The City is updating its website to include information on streamlining options available through California Government Code, particularly focusing on SB 35 provisions. Additionally, modifications to the AUP and PDP process ensure compliance with AB 101 for low-barrier navigation centers. The City is also reviewing the applicability of use permits for multifamily housing projects in designated zones to clarify the review and permit process. These proactive measures aim to expedite development, encourage housing variety, and ensure compliance with state regulations for housing accessibility and affordability.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Provide timely review of discretionary and non-discretionary residential development requests, with fees sufficient only to cover the actual costs (direct and overhead) incurred by the City. Periodically evaluate land development processing procedures to ensure that project review is accomplished in the minimum time necessary to implement the General Plan and ensure public health, safety, and welfare protection. ▪ Notify local developers about the SB 35 and SB 330 procedures and information that is available on the City's website. ▪ Objective Design Standards are already in place for most of the City's growth areas. Based on grant availability, annually apply for funds to expand the City's Objective Design Standards to multi-family projects citywide with the goal of completing the standards by the end of 2026.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H3.1, H3.2, Policy 3.3

Program H3-4: Reduce Parking Constraints for New Development

The City is proactively monitoring revisions to state law and updating City ordinances as necessary to comply with any reductions in parking requirements. This includes allowing concessions for senior housing and zero-parking requirements for senior and affordable housing units within designated areas like the Waterfront District Master Plan. Ordinance 536 is actively applied to reduce or waive parking requirements to incentivize new development. Furthermore, parking requirements for emergency shelters are being modified to ensure they only accommodate staff, facilitating the provision of crucial services while minimizing unnecessary parking burdens. Through these proactive measures, the City aims to promote efficient land use, support housing affordability, and facilitate the development of essential community services.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Monitor revisions to state law and revise City ordinances as needed to comply with any reductions in parking requirements. ▪ Continue to allow concessions of parking requirements for senior housing, consistent with Zoning Ordinance Section 13-32.1, as well as allowing a zero-parking requirement for senior and affordable housing units within the Waterfront District Master Plan. ▪ Continue to monitor and apply Ordinance 536, which can reduce or completely waive parking requirements to encourage new development.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H3.1, H3.2, Policy 3.3

Program H3-5: Nongovernmental Constraints

Although the City has limited influence over non-governmental constraints, if non-governmental constraints are identified, the City will review and, if necessary, revise any development regulations or processes that can potentially lessen those constraints.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Identify non-governmental constraints affecting development processes and regulations. ▪ Collaborate with stakeholders to gather insights and perspectives on potential revisions to alleviate constraints.
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	<ul style="list-style-type: none"> Propose and implement necessary revisions to development regulations or processes to address identified constraints. Monitor the effectiveness of implemented revisions and adjust as needed to ensure continual improvement in facilitating development.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H3.1, H3.2, Policy 3.3

Program H3-6: Infrastructure Master Planning

Hercules is a forward-thinking community that values inclusive planning. To that end, the City will undertake a General Plan update, including an examination of infrastructure systems, including sewer, stormwater, and other utilities and systems that support the development of local land use policy to ensure systems are adequate and up to date to support planned development. The City provides sewer services in partnership with the City of Pinole, while water is provided by East Bay Municipal Utilities District (EBMUD).

Specific Actions and Timeline	<ul style="list-style-type: none"> By January 31, 2025, adopt a policy to prioritize the allocation of sewer services to affordable housing projects (SB 1087). Upon adoption of the Housing Element, the City will provide a copy of the Housing Element to EBMUD (SB 1087). During the planning period, conduct a comprehensive review of Hercules' General Plan, focusing on land use policy and infrastructure systems such as sewer, stormwater, and utilities. Engage stakeholders from diverse backgrounds to gather input and insights on local development needs and infrastructure requirements. Develop and implement updated land use policies and infrastructure plans that align with the community's vision for inclusive and sustainable development, ensuring systems are adequate and up to date to support planned growth
Primary Responsible Departments/Division	Community Development Department, Public Works Department

Resources	Department Budget, General Fund, Grant Funding
Relevant Policies	Policy H3.1, H3.2, Policy 3.3

D. Promote Equal Housing Opportunity

To fully meet the community's housing needs, housing must be accessible to all residents, regardless of race, religion, family status, age, or physical disability.

Goal H4 **Promote and affirmatively further fair housing opportunities and promote housing throughout the community for all.**

Policy H4.1 Affirmatively further fair housing related to the sale, rental, and financing of housing to avoid discrimination based on race, religion, age, sex, marital status, ancestry, national origin, color, familial status, disability, or any other arbitrary factor.

Policy H4.2 Assist in enforcing fair housing laws by providing support to organizations that can receive and investigate fair housing allegations, monitor compliance with fair housing laws and refer possible violations to enforcing agencies.

Policy H4.3 Facilitate increased participation among traditionally underrepresented groups in the public decision-making process.

Policy H4.4 Promote greater awareness of fair housing practices and requirements and tenant and landlord rights and obligations through outreach and education for the broader community of residents, residential property owners, and operators.

Policy H4.5 Encourage housing construction or alteration to meet the needs of residents with special needs, such as the elderly and disabled.

Program H4-1: Housing for Persons with Special Needs

The City is taking proactive measures to address the housing needs of residents with special needs by supporting affordable housing development tailored to various groups such as farmworkers, the elderly, persons with disabilities, and those experiencing homelessness. This includes revising the reasonable accommodation procedure in the Zoning Ordinance to remove constraining findings, and Zoning Ordinance standards to streamline the approval process for residential care facilities and group homes, ensuring fair treatment and accessibility for persons with disabilities.

Additionally, the City is encouraging developers to incorporate universal design principles into single-family dwellings and promoting services like HomeMatch Contra Costa to assist older adults with shared housing and home maintenance. The use of density bonus ordinances and streamlined application processes is being promoted to encourage affordable housing development, particularly for special needs populations, in moderate-resource areas or higher.

Furthermore, the City is developing a program to prioritize funding proposals for affordable housing developments committed to supporting special needs residents. Through these proactive actions, the City is committed to promoting inclusive and accessible housing opportunities for all residents.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Provide opportunities and encourage the development of housing for residents with special needs by supporting affordable housing development for special needs groups with the goal of creating 35 units of special needs housing within the planning period. ▪ On the City website, make available information from HomeMatch Contra Costa for their services for older adults, including shared housing, extra income, or assistance with home maintenance. Continue to promote the use of the density bonus ordinance, and application process streamlining, to encourage affordable housing, with an emphasis on encouraging special needs housing (e.g., farmworkers, elderly, homeless and persons disabilities, including developmental) in moderate-resource areas, or higher. Annually, send information to regional affordable housing developers and agencies that serve the special needs populations. ▪ By 2026, develop a program to prioritize City funding proposals, should funding become available or identified, to affordable housing developments that are committed to supporting special needs residents (e.g., farmworkers, elderly, homeless and persons disabilities, including developmental)
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget, General Fund, Grant Funding, Local Funding

Relevant Policies	Policy H4.1; Policy H4.5
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Program H4-2: Fair Housing Services

The City is committed to promoting fair housing practices by continuing to support organizations like Fair Housing Advocates of Northern California (FHANC) and Eden Council for Hope and Opportunity (ECHO) Fair Housing, which provide essential services and educational programs. Fair housing complaints are referred to ECHO, and potential funding support is considered to further these efforts.

Additionally, fair housing practices are actively promoted through advertisements on the City's website and educational information provided to the public. The City ensures compliance with all state and federal fair housing requirements in housing programs and services delivery.

Furthermore, the city seeks opportunities to engage with the public at events designed to inform about governmental services, demonstrating a proactive approach to fostering fair housing awareness and compliance within the community.

Specific Actions and Timeline	<ul style="list-style-type: none"> Continue to assist households through Fair Housing Advocates of Northern California (FHANC) and Eden Council for Hope and Opportunity (ECHO) Fair Housing, providing fair housing services and educational programs concerning fair housing issues. Refer fair housing complaints to ECHO and consider providing funding support. Continue to promote fair housing practices, including advertisements on the City's website, and provide educational information on fair housing to the public. Continue to comply with all state and federal fair housing requirements when implementing housing programs or delivering housing-related services. Seek opportunities to attend public events or provide information to event organizers at gatherings designed to inform the public about governmental services.
Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget, Local Funding
Relevant Policies	Policy H4.2, Policy H4.3, Policy 4.4

Program H4-3: Affirmatively Furthering Fair Housing

The City is proactively promoting public awareness of housing regulations at federal, state, and local levels, ensuring equal access to housing. Information on housing programs and fair housing laws is readily available through various channels, including the City's website and physical locations like community centers and social service offices, with resources provided in multiple languages.

Furthermore, development applications are reviewed without prejudice, contingent on compliance with all entitlement requirements, fostering a fair and inclusive housing environment. The City continues to implement comprehensive plans such as the Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan, ensuring ongoing commitment to fair housing practices.

Public meetings are conducted at suitable times and accessible locations, with provisions made for persons with disabilities and translation services available upon request, demonstrating a commitment to inclusivity. Moreover, community and stakeholder engagement remain a priority, particularly during contentious development decisions, ensuring that diverse voices are heard and considered in the decision-making process.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ Promote public awareness of federal, state, and local regulations regarding equal access to housing. Provide information to the public on various state and federal housing programs and fair housing law. Maintain referral information on the City's website and at a variety of other locations such as community and senior centers, local social service offices, in utility bills, and at other public locations including City Hall and the library. Make resources and information available to the public in Spanish and other languages of local importance. ▪ Ensure that all development applications are considered, reviewed, and approved without prejudice to the proposed residents, contingent on the development application's compliance with all entitlement requirements. ▪ Continue to implement the Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan. ▪ Conduct public meetings at suitable times, accessible to persons with disabilities, and near public transit. Resources will be invested to provide interpretation and translation services when requested at public meetings. ▪ Prioritize community and stakeholder engagement during controversial development decisions.
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Primary Responsible Departments/Division	Community Development Department
Resources	Department Budget
Relevant Policies	Policy H4.3, Policy H4.4, Policy 4.5

Program H4-4: Outreach Plan

Achieving consensus on housing policy and proposed housing developments can be a difficult process. Through active and continued dialogue with neighborhood groups, the likelihood of achieving neighborhood consensus for new developments is increased significantly. Hercules supports efforts to help residents be informed about housing facts, which helps provide sound direction on housing solutions. Efforts will include exploring avenues to help residents understand development tradeoffs, the benefits of affordable housing, and measures necessary to implement Hercules's vision for a thriving Downtown and safe and stable neighborhoods.

Specific Actions and Timeline	<ul style="list-style-type: none"> ▪ By 2025, implement an outreach plan for housing-related issues, such as Housing Element updates. Reach out to the community regarding housing topics in general and specific new developments. ▪ By 2026, expand outreach to non-profit developers, area service providers, and community-based organizations. If a comprehensive General Plan update is undertaken, partner with local community-based organizations to hold community meetings to gain input from Hercules residents about housing needs, issues, and ideas to support the development of more affordable housing in the city. Invest resources to provide food, childcare, interpretation, and translation services at these events. ▪ Actively recruit residents from disadvantaged communities and underserved neighborhoods to participate on committees to address homelessness and affordable housing needs. ▪ Develop presentations and/or materials that address the local need for affordable housing and more resilient neighborhoods.
Primary Responsible Departments/Division	Community Development Department; City Clerk
Resources	Department Budget, General Fund

Relevant Policies	Policy H4.5
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Program H4-5: Reasonable Accommodation

The City has established reasonable accommodation procedures. To ensure consistent application and clarity, the City will re-evaluate these procedures and modify them to enhance equal housing opportunities, as needed.

Specific Actions and Timeline	<ul style="list-style-type: none"> Encourage developers of single-family housing to incorporate universal design. By 2026, the City will track the number of newly constructed or rehabilitated dwelling units accessible to people with disabilities. The City will provide the address and number of units to Resources for Independent Living Sacramento for inclusion in their housing list for people with disabilities.
Primary Responsible Departments/Division	Community Development Department; City Clerk
Resources	Department Budget, General Fund,
Relevant Policies	Policy H4.5

Summary of Meaningful Actions and Quantified Objectives

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
Fair Housing Outreach and Enforcement				
Program H4-2: Fair Housing Services	Assist households through FHANC and ECHO Fair Housing, providing fair housing services and educational programs concerning fair housing issues. Refer fair housing complaints to ECHO and consider providing funding support.	Annually	Citywide with emphasis on northwest Hercules where there is a larger proportion of renter-occupied households.	Refer 5 residents to fair housing services and programs offered by FHANC and ECHO annually.
	Promote fair housing practices, including advertisements on the City's website, and provide	Annually	Citywide	Annually review and update fair housing information and

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	educational information on fair housing to the public.			brochures offered to the public, publish information in the Hercules Herald, and on City social media.
	Seek opportunities to attend public events or provide information to event organizers at gatherings designed to inform the public about governmental services.	Annually	Citywide	Disseminate or provide fair housing information at two community events during the planning period.
Program H4-3: Affirmatively Furthering Fair Housing	Promote awareness of federal, State, and local regulations through the City website, at local public centers, at City and at Council meetings yearly. Implement an accessibility policy that establishes standards and procedures for providing equal access to City services, ensures all applications are considered, reviewed, and approved without prejudice, and continue to implement the Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan. Lastly, ensure all community stakeholders are engaged by conducting public meetings at suitable times, in accessible places, and provide translation services as needed.	2024 for “impediments;” 2025 for multilingual strategy	Citywide	Conduct or participate in bi-annual developer convenings.
Program H4-4: Outreach Plan	Implement an outreach plan for housing-related issues, such as Housing Element updates. Reach out to the community regarding housing topics in general and specific new developments.	By 2025; Bi-annually	Citywide	Establish an outreach plan by December 2025 and conduct community outreach bi-annually as new housing topics or

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
				developments arise.
	Expand outreach to non-profit developers, area service providers, and community-based organizations. Partner with local community-based organizations to hold community meetings about General Plan updates to gain input from residents on housing needs in the city. Invest resources to provide food, childcare, interpretation, and translation services at these events.	By 2026	Citywide	Expand outreach efforts and resources for General Plan community meetings, if needed.
	Actively recruit residents from protected classes and underserved neighborhoods to participate on committees, such as the Council on Homelessness of Contra Costa County, to address homelessness and affordable housing needs.	By 2027; bi-annually	Citywide with emphasis on LMI areas (along I-80 and Lupine Road)	Bi-annually recruit residents to participate in regional committees to address homelessness and affordable housing needs with the goal of recruiting one resident every two years.
	Develop presentations and/or materials that address the local need for affordable housing and more resilient neighborhoods.	By 2026	Citywide	Develop materials to address local need and utilize these materials on an ongoing basis.
Housing Mobility				
Program H1-1: First-Time Homebuyer	Support first-time low- and moderate-income home buyers by connecting them to the Down Payment Assistance program, encouraging application to the	Annually	Citywide	Refer twelve households annually and track results.

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
Assistance Programs	Federal Home Ownership Program.			
	Publicize housing assistance programs and provide information on these programs on the City's website and via social media, through flyers posted at City facilities, and via staff assistance at City Hall.	Annually	Citywide with emphasis on LMI areas, tracts 3592.03 and 3591.04 (along I-80 and Lupine Road)	
Program H1-3: Section 8 Housing Choice Voucher Program	Expand the location of participating voucher properties.	By 2031	Citywide (all moderate resource areas)	Facilitate or support one voucher driven development project.
	Continue to support the HCV section 8 program, promote HCV usage in higher resource areas, and work with the Contra Costa Housing Authority to increase HCV use in Hercules.	Annually	Citywide	Work with the Contra Costa Housing Authority with the goal of increasing HCV use in the city by 10% (using 2023 as a baseline).
	Continue to support the HCV program, promote HCV usage to protected/vulnerable populations, and work with the Contra Costa Housing Authority to increase HCV use in Hercules.	Annually	Citywide with emphasis on tract 3591.04 (Village Park/Forest Park) where larger protected populations exist (single-parent, lower median income).	
	As part of Program H4-4 (Outreach Plan), conduct outreach to landlords to expand participating voucher properties.	Annually	Tract 3591.04 (Village Park/Forest Park) where larger protected populations exist (single-parent, lower	Conduct outreach to landlords with the goal of referring 5 residents in tract 3591.04 to the County HCV.
	As part of Program H4-4 (Outreach Plan), conduct outreach and tenant/landlord education through community events and public forums regarding income	Annually		

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	discrimination and voucher programs		median income).	program annually.
Program H2-3: Senior Housing	Conduct a comprehensive analysis of the current Zoning Ordinance to identify areas where adjustments can be made to better accommodate the development of senior housing	By 2024	Citywide with emphasis on southwest Hercules, tract 3592.04 and 3591.04, where populations of persons with disabilities and elderly populations are larger.	Facilitate the development of one senior housing project during the planning period.
	Engage with stakeholders, including local senior advocacy groups, developers, and residents, to gather input and insights on the specific needs and preferences of the senior population in Hercules	By 2025		
	Review and revise the Zoning Ordinance to provide appropriate standards to encourage development of senior housing.	By 2026		
Program H2-5: Alternative Housing Models	Encourage the provision of innovative housing types that may be suitable for the community, including modular homes, middle housing types, community care facilities, supportive housing, and assisted living for seniors, through discussions with developers.	Annually (as part of annual outreach to developers to promote alternative housing)	Citywide (all moderate resource areas)	Facilitate the development of one Alternative Housing Model project during the planning period.
Program H3-2: Housing for Extremely Low-Income Households	Encourage and remove constraints on housing for extremely low-income households by supporting the establishment of transitional and supportive housing, applying the same residential zoning restrictions, complying with AB 101 (Low-Barrier Navigation Centers), and prioritizing funding for extremely low-income projects.	By 2025; Outreach annually	Citywide	Facilitate or support one voucher driven development project during the planning period.
Program H4-1: Housing for Persons with Special Needs	Prioritize development projects that include a component for special-needs groups. Revise and streamline the Zoning Ordinance associated with the approval of	By 2031; Outreach annually	Citywide	Prioritize one special needs housing project

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	residential care facilities. Lastly, encourage developers of single-family homes to incorporate universal design.			during the planning period.
	Make available information from HomeMatch Contra Costa for their services for older adults, including shared housing, extra income, or assistance with home maintenance.	By 2024; Annually	Citywide with emphasis on central and southwest Hercules, including tract 3591.04 (Village Park/Forest Park) where larger protected populations exist (single-parent, lower median income).	Promote information on HomeMatch Contra Costa County with the goal of referring one resident to HomeMatch services annually.
Program H4-5: Reasonable Accommodation	Encourage developers of single-family housing to incorporate universal design and track the number of newly constructed or rehabilitated dwelling units accessible to people with disabilities. The City will provide the address and number of units to Resources for Independent Living Sacramento for inclusion in their housing list for people with disabilities.	By 2026/2031	Citywide	Increase the number of units accessible to persons with disabilities by 5% of new multi-family during the planning period and advertise these units through Resources for Independent Living Sacramento for Solano and Contra Costa County.
AFFH: County HCV Listing Program	Participate in the County-sponsored HCV Listing Program to advertise affordable housing opportunities in the city.	Annually	Citywide	Annually assist County efforts to keep the HCV Listing up to date with affordable

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
				housing opportunities in Hercules.
New Housing Opportunities in High Resource Areas				
Program H1-2: Affordable Housing Partnerships and Funding Sources	Increase affordable housing activities like construction, rehabilitation, and financial assistance to renters and owners. Provide loans and grants to maintain a high-quality affordable housing stock, and actively support efforts to secure additional affordable housing funding sources.	By 2031; Outreach annually	Citywide (all moderate resource areas)	Facilitate the development of two affordable housing projects.
Program H2-1: Ensure Adequate Sites to Accommodate Regional Fair Share of Housing Growth	Maintain an inventory of available sites for residential development and provide it to prospective developers, continue to track new housing projects and progress toward meeting the City's RHNA, and create a regulatory environment that enables the private market to build a variety of housing types and income levels.	By 2031; Outreach annually	Citywide	Facilitate the development of 995 housing units, including 542 affordable to lower income households.
Program H2-2: Mixed-Use and TOD Sites Lot Consolidation	Continue to facilitate construction of residences in mixed-use zones and within the transit-oriented Waterfront District Plan area and continue to provide incentives for lot consolidation of parcels in mixed-use areas.	By 2031; Outreach annually	Citywide; New Town Center	Facilitate 3 development projects on mixed-use and TOD sites during the planning period.
Program H2-4: Accessory Dwelling Units (ADUs)	Encourage conversion of unpermitted ADUs without penalty and provide information to the applicant/homeowner.	Annually	Citywide	Encourage conversion of unpermitted ADUs, with the goal of legalizing one ADU annually.

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	Encourage ADU development by developing an ADU information packet, coordinate with neighboring jurisdictions to participate in educational opportunities, and monitor ADU permit applications and approvals.	Complete information packet by 2025; Facilitate development of 16 ADUs by 2031	Citywide with emphasis on single-family neighborhoods (southern and eastern Hercules)	Support the development of 16 accessory dwelling units during the planning period.
	Participate in regional efforts to pre-approve ADU plans for County residents, including Hercules residents.	Participate in annual regional efforts	Citywide	Coordinate with regional jurisdictions to pre-approve ADU plans.
Place-based Strategies for Neighborhood Improvement				
Program H1-4: Monitor and Preserve Affordable Housing and At-Risk Housing	Utilize CDBG or other funds to provide financial assistance for minor repairs of homes owned and occupied by lower-income residents.	Annually	Citywide with emphasis on eastern side of Hercules where housing units tend to be older.	Assist 16 lower-income households per year.
Program H1-5: Code Enforcement	Inspect all inquiries of code enforcement violations	Annually	Citywide	Work with residents and code enforcement to resolve all units cited for building code violations with the goal of resolving two violations per year.
Program H3-6: Infrastructure Master Planning	Review the General Plan and engage stakeholders from diverse backgrounds to gather input and insights on local development needs and infrastructure requirements. The City will complete CIP projects to facilitate neighborhood improvements which may include, but are not limited to:	By 2030 (Five year CIP)	Citywide with emphasis on Area 2 where more sites accommodating the lower income RHNA are located.	Identify areas of Hercules where infrastructure improvements are needed and facilitate two infrastructure improvements (CIP) during the planning period.

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	<ul style="list-style-type: none"> • Refugio Park Tree Replacement and Shade Structures (central Hercules) – As of May 2024, approximately 70 trees have been installed and additional improvements will commence at the end of 2024 (shade structures, pathways, etc.) • The Hercules Hub (southwestern Hercules) – The Hercules Hub is a regional, state-of-the-art housing and transportation development. It will connect thousands of housing units with a new train stop along the Capitol Corridor, bicycle and pedestrian pathways, bus routes, carpool options, and a future ferry service. As of May 2024, a ferry feasibility study has been completed and the City is seeking additional grant funding to complete the design of the train station. 			
AFFH: ADA and Mobility Improvements	<p>Implement infrastructure and neighborhood improvements to enhance communities and increase mobility. Improvements may include, but are not limited to:</p> <ul style="list-style-type: none"> • Sycamore Avenue Bicycle and Pedestrian East-West Connector – The project will eliminate critical gaps in the City's pedestrian and bicycle networks between the east and west sides of Hercules • Senior Center ADA steps, ramps and walkways 	Annually (as budget is available)	Citywide with emphasis on central and southern Hercules.	Facilitate the construction of two ADA/mobility improvement projects during the planning period.

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	<ul style="list-style-type: none"> • Community Swim Center ADA striping • Teen Center ADA steps, ramps and walkways • Ohlone Community Center ADA transition • Woodfield Park Accessible Pathway 			
AFFH: Transit and Connectivity Improvements	<p>As part of the West Contra Costa County Transit Advisory Committee, work with regional members to implement improvements in Hercules outlined in the West Contra Costa County Express Bus Implementation Plan:</p> <ul style="list-style-type: none"> • Transit Route 1 connecting the Hercules Transit Center to Berkeley • Transit Route 2 connecting the Hercules Transit Center to Emeryville (2A) and Oakland (2B) • Hercules Transit Center Capacity Enhancement (relocate PG&E overhead utility line, provide parking structure, bicycle parking, and electric vehicle parking) • I-80 Part-Time Transit Lanes (improvements such as bus-only lane, auxiliary lane, shoulder use/improvements, and signage/markings) • SR-4/John Muir Parkway Freeway Access Improvement 	By 2031	Central and southwest Hercules	Assist in regional efforts to complete one transit improvement outlined in the West Contra Costa County Express Bus Implementation Plan during the planning period.

Table H-2.1: AFFH Meaningful Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023-2031 Metrics
	(provide/extend HOV lanes) <ul style="list-style-type: none"> Improvements to bicycle/pedestrian facilities around existing and proposed transit routes/centers. 			
Tenant Protections and Anti-displacement				
Program H1-4: Monitor and Preserve Affordable Housing and At-Risk Housing	Monitor affordable housing projects in the city and preserve all affordable units.	Ongoing	Citywide	Preserve affordability of all 485 below market-rate units in the City.
Program H2-7: Replacement Housing	Establish clear guidelines and criteria for determining the affordability of replacement units based on the income levels of previous occupants and make this information available to stakeholders and developers.	By 2025	Citywide	Replace 100% of units as required by Government Code section 66300(d).
	Implement monitoring and enforcement mechanisms to track the progress of affordable housing replacement within development projects.	By 2026		

Table H-2.1: Summary of 2023-2031 Housing Element Quantified Objectives

	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
Construction Objective (RHNA)		344	198	126	327	995
Rehabilitation Objective					12	12
At-Risk Housing Units to Preserve			298 ¹	--	--	298

1. The 298 at-risk housing units are from the affordable housing inventory in Hercules. This includes deed restricted units at The Arbors (59 affordable units), Victoria Green (105 units), Samara Terrace (51 units), and Willow Glen Apartments (83 units).



CHAPTER 3

AFFIRMATIVELY FURTHERING FAIR HOUSING

AFFH and the Housing Plan

As part of the AFFH analysis, the City of Hercules has identified specific focus areas that provide the basis for a focused AFFH strategy in the Housing Plan. The areas of AFFH focus are disproportionate housing needs, affordability for renters, and low- to moderate-income households. These focus areas are identified because they contribute to the severity of fair housing issues and because they can be addressed and improved with focused goals and policies. The selection of the focus areas was informed by demographic analysis and the community engagement process. The focus areas are listed in rank order based on existing AFFH data and a review of housing needs in previous elements and historical data. At the conclusion of this Chapter, Table H 2-1: AFFH Meaningful Actions Matrix lays out the goals and actions included in the Housing Plan to address the AFFH Focus Areas.

Table H3- 1: AFFH Focus Areas

Issues	Definition	Community Comment
<p>Disproportionate Housing Needs</p> <p>Contributing Factors:</p> <p>Zoning requirements that make developing a diversity of housing types difficult. Type and size of affordable housing units</p>	<p>Disproportionate housing needs generally refer to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups or the total population experiencing that category of housing need in the applicable geographic area.</p>	<p>Survey respondents identified housing for residents with disabilities as a significant need. They specified that there is not enough accessible housing for residents with limited physical capabilities or older elderly residents.</p>

Table H3- 1: AFFH Focus Areas

Issues	Definition	Community Comment
<p>Housing for Low to Moderate Income Households</p> <p>Contributing Factors:</p> <p>The City of Hercules includes established single-family neighborhoods where home prices are out of reach for low- and moderate-income residents.</p>	<p>HUD defines a Low to Moderate Income (LMI) area as a census tract or block group where over 51% of the population is LMI.</p>	<p>Responses from focus groups highlighted that many community members, like teachers, fall in low income categories and should have housing options so they can afford to live in the community.</p>
<p>Affordability for Renters</p> <p>Contributing Factors:</p> <p>Market rate housing is out of reach for lower income residents.</p> <p>Seniors and households on fixed incomes cannot afford rent increases that are based on escalating HCD Income Limits.</p> <p>The City has limited funds for deep subsidies.</p> <p>Apartments for large families are less common than studios, one bedroom and two-bedroom apartments.</p>	<p>Renters can face specific challenges in many cities, including overpaying for housing and relying on housing choice vouchers.</p>	<p>Survey respondents prioritized lower apartment rental costs, more equitable housing for young adults and young families, and more affordable senior housing for those on a fixed income.</p>

Disproportionate Housing Needs

In the City of Hercules, combating disproportionate housing needs is a major AFFH issue. Ensuring that all sectors of the population regardless of protected class status, have equal access to appropriate housing, and are not disproportionately burdened will be an essential focus area for the City.

Regional Trends:

Throughout Contra Costa County, there are patterns of disproportionate housing needs by race and disability status. Contra Costa County is a large, diverse jurisdiction in which people of color comprise the majority of the population. As of the 2010 Census, 47.75% of residents were non-Hispanic Whites, 8.92% of residents were non-Hispanic Blacks, 24.36% were Hispanics, 14.61% were non-Hispanic Asians or Pacific Islanders, 0.28% were non-Hispanic Native Americans, 3.77% were non-Hispanic multiracial individuals, and 0.30% identified as some other race. The areas of the highest non-White population concentration are mostly in coastal communities such as Pittsburg, Hercules, Pinole, San Pablo, Richmond, and El Cerrito. Communities further inland, in general, have lower rates of non-White residents. These areas with higher

non-White populations correspond to areas with higher Low to Moderate Income levels, lower median incomes, higher levels of poverty, and less healthy CalEnviroScreen scores indicating that residents of color face exacerbated housing challenges.

In terms of residents with a disability, much of Contra Costa County reports less than 10% of residents with a disability. However, towards Eastern Contra Costa County, the western boundary, and parts of southern Contra Costa County, the percentage of the population with disabilities increases to 10 to 20%. Areas with a high percentage of populations with disabilities correspond with areas with high housing choice voucher concentration, higher rates of poverty, and higher rates of low- to moderate-income levels. Both non-White residents and residents with disabilities experience disproportionate housing needs in Contra Costa County.

Local Trends:

The City of Hercules is relatively homogenous with a sizeable Asian population: 45.3% of residents. However, there are housing needs patterns that correspond with disability status. In Hercules, 8.8% of residents experience a disability, with 29% of these individuals aged 65 years and above. The City's overall disability statistics are consistent with Contra Costa County's. The most significant percentage of disabilities in Hercules consists of ambulatory disabilities, followed by independent living, cognitive, hearing, self-care, and vision disabilities.

The distribution of residents with disabilities in the City is relatively consistent, with most of the City reporting less than 10% of populations with disabilities by block group. The southwestern corner has a slightly higher percentage of populations with disabilities (between 10% to 20%). Residents with disabilities can experience specific housing challenges depending on the nature of their disability. Within Hercules, areas in the southwest corner with higher disability rates correspond to areas of higher Housing Choice Voucher (HCV) use (5 to 15%) and higher rates of overpayment by renters (40 to 60%).

The cost of housing in the Bay Area is a significant challenge for many residents, especially renters. Like buying a home, renting can be a substantial financial commitment but without the return on investment that comes with homeownership. Many renters find themselves overpaying for housing, which can result in a need to use HCVs to stay in their homes. Overpayment is also referred to as a cost burden, defined as households paying 30% or more of their gross income on housing expenses. Overpayment or cost burden can pose a serious issue to renters when most of their income is going towards rent and is unavailable for other necessary expenses. Cost-burdened households may rely on the use of HCVs, which allow them to rent homes in areas of higher resource that would be otherwise unaffordable.

Regional Trends:

Throughout Contra Costa County, concentrations of cost-burdened renter households exist in and around San Pablo, Pittsburg, Antioch, west Brentwood and Oakley, east San Ramon, and northern parts of Concord towards unincorporated areas. In these tracts, over 80% of renters experience cost burdens. The majority of east Contra Costa County has 60 to 80% of renter households that experience cost burdens. In west Contra Costa County, 20 to 40% of renter households experience cost burdens. Census tracts with a low percentage of cost-burdened households are located between San Ramon and Martinez on a north-

south axis. In these tracts, less than 20% of renter households experience cost burdens. Housing Choice Voucher usage appears to be most prominent in western Contra Costa County, in heavily Black and Hispanic areas, and in the northeast of the County, in predominantly Black, Hispanic, and Asian areas. Central Contra Costa County essentially has no data on the percentage of renter units with HCVs. The correlation between low rents and a high concentration of HCV holders holds true for the areas around San Pablo, Richmond, Martinez, Pittsburg, and Antioch.

Local Trends:

In Hercules, about 32% of all households experience a cost burden. Like Contra Costa County, renters experience higher rates of cost burden than owners (40.95% to 30.34%), although at a lower level of disparity than the county. There are concentrations of cost-burdened renter households in northern Hercules (over 80%), followed by moderate concentrations of cost-burdened renter households in tracts directly east of the I-80 (60% to 80%). Other tracts in the west and far east have lower concentrations of cost-burdened renter households (between 20% to 40%). Areas, where renters experience cost burdens, correspond with areas with high percentages of renters who utilize HCVs. Census tracts within central and northern Hercules have the highest rate of renter units with HCV (>30% to 60%). Eastern areas of the City have the lowest percentage of renter units with HCV (0% to 5%), and other areas have a low to medium rate of renter units with HCV use (5% to 15%).

Low- to Moderate-Income Households

Low- to moderate-income (LMI) households face specific challenges, especially in a high-cost region like the Bay Area. A household is considered LMI when they earn less than 80% of the HUD Area Median Family Income. LMI households are more likely to be cost burdened and struggle to pay rent, mortgages, and other necessary day-to-day expenses.

Regional Trends:

Throughout Contra Costa County, 38.71% of households are considered LMI. Renters are more likely to be LMI; 60% of all renters are considered LMI compared to only 27.5% of owner households. Most of central Contra Costa County has less than 25% of LMI populations. Block groups with high concentrations of LMI (between 75 to 100% of the population) can be found clustered around Antioch, Pittsburg, Richmond, and San Pablo. There are also small pockets with high percentages of the LMI population around Concord.

Local Trends:

Within Hercules, block groups located in the east towards the central portion of the City have medium (25% to 50%) to high (50% to 75%) percentages of the LMI population. The block groups that run along I-80 have 25% to 50% of the LMI population. Other block groups have less than 25% of LMI population. Again, the disproportionate burden is felt by renters in Hercules, with only 20.16% of owner households LMI (earns less than 80% of HAMFI) compared to almost 60% of renter households.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Introduction and Overview of AB 686

In January 2017, Assembly Bill 686 (AB 686) introduced an obligation to affirmatively further fair housing (AFFH) into California law. AB 686 defined “affirmatively further fair housing” to mean “taking meaningful actions, in addition to combat discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes.

Analysis Requirements

AB 686 requires that all housing elements prepared on or after January 1, 2021, assess fair housing through the following components:

- An assessment of fair housing within the jurisdiction that includes the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity; an analysis of segregation patterns and disparities in access to opportunities; an assessment of contributing factors; and identification and prioritization of fair housing goals and actions.
- A sites inventory that accommodates all income levels of the City’s share of the RHNA also serves the purpose of furthering more integrated and balanced living patterns.
- Responsive housing programs that affirmatively further fair housing, promote housing opportunities throughout the community for protected classes, and address contributing factors identified in the assessment of fair housing.
- The analysis must address patterns at a regional and local level and trends in patterns over time. This analysis compares the locality at a county level for the purposes of promoting more inclusive communities.

Sources of Information

The primary data sources for the AFFH analysis are:

- U.S. Census Bureau’s Decennial Census (referred to as “Census”) and American Community Survey (ACS)
- Contra Costa County Analysis of Impediments to Fair Housing Choice January 2020-2025 (2020 AI).
- HCD’s AFFH Data Viewer
- City of Hercules Website
- Local knowledge

In addition, HCD has developed a statewide AFFH Data Viewer. The AFFH Data Viewer consists of map data layers from various data sources and provides options for addressing each component within the full scope of the assessment of fair housing. The data source and time frame used in the AFFH mapping tools may differ from the ACS data in the 2020 Analysis of Impediments (AI). While some data comparisons may

have different time frames (often different by one year), the differences do not affect the identification of possible trends.

HISTORY OF HOUSING IN HERCULES

The City of Hercules was incorporated in 1900 and began as a company town, producing dynamite and gunpowder for the California Powder Works company. In 1966, the Pacific Refinery Company opened in Hercules, bringing hundreds of additional jobs for residents and continued residential growth. The City's first general plan was passed in 1972 and set a precedent for housing in the City, which divided the City into "villages," each comprising a subdivision of homes. The goal was to create a bedroom community for the larger Bay Area. Residential growth continued rapidly, making Hercules the fastest-growing suburb in California in the 1980s. As most of Hercules' residential neighborhoods were developed during the 1980s and later, the City did not experience much of the institutionalized racial segregation and redlining prevalent throughout the United States in the early and mid-20th Century. More recently, the City adopted the Central Hercules Plan in 2000, which involved extensive community and public stakeholder input to develop documents for the next generation of development in Hercules. The plan focused on creating a more walkable and connected City with neighborhood centers. This plan led to new subdivisions in the City with mixed-use commercial and residential spaces with a focus on transit-oriented development that continues currently. Today, residents of color make up most of the population. While the City faces housing challenges like much of the Bay Area, the same racial segregation and disinvestment is not prevalent.

Hercules has ensured compliance with Government Code sections 8899.50 and 65008 by developing and revising housing programs and activities to encourage and further fair housing, promoting affordable housing developments, and ensuring that sites for any affordable housing developments are located in areas of high resource and opportunity.

ASSESSMENT OF FAIR HOUSING ISSUES

Fair Housing Enforcement and Outreach

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and to provide outreach and education to community members. Enforcement and outreach capacity also includes addressing compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing. The Fair Employment and Housing Act and the Unruh Civil Rights Act are the primary California fair housing laws. California state law extends anti-discrimination protections in housing to several classes that are not covered by the federal Fair Housing Act (FHA) of 1968, including prohibiting discrimination on the basis of sexual orientation.

In Contra Costa County, local housing, social services, and legal service organizations include the Fair Housing Advocates of Northern California (FHANC), Eden Council for Hope and Opportunity (ECHO) Fair Housing, Bay Area Legal Aid, and Pacific Community Services.

Table H3-2: Fair Housing Advocacy Organizations, Contra Costa County

Organization	Focus Areas
Fair Housing Advocates of Northern California (FHANC)	Non-profit agency that provides fair housing information and literature in several different languages; primarily serves Marin, Sonoma, and Solano County but also has resources for residents outside of the above geographic areas.
Eden Council for Hope and Opportunity (ECHO) Fair Housing	Housing counseling agency that provides education and charitable assistance to the general public in matters related to obtaining and maintaining housing.
Bay Area Legal Aid	Largest civil legal aid provider serving seven Bay Area counties. Has a focus area on housing preservation and homelessness task force to provide legal services and advocacy for those in need.
Pacific Community Services	Private non-profit housing agency that serves East Contra Costa County (Bay Point, Antioch, and Pittsburg) and provides fair housing counseling, education, and outreach.

In Hercules, ECHO Fair Housing provides services through their Fair Housing Program, such as first-time home buyer counseling and education, investigations and enforcement in response to reports of housing discrimination complaints, and tenant/landlord services to conciliate or mediate housing disputes. ECHO also makes referrals to legal services for advice and representation on housing-related issues. One ECHO fair housing counselor serves most of Contra Costa County. Bay Area Legal Aid does not have a physical office in Hercules but continues to provide legal help, advice, and referrals through its Legal Help hotline. The hotline at (510) 250-5270 serves western Contra Costa County.

While these organizations provide valuable assistance, their capacity and funding are generally insufficient to meet local needs for services.

Fair Housing Enforcement

California's Department of Fair Employment and Housing (DFEH) has statutory mandates to protect the people of California from discrimination pursuant to the California Fair Employment and Housing Act (FEHA), Ralph Civil Rights Act, and Unruh Civil Rights Act (with regards to housing).

The FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, military or veteran status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The Unruh Civil Rights Act (Civ. Code, § 51) prohibits business establishments in California from discriminating in the provision of services, accommodations, advantages, facilities, and privileges to clients, patrons, and customers because of their sex, race, color, religion, ancestry, national origin,

disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status.

The Ralph Civil Rights Act (Civ. Code, § 51.7) guarantees the right of all persons within California to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of political affiliation or on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or position in a labor dispute, or because another person perceives them to have one or more of these characteristics.

Regional Trends

Based on DFEH Annual Reports, Table H3-3 shows the number of housing complaints filed by Contra Costa County to DFEH between 2015–2020. A slight increase in complaints precedes the downward trend from 2016–2020. Fair housing cases alleging a violation of FEHA can also involve an alleged Unruh violation, as the same unlawful activity can violate both laws. DFEH creates companion cases that are investigated separately from the housing investigation.

Table H3-3: Number of DFEH Housing Complaints in Contra Costa County (2015-2020)

Year	Housing	Unruh Civil Rights Act
2015	30	5
2016	32	2
2017	26	2
2018	22	2
2019	22	2
2020	20	1

Source: <https://www.dfeh.ca.gov/LegalRecords/?content=reports#reportsBody>

The Department of Housing and Urban Development’s Office of Fair Housing and Equal Opportunity (HUD FHEO) enforces fair housing by investigating housing discrimination complaints. Table 4 shows the number of FHEO Filed Cases by Protected Class in Contra Costa County between 2015 and 2020. Cases for 2020 were significantly lower because data was not collected after June 30, 2020. A total of 148 cases were filed between 2015 and June 30, 2020, with disability being the top allegation of basis of discrimination, followed by familial status, race, national origin, and sex. These findings are consistent with national trends stated in FHEO’s FY 2020 State of Fair Housing Annual Report to Congress, where disability was also the top allegation of basis of discrimination.

Table H3-4: Number of FHEO Filed Cases by Protected Class in Contra Costa County (2015–2020)

Year	Number of Filed Cases	Disability	Race	National Origin	Sex	Familial Status
2015	28	17	4	2	2	4
2016	30	14	8	7	5	6
2017	20	12	3	5	1	5
2018	31	20	6	3	4	9
2019	32	27	4	4	4	1
2020	7	4	1	0	2	1
Total	148	94	26	21	18	26
Percentage of Total Filed Cases *Note that cases may be filed on more than one basis.		63.5%	17.5%	14.2%	12.2%	17.6%

Source: Data.Gov - Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity (FHEO) Filed Cases, <https://catalog.data.gov/dataset/fheo-filed-cases>

Table H3-4 indicates that the highest number of fair housing complaints in Contra Costa County are due to discrimination against those with disabilities, followed by income source, race, and national origin. Note, however, that no further breakdown of the number of DFEH complaints or FHEO cases is provided on a city level.

A summary of ECHO's Fair Housing Complaint Log for Contra Costa County on fair housing issues, actions taken, services provided, and outcomes can be found in Table H3-5 and Table H3-6.

Table H3-5: Action(s) Taken/Services Provided by Protected Class

	1	3	5	6	7	Grand Total
Race	21	0	0	2	0	23
Marital Status	0	0	0	1	0	1
Sex	0	0	0	0	0	0
Religion	0	0	0	0	0	0
Familial Status	0	0	0	3	0	3
Sexual Orientation	0	0	0	0	0	0
Sexual Harrassment	0	0	0	1	0	1
Income Source	15	0	1	7	1	24

	1	3	5	6	7	Grand Total
Disability	7	1	14	33	5	60
National Origin	13	0	0	1	0	14
Other	0	0	1	11	5	17
Total	56	1	16	59	11	143

1. Testers sent for investigation; 3. Referred to an attorney; 5. Conciliation with the landlord; 6. Client provided with counseling; 7. Client provided with brief service; Source: ECHO Fair Housing (2020 - 2021)

Table H3-6: Outcomes

Protected Class	Counseling Provided to Landlord	Counseling Provided to Tenant	Education to Landlord	Insufficient evidence	Preparing Site Visit	Referred to DFEH/HUD	Successful mediation	Grand Total
Race	0	0	2	20	0	1	0	23
National Origin	0	0	1	13	0	0	0	14
Marital Status	0	0	0	1	0	0	0	1
Sex	0	0	0	0	0	0	0	0
Disability	2	25	2	12	0	4	15	60
Religion	0	0	0	0	0	0	0	0
Sexual Orientation	0	0	0	0	0	0	0	0
Familial Status	0	3	0	0	0	0	0	3
Income Source	3	3	0	16	1	0	1	24
Sexual Harassment	0	8	2	2	1	4	0	17
Other	0	0	0	0	0	1	0	1
Total	5	39	7	64	2	10	16	143

Source: ECHO Fair Housing (2020 - 2021)

Services that were not provided include: (2.) Case tested by phone; (4.) Case referred to HUD, and (8.) Case accepted for full representation. The most common action(s) taken/services provided are providing clients with counseling, followed by sending testers for investigation, and conciliation with landlords. Regardless of actions taken or services provided, almost 45% of cases are found to need more evidence. Only about 12% of all cases resulted in successful mediation.

Local Trends

In Hercules, only two inquiries were made to ECHO regarding fair housing between 2016-2021. The nature of the first allegation was on fair housing discrimination on the basis of income source. ECHO provided counseling to the client and landlord. The second inquiry was a general fair housing inquiry on the basis of racial discrimination. Testers from ECHO were sent for investigation but found insufficient evidence to move forward. The City Attorney is not aware of any past consent decrees or fair housing lawsuits in Hercules.

As presented in this Housing Element, the City has committed to meaningful actions to promote the development of housing for special needs populations, including lower income housing. Further, this Housing Element includes actions to affirmatively further fair housing through strategies related to housing mobility, new housing opportunities in high resource areas, fair housing enforcement and outreach, place-based strategies for neighborhood improvement, and tenant protection. The City continues to participate in the CDBG Urban County program contracting with fair housing services providers (detailed below) to ensure housing discrimination complaints are properly addressed and fair housing resources and services are offered to residents. The following shows applicable fair housing laws and the City's compliance:

- **Fair Housing Act; Title VI of the Civil Rights Act of 1964** – the City complies by ensuring its actions related to housing are not discriminatory through City protocols, decision-making procedures, and adhering to non-discrimination requirements of federal funding programs.
- **Rehabilitation Act of 1973** – see Fair Housing Act; also, the City complies through its accessibility protocols, administered and enforced by the City's Building Department.
- **American Disabilities Act** – the City complies with the ADA through building permit review and issuance.
- **California Fair Employment and Housing Act (FEHA) and FEHA Regulations** – the City complies with FEHA and its regulations through established City protocols decision making, legal counsel and advisement.
- **Government Code Section 65008** – the City Zoning Code is written to ensure that the City's actions regarding the development of housing for persons and families of very low, low, moderate, and middle incomes, or emergency shelters for the unhoused, are not discriminatory. Programs are included in this Housing Element to facilitate housing for all households, including protected classes (e.g., programs regarding residential care facilities, emergency shelters, and reasonable accommodations).
- **Government Code Section 8899.50** – This section of this Housing Element documents compliance with Affirmatively Furthering Fair Housing requirements.
- **Government Code Section 11135 et. seq.** – the City complies with anti-discrimination requirements through the City's Human Resources programs and the City's procurement protocols.
- **Density Bonus Law (Government Code Section 65915)** – the City implements density bonus provisions in compliance with the Density Bonus Law.

- **Housing Accountability Act (Government Code Section 65589.5)** – the City has documented compliance with the HAA.
- **No-Net-Loss Law (Government Code Section 65863)** – the City has documented compliance with sufficient capacity for RHNA and will ensure compliance with no-net-loss via required annual reporting to HCD.
- **Least Cost Zoning Law (Government Code Section 65913.1)** – the City includes programs in this Housing Element to ensure that sufficient land is zoned with appropriate standards to accommodate its RHNA.
- **Excessive subdivision standards (Government Code Section 65913.2)** – the City’s subdivision standards are typical or not excessive in compliance with the Government Code.
- **Limits on growth control (Government Code Section 65302.8)** – the City complies as it has no growth control measures.
- **Housing Element Law (Government Code Section 65583)** – this Housing Element documents compliance with Housing Element Law.

Fair Housing Testing

Fair housing testing is a randomized audit of property owners’ compliance with local, state, and federal fair housing laws. Initiated by the Department of Justice’s Civil Rights Division in 1991, fair housing testing involves the use of an individual or individuals who pose as prospective renters to determine whether a landlord is complying with local, state, and federal fair housing laws.

Regional Trends

ECHO conducts fair housing investigations in Contra Costa County (except Pittsburg) and unincorporated Contra Costa County. The 2020 Contra Costa County AI did not report any findings on fair housing testing at the county level nor the local level for the City of Hercules. However, it does bring to attention that private discrimination is a problem in Contra Costa County that continues to perpetuate segregation.

Fair Housing Education and Outreach

Regional Trends

Fair housing outreach and education are imperative to ensure that those experiencing discrimination know when and how to seek help. Find below a more detailed description of fair housing services provided by local housing, social services, and legal service organizations.

Fair Housing Advocates of Northern California (FHANC)

FHANC is a non-profit agency with a mission to actively support and promote fair housing through education and advocacy. Fair housing services provided to residents outside of Marin, Sonoma, or Solano County include foreclosure prevention services and information, information on fair housing law for the housing industry, and other fair housing literature. Most of the fair housing literature is in Spanish and English, with some in Vietnamese and Tagalog.

Eden Council for Hope and Opportunity (ECHO) Fair Housing

ECHO Fair Housing is a HUD-approved housing counseling agency that aims to promote equal access to housing, provide support services to aid in the prevention of homelessness and promote permanent housing conditions. The organization offers education and charitable assistance to the general public in matters related to obtaining and maintaining housing in addition to rental assistance, housing assistance, tenant/landlord counseling, home seeking, homesharing, and mortgage and home purchase counseling. In Contra Costa County, ECHO Fair Housing provides fair housing services, first-time home buyer counseling and education, and tenant/landlord services (rent review and eviction harassment programs are available only in Concord). Although ECHO serves most of Contra Costa County, only one fair housing counselor serves the County. Fair housing services encompass:

- Counseling, investigation, mediation, enforcement, and education.
- First-time home buyer counseling provides one-on-one counseling with a Housing Counselor on the homebuying process. The Housing Counselor will review all documentation, examine and identify barriers to homeownership, create an action plan, and prepare potential homebuyers for the responsibility of being homeowners. The Housing Counselor will also review credit reports, determine what steps need to be taken to clean up adverse credit, provide counseling on money-saving methods, and assist in developing a budget.
- First-time home buyer education provides classroom training regarding credit information, home ownership incentives, home buying opportunities, predatory lending, home ownership responsibilities, government-assisted programs, and conventional financing. The class also provides education on how to apply for HUD-insured mortgages, purchase procedures, and alternatives for financing the purchase. Education also includes information on fair housing and fair lending and how to recognize discrimination and predatory lending procedures and locating accessible housing if needed.
- ECHO's Tenant/Landlord Services provides information to tenants and landlords on rental housing issues such as evictions, rent increases, repairs and habitability, harassment, illegal entry, and other rights and responsibilities regarding the tenant/landlord relationship. Trained mediators assist in resolving housing disputes through conciliation and mediation.
- In cities that adopt ordinances to allow Rent Reviews (City of Concord only in Contra Costa County), tenants can request a rent review from ECHO Housing by phone or email. This will enable tenants who experience rent increases exceeding 10% in a 12-month period to seek non-binding conciliation and mediation services.

Though the Contra Costa County Consortium Analysis of Impediments (AI) to Fair Housing states that the organization provides information in Spanish, the ECHO website is predominantly in English, with options to translate the homepage into various languages. Navigating the entire site may be difficult for the limited-English proficient (LEP) population.

Bay Area Legal Aid (BayLegal)

BayLegal is the largest civil legal aid provider serving seven Bay Area counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara). Concerning affordable housing, BayLegal has a focus area in housing preservation (landlord-tenant matters, subsidized and public housing issues, unlawful evictions, foreclosures, habitability, and enforcement of fair housing laws) as well as a homelessness task force that provides legal services and advocacy for systems change to maintain housing, help people exit homelessness, and protect unhoused persons' civil rights. The organization offers translations for their online resources to over 50 languages and uses volunteer interpreters/translators to help provide language access. Its legal advice line provides counsel and advice in different languages. Specific to Contra Costa County, tenant housing resources are provided in English and Spanish.

The Housing Preservation practice is designed to protect families from illegal evictions, substandard housing conditions, and wrongful denials and terminations of housing subsidies. The practice also works to preserve and expand affordable housing and protect families from foreclosure rescue scams. BayLegal helps low-income tenants obtain or remain in safe, affordable housing by providing legal assistance in housing-law related areas such as public, subsidized (including Section 8 and other HUD subsidized projects) and private housing, fair housing and housing discrimination, housing conditions, rent control, eviction defense, lock-outs and utility shut-offs, residential hotels, and training advocates and community organizations.

BayLegal also provides free civil legal services to low-income individuals and families to prevent homelessness, increase housing stability, and assist unhoused youth/adults in addressing legal barriers that prevent them from exiting homelessness. This is done through direct legal services, coalition building and partnerships, policy advocacy, and litigation to advocate for systems change that will help people maintain housing, exit homelessness, and protect unhoused persons' civil rights. The Homelessness Task Force (HTF) was developed in response to complex barriers and inequities contributing to homelessness and strives to build capacity and develop best practices across the seven counties mentioned above to enhance BayLegal's coordinated, multi-systems response to homelessness.

Pacific Community Services, Inc. (PCSI)

PCSI is a private non-profit housing agency that serves East Contra Costa County (Bay Point, Antioch, and Pittsburg) and provides fair housing counseling in English and Spanish. Housing Counseling Services offered include:

- Foreclosure Prevention: Consists of a personal interview and developing a case management plan for families to keep their homes and protect any equity that may have built up. Relief measures sought include: loan modification or reduced payments, reinstatement and assistance under the 'Keep Your Home' program, forbearance agreements, deed-in-lieu of foreclosure, refinancing or recasting the mortgage, or sale of the property

- Homeownership Counseling: Prepares first-time buyers for a successful home purchase by helping them in budgeting, understanding the home purchase process, and understanding the fees that lenders may charge to better prepare new buyers when acquiring their first home.
- Rental Counseling; Tenant and Landlord Rights: PCSI provides information and assistance in dealing with eviction and unlawful detainer actions, deposit returns, habitability issues, getting repairs done, mediation of tenant/landlord disputes, assisting tenant organizations, legal referrals to Bay Area Legal Aid & Bar Association resources, pre-rental counseling and budgeting
- Fair Housing Services: Include counseling regarding fair housing rights, referral services, education, and outreach. PCSI offers training for landlords and owners involving issues of compliance with federal and state fair housing regulations.
- Fair Housing Education and Outreach: Offers informative workshops for social service organizations and persons of protected categories. These workshops are designed to inform individuals how to recognize and report housing discrimination.

Though PCSI's list of available services is comprehensive, its website lacks contact information, resources, and accessibility.

Integration and Segregation

Race/Ethnicity

Segregation is defined as the separation or isolation of a race/ethnic group, national origin group, individuals with disabilities, or other social group by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate educational facilities, or by other discriminatory means.

To measure segregation in a given jurisdiction, the US Department of Housing and Urban Development (HUD) provides racial or ethnic dissimilarity trends. Dissimilarity indices measure the evenness with which two groups (frequently defined on racial or ethnic characteristics) are distributed across geographic units, such as block groups within a community. The index ranges from 0 to 100, with 0 meaning no segregation and 100 indicating complete segregation between the two groups. The index score can be understood as the percentage of one of the two groups that would need to move to produce an even distribution of racial/ethnic groups within the specified area. For example, if an index score is above 60, 60% of people in the specified area would need to move to eliminate segregation. The following shows how HUD views various levels of the index:

- <40: Low Segregation
- 40-54: Moderate Segregation
- >55: High Segregation

The ethnic and racial composition of a region is helpful in analyzing housing demand and any related fair housing concerns as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences, and mobility. Prior studies have identified socioeconomic status, generational care needs, and cultural preferences as factors associated with “doubling up”—households with extended family members and non-kin. These factors have also been associated with ethnicity and race. Other

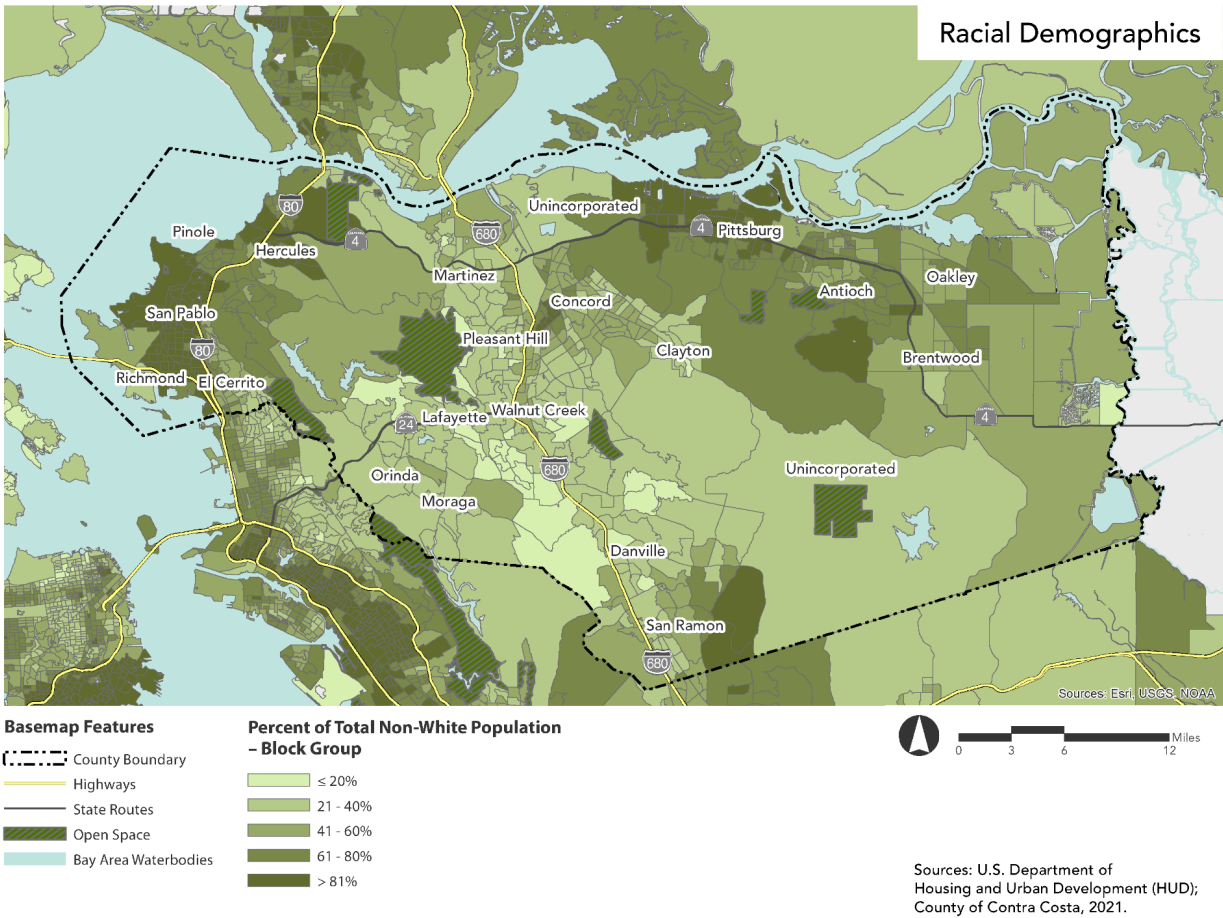
studies have also found that minorities tend to congregate in metropolitan areas. However, their mobility trend predictions are complicated by economic status (minorities moving to the suburbs when they achieve middle class) or immigration status (recent immigrants tend to stay in metro areas/ports of entry).

Regional Trends

Contra Costa County is a large, diverse jurisdiction in which people of color comprise the majority of the population. As of the 2010 Census, 47.75% of residents were non-Hispanic Whites, 8.92% of residents were non-Hispanic Blacks, 24.36% were Hispanics, 14.61% were non-Hispanic Asians or Pacific Islanders, 0.28% were non-Hispanic Native Americans, 3.77% were non-Hispanic multiracial individuals, and 0.30% identified as some other race. Refer to Map 1(a) for the distribution and proportion of non-white residents at the block group level.¹

In Contra Costa County, all minority (non-White) residents combined are considered moderately segregated from White residents, with an index score of 41.86 at the Census tract level and 44.93 at the block group level (Table 7). Segregation between non-white and white residents has remained relatively steady since 1990. However, since 1990 segregation has increased from low to moderate levels for Hispanic residents, the most significant increase amongst all racial/ethnic groups. This trend is commonly seen throughout the State and is likely attributed to an increase in Hispanic residents during the migration boom of the mid-to-late 1990s. A 2% increase in segregation also occurred for Asian or Pacific Islander residents. Block group level data reveals that segregation is more prominent amongst Asian or Pacific Islander residents than what is measured at the tract level (index score of 40.55 at the block group level versus 35.67 at the tract level). For Black residents, segregation has decreased by 13% since 1990. The proportion of Black residents has remained relatively steady during this same period, indicating segregation has been diminishing for the Black population.

¹ Block groups (BGs) are the next level above census blocks in the geographic hierarchy (census blocks are the smallest geographic area for which the Bureau of the Census collects and tabulates decennial census data). A BG is a combination of census blocks that is a subdivision of a census tract or block numbering area (BNA). A county or its statistically equivalent entity contains either census tracts or BNAs; it cannot contain both. The BG is the smallest geographic entity for which the decennial census tabulates and publishes sample data.



Map 1(a) Racial Demographics in Contra Costa County

Table H3-7: Racial/Ethnic Dissimilarity Trends (1990–2020) in Contra Costa County

Dissimilarity Index	1990 Trend	2000 Trend	2010 Trend	Current (2020 Census Block Group) ²
Non-White/White	41.19	41.95	41.86	44.93
Black/White	67.52	62.54	58.42	61.80
Hispanic/White	36.70	45.24	48.07	49.49
Asian or Pacific Islander/White	34.89	32.73	35.67	40.55

Source: HUD’s Affirmatively Furthering Fair Housing Tool (AFFH-T), Table 3 – Racial/Ethnic Dissimilarity Trends, Data version: AFFHT006, released July 10th, 2020.

² Note: The table presents Decennial Census values for 1990, 2000, 2010, all calculated by HUD using census tracts as the area of measurement. The “current” figure is calculated using block groups from the 2010 Decennial Census, because block groups can measure segregation at a finer grain than census tracts due to their smaller geographies. See https://www.hud.gov/program_offices/fair_housing_equal_opp/affh for more information.

Local Trends

According to the 2015-2019 American Community Survey, the largest ethnic group (45.30%) of residents in the City of Hercules were non-Hispanic Asians. 29.20% were non-Hispanic Whites, 15.12% were non-Hispanic Blacks or African-Americans, 5.67% were non-Hispanic multiracial individuals, and 4.03% identified as non-Hispanic other races. 15.82% of the population identified themselves as Hispanic or Latino. Non-Hispanic American Indians/Alaska Natives and Native Hawaiians/Other Pacific Islanders were the minority in the city, making up only 0.10% and 0.60% of the population, respectively. Refer to Table H3-8 for a comparison of racial composition in Contra Costa County and in the City of Hercules.

Table H3-8: Racial Composition for Contra Costa County and Hercules

Race	Contra Costa County	City of Hercules
White, non-Hispanic	47.75%	29.20%
Black or African-American, non-Hispanic	8.92%	15.12%
American Indian and Alaska Native, non-Hispanic	0.28%	0.10%
Asian, non-Hispanic	14.61%*	45.30%
Native Hawaiian and Other Pacific Islander, non-Hispanic	N/A	0.60%
Some other race, non-Hispanic	0.30%	4.03%
Two or more races, non-Hispanic	3.77%	5.67%
Hispanic or Latino	24.36%	15.82%

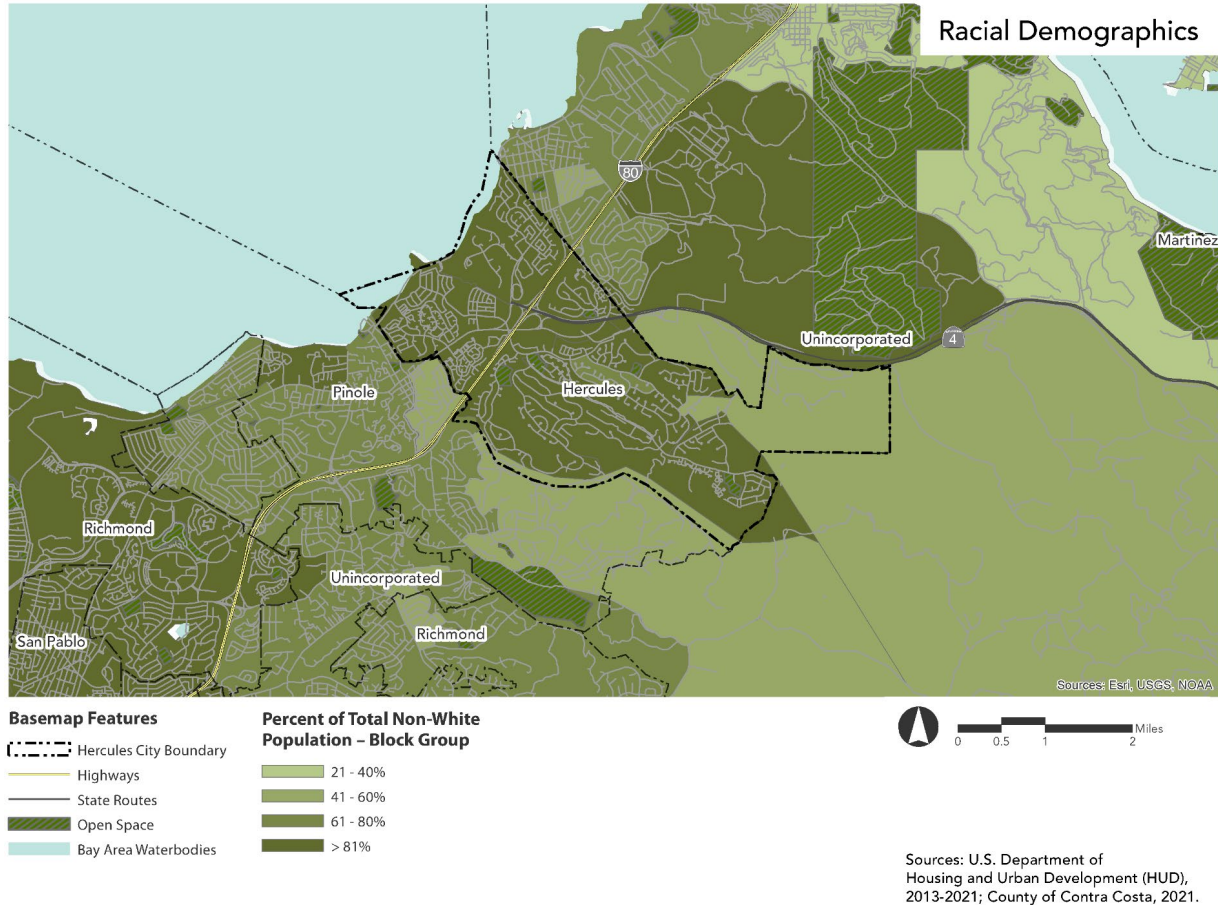
*Asian and Pacific Islander combined

Sources: American Community Survey, 2015-2019; ABAG Housing Needs Data Package; Contra Costa County Consortium Analysis of Impediments to Fair Housing 2020-2025

Dissimilarity Indices for the City of Hercules are not provided by the HUD Affirmatively Furthering Fair Housing Tool (AFFH-T) because it does not directly receive HUD funds through the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), or Emergency Solutions Grants (ESG) program. According to the Contra Costa County AI, though, Black, Asian and Pacific Islanders, and residents of Filipino national origin are concentrated in Hercules.

The AFFH Data Viewer does, however, provide visuals on racial demographics for the City of Hercules on the block group level. Refer to Map 1(b). Hercules has a relatively homogenous distribution and proportion of non-white residents. For each block group (with the exception of eastern unincorporated

areas), over 81% of the population is non-white. The eastern portion of the City has a lower percentage of non-white residents (between 21-40%).



Map 1(b) Racial Demographics in Hercules

Persons with Disabilities

In 1988, Congress added protections against housing discrimination for persons with disabilities through the FHA, which protects against intentional discrimination and unjustified policies and practices with disproportionate effects. The FHA also includes the following unique provisions to persons with disabilities: (1) prohibits the denial of requests for reasonable accommodations for persons with disabilities, if necessary, to afford an individual equal opportunity to use and enjoy a dwelling; and (2) prohibits the denial of reasonable modification requests. Regarding fair housing, persons with disabilities have special housing needs because of the lack of accessible and affordable housing and the higher health costs associated with their disability. In addition, many may be on fixed incomes, limiting their housing options.

Regional Trends

According to the 2015-2019 American Community Survey (ACS) 5-year estimates, 118,603 residents (10.9% of Contra Costa County's population) reported having one of six disability types listed in the ACS (hearing, vision, cognitive, ambulatory, self-care, and independent living). The percentage of residents detailed by disability are listed in Table H3-9 below. Note that an individual may report more than one disability.

Table H3-9: Percentage of Populations by Disability Types in Contra Costa County and Hercules

Disability Type	Contra Costa County	City of Hercules
Hearing	2.9%	3.1%
Vision	1.8%	1.3%
Cognitive	4.4%	3.1%
Ambulatory	5.9%	4.6%
Self-Care Difficulty	2.4%	1.7%
Independent Living Difficulty	5.2%	4.3%
Percentage of Total Population with Disability ³	10.9%	8.8%

Source: 2019 ACS 5-year Estimates

In both Contra Costa County and the City of Hercules, the percentage of individuals with disabilities also increases with age, with the highest percentage of individuals being those 65 years and older. Refer to Table H3-10 for the distribution of percentages by age.

Table H3-10: Percentage of Population with Disabilities by Age in Contra Costa County and Hercules

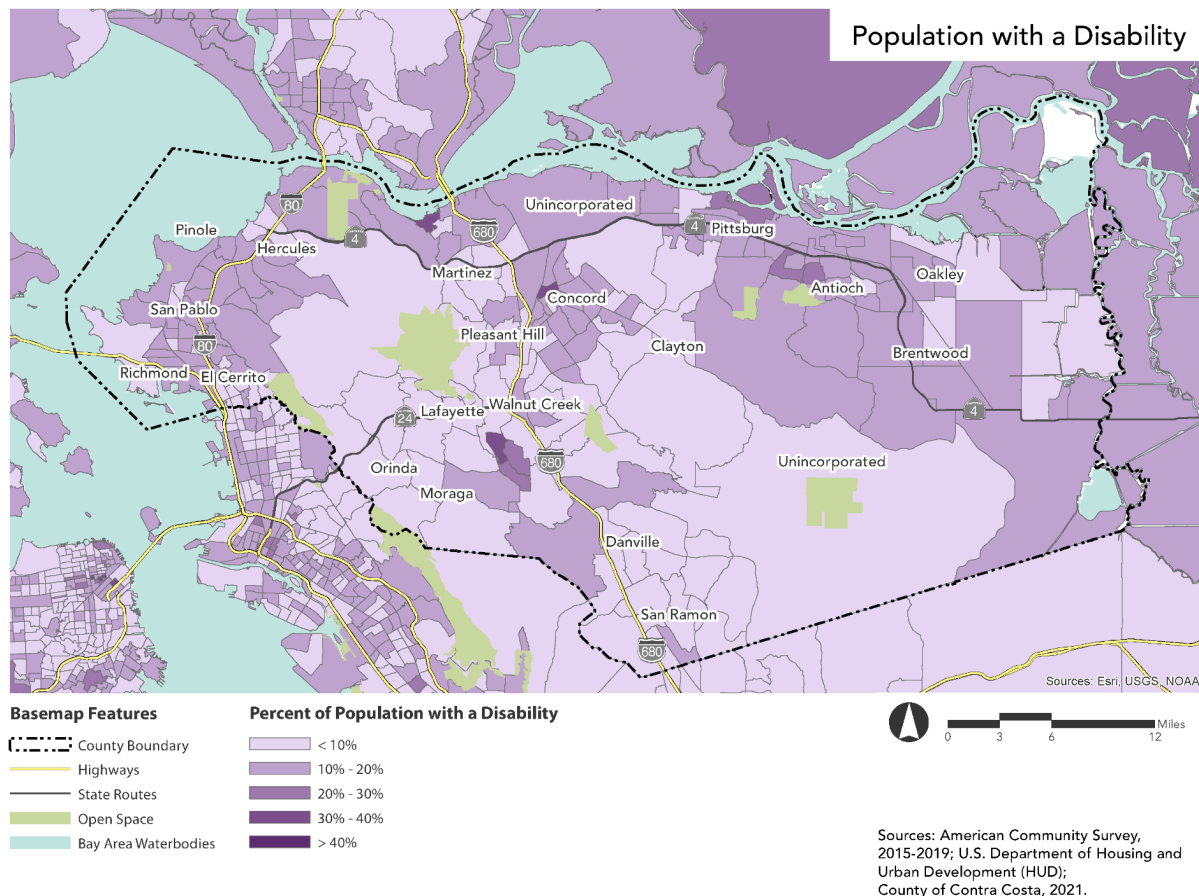
Age	Contra Costa County	Age	City of Hercules
Under 5 years	0.8%	Under 18	2.6%
5 - 17 years	4.9%		
18 - 34 years	6.2%	18 - 64 years	5.9%
35 - 64 years	9.7%		
65 - 74 years	21.5%	65 years and over	29.0%

³ These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

Age	Contra Costa County	Age	City of Hercules
75 years and over	51.2%		

Source: 2019 ACS 5-year Estimates

Regarding geographic dispersal, there is a relatively homogenous dispersal of persons with disabilities, especially in Central Contra Costa County, where most census tracts have less than 10% of individuals with disabilities. Towards Eastern Contra Costa County, the Western boundary, and parts of Southern Contra Costa County, however, the percentage of the population with disabilities increases to 10–20%. Comparing Map 2(a) and Map 6(a), areas with a high percentage of populations with disabilities correspond with areas with high housing choice voucher concentration (24% of people who utilize HCVs in Contra Costa County have a disability). Though the use of HCVs does not represent a proxy for actual accessible units, participating landlords remain subject to the FHA to provide reasonable accommodations and allow tenants to make reasonable modifications at their own expense. Areas with a high percentage of populations with disabilities also correspond to areas with high percentages of low-moderate income communities. The above demographic information indicates socioeconomic trends of populations of persons with disabilities.

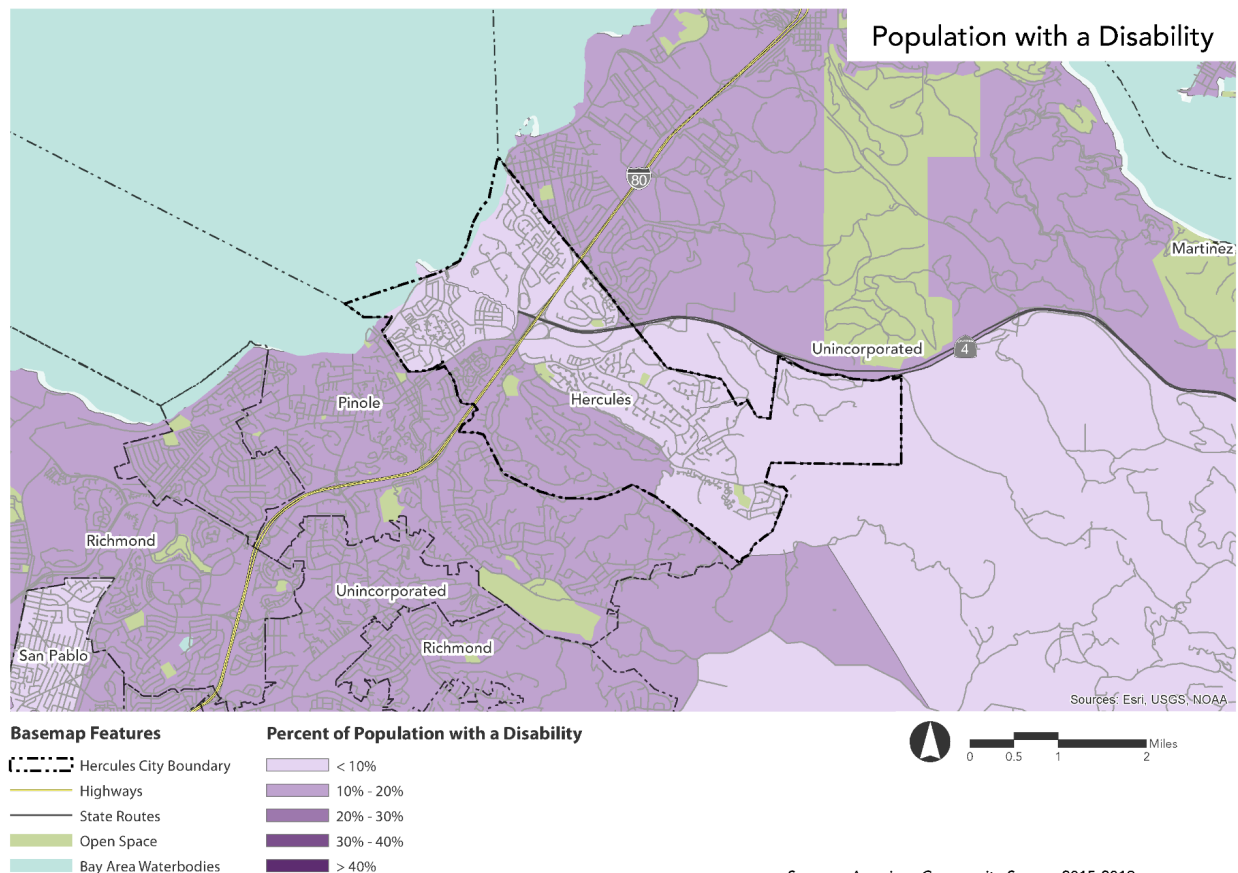


Map 2(a) Distribution of Population with a Disability in Contra Costa County

Local Trends

Though the City of Hercules has a slightly lower percentage of the population with disabilities, the City's overall disability statistics are consistent with Contra Costa County's. The most significant percentage of disabilities in Hercules consist of ambulatory disabilities, followed by independent living, cognitive, hearing, self-care, and vision disabilities. Overall, 8.8% of people in Hercules have a disability of some kind.

Referring to Map 2(b), Hercules has a low distribution of population with disabilities. Excluding the southwestern corner, the City has less than 10% of the populations with disabilities in its block groups. The southwestern corner has a slightly higher percentage of populations with disabilities (between 10% to 20%). The southwestern corner also corresponds with block groups that are of furthest proximity to jobs, census tracts with moderate to high percentage of overpayment by renters, and slightly lower environmental scores compared to the rest of the City.



Sources: American Community Survey, 2015-2019;
U.S. Department of Housing and Urban Development (HUD);
County of Contra Costa, 2021.

Map 2(b) Distribution of Population with a Disability in Hercules

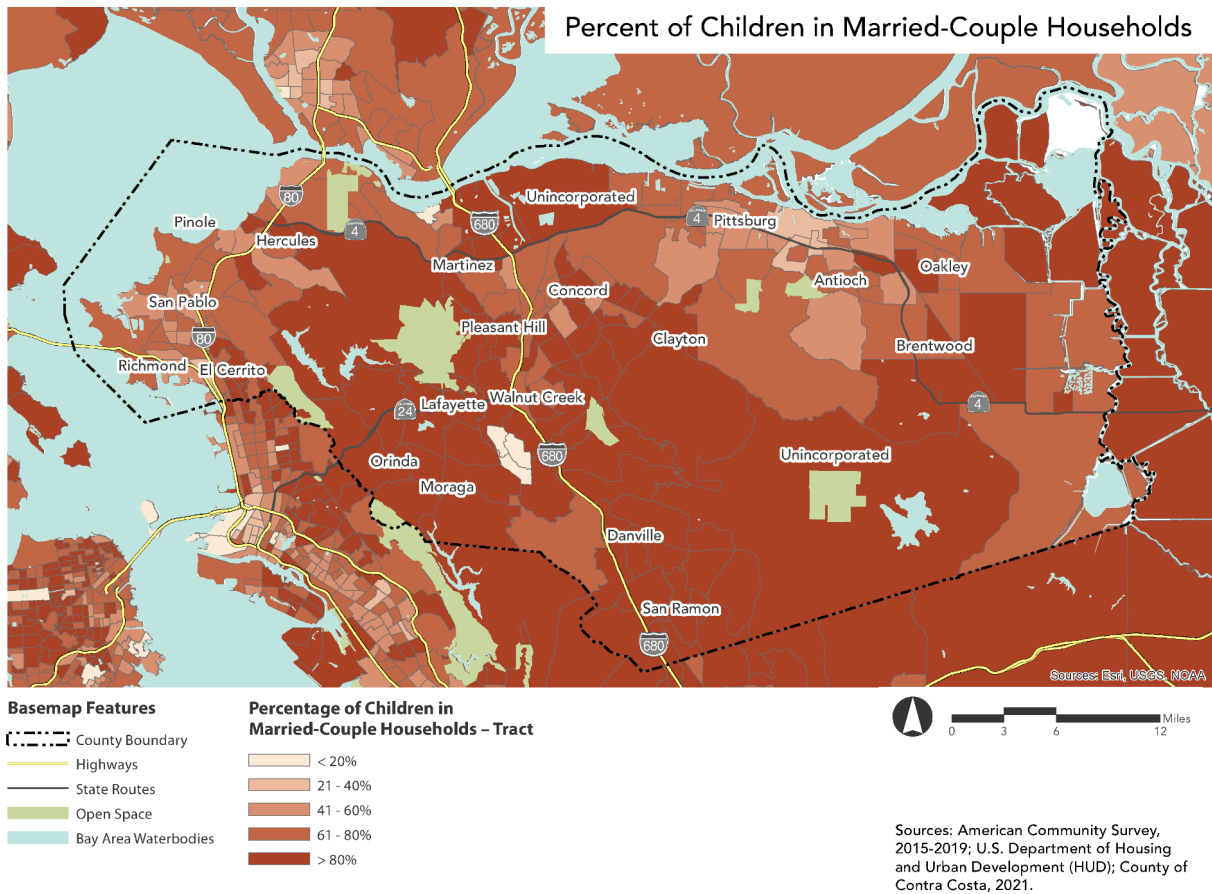
Familial Status

Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single-parent households are also protected by fair housing law. Of particular consideration are female-headed households, which may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.

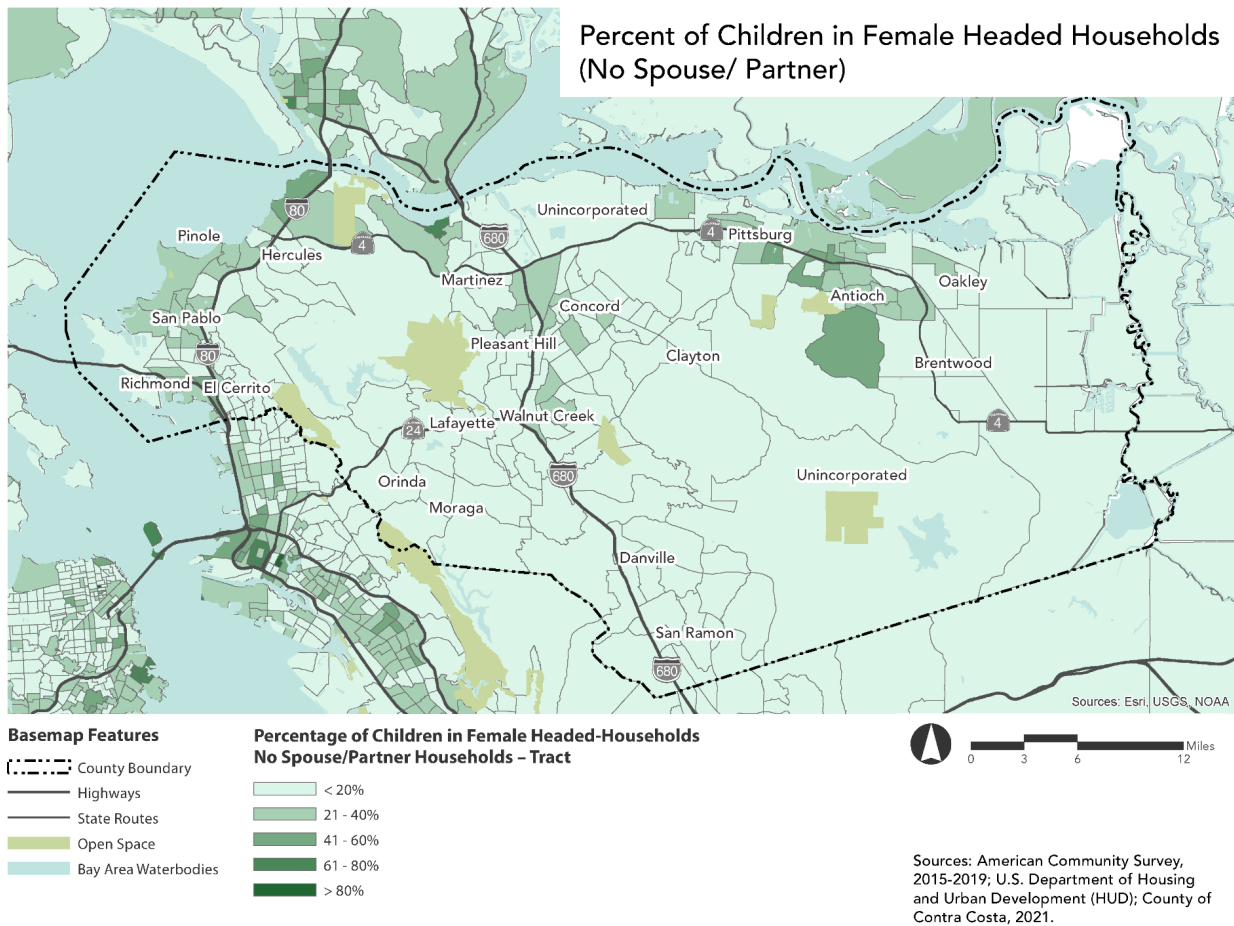
Regional Trends

Map 3(a) indicates that most children living in Contra Costa County live in married-couple households, especially in central parts of the county where the percentage of children in such households exceed 80%. Census tracts adjacent to these areas also have relatively high percentages of children living in married-couple households (60% to 80%). Census tracts with the lowest percentage of children in married-couple households (less than 20%) are between Pittsburg and Antioch.



Map 3(a) Distribution of Percentage of Children in Married-Couple Households in Contra Costa County

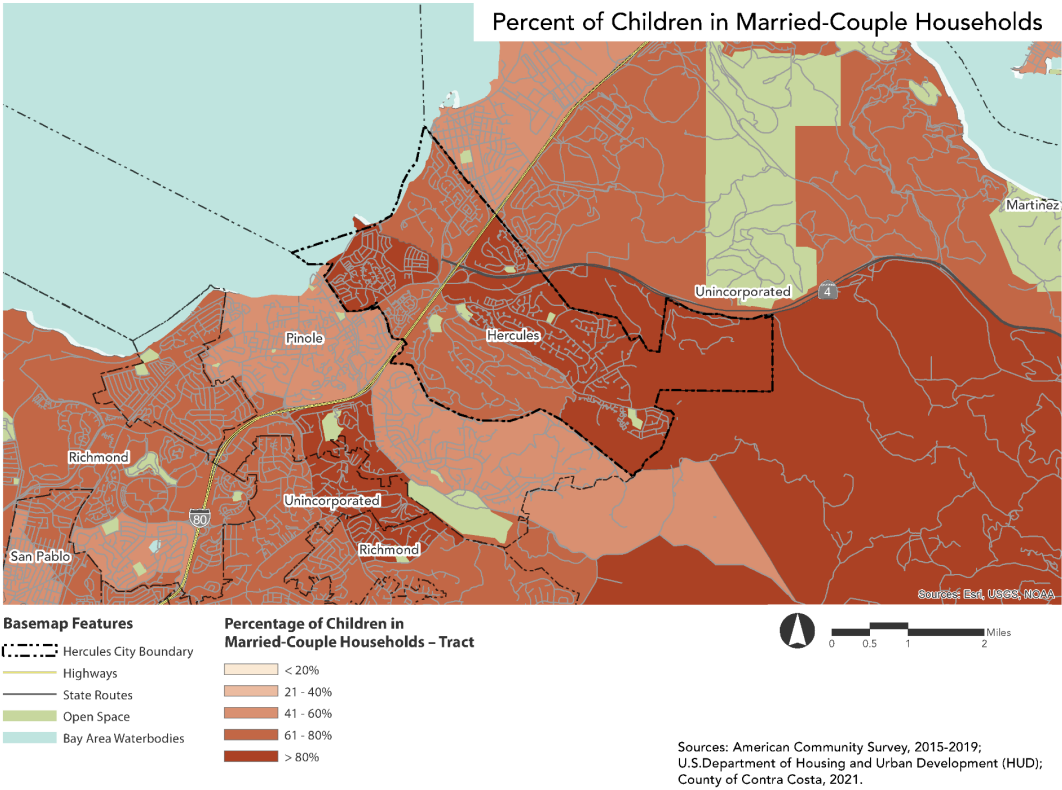
Map 3(b) depicts the concentration of households headed by single mothers in the County by Census Tract. Areas of concentration include Richmond, San Pablo, Rodeo, Bay Point, Pittsburg, Antioch, and to the west of Concord. Those communities are also areas of high minority populations. By contrast, central County, in general, and the portions of central County south of the City of Concord have relatively low concentrations of children living in female-headed households (less than 20%). These tend to be more heavily White or White and Asian and Pacific Islander communities.



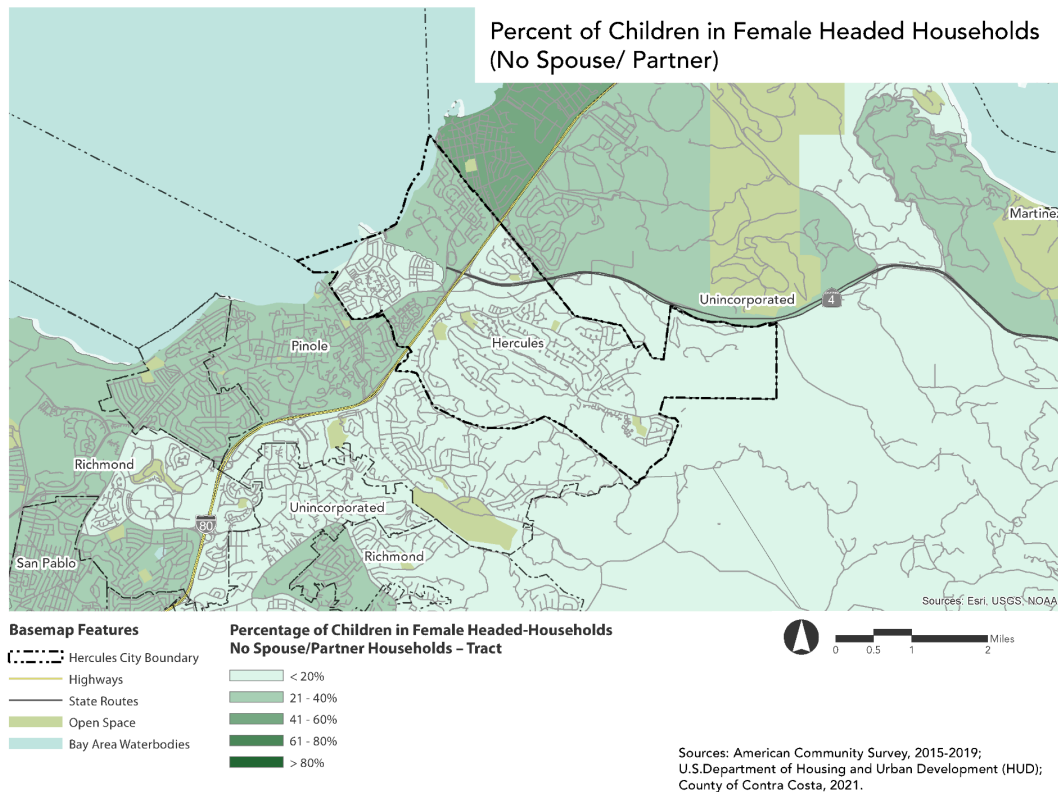
Map 3(b) Distribution of Percentage of Children in Female-Headed, No-Spouse or No-Partner Households in Contra Costa County

Local Trends

Referring to Map 4(a), all census tracts in Hercules have at least between 61% to 80% of children in Married-Couple Households, whereas eastern and western areas of the City have over 80%. This distribution is inversely related to the percent of female-headed households (no spouse/partner) in Map 4(b). Tracts with lower percentages of children in female-headed households have higher percentages of children in Married-Couple Households and vice versa.



Map 4(a) Percent of Children in Female-Headed Households by Tract in Hercules



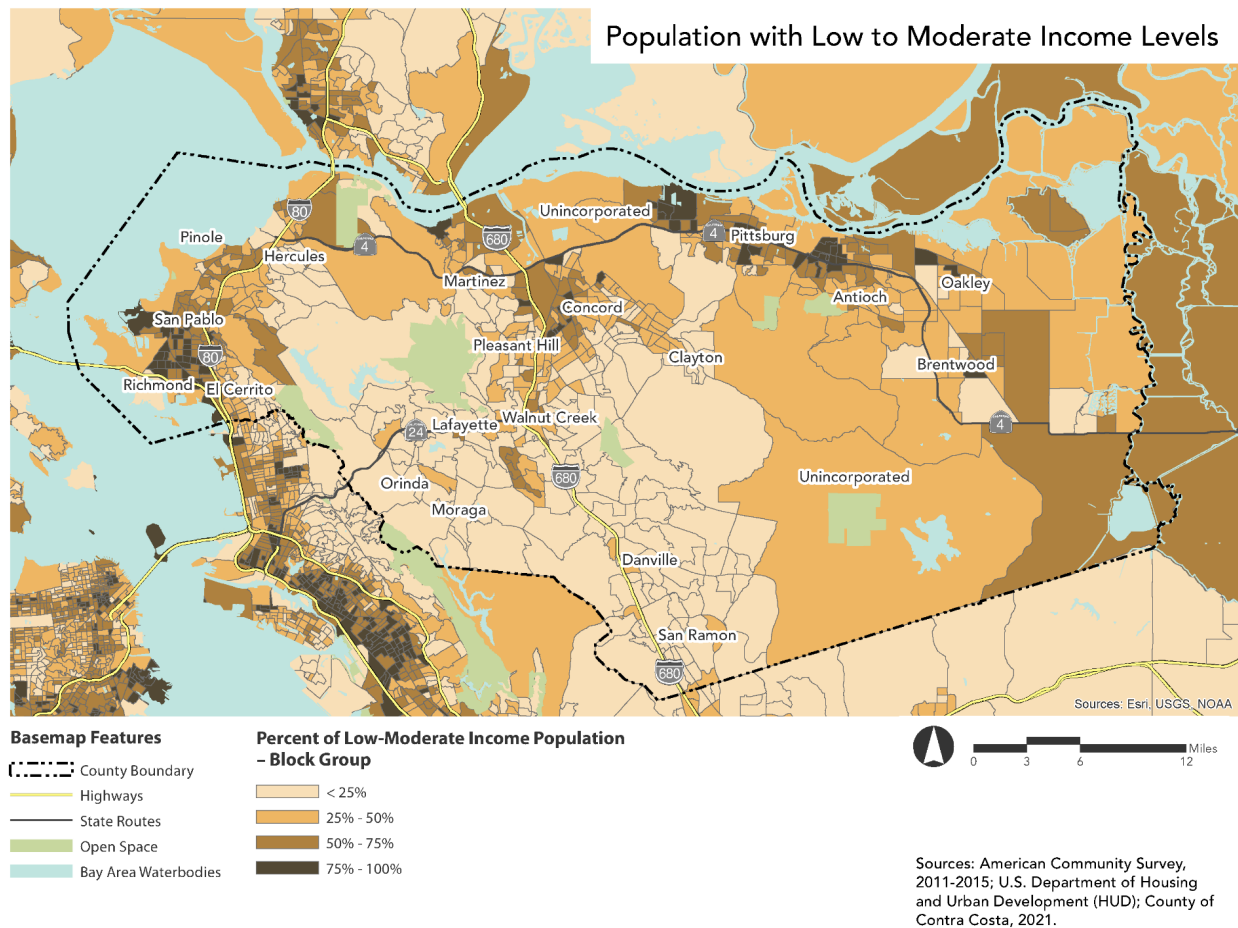
Map 4(b) Percent of Children in Married Couple Households by Tract in Hercules

Income Level

HUD receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau each year. Known as the "CHAS" data (Comprehensive Housing Affordability Strategy), it demonstrates the number of households in need of housing assistance by estimating the number of households that have specific housing problems and have income low enough to qualify for HUD's programs (primarily 30%, 50%, and 80% of median income). HUD defines a Low to Moderate Income (LMI) area as a census tract or block group where over 51% of the population is LMI (based on HUD income definition of up to 80% of the Area Median Income)

Regional Trends

Map 5(a) shows the LMI areas in Contra Costa County by block group. Most of central Contra Costa County has less than 25% of LMI populations. Block groups with high concentrations of LMI (between 75–100% of the population) can be found clustered around Antioch, Pittsburg, Richmond, and San Pablo. There are also small pockets with high percentages of the LMI population around Concord. Other areas of the county have a moderate percentage of the LMI population (25%–75%).



Map 5(a) Distribution of Percentage of Population with Low to Moderate Income Levels in Contra Costa County

Table H3-11 lists Contra Costa County households by income category and tenure. Based on the above definition, 38.71% of Contra Costa County households are considered LMI as they earn less than 80% of the HUD Area Median Family Income (HAMFI). Almost 60% of all renters are considered LMI compared to only 27.5% of owner households.

Table H3-11: Households by Income Category and Tenure in Contra Costa County

Income Distribution Overview	Owner	Renter	Total
Household Income \leq 30% HAMFI	7.53%	26.95%	14.40%
Household Income >30% to \leq 50% HAMFI	8.85%	17.09%	11.76%
Household Income >50% to \leq 80% HAMFI	11.12%	15.16%	12.55%
Household Income >80% to \leq 100% HAMFI	8.98%	9.92%	9.31%
Household Income >100% HAMFI	63.52%	30.89%	51.98%
Total Population	248,670	135,980	384,645

Source: HUD Office of Policy Development and Research (PD&R) CHAS Data; 2011–2015 ACS

Local Trends

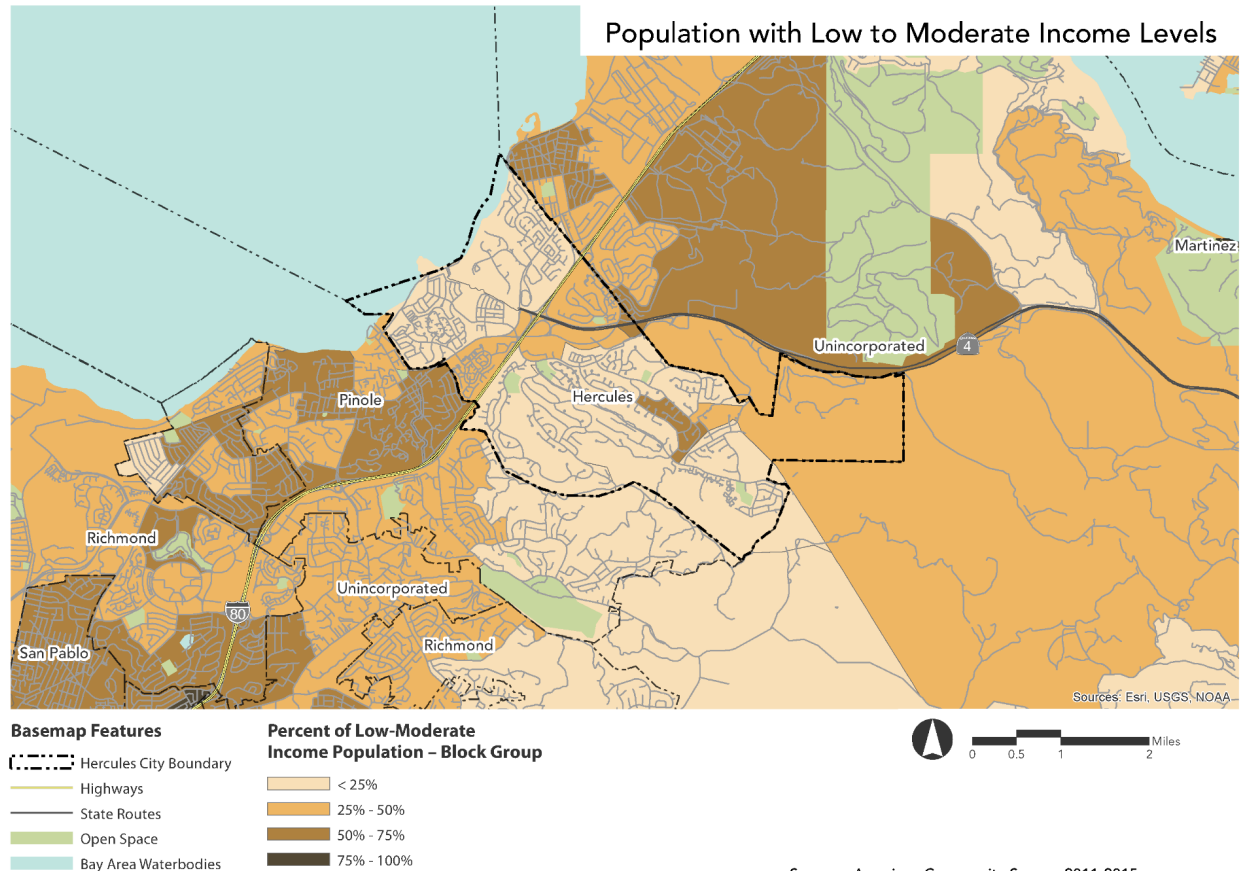
Map 5(b) below shows the percent of population with low to moderate income levels by block group in the City of Hercules. The block groups located in the east towards the central portion of the city have medium (25% to 50%) to high (50% to 75%) percentages of LMI population. The string of block groups that run along I-80, a 10- to 12-lane divided interstate freeway, have 25% to 50% of LMI population. Other block groups in the city have less than 25% of LMI population. To address areas of high (50% to 75%) percentages of LMI population, HE programs H1-4, H1-1, and H1-2 will help monitor and preserve affordable housing, allow first-time homebuyers and provide affordable housing partnerships and funding sources.

Table H3-12 provides a list of households by income category and tenure in Hercules. Generally speaking, there are disparities between the incomes of homeowners and renters, a pattern observed on both the regional and local level. In Hercules, only 20.16% of owner households are considered LMI (earns less than 80% of HAMFI) compared to almost 60% of renter households. The reverse is true for those of high income households (more than 100% of HAMFI), where almost 70% of owner households are high income and only about 28% of renter households are high income.

Table H3-12: Households by Income Category and Tenure in Hercules

Income Distribution Overview	Owner	Renter	Total
Household Income \leq 30% HAMFI	5.84%	20.25%	8.73%
Household Income >30% to \leq 50% HAMFI	5.40%	19.94%	8.30%
Household Income >50% to \leq 80% HAMFI	8.92%	14.72%	10.08%

Income Distribution Overview	Owner	Renter	Total
Household Income >80% to ≤ 100% HAMFI	10.40%	17.80%	11.86%
Household Income >100% HAMFI	69.64%	27.61%	61.22%
Total Population	6,505	1,630	8,735



Map 5(b) Distribution of Percentage of Population with Low to Moderate Income Levels in Hercules

Housing Choice Vouchers (HCV)

Housing Choice Vouchers (HCV) are a form of HUD rental subsidy issued to low-income households that promise to pay a certain amount of the household's rent. Prices, or payment standards, are set based on the rent in the metropolitan area, and voucher households must pay any difference between the rent and

the voucher amount. Participants of the HCV program are free to choose any rental housing that meets program requirements.

An analysis of the trends in HCV concentration can be in examining the program's success in improving the living conditions and quality of life of its holders. One of the objectives of the HCV program is to encourage participants to avoid high-poverty neighborhoods, and encourage the recruitment of landlords with rental properties in low-poverty neighborhoods. HCV programs are managed by Public Housing Agencies (PHAs), and the programs' assessment structure (Section Eight Management Assessment Program) includes an "expanding housing opportunities" indicator that shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration.

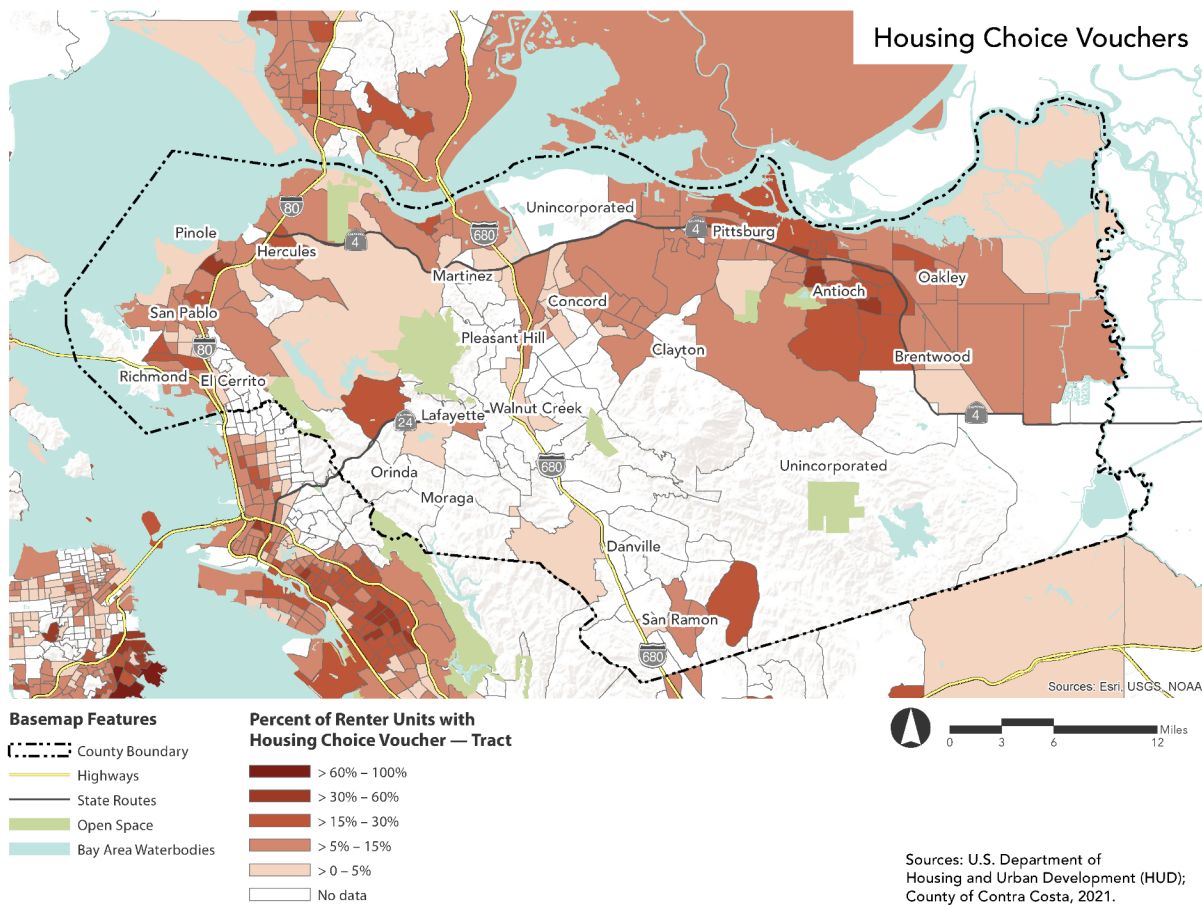
A study prepared by HUD's Office of Policy Development and Research found a positive association between the HCV share of occupied housing and neighborhood poverty concentration, and a negative association between rent and neighborhood poverty. This means that HCV use was concentrated in areas of high poverty where rents tend to be lower. In areas where these patterns occur, the program has not succeeded in moving holders out of areas of poverty.

This section will also discuss the Location Affordability Index. The Index was developed by HUD in collaboration with DOT under the federal Partnership for Sustainable Communities. One objective of the Partnership is to increase public access to data on housing, transportation, and land use. Before this Index, there was no standardized national data source on household transportation expenses, which limited the ability of homebuyers and renters to fully account for the cost of living in a particular city or neighborhood.

The prevailing standard of affordability in the United States is paying 30% or less of the family's income on housing, but this fails to account for transportation costs. Transportation costs have grown significantly as a proportion of household income since this standard was established. According to the Bureau of Labor Statistics, in the 1930s American households spent just 8% of their income on transportation. Since then, as a substantial proportion of the U.S. population has migrated from center cities to surrounding suburbs and exurbs and come to rely more heavily (or exclusively) on cars, that percentage has steadily increased, peaking at 19.1% in 2003. As of 2013, households spent on average about 17% of their annual income on transportation, second only to housing costs in terms of budget impact. For many working-class and rural households, transportation costs actually exceed housing costs.

Regional Trends

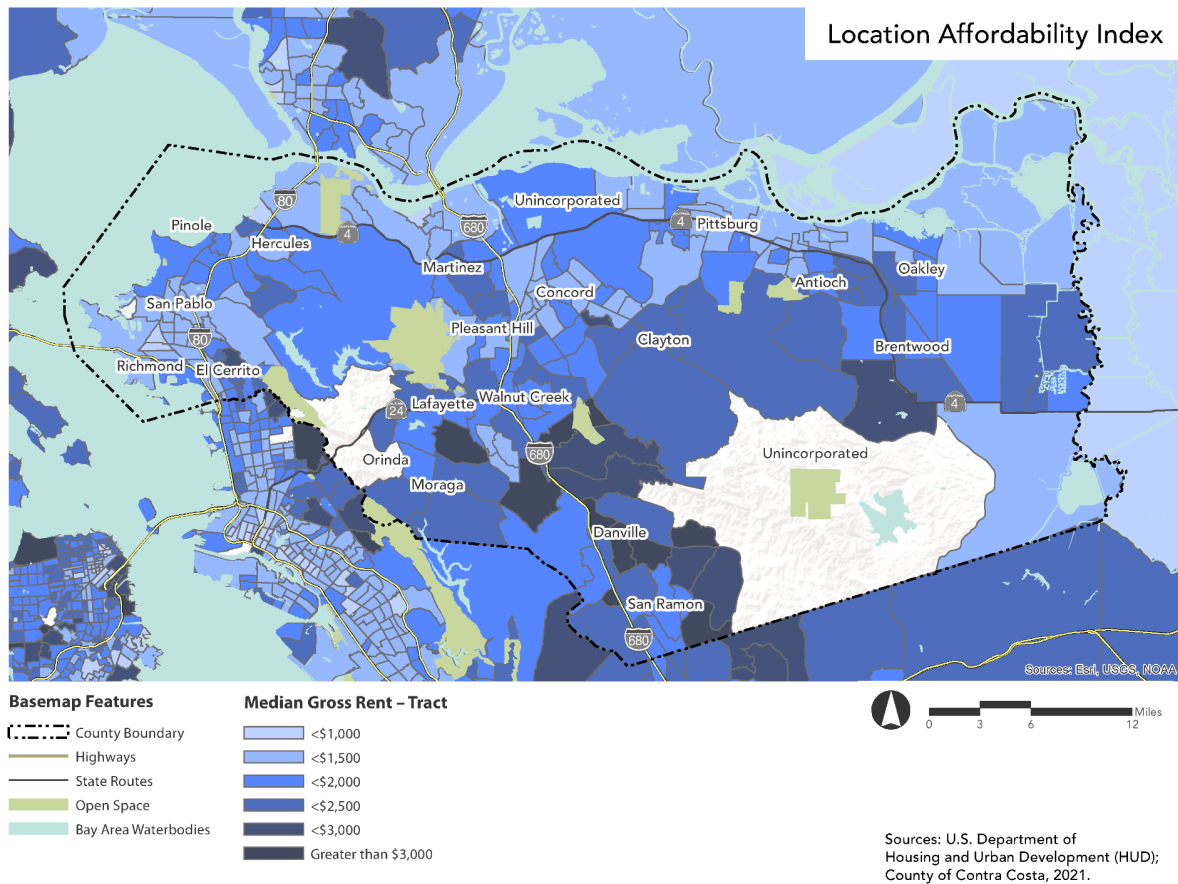
In Contra Costa County, the Housing Authority of Contra Costa County (HACCC) administers approximately 7,000 units of affordable housing under the HCV program (and Shelter Care Plus program). Northwest Contra Costa County is served by the Richmond Housing Authority (RHA) that administers approximately 1,851 HCVs. North-central Contra Costa County is served by the Housing Authority of the City of Pittsburg (HACP), which manages 1,118 tenant-based HCVs.



Map 6(a) Distribution of Percentage of Renter Units with Housing Choice Vouchers in Contra Costa County

The HCV program serves as a mechanism for bringing otherwise unaffordable housing within reach of low-income populations. Regarding Map 6(a), the program appears to be most prominent in western Contra Costa County, in heavily Black and Hispanic areas, and in the northeast of the County, in predominantly Black, Hispanic, and Asian areas. Central Contra Costa County largely has no data on the percentage of renter units with HCVs. The correlation between low rents and a high concentration of HCV holders holds true for the areas around San Pablo, Richmond, Martinez, Pittsburg, and Antioch.

Map 7(a) shows the Location Affordability Index in Contra Costa County, where the majority of the county has a median gross rent of \$2,000 to \$2,500. Central Contra Costa County (areas between Danville and Walnut Creek) have the highest rents around \$3,000 or more. The county's most affordable tracts are along the county's perimeter in cities like Richmond, San Pablo, Pittsburg, and Martinez.

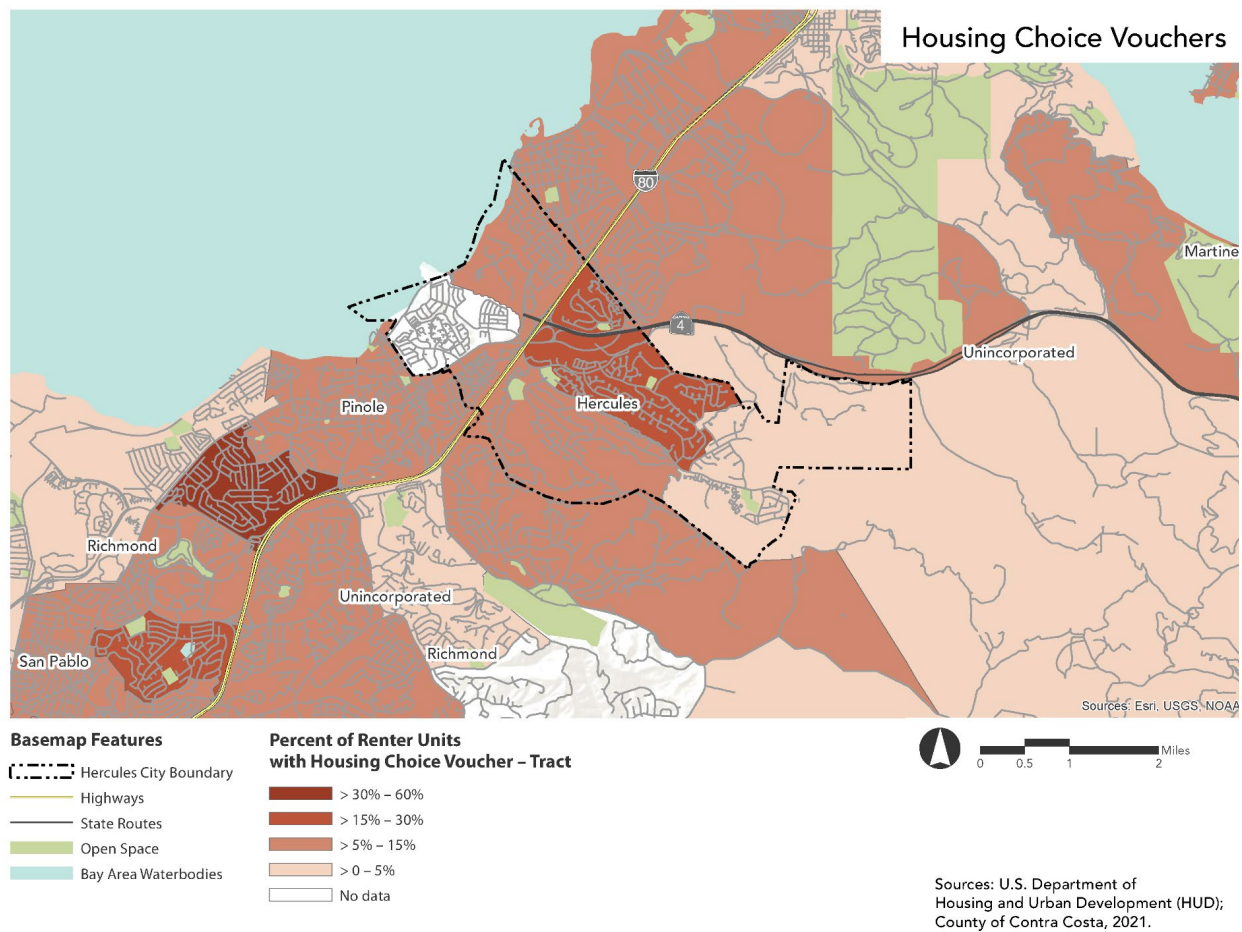


Map 7(a) Location Affordability Index in Contra Costa County

Local Trends

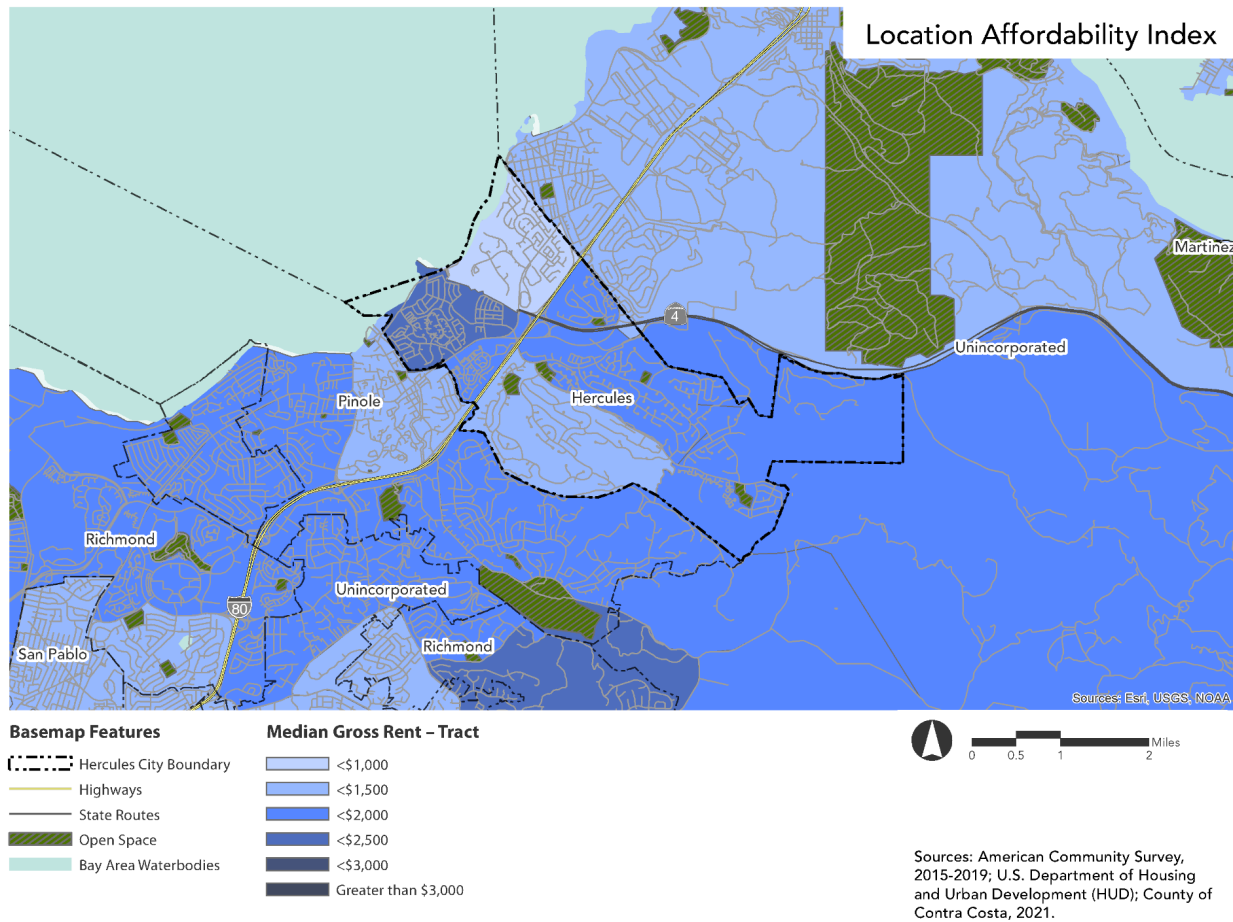
The City of Hercules does not operate its own housing authority but is served by the Contra Costa County Housing Authority. The City encourages people to contact the CCC Housing Authority for any questions on affordable housing.

Map 6(b) provides the percentage of renter units with Housing Choice Vouchers (HCV) in Hercules. Census tracts located within central and northern Hercules have the highest percentage of renter units with HCVs (>15-30%). Eastern areas of the City have the lowest percentage of renter units with HCV (0%–5%), and other areas have low to medium percentage of renter units with HCV (5%–15%). The westernmost area of the City has no data.



Map 6(b) Distribution of Percentage of Renter Units with Housing Choice Vouchers in Hercules

Map 7(b) shows the Location Affordability Index in Hercules. At greater than \$3,000, median gross rent is highest in the western corner of the City. From there, the eastern tracts have a median gross rent of less than \$2,000. Rent is lowest in southern and northern Hercules (less than \$1,500 and \$1,000 respectively). Note that census tracts with the highest percentage of renter units with HCVs correlate with census tracts with moderate median gross rent (<\$2,000). No correlation can be determined for census tracts with the highest median gross rent in Hercules due to lack of data on the HCV map.



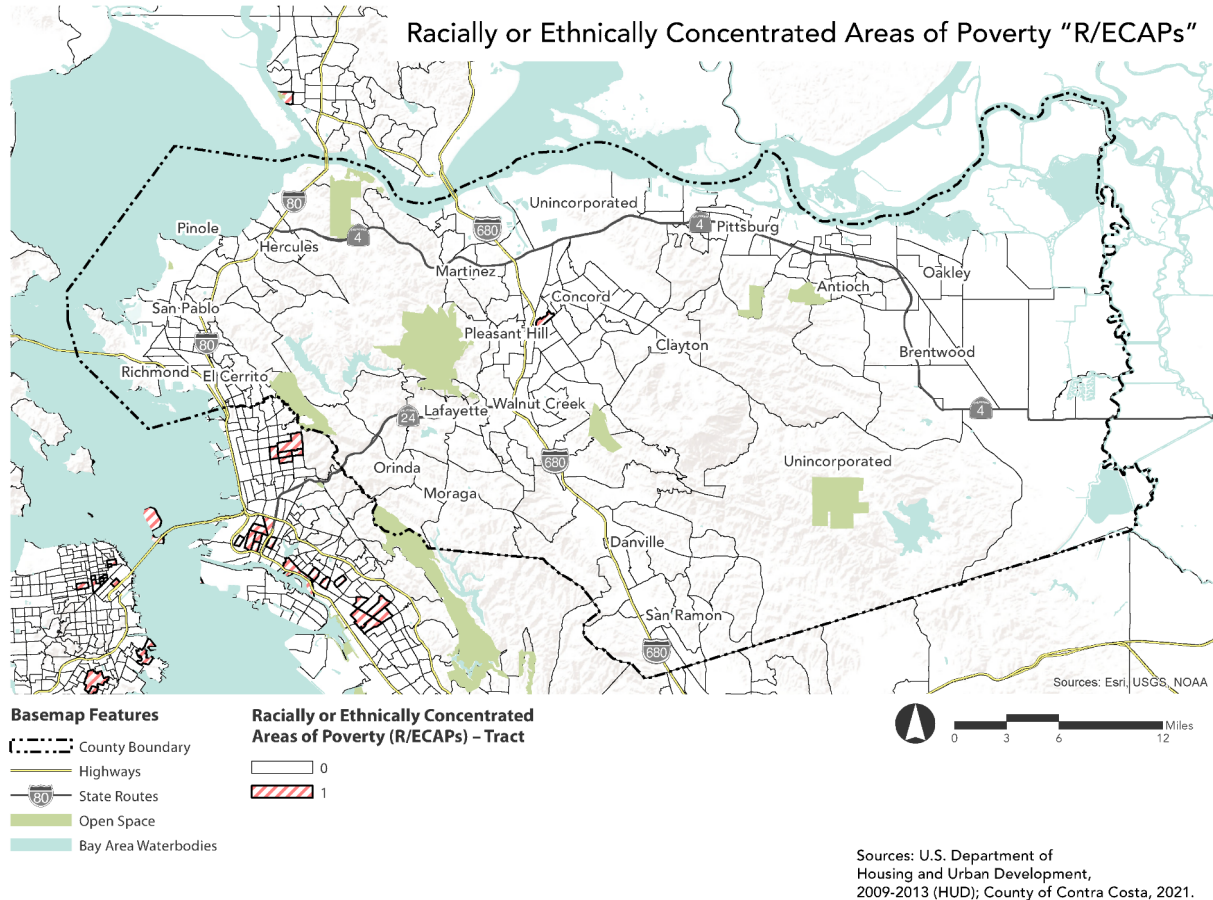
Map 7(b) Housing Affordability Index in Hercules

Racially and Ethnically Concentrated Areas of Poverty (R/ECAP)

Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) are geographic areas with significant concentrations of poverty and minority populations. HUD developed a census-tract based definition of R/ECAP that relies on a racial and ethnic concentration threshold and a poverty test. The threshold states that an area with a non-White population of 50% or more would be identified as a R/ECAP; the poverty test defines areas of extreme poverty as areas where 40% or more of the population live below the federal poverty line or where the poverty rate is three times the average poverty rate for the metropolitan area (whichever is lower). Thus, an area that meets either the racial or ethnic concentration, and the poverty test would be classified as a R/ECAP. Identifying R/ECAPS facilitates an understanding of entrenched patterns of segregation and poverty due to the legacy effects of historically racist and discriminatory housing laws.

Regional Trends

In Contra Costa County, the only area that meets the official definition of a R/ECAP is Monument Corridor in Concord (highlighted with red stripes in Map 8 below).

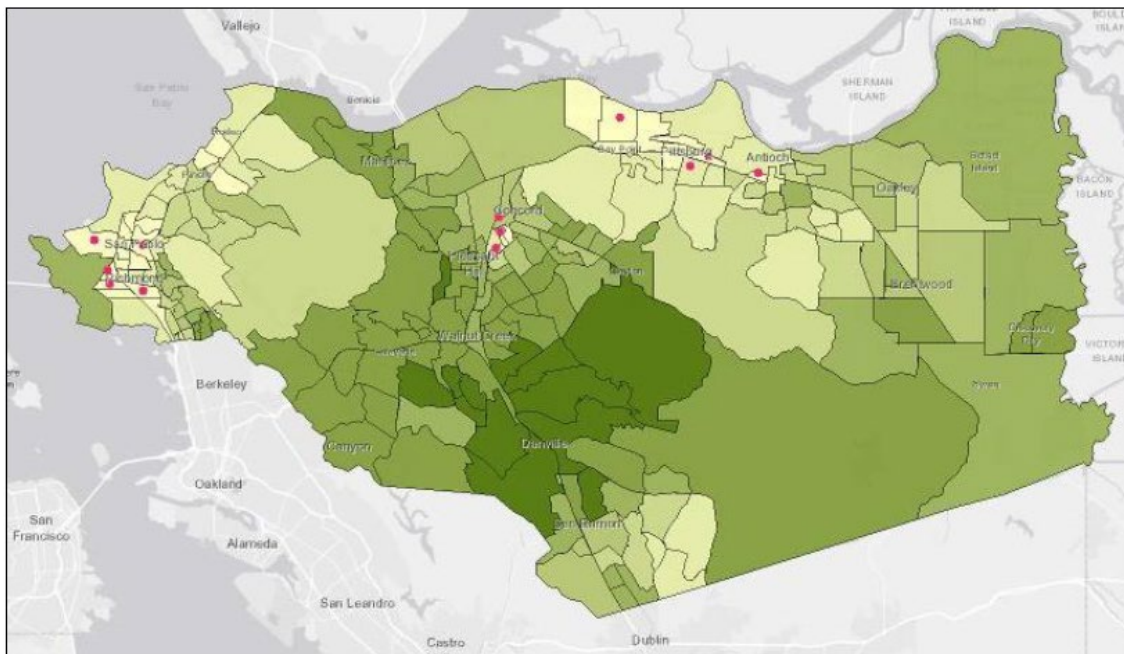


Map 8(a) R/ECAPs in Contra Costa County

Expanded R/ECAPs in Contra Costa County

According to the 2020 Contra Costa County AI, however, the HUD definition that utilizes the federal poverty rate is unsuitable for analysis in the San Francisco Bay Area due to the high cost of living. The HUD definition would severely underestimate whether an individual is living in poverty. The Contra Costa County AI proposes an alternate definition of a R/ECAP that includes majority-minority census tracts that have poverty rates of 25% or more. Under this definition, 12 other census tracts would qualify as R/ECAPs in the areas of Antioch (1), Bay Point (1), Concord (3), Pittsburg (2), North Richmond (1), Richmond (3) and San Pablo (1). Refer to Map 9 for the locations of R/ECAPS based on the expanded definition. Note that the Contra Costa County AI does not provide a legend for the map.

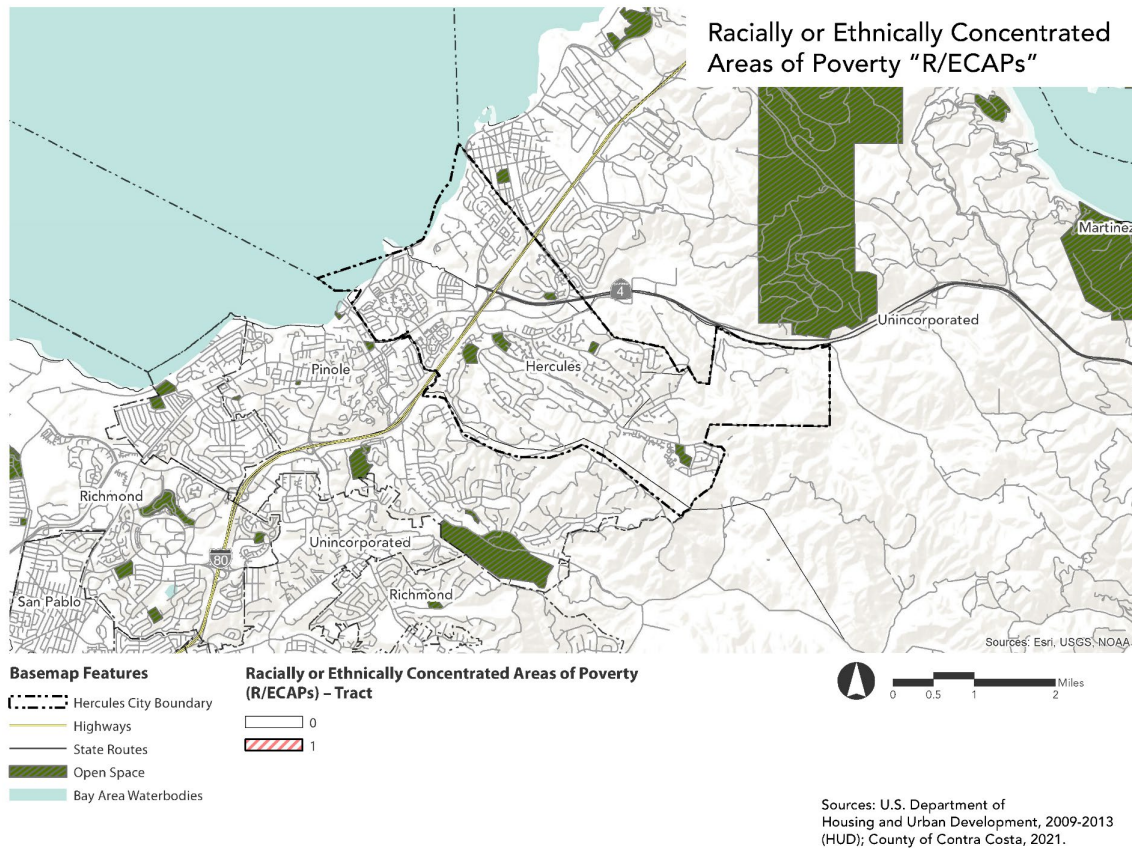
According to the 2012–2016 American Community Survey, 69,326 people lived in these expanded R/ECAPs, representing 6.3% of the County’s population. Hispanic and Black populations make up a disproportionately large percentage of residents who reside in R/ECAPs compared to the population of the County or Region as a whole. In Contra Costa County, approximately 53% of individuals living in R/ECAPs are Hispanic, nearly 18% are Black, 19.57% are Mexican American, 4.65% are Salvadoran American, and 1.49% are Guatemalan Americans. Families with children under 18 still in the household comprise almost 60% of the population in Contra Costa County’s R/ECAPs. To those already living in poverty, the higher rate of dependent children in their households would translate to a greater strain on their resources.



Map 9 Expanded R/ECAPs in Contra Costa County

Local Trends

The City of Hercules has no (R/ECAPs) as defined by HUD.



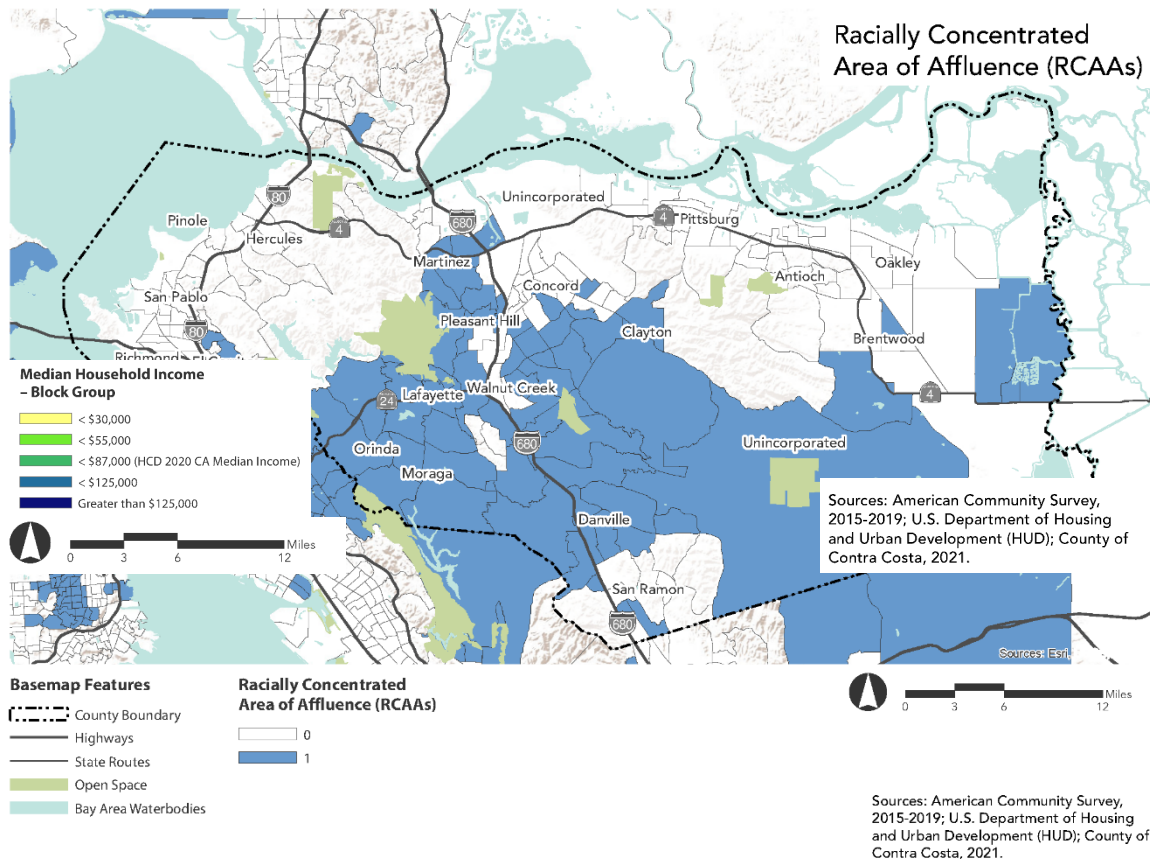
Map 8(b) R/ECAPs in Hercules

Racially Concentrated Areas of Affluence (RCAAs)

Racially Concentrated Areas of Affluence (RCAAs) are defined by the HUD as communities with a large proportion of affluent and non-Hispanic White residents. According to a policy paper published by the HUD, non-Hispanic Whites are the most racially segregated group in the United States. In the same way, neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color; distinct advantages are associated with residence in affluent, White communities. An alternate definition of RCAA from the University of Minnesota Humphrey School of Public Affairs is used in this analysis. RCAAs are defined as census tracts where (1) 80% or more of the population is white, and (2) the median household income is \$125,000 or greater (slightly more than double the national median household income in 2016).

Regional Trends

Map 10(a) depicts RCAA's within Contra Costa County. According to the AFFH Data Viewer. The cities of Clayton, Danville, and Lafayette are considered RCAAs. Portions of Brentwood, San Ramon, Concord, Walnut Creek, Pleasant Hill, and Martinez are considered RCAAs. RCAAs are mostly concentrated in the central part of the County, with very little presence in cities along the straits.



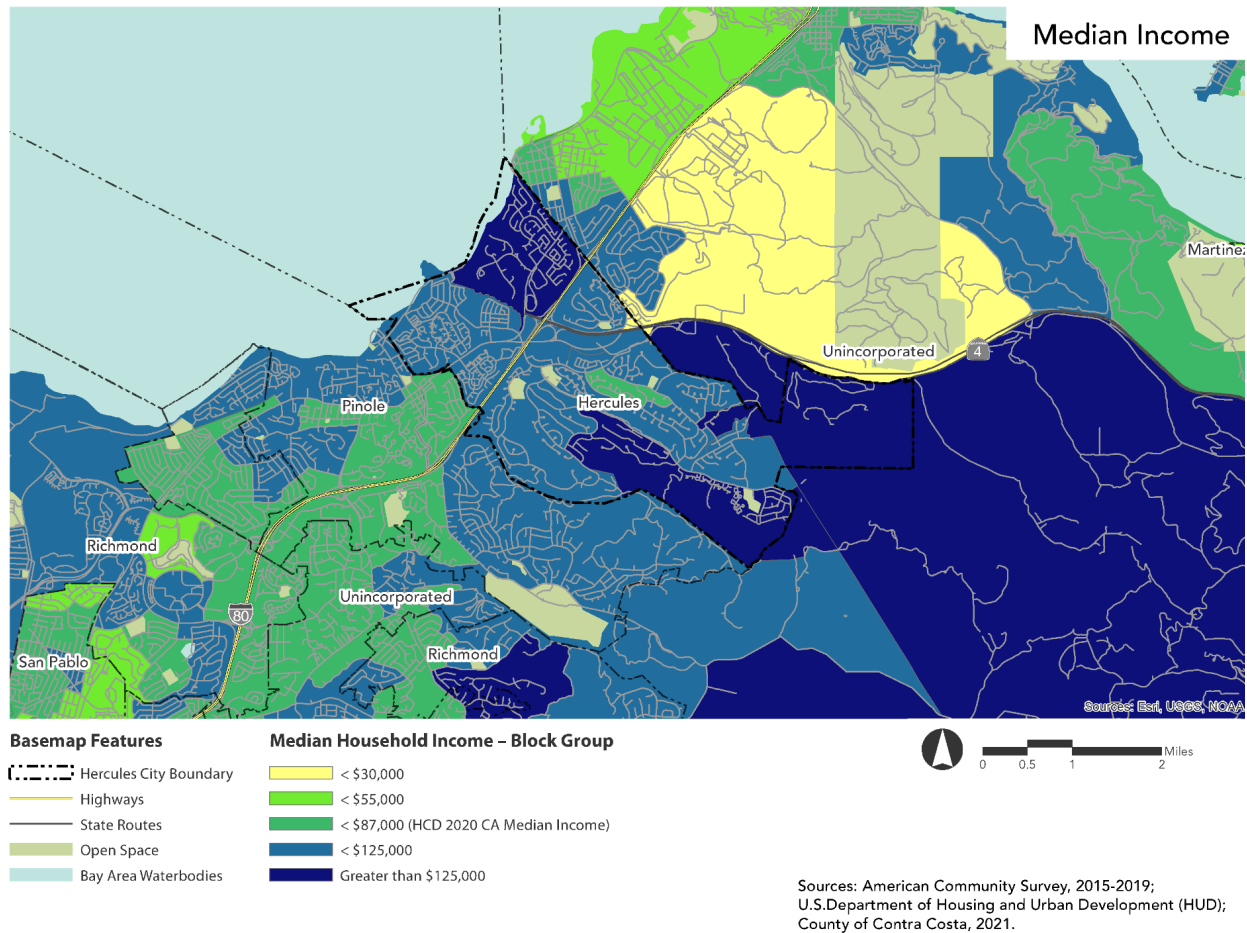
Map 10(a) Racially Concentrated Area of Affluence (RCAAs) (2021)

Local Trends

Map 10(b) shows the median household income by block group in the City of Hercules. Northwest and Eastern Hercules have the highest median household income of greater than \$125,000 while the rest of the city has between \$87,000–\$125,000 of median household income. Due to the homogenous distribution of non-White residents in Hercules, however, northwest and eastern Hercules are not considered RCAAs. Areas with high median income do not overlap with areas where there are high percentages of White residents. As seen in Map 10(a), there are no areas within Hercules considered RCAAs.

Income above \$87,000 is considered above HCD’s 2020 Median Income for California. A small block group located in central Hercules has a median household income of between \$30,000 to \$55,000, lower than the HCD Median Income for California. This block group corresponds to areas with high HCV use and low

job proximity. For areas with a median household income less than \$87,000 the HE Programs H1-4, H1-1, H1-2, H3-2 and H1-3 will help increase access to affordable housing, for homeowners and renters.



Map 10(b) Median Household Income in Hercules

Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g. education, employment, safety, and the environment) and critical life outcomes (e.g. health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents' mobility and access to high resource neighborhoods.

TCAC Opportunity Maps

TCAC Maps are opportunity maps created by the California Fair Housing Task Force (a convening of the Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC)) to provide research and evidence-based policy recommendations to further HCD's fair

housing goals of (1) avoiding further segregation and concentration of poverty and (2) encouraging access to opportunity through land use policy and affordable housing, program design, and implementation. These opportunity maps identify census tracts with highest to lowest resources, segregation, and poverty, which inform the TCAC to more equitably distribute funding for affordable housing in areas with the highest opportunity through the Low-Income Housing Tax Credit (LIHTC) Program.

TCAC Opportunity Maps display areas by highest to lowest resources by assigning scores between 0.0–1.0 for each domain by census tracts where higher scores indicate higher “access” to the domain or higher “outcomes.” Refer to Table 13 for a list of domains and indicators for opportunity maps. Composite scores are a combination score of the three domains that do not have a numerical value but rather rank census tracts by the level of resources (low, moderate, high, highest, and high poverty and segregation). The opportunity maps also include a measure or “filter” to identify areas with poverty and racial segregation. The criteria for these filters were:

- Poverty: Tracts with at least 30 percent of population under the federal poverty line;
- Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County

Table H3-13: Domains and List of Indicators for Opportunity Maps

Domain	Indicator
Economic	Poverty Adult Education Employment Job Proximity Median Home Value
Environmental	CalEnviroScreen 3.0 Pollution Indicators and Values
Education	Math Proficiency Reading Proficiency High School Graduation Rates Student Poverty Rates

Source: California Fair Housing Task Force, Methodology for the 2021 TCAC/HCD Opportunity Maps, December 2020

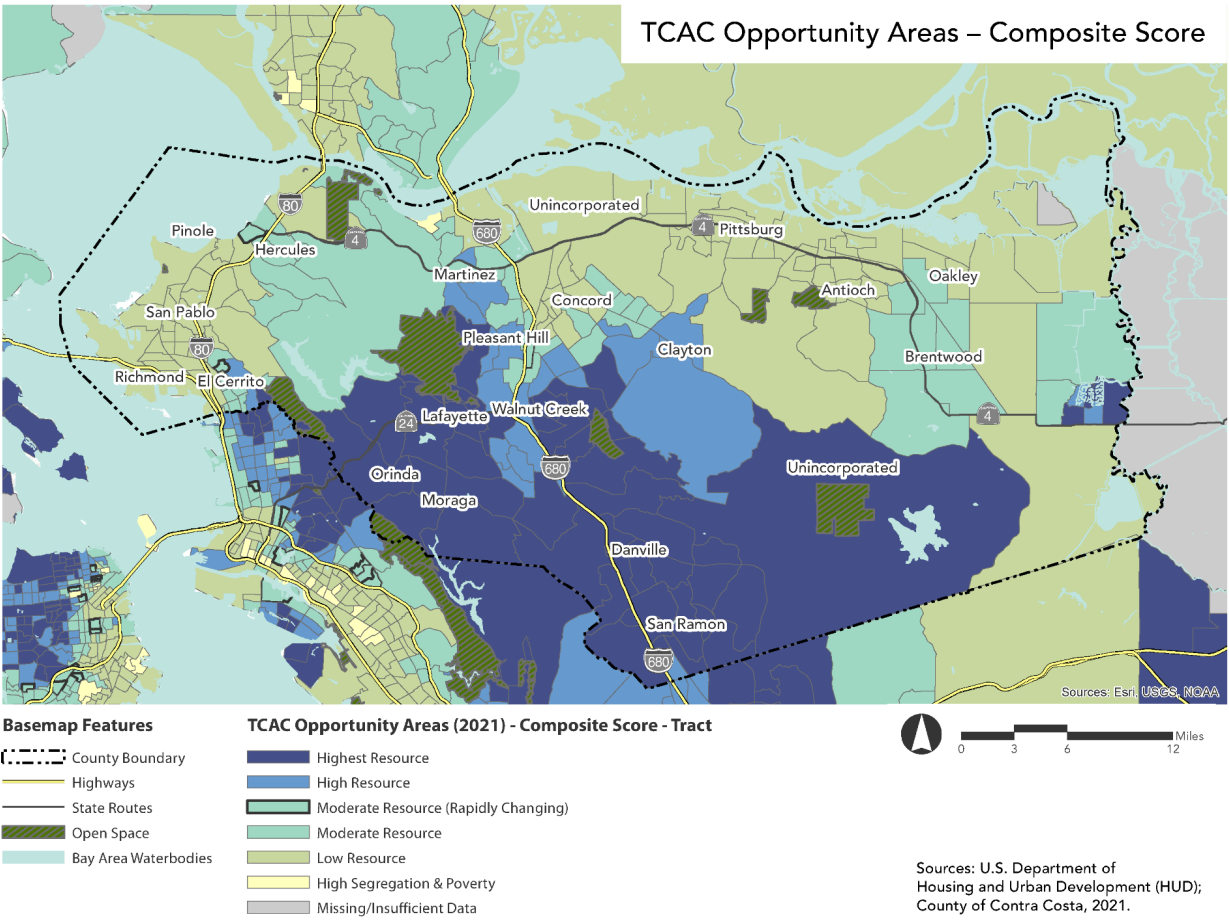
High resource areas have high index scores for a variety of opportunity indicators such as high employment rates, low poverty rates, proximity to jobs, high educational proficiency, and limited exposure to environmental health hazards. High-resource tracts are areas that offer low-income residents the best chance of a high quality of life, whether through economic advancement, high educational attainment, or clean environmental health. Moderate resource areas have access to many of the same resources as the high resource areas but may have fewer job opportunities, lower-performing schools,

lower median home values, or other factors that lower their indexes across the various economic, educational, and environmental indicators. Low resource areas are characterized as having fewer opportunities for employment and education, or a lower index for other economic, environmental, and educational indicators. These areas have a greater quality of life needs and should be prioritized for future investment to improve opportunities for current and future residents.

Information from opportunity mapping can help highlight the need for housing element policies and programs that would help to remediate conditions in low resource areas or areas of high segregation and poverty, and to encourage better access for low and moderate income and black, indigenous, and people of color (BIPOC) households to housing in high resource areas.

Regional Trends

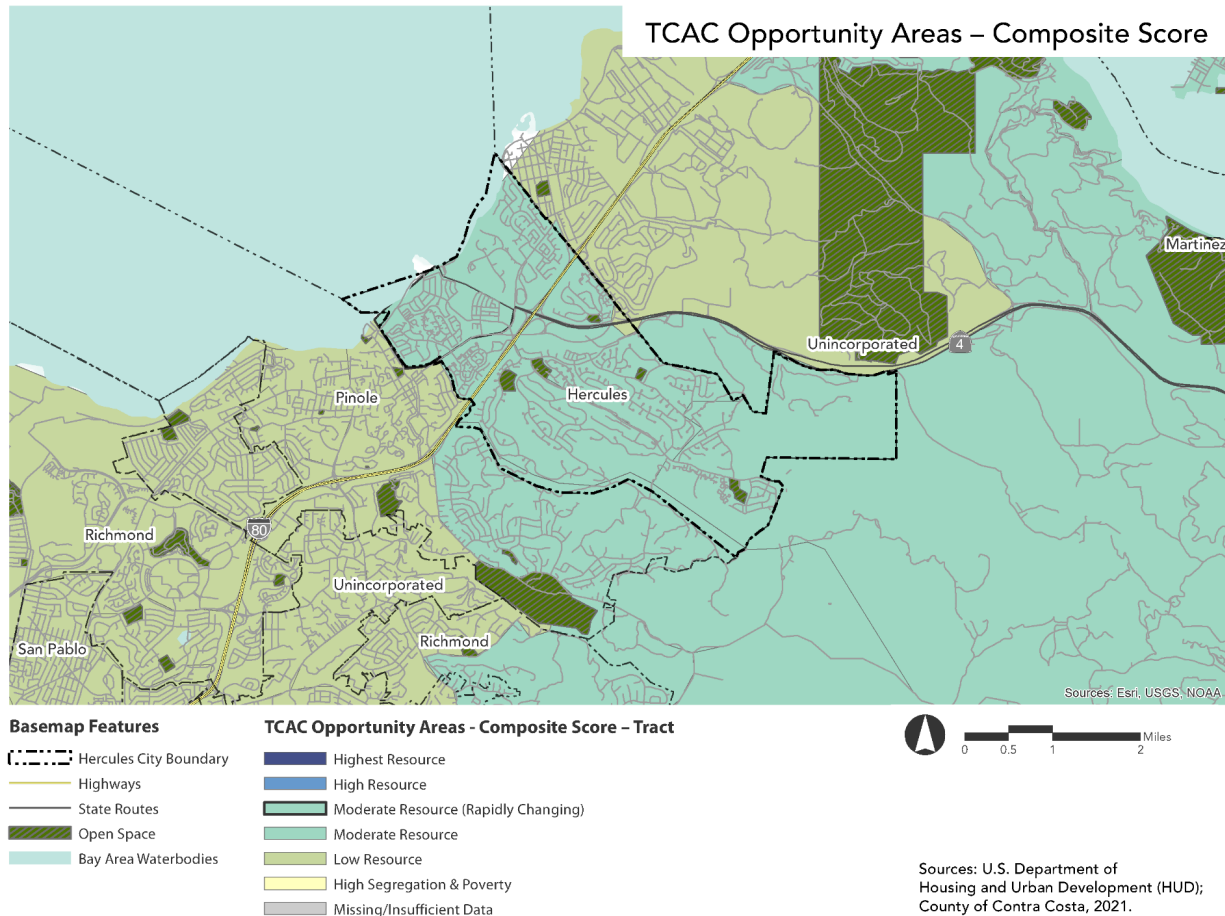
Map 11(a) provides a visual representation of TCAC Opportunity Areas in Contra Costa County based on a composite score, where each tract is categorized based on percentile rankings of the level of resources within the region. The only census tract in Contra Costa County considered an area of high segregation and poverty is located in Martinez. Concentrations of low resource areas are located in the northwestern and eastern parts of the county (Richmond to Hercules and Concord to Oakley); census tracts with the highest resources are located in central and southern parts of the county (San Ramon, Danville, Moraga, and Lafayette).



Map 11(a) Composite Score of TCAC Opportunity Areas in Contra Costa County

Local Trends

The City of Hercules receives mostly moderate resource TCAC scores with one area identified as moderate resource (rapidly changing). Areas identified as rapidly changing indicate improving conditions across the various opportunity indicators. This is a positive sign for the City of Hercules as other areas of the City will benefit from these improved resources.



Map 11(b) TCAC Composite Scores in Hercules

Opportunity Indices

This section presents the HUD-developed index scores based on nationally available data sources to assess residents' access to key opportunity assets in comparison to the County. Table H3-14 provides index scores or values (the values range from 0 to 100) for the following opportunity indicator indices:

- School Proficiency Index:** The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. The higher the index value, the higher the school system quality is in a neighborhood.

- **Labor Market Engagement Index:** The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract. The higher the index value, the higher the labor force participation and human capital in a neighborhood.
- **Transit Trips Index:** This index is based on estimates of transit trips taken by a family that meets the following description: a three-person single-parent family with income at 50% of the median income for renters for the region (i.e., the Core-Based Statistical Area (CBSA)). The higher the transit trips index value, the more likely residents in that neighborhood utilize public transit.
- **Low Transportation Cost Index:** This index is based on estimates of transportation costs for a family that meets the following description: a three-person single-parent family with income at 50 percent of the median income for renters for the region/CBSA. The higher the index value, the lower the cost of transportation in that neighborhood.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region/CBSA, with larger employment centers weighted more heavily. The higher the index value, the better the access to employment opportunities for residents in a neighborhood.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to harmful toxins at a neighborhood level. The higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the index value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group.

Table H3-14: Opportunity Indices in Contra Costa County

Index	School Proficiency	Transit Trip	Low Transportation Cost	Labor Market	Jobs Proximity	Environmental Health
Total Population						
White, Non-Hispanic	69.32	79.83	71.72	68.76	49.30	54.75
Black, Non-Hispanic	34.34	81.81	75.62	42.52	48.12	43.68
Asian or Pacific Islander, Non-Hispanic	59.43	80.81	72.22	66.87	45.27	52.22
Native American, Non-Hispanic	49.99	80.47	73.09	51.19	49.04	47.92
Hispanic	39.38	82.31	75.57	42.30	45.11	43.85

Index	School Proficiency	Transit Trip	Low Transportation Cost	Labor Market	Jobs Proximity	Environmental Health
Population Below Federal Poverty Line						
White, Non-Hispanic	55.60	81.05	74.17	55.46	50.67	49.39
Black, Non-Hispanic	25.84	84.03	78.23	32.63	48.69	39.84
Asian or Pacific Islander, Non-Hispanic	46.48	84.04	77.75	52.15	50.02	41.52
Native American, Non-Hispanic	19.92	82.61	75.06	34.52	48.41	46.48
Hispanic	30.50	84.69	78.06	32.01	44.57	38.66

Source: AFFHT Data Table 12; Data Sources: Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA

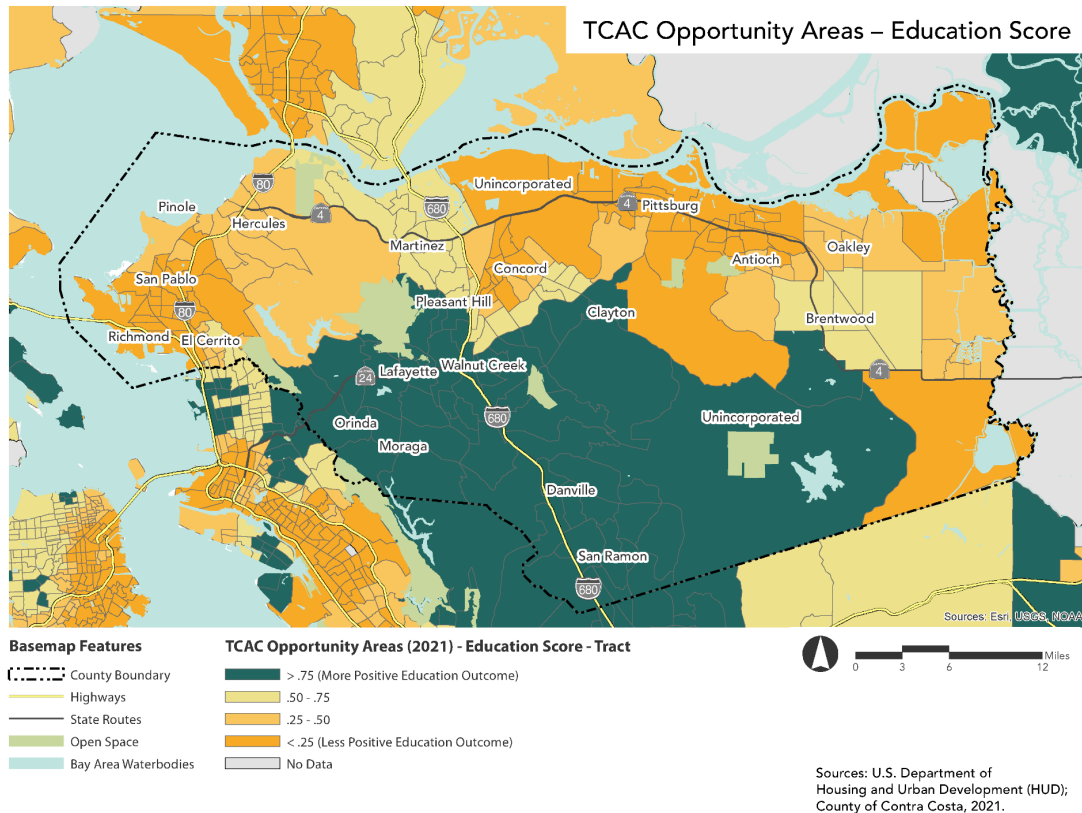
Note: American Community Survey Data are based on a sample and are subject to sampling variability.

Education

Housing and school policies are mutually reinforcing, which is why it is important to analyze access to educational opportunities when assessing fair housing. At the most general level, school districts with the greatest amount of affordable housing tend to attract larger numbers of LMI families (largely composed of minorities). As test scores are a reflection of student demographics, where Black/Hispanic/Latino students routinely score lower than their White peers, less diverse schools with higher test scores tend to attract higher income families to the school district. This is a fair housing issue because as higher income families move to the area, the overall cost of housing rises and an exclusionary feedback loop is created, leading to increased racial and economic segregation across districts as well as decreased access to high-performing schools for non-White students.

Regional Trends

According to the Contra Costa County AI, academic outcomes for low-income students are depressed by the presence of high proportions of low-income classmates; similarly situated low-income students perform at higher levels in schools with lower proportions of low income students. The research on racial segregation is consistent with the research on poverty concentration—positive levels of school integration led to improved educational outcomes for all students. Thus, it is important wherever possible to reduce school-based poverty concentration and to give low-income families access to schools with lower levels of poverty and greater racial diversity. The 2021 TCAC Opportunity Areas Education Composite Score for a census tract is based on math and reading proficiency, high school graduation rate, and student poverty rate indicators. The score is broken up by quartiles, with the highest quartile indicating more positive education outcomes and the lowest quartile signifying fewer positive outcomes.



Map 12(a) TCAC Opportunity Areas' Education Score in Contra Costa County

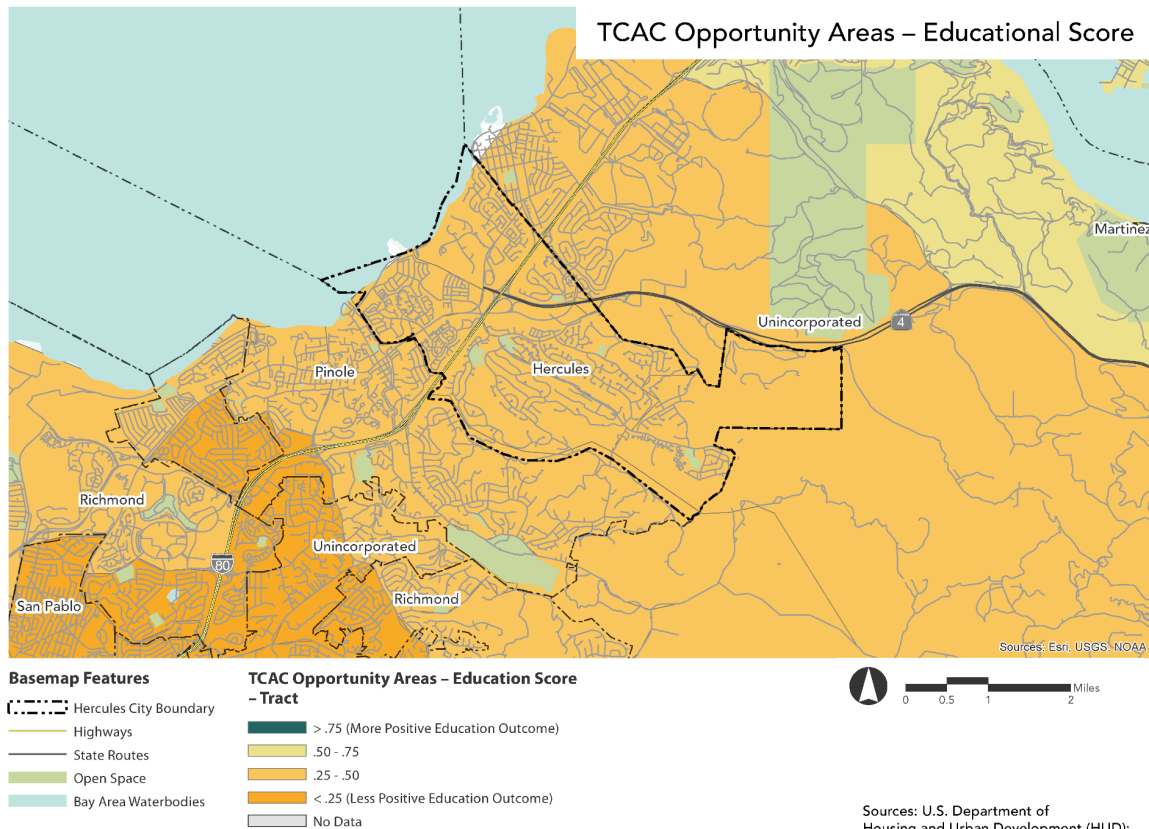
There are 19 public school districts in Contra Costa County, in addition to 124 private schools and 19 charter schools. Map 12(a) shows that the northwestern and eastern parts of the county have the lowest education domain scores (less than 0.25) per census tracts, especially around Richmond and San Pablo, Pittsburg, Antioch, east of Clayton, and Concord and its northern unincorporated areas. Census tracts with the highest education domain scores (greater than 0.75) are located in central and southern parts of the county (bounded by San Ramon on the south; Orinda and Moraga on the west; Lafayette, Walnut Creek, Clayton, and Brentwood on the north). Overlaying Map 10(a) and Map 12(a) reveals that areas with lower education scores correspond with areas with lower income households (largely composed of minorities) and vice versa. Table H3-14 also indicates that index values for school proficiency are higher for White residents, indicating a greater access to high quality schools regardless of poverty status.

Local Trends

The City of Hercules is located at the border of two school districts: West Contra Costa Unified School District and John Swett Unified School District. The majority of residents are within the West Contra Costa Unified School District boundary. Residents that reside on the border of Hercules and Rodeo are within the John Swett Unified School District boundary.

The City has an overall Educational Score of 0.25–0.50 with no higher or lower variations. For the 2022 school year, there are five public schools serving 2,825 students in Hercules. Public schools in Hercules

have an average math proficiency score of 39% (versus the Contra Costa County public school average of 19%), and reading proficiency score of 52% (versus the 21% countywide average). Minority enrollment is 93% of the student body (majority Asian and Hispanic), which is more than the county's public school average of 71% (majority Hispanic).



Map 12(b) TCAC Opportunity Areas' Education Score in Hercules

Transportation

Access to public transit is of paramount importance to households affected by low incomes and rising housing prices, especially because lower income households are often transit dependent. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Transportation opportunities are depicted by two indices: (1) the transit trips index and (2) the low transportation cost index. The transit trips index measures how often low-income families in a neighborhood use public transportation. The index ranges from 0 to 100, with higher values indicating a higher likelihood that residents in a neighborhood utilize public transit. The low transportation cost index measures cost of transportation and proximity to public transportation by neighborhood. It too varies from 0 to 100, and higher scores point to lower transportation costs in that neighborhood.

Regional Trends

Neither index, regardless of poverty level, varies noticeably across racial/ethnic categories. All races and ethnicities score highly on both indices with values close in magnitude. If these indices are accurate depictions of transportation accessibility, it is possible to conclude that all racial and ethnic classes have high and relatively equal access to transportation at both the jurisdiction and regional levels. If anything, both indices appear to take slightly higher values for non-Hispanic Blacks and Hispanics, suggesting better access to transit and lower costs for these protected groups.

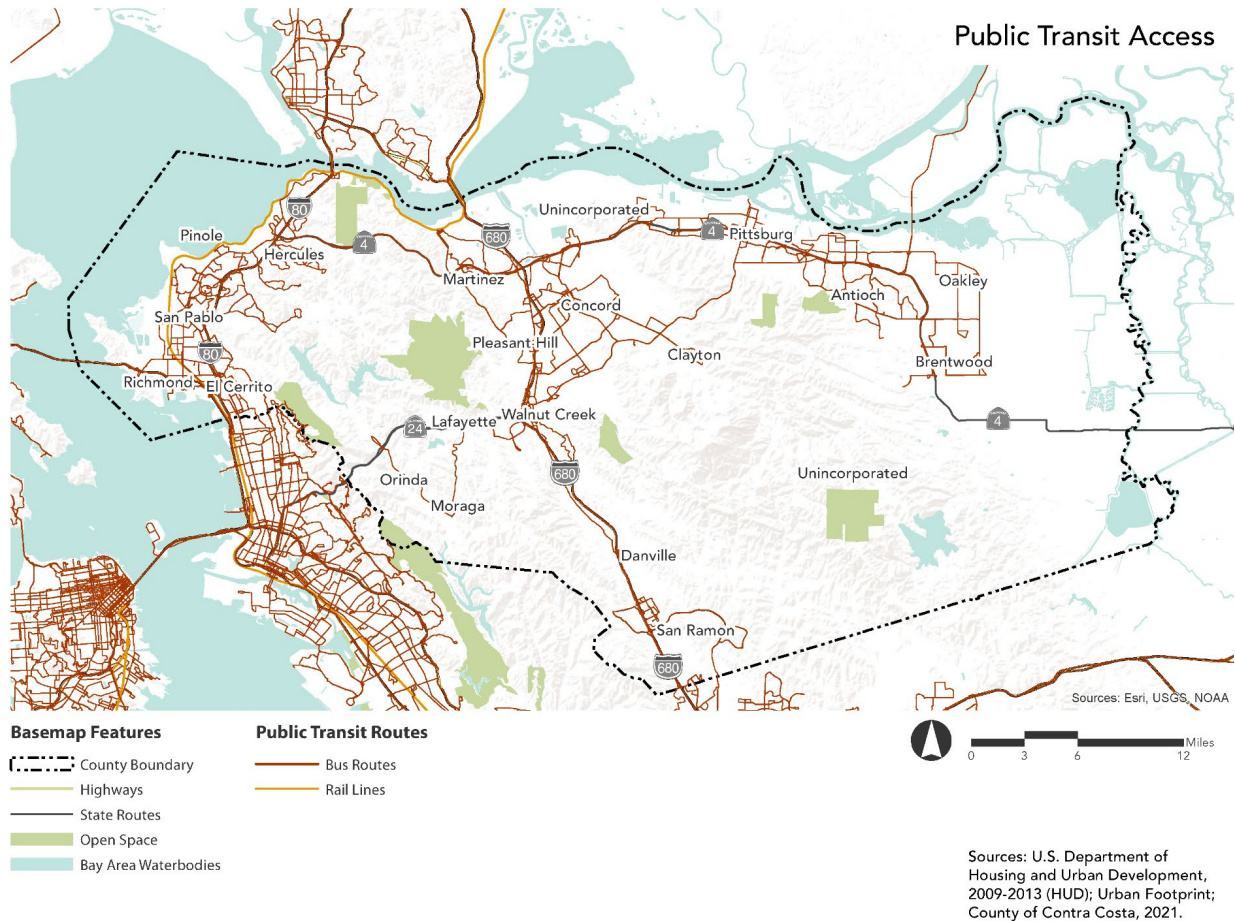
Contra Costa County is served by rail, bus, and ferry transit but the quality of service varies across the county. Much of Contra Costa County is connected to other parts of the East Bay as well as to San Francisco and San Mateo County by Bay Area Rapid Transit (BART) rail service. The Richmond–Warm Springs/South Fremont and Richmond–Daly City/Millbrae Lines serve El Cerrito and Richmond during peak hours while the Antioch–SFO Line extends east from Oakland to serve Orinda, Lafayette, Walnut Creek, Contra Costa Center/Pleasant Hill, Concord, and the Pittsburg/Bay Point station. An eastward extension, also known as eBART, began service on May 26, 2018. The extension provides service beyond the Pittsburg/Bay Point station to the new Pittsburg Center and Antioch stations. The Capitol Corridor route provides rail service between San Jose and Sacramento and serves commuters in Martinez and Richmond.

In contrast to rail transportation, bus service is much more fragmented in the County and regionally. Several different bus systems including Tri-Delta Transit, AC Transit, County Connection, and WestCat provide local service in different sections of the County. The lack of an integrated network can make it harder for transit riders to understand how to make a trip that spans multiple operators and add costs during a daily commute.

Within Contra Costa County, transit is generally not as robust in east County despite growing demand for public transportation among residents. The lack of adequate public transportation makes it more difficult for lower-income people in particular to access jobs. Average transit commutes in Pittsburg and Antioch exceed 70 minutes. In Brentwood, average transit commute times exceed 100 minutes.

Transit agencies that service Contra Costa County include County Connection, Tri Delta Transit, WestCAT, AC Transit, and BART. The County Connection Bus (CCCTA) is the largest bus transit system in the county that provides fixed-route and paratransit bus service for communities in Central Contra Costa. Other non-Contra Costa agencies that provide express service to the county include:

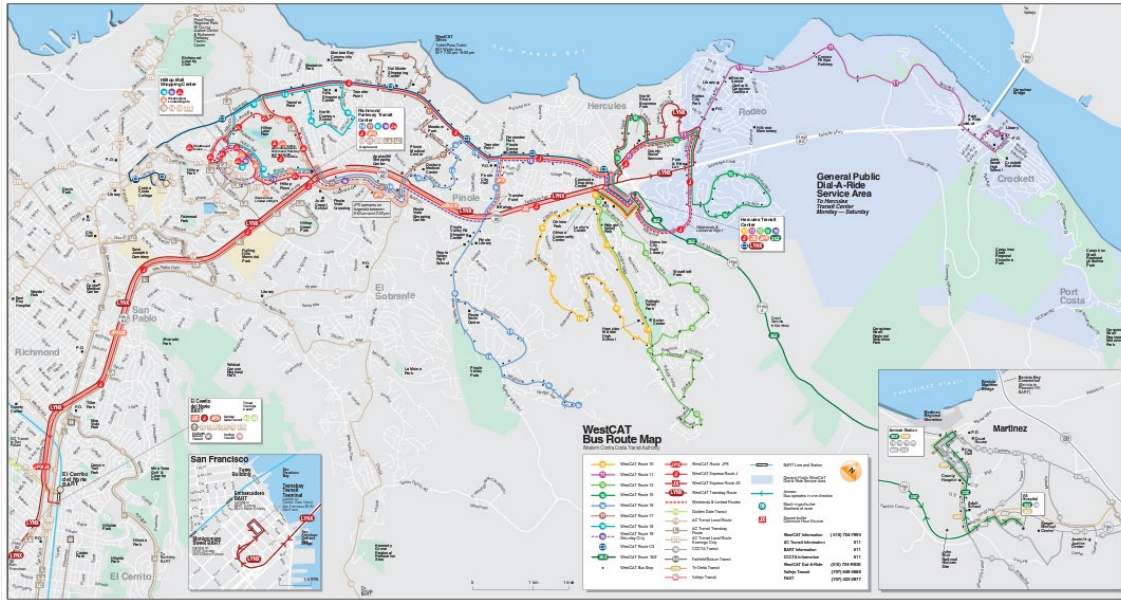
- San Francisco Bay Ferry (Richmond to SF Ferry Building);
- Golden Gate Transit (Line 40);
- WHEELS Livermore Amador Valley Transit Authority (Route 70x);
- SolTrans (Route 80/82 and the Yellow Line);
- Capitol Corridor (Richmond/Martinez to cities between Auburn and San Jose);
- Fairfield & Suisun Transit (Intercity express routes);
- Altamont Corridor Express (commute-hour trains from Pleasanton);
- Napa Vine Transit (Route 29)



Map 13(a) Public Transit Routes in Contra Costa County

Local Trends

The City of Hercules is served by bus provider (Western Contra Costa Transit Authority, WestCAT). WestCAT provides connections to the Bay Area Rapid Transit (BART) system and to the AC Transit system. WestCAT's Lynx service provides local, express, and regional service to the cities of Pinole and Hercules. WestCAT operates regional service from the Hercules Transit Center to destinations in Martinez and Contra Costa College. The Lynx transbay service runs between the Hercules Transit Center and the San Francisco Salesforce Transit Center. There are also park-and-ride facilities in Rodeo, at the Richmond Parkway Transit Center, and in Hercules at the intersection of San Pablo and Sycamore Avenues. Two railroad routes travel through Hercules, one along the shoreline of the San Pablo Bay and the other parallel to San Pablo Avenue. Amtrak's Capitol Corridor Line travels along the bay, providing passenger service to central California and destinations to the north and south, with the nearest stations/stops in Martinez and Richmond. Both rail routes are also used for freight shipments.



Map 13(b) Public Transit Routes in Hercules

According to AllTransit, an online source on transit connectivity, access, and frequency data, 98.6% of jobs in Hercules are located within half a mile of transit. However, only 10.94% of commuters use transit. Map 13(c) is a map that illustrates transit scores from a range of <1 to >9, where higher scores indicate higher connectivity, access to jobs, and frequency of service.



Map 13(c) Transit Metric Map in Hercules

About one-third (31.7%) of the population live in areas with scores of 5-6; 27.5% of the population live in areas with scores of 4-5; 27.4% of the population live in areas with scores of 6-7. Areas with scores of 6-7 in central Hercules correspond with block groups that have higher percentages of LMI population and renter units with HCVs.

Overall, AllTransit scores Hercules 5.4/10 for its transit performance, which means that the city has a moderate combination of trips per week and number of accessible jobs, enabling a moderate number of people to take transit to work.

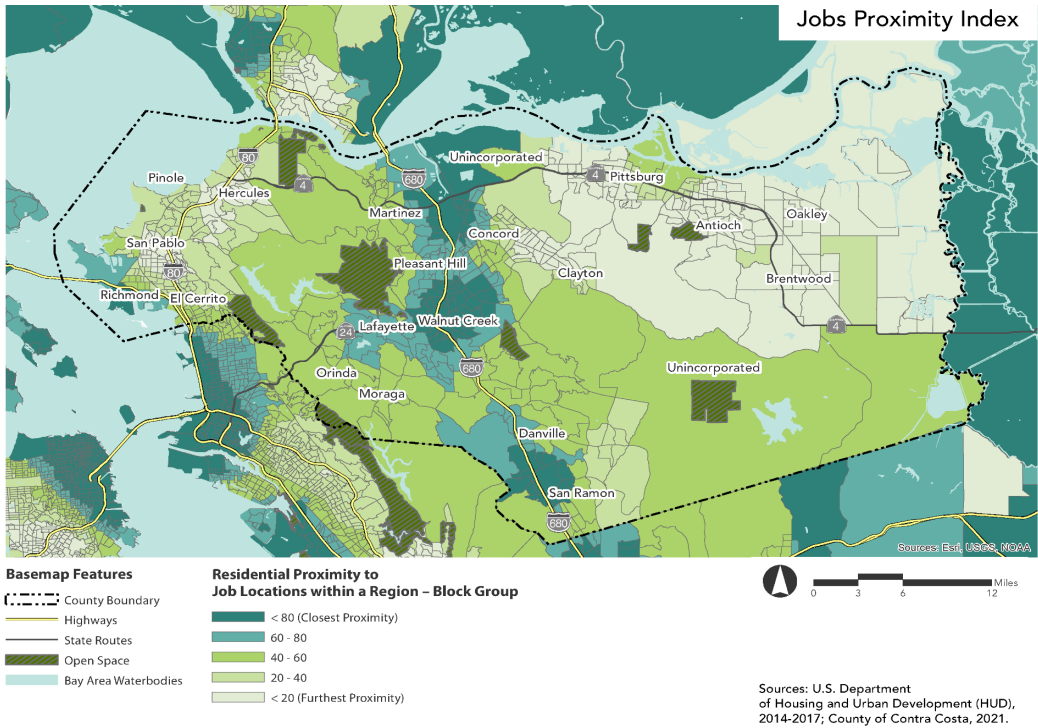
Economic Development

Employment opportunities are depicted by two indices: (1) the labor market engagement index and (2) the jobs proximity index. The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood, taking into account the unemployment rate, labor-force participation rate, and percent with a bachelor's degree or higher. The index ranges from 0 to 100, with higher values indicating higher labor force participation and human capital. The jobs proximity index quantifies the accessibility of a neighborhood to jobs in the region by measuring the physical distances between jobs and places of residence. It too, varies from 0 to 100, and higher scores point to better accessibility to employment opportunities.

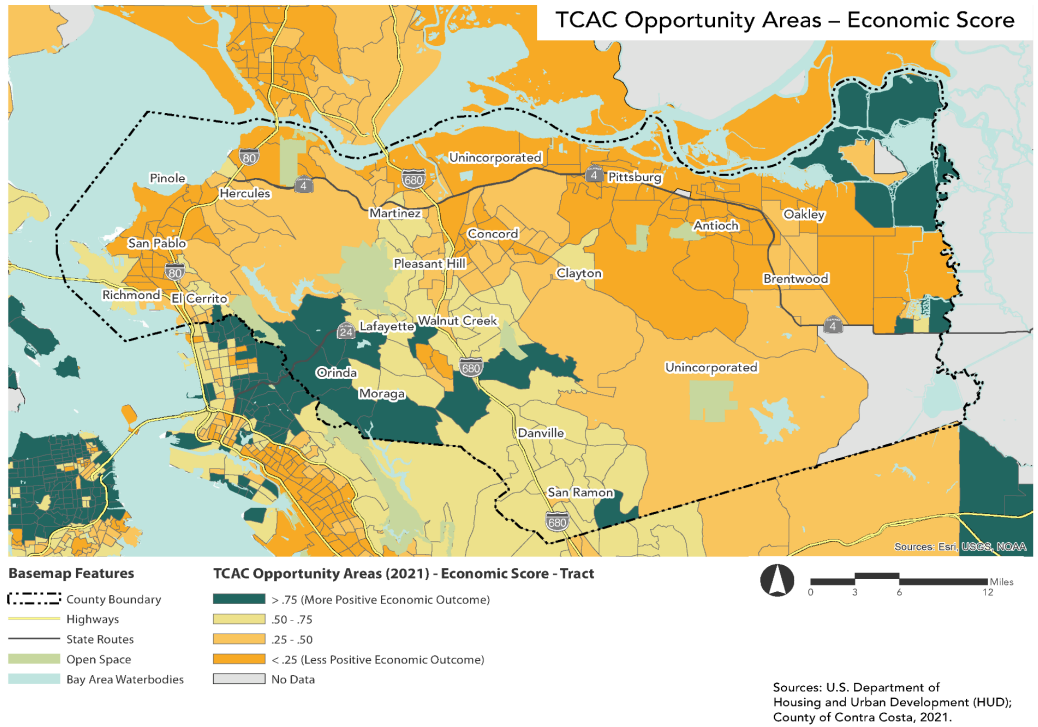
Regional Trends

In Contra Costa County, non-Hispanic Whites, and non-Hispanic Asians/Pacific Islanders are at the top of the labor market engagement index with scores of 66.76 and 66.87, respectively. Non-Hispanic Blacks and Hispanics score the lowest in the county, with scores around 32. (Refer to Table 14 for a complete list of indices). Map 14(a) shows the spatial variability of jobs proximity in Contra Costa County. Tracts extending north from Lafayette to Martinez and its surrounding unincorporated areas have the highest index values followed by its directly adjacent areas. Cities like Pittsburg, Antioch, Brentwood, Oakley, and Hercules have the lowest index scores (less than 20). Hispanic residents have the least access to employment opportunities with an index score of 45.11, whereas White residents have the highest index score of 49.30.

At the end of 2021, Contra Costa County had an unemployment rate of 4.2%; 22,900 residents were without a job. Antioch, Pittsburg, and Richmond were amongst the cities with the highest unemployment rates, 6.6%, 5.6%, and 5.2% respectively. These cities were closely followed by Brentwood, Oakley, and San Pablo. The unemployment rates in cities within Contra Costa County correspond with low opportunity index scores.



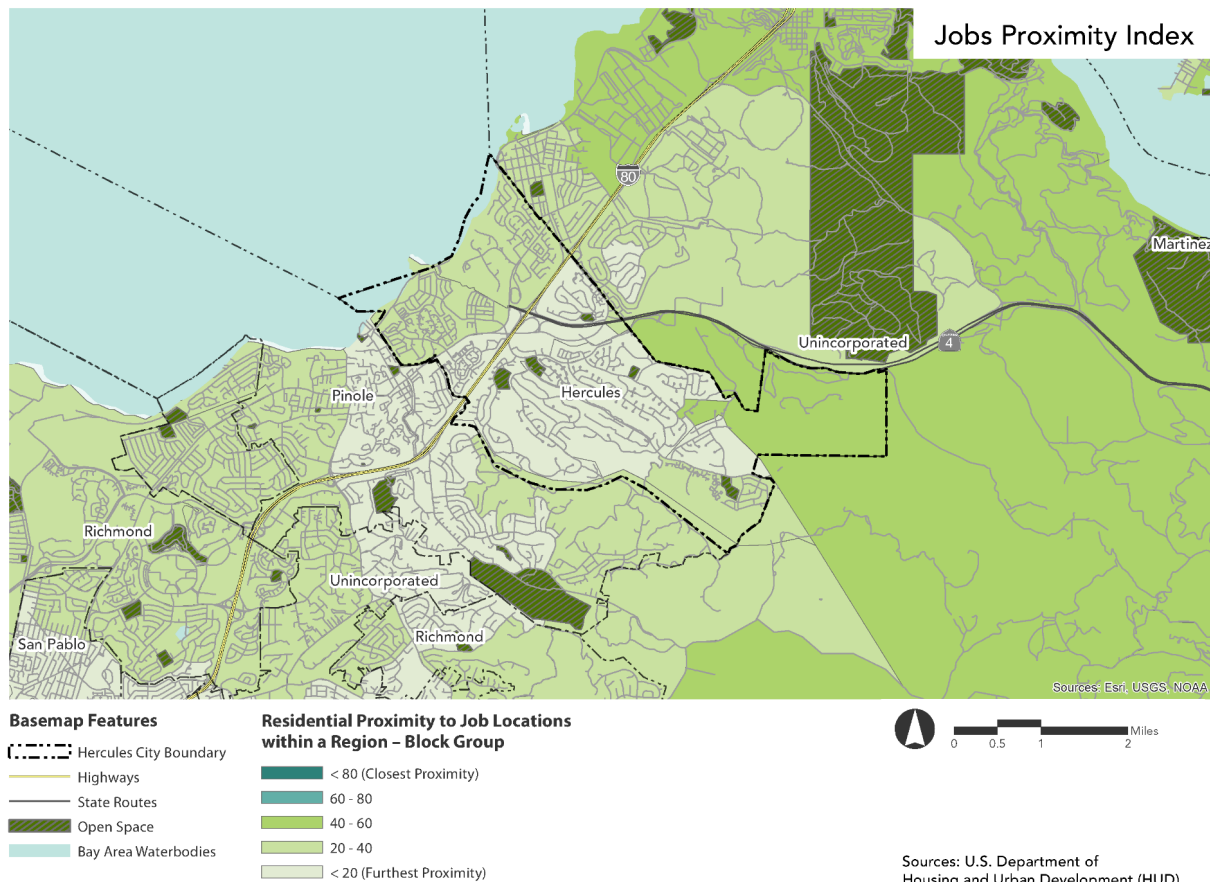
Map 14(a) Residential Proximity to Job Locations in Contra Costa County



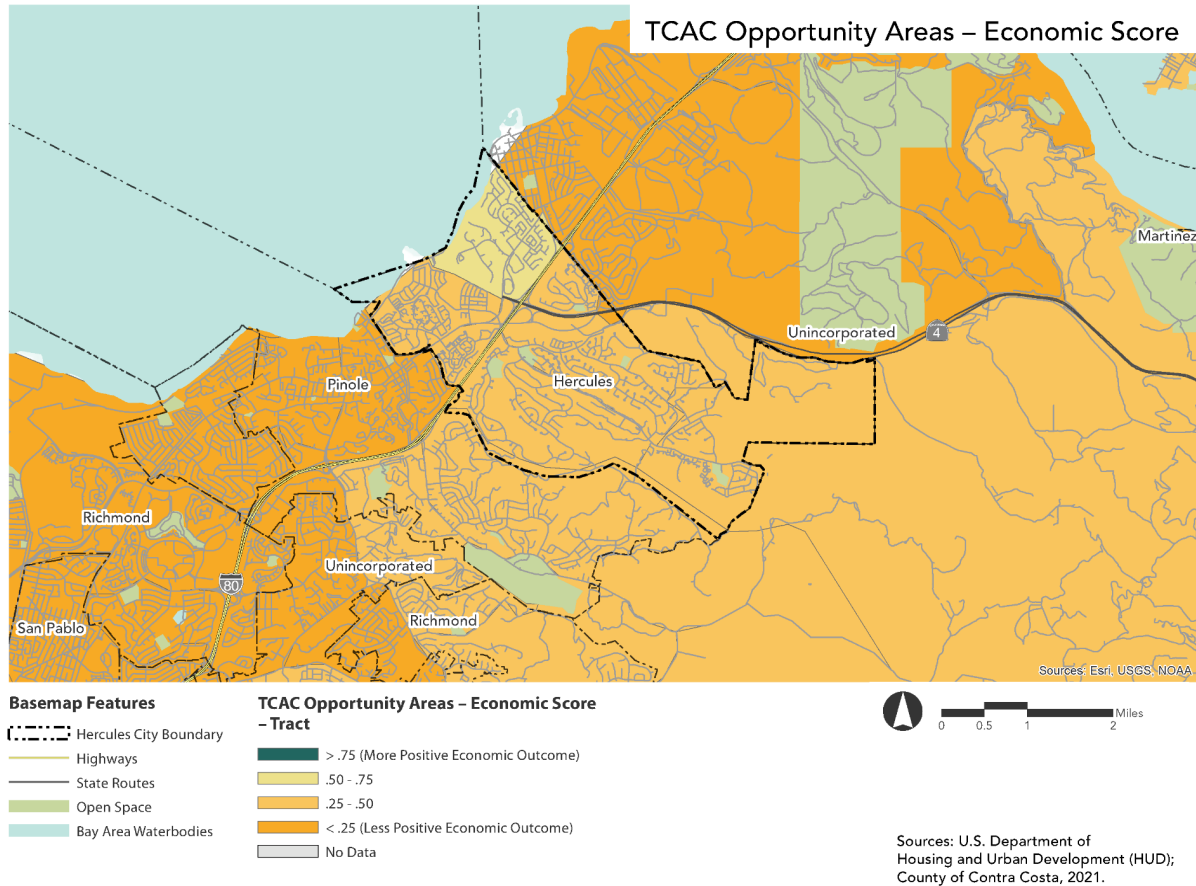
Map 15(a) TCAC Opportunity Areas' Economic Score in Contra Costa County

Local Trends

Hercules had an unemployment rate of 3.8% at the end of 2021. Map14(b) shows the job proximity index by block group for Hercules. Central Hercules has a Jobs Proximity Index of less than 20, meaning furthest proximity from jobs and longest commute times. Residents in west and east Hercules are slightly closer in proximity with their jobs (indices of 20–40 and 40–60 respectively). Based on the ACS 2015-2019 5-year estimates, 21.45% of Hercules residents have a commute time of 60 to 89 minutes. 13.27% of residents have a commute time of 30-34 minutes, and 9.21% of residents have a commute time of above 90 minutes. Program H2-2 will help facilitate the availability of more housing in mixed use zones, that will increase the resident's proximity to economic opportunities.



Map 14(b) Job Proximity Index in Hercules



Map 15(b) TCAC Opportunity Areas' Economic Score in Hercules

Environment

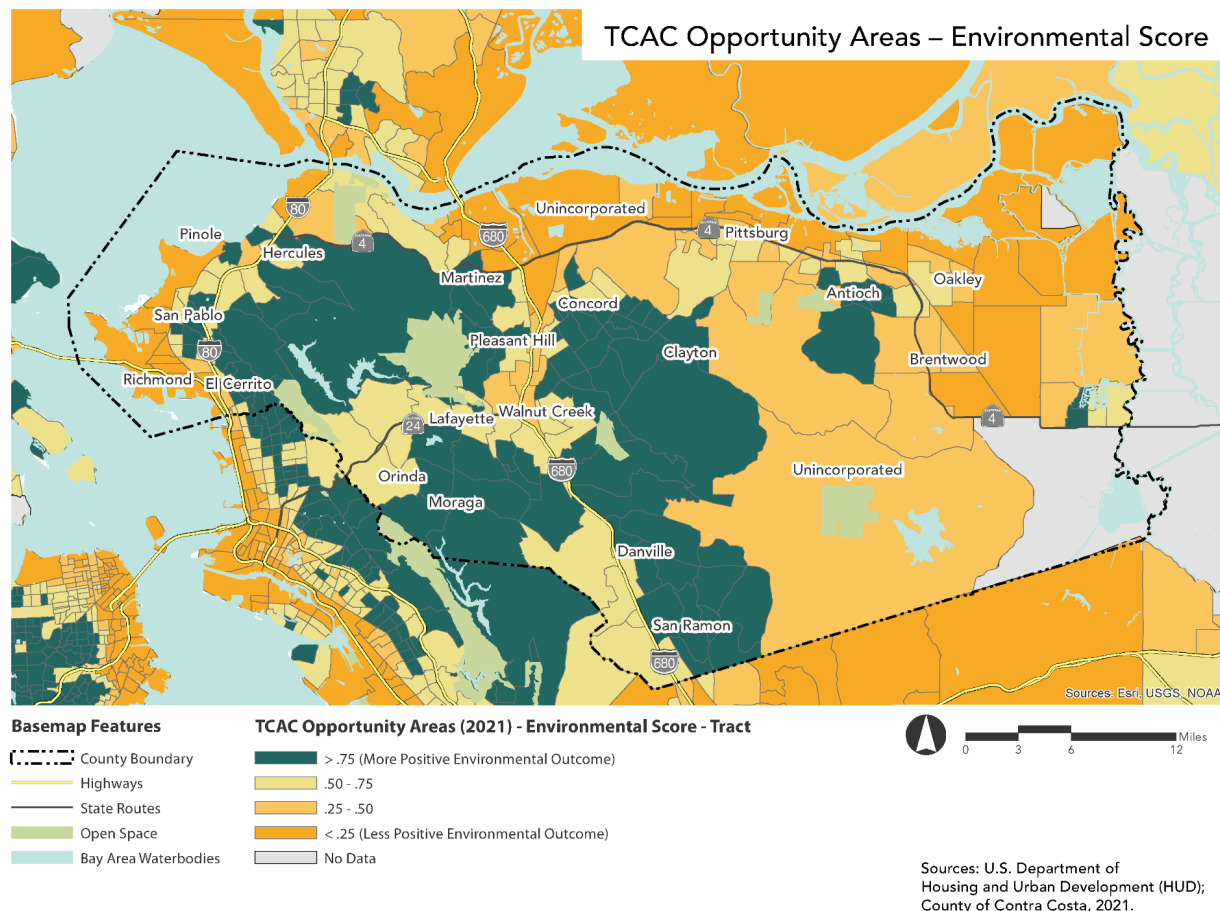
The Environmental Health Index summarizes potential exposure to harmful toxins at a neighborhood level. Index values range from 0 to 100, and the higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group. There are modest differences across racial and ethnic groups in neighborhood access to environmental quality. All racial/ethnic groups in the Contra Costa County Consortium obtained moderate scores ranging from low 40s to mid-50s. Non-Hispanic Blacks and Hispanics have the lowest scores amongst all residents in Contra Costa County with scores of 43; whereas non-Hispanic Whites and Asians/Pacific Islanders have the highest scores (over 50) amongst all residents in Contra Costa County (refer to Table H3-13).

CalEnviroScreen was developed by the California Environmental Protection Agency (CalEPA) to evaluate pollution sources in a community while accounting for a community's vulnerability to the adverse effects of pollution. Measures of pollution burden and population characteristics are combined into a single composite score that is mapped and analyzed. Higher values on the index indicate higher cumulative environmental impacts on individuals arising from these burdens and population factors.

The California Office of Environmental Health Hazard Assessment (OEHHA) compiles these scores to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also considers socioeconomic factors such as educational attainment, linguistic isolation, poverty, and unemployment.

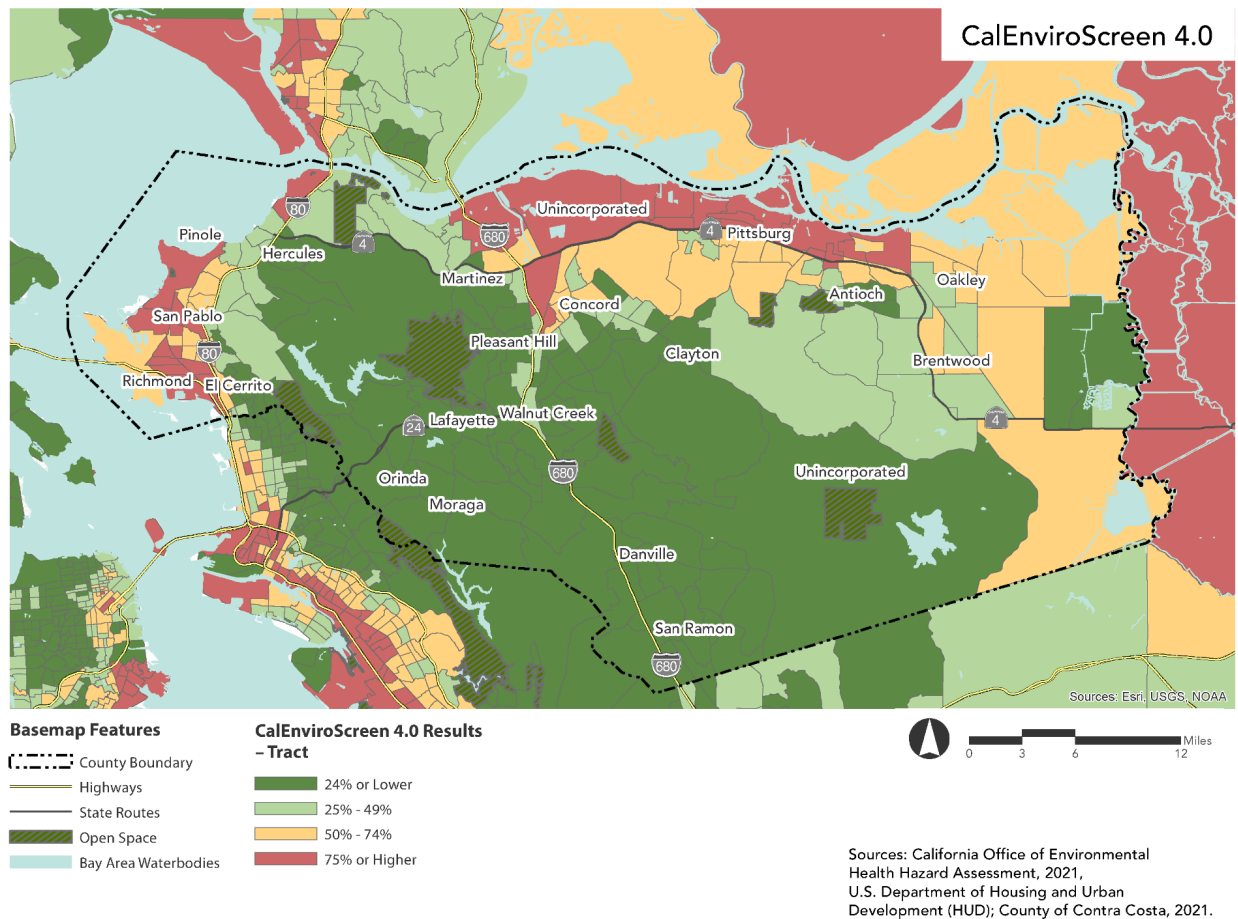
Regional Trends

Map 16(a) displays the Environmental Score for Contra Costa County, based on CalEnviroScreen 3.0 Pollution Indicators and Values, that identifies communities in California disproportionately burdened by multiple sources of pollution and facing vulnerability due to socioeconomic factors. The highest scoring 25% of census tracts were designated as disadvantaged communities. In Contra Costa County, disadvantaged communities include census tracts in North Richmond, Richmond, Pittsburg, San Pablo, Antioch, Rodeo, and Oakley.



Map 16(a) TCAC Opportunity Areas' Environmental Score in Contra Costa County

Map 17(a) shows updated scores for CalEnviroScreen 4.0 released by the California Office of Environmental Health Hazard Assessment. Generally speaking, adverse environmental impacts are concentrated around the northern border of the county (Bay Point to Pittsburg) and the western border of the county (Richmond to Pinole). Areas around Concord to Antioch have moderate scores and the rest of the county has relatively low scores. From central Contra Costa County, an almost radial gradient effect can be seen of green to red (least to most pollution).

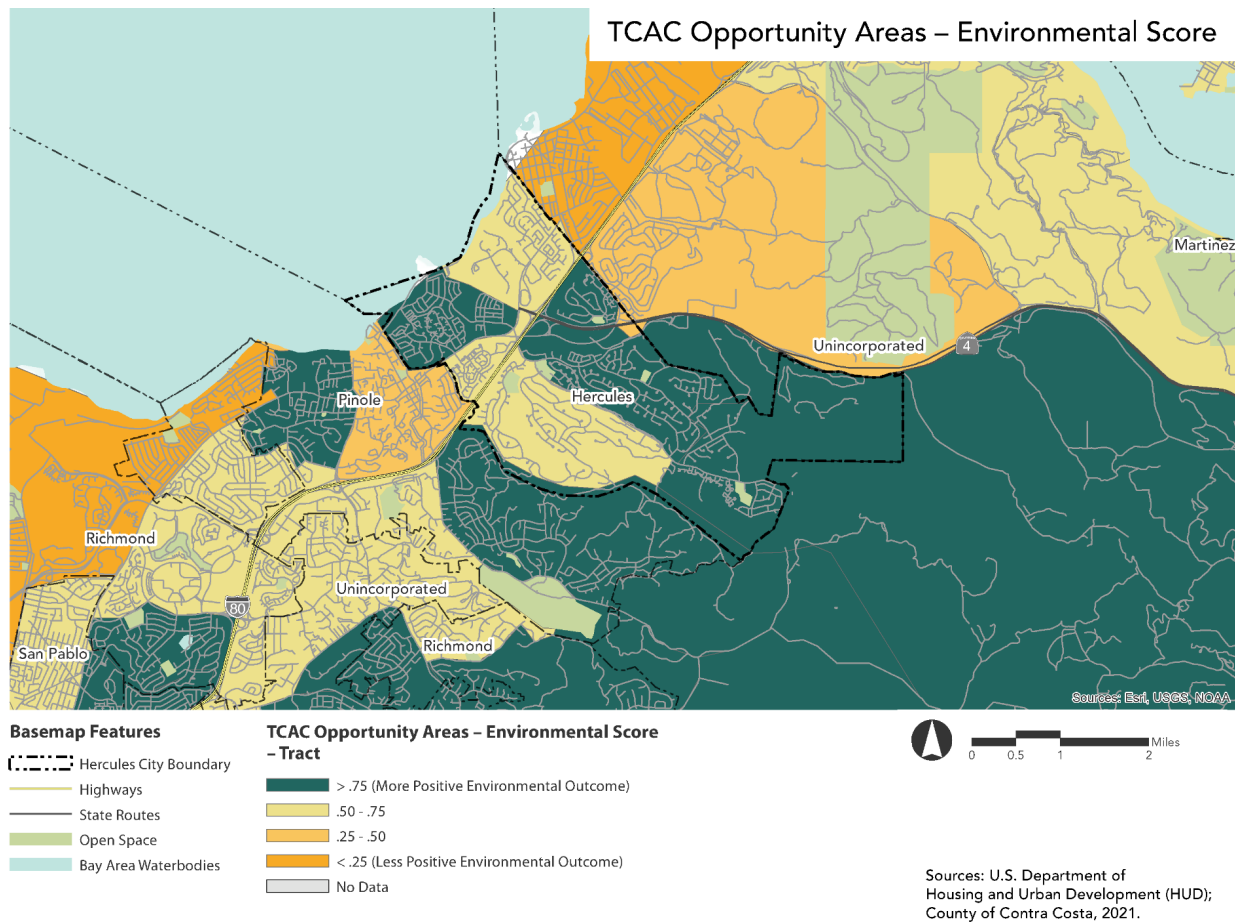


Map 17(a) CalEnviroScreen 4.0 Results in Contra Costa County

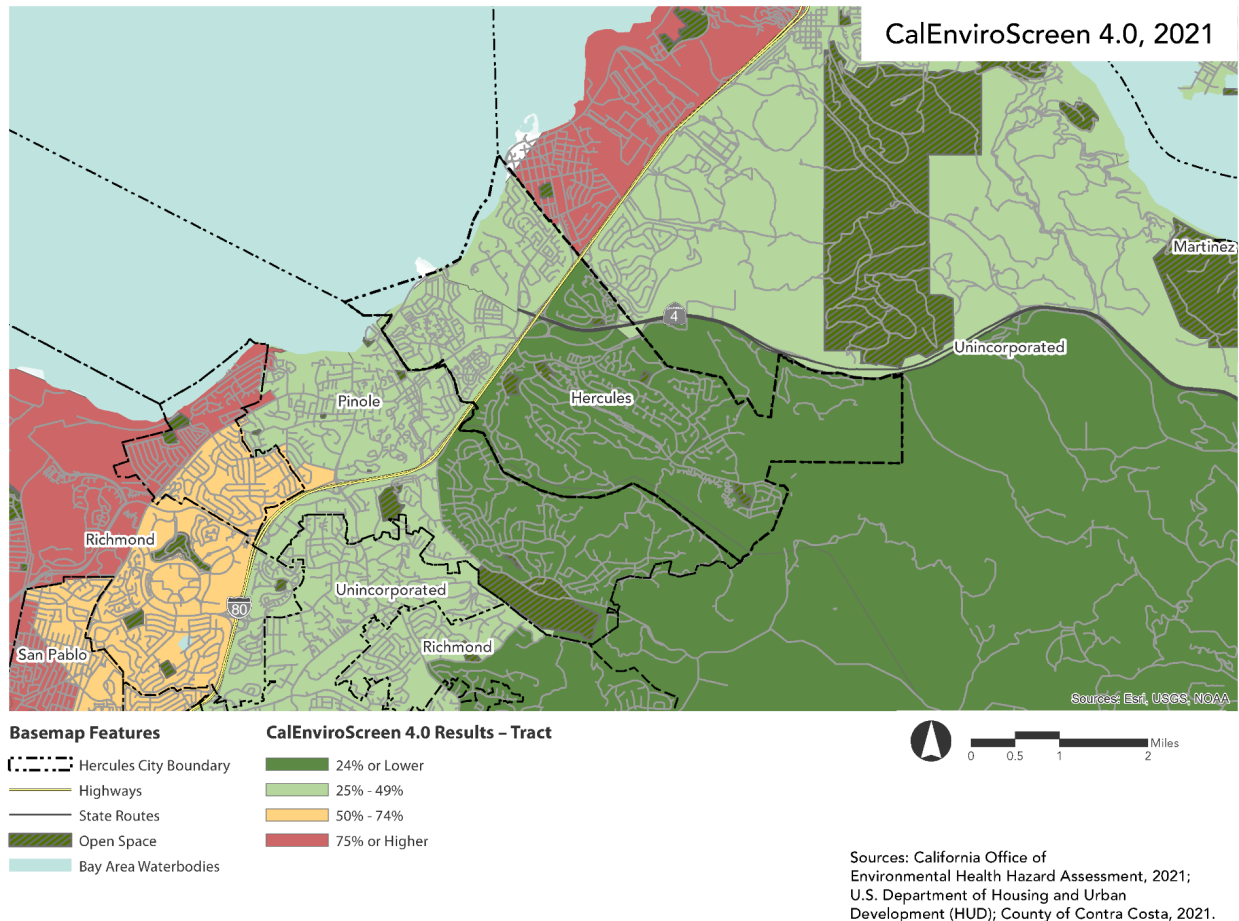
Local Trends

Environmental scores for Hercules, shown in Map 16(b), are over 0.75 for census tracts in the eastern and western portions of the City. Northern and southern parts have a lower score between 0.50 to 0.75. The areas with lower scores correspond with Planned Office and Research Development, Planned Commercial and Mixed-Use, Low Density Single Family Residential, and Public Open Space Zoning Districts.

Updated CalEnviroScreen Scores, shown in Map 17(b), indicate that census tracts east of I-80 have the least pollution with scores lower than 24%. Tracts west of I-80 have scores between 25% and 49%.



Map 16(b) TCAC Opportunity Areas' Environmental Score in Hercules



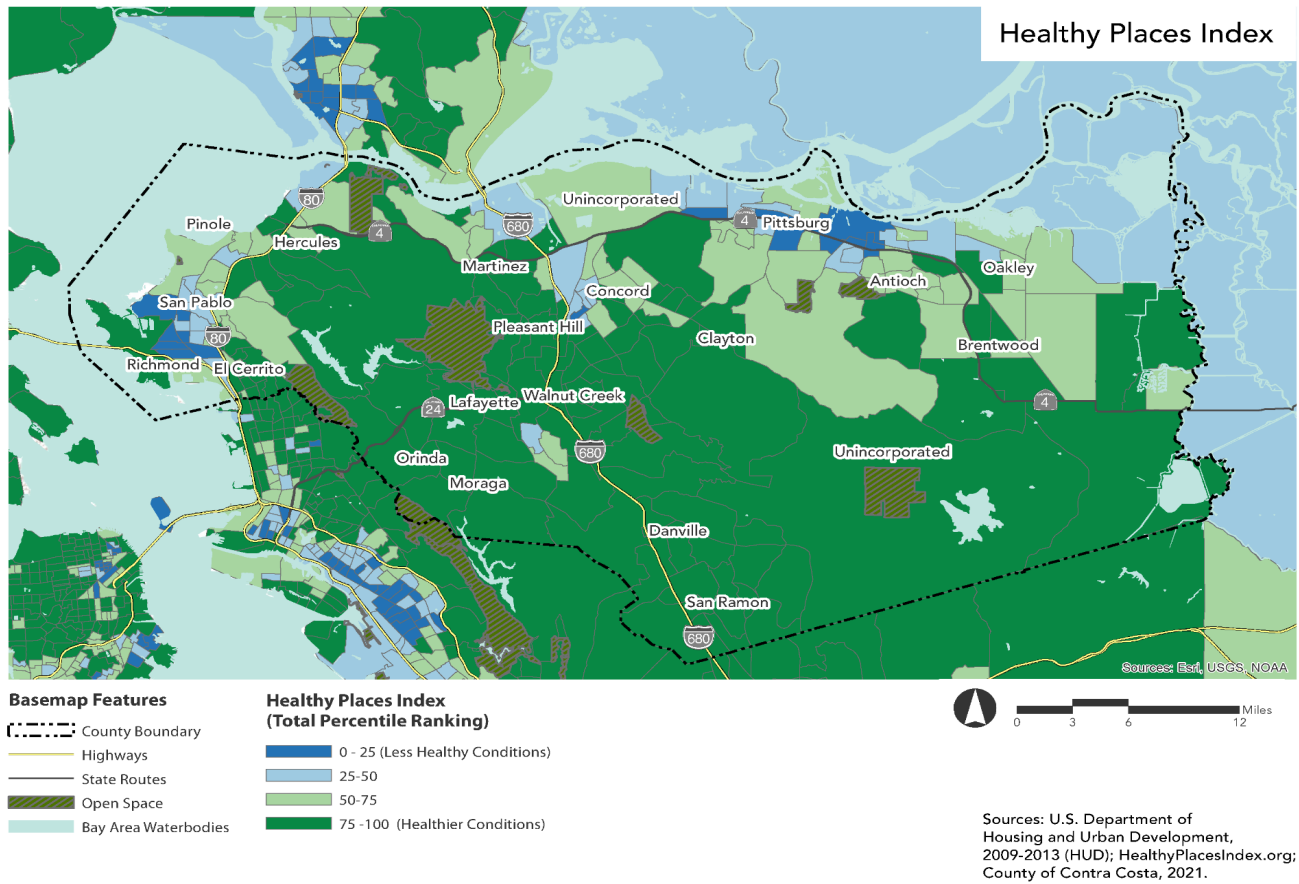
Map 17(b) CalEnviroScreen 4.0 Results in Hercules

Health and Recreation

The Healthy Places Index (HPI) is a new tool that allows local officials to diagnose and change community conditions that affect health outcomes and the wellbeing of residents. The HPI tool was developed by the Public Health Alliance of Southern California to assist in comparing community conditions across the state and combined 25 community characteristics such as housing, education, economic, and social factors into a single indexed HPI Percentile Score, where lower percentiles indicate lower conditions.

Regional Trends

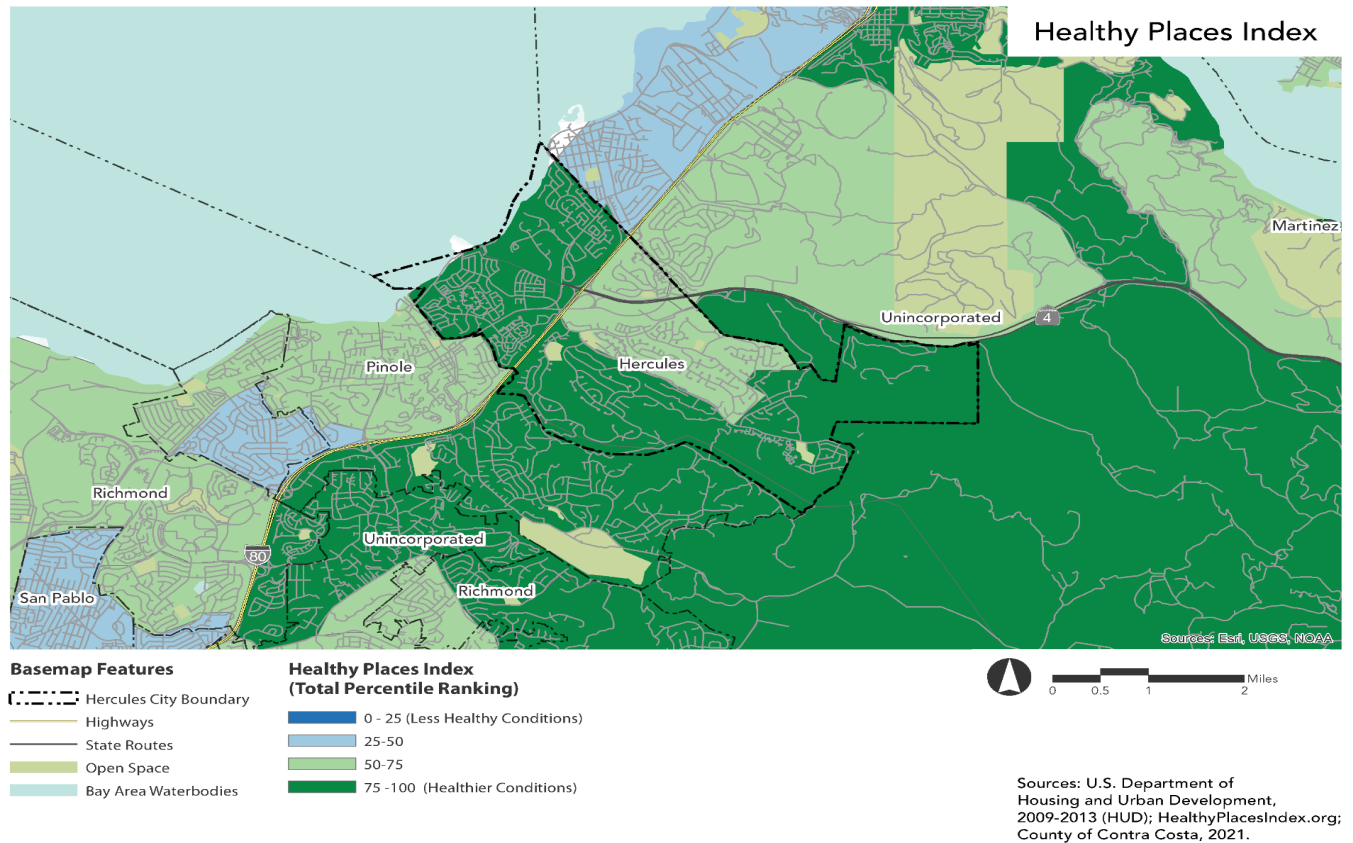
Map 18(a) shows the HPI percentile score distributions for Contra Costa County. The majority of the County falls in the highest quarter, indicating healthier conditions. These areas have a lower percentage of minority populations and higher median incomes. The reverse is true for cities with the lowest percentile ranking, which indicates less healthy conditions, such as Pittsburg, San Pablo, and Richmond. These areas have higher percentages of minority populations and lower median incomes.



Map 18(a) Healthy Places Index in Contra Costa County

Local Trends

Over 50% of census tracts in Hercules are within the highest quartile (75–100) in the Healthy Places Index. Only the area directly east of I-80 in central Hercules has a slightly lower percentile ranking (50–75).



Map 18(b) Healthy Places Index in Hercules

Disproportionate Needs

Disproportionate housing needs generally refer to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. The Comprehensive Housing Affordability Strategy (CHAS), developed by the Census Bureau for HUD, provides detailed information on housing needs by income level for different types of households in Contra Costa County. Housing problems considered by CHAS include:

- Housing cost burden, including utilities, exceeding 30% of gross income;
- Severe housing cost burden, including utilities, exceeding 50% of gross income;
- Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom).

Severe housing problems are defined as households with at least 1 of 4 housing problems: overcrowding, high housing costs, lack of kitchen facilities, or lack of plumbing facilities.

According to the Contra Costa County AI, a total of 164,994 households (43.90%) in the county experience any one of the above housing problems; 85,009 households (22.62%) experience severe housing problems. Based on relative percentage, Hispanic households experience the highest rate of housing problems regardless of severity, followed by Black households and Other races. Table H3-15 lists the demographics of households with housing problems in the County.

Hispanic and Black residents face particularly severe housing problems.

Table H3-15: Demographics of Households with Housing Problems in Contra Costa County

Demographic	Total Number of Households	Households with Housing Problems		Households with Severe Housing Problems	
White	213,302	80,864	37.91%	38,039	17.83%
Black	34,275	19,316	56.36%	10,465	30.53%
Asian/Pacific Islander	51,353	21,640	42.14%	10,447	20.34%
Native American	1,211	482	39.80%	203	16.76%
Other	10,355	5,090	49.15%	2,782	26.87%
Hispanic	65,201	37,541	57.58%	23,002	35.28%
Total	375,853	164,994	43.90%	85,009	22.62%

Source: Contra Costa County AI (2020)

There are significant disparities between the rates of housing problems that larger families (households of five or more people) experience and the rates of housing problems that families of five or fewer people experience. Larger families tend to experience housing problems more than smaller families. Non-family households in Contra Costa experience housing problems at a higher rate than smaller family households, but at a lower rate than larger family households. Table H3-16 lists the number of households with housing problems according to household type.

Table H3-16: Number of Households with Housing Problems by Household Type in Contra Costa County

Household Type	No. of Households with Housing Problems
Family Households (< 5 people)	85,176
Family Households (> 5 people)	26,035
Non-family Households	53,733

Source: Contra Costa County AI (2020)

Cost Burden

Housing cost burden, or overpayment, is defined as households paying 30% or more of their gross income on housing expenses, including rent or mortgage payments and utilities. Renters are more likely to overpay for housing costs than homeowners. Housing cost burden is considered a housing need because households that overpay for housing costs may have difficulty affording other necessary expenses, such as childcare, transportation, and medical costs.

Regional Trends

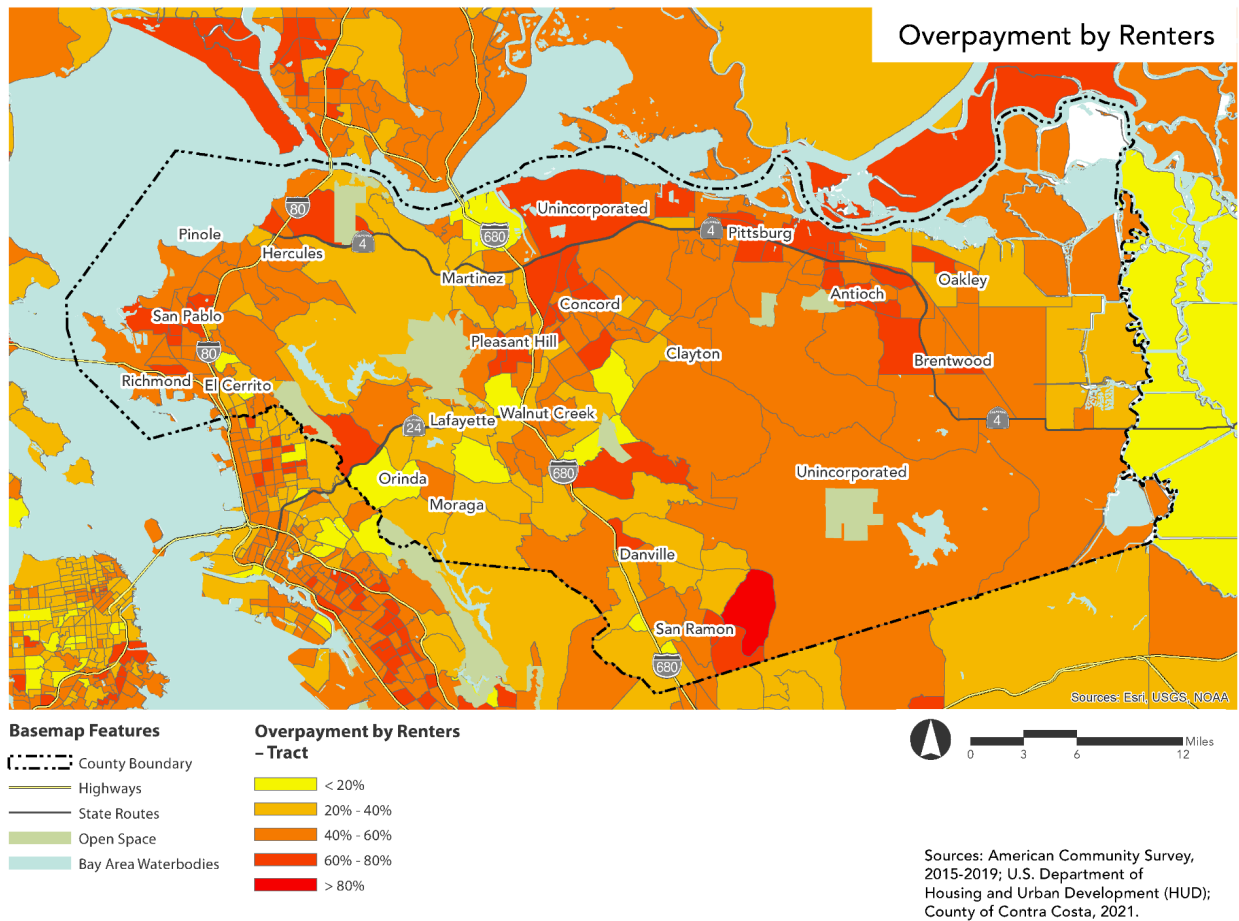
As presented in Table H3-17, almost 35.58% of all households experience cost burdens. Renters experience cost burdens at higher rates than owners (48.28% compared to 28.95%).

Table H3-17: Households that Experience Cost Burden by Tenure in Contra Costa County

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to ≤ 50%	> 50%	
Owners Only	257,530	44,535	30,010	28.95%
Renters Only	134,750	32,015	33,040	48.28%
All Households	392,275	76,550	63,050	35.59%

Source: <https://www.huduser.gov/portal/datasets/cp.html>

Map 19(a) shows concentrations of cost-burdened renter households in and around San Pablo, Pittsburg, Antioch, west Brentwood and Oakley, East San Ramon, and northern parts of Concord towards unincorporated areas. In these tracts, over 80% of renters experience cost burdens. The majority of east Contra Costa County has 60% to 80% of renter households that experience cost burdens; west Contra Costa County has 20% to 40% of renter households that experience cost burdens. Census tracts with a low percentage of cost-burdened households are located between San Ramon and Martinez on a north-south axis. In these tracts, less than 20% of renter households experience cost burdens.



Map 19(a) Distribution of Percentage of Overpayment by Renters in Contra Costa County

Local Trends

In Hercules, about 32% of all households experience cost burdens. Similar to Contra Costa County, renters experience higher rates of cost burdens than owners (40.95% to 30.34%), though at a lower level of disparity compared to the county. Refer to Table H3-18 for households that experience cost burden by tenure.

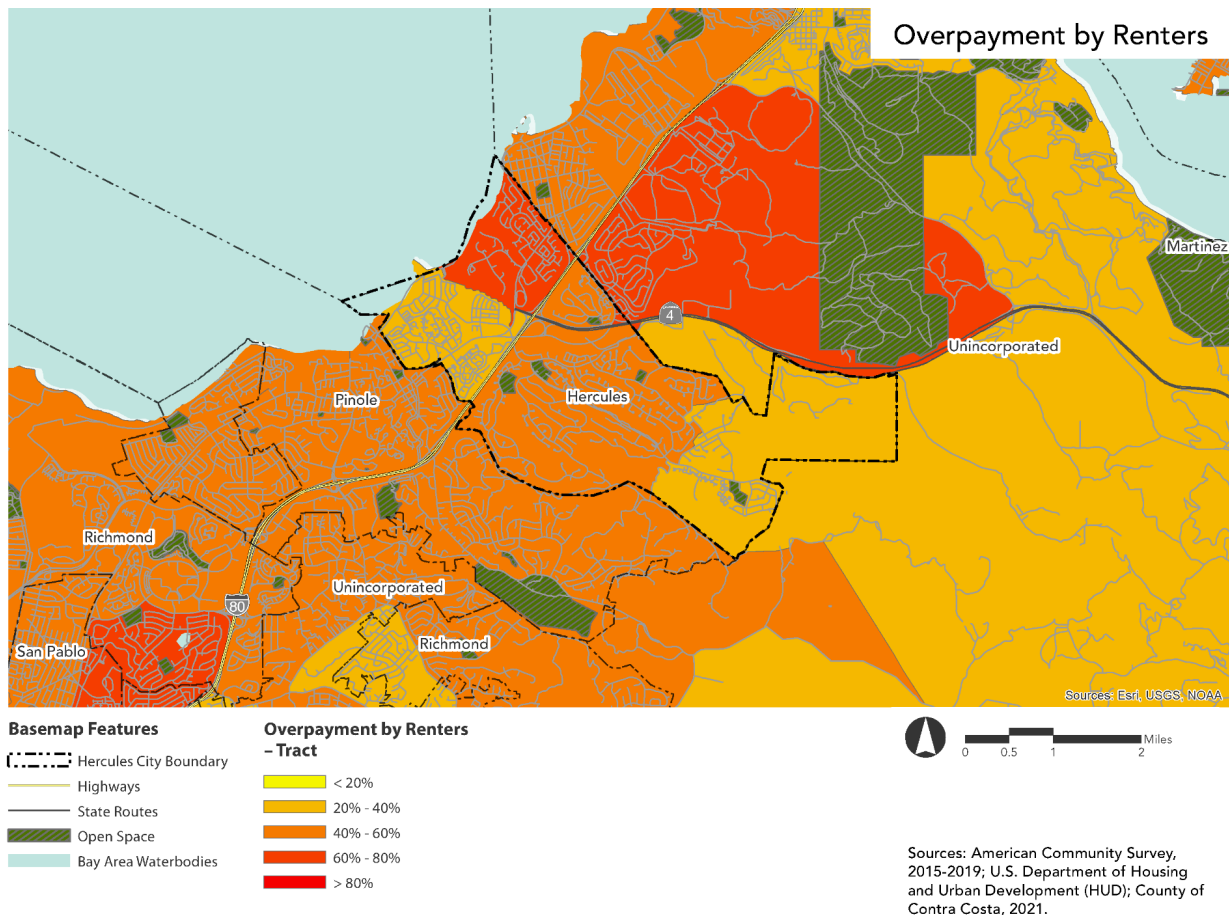
Map 19(b) shows high concentrations of cost burdened renter households in northern Hercules (over 80%), followed by moderate concentrations of cost burdened renter households in tracts directly east of the I-80 (60% to 80%). Other tracts in the west and far east have lower concentrations of cost burdened renter households (between 20% to 40%). Programs H1-2 and H1-3 will provide financial assistance to renters, and promote the use of the HCV program to help renters in areas with high concentrations of cost burdened renter households.

By overlaying Maps 19(b) and 6(b), areas where renters experience cost burdens correspond with areas that have high percentages of renters who are in the HCV program. This may indicate that even with the help of HCVs, renters are unable to keep up with rent increases. Renters with higher median incomes, however, could continue to overpay for housing without HCV assistance. This pattern emerges when Map 10(b) is overlaid onto the other two maps.

Table H3-18: Households that Experience Cost Burden by Tenure in Hercules

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to ≤ 50%	> 50%	
Owners Only	6,525	1,255	725	30.34%
Renters Only	1,575	275	370	40.95%
All Households	8,100	1,530	1,095	32.41%

Source: <https://www.huduser.gov/portal/datasets/cp.html>, 2014–2018

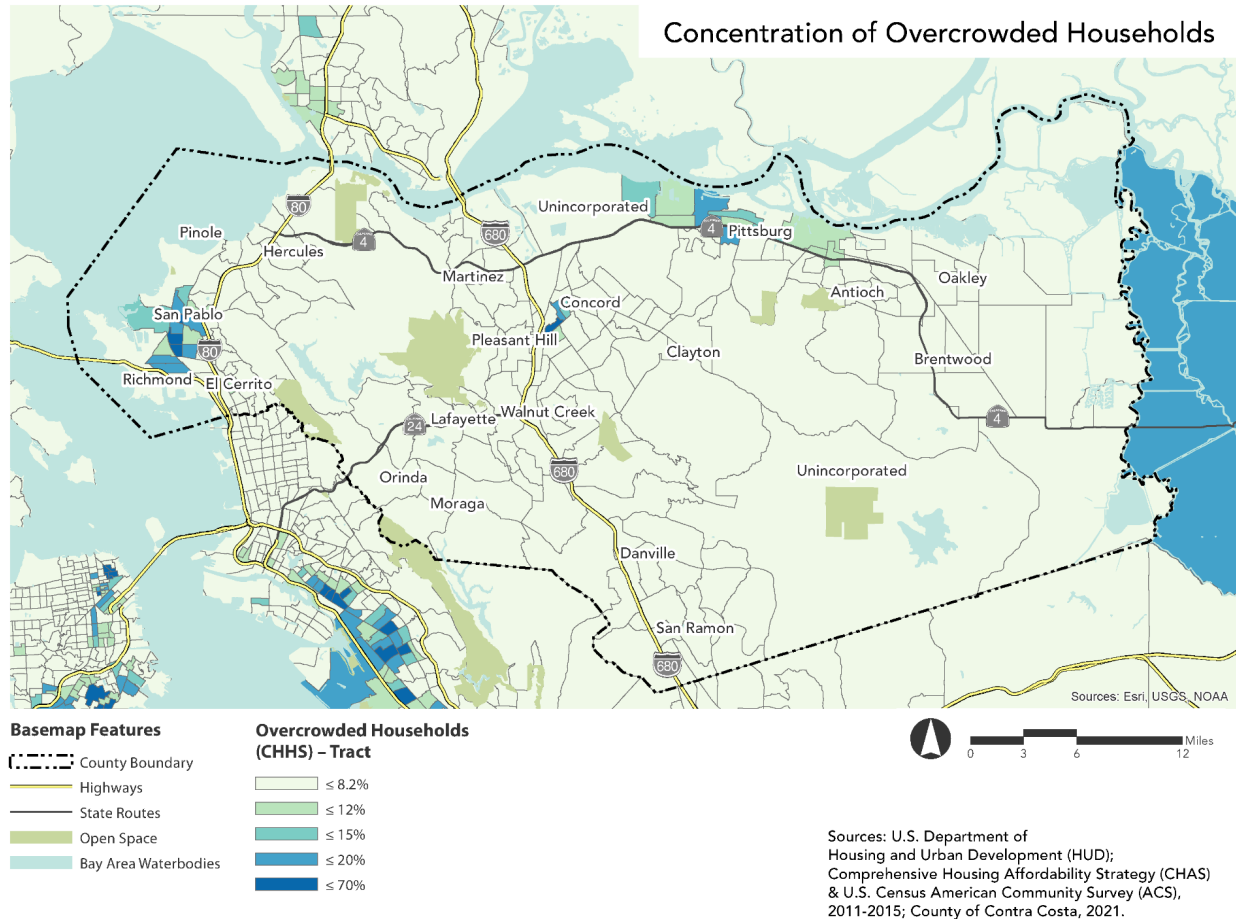
**Map 19(b) Distribution of Percentage of Overpayment by Renters in Hercules**

Overcrowded Households

Overcrowding is defined as housing units with more than one person per room (including dining and living rooms but excluding bathrooms and kitchen).

Regional Trends

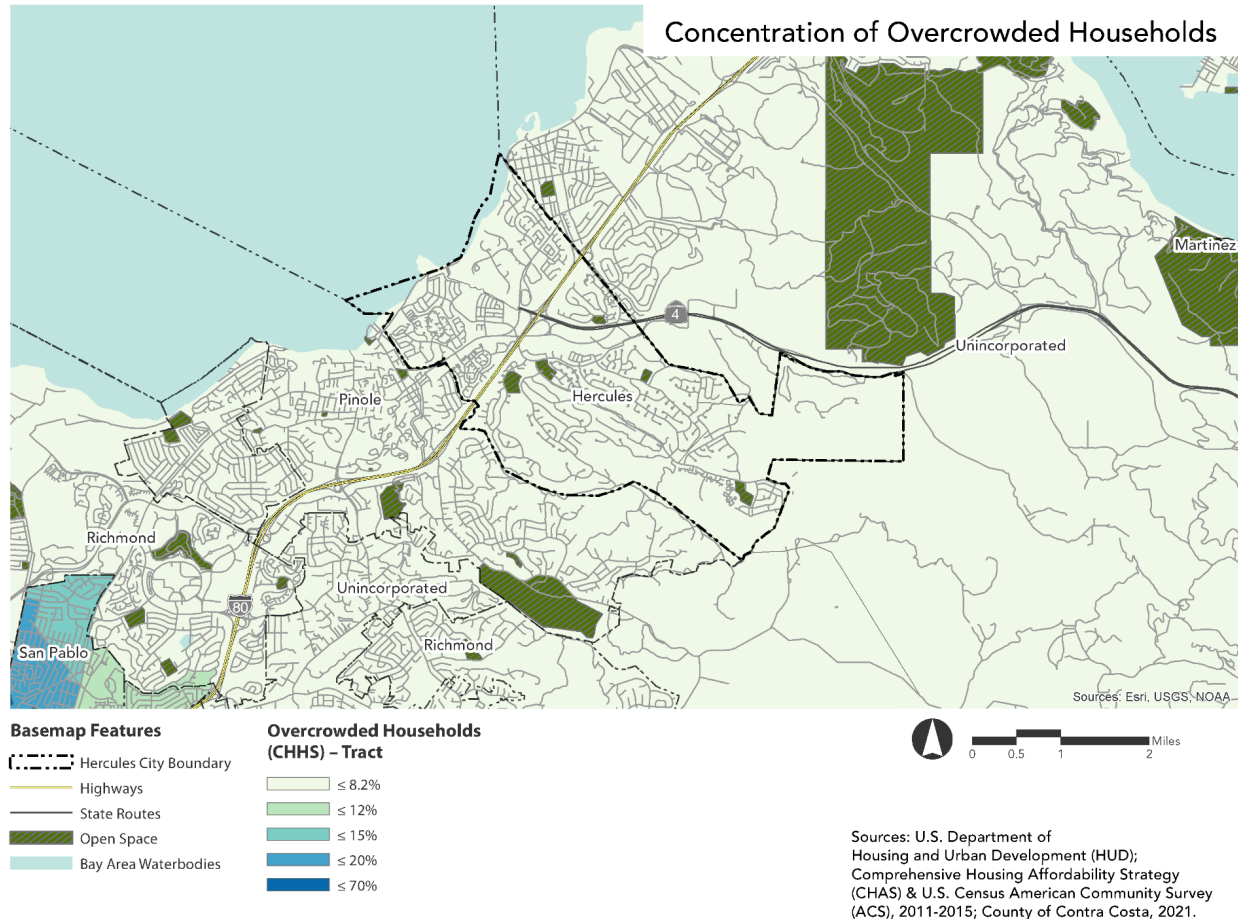
Map 20(a) indicates that Contra Costa County in general has low levels of overcrowded households. Tracts in San Pablo, Richmond, and Pittsburg with higher percentages of non-White population show higher concentrations of overcrowded households compared to the rest of the county. Monument Corridor, the only official R/ECAP in Contra Costa County, a predominantly Hispanic community in Concord, also exhibits more overcrowding than other parts of the County.



Map 20(a) Distribution of Percentage of Overcrowded Households in Contra Costa County

Local Trends

The City has a homogenous distribution of concentrations of overcrowded households. All tracts in the city have less than 8.2% of overcrowded households. This could potentially be due to HCV use within the City, which could help maintain low levels of overcrowding even in areas where there is overpayment by renters.



Map 20(b) Distribution of Percentage of Overcrowded Households in Hercules

Substandard Conditions

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions.

Regional Trends

According to 2015–2019 ACS estimates, shown in Table H3-19, 0.86% of households in Contra Costa County lack complete kitchen facilities and 0.39% of households lack complete plumbing facilities. Renter households are more likely to lack complete facilities compared to owner households.

Table H3-19: Substandard Housing Conditions by Tenure in Contra Costa County

	Owner	Renter	All Households
Lacking complete kitchen facilities	0.19%	0.67%	0.86%
Lacking complete plumbing facilities	0.19%	0.20%	0.39%

Source: American Community Survey, 2015-2019 (5-Year Estimates)

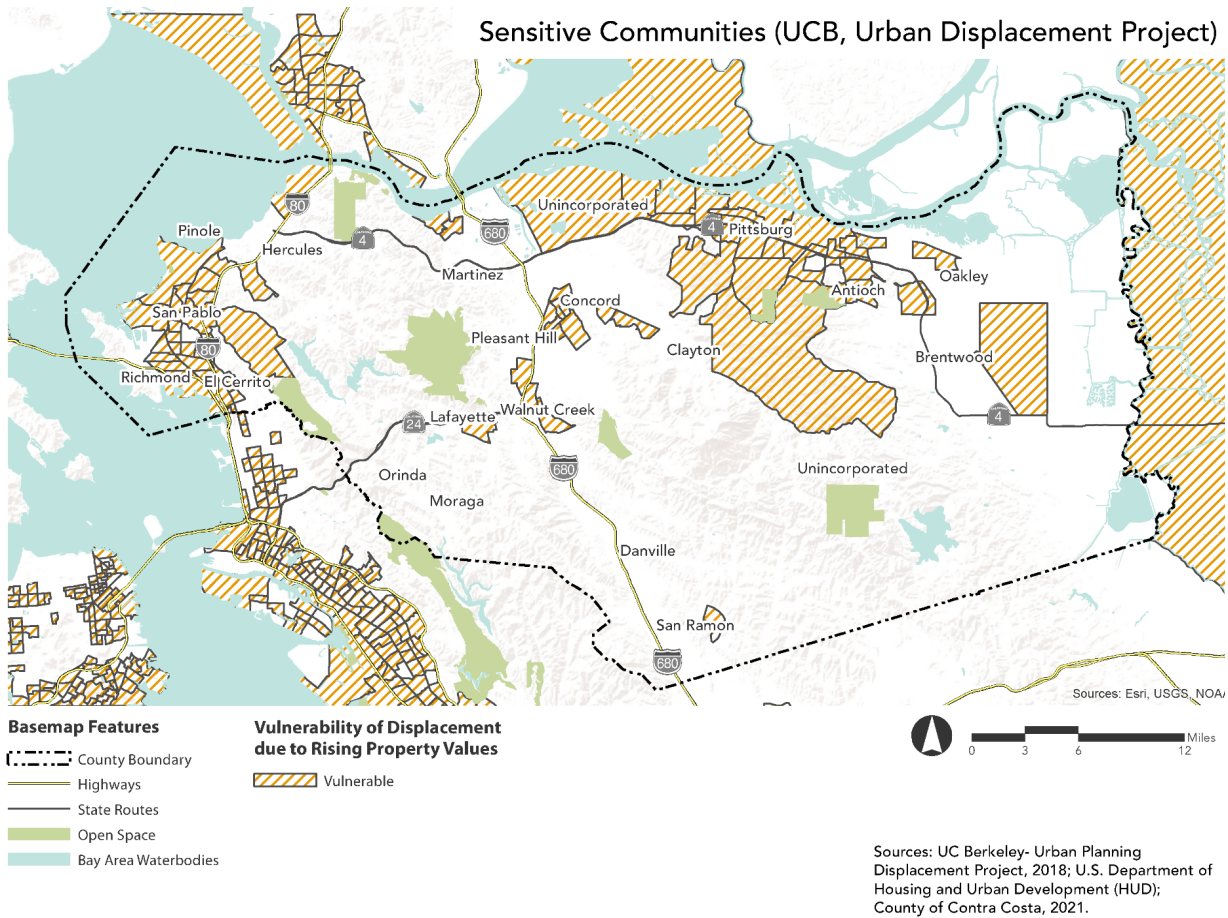
Local Trends

According to the ACS, 2015-2019 5-year estimates, no households in Hercules lack complete plumbing or kitchen facilities.

Displacement Risk

Regional Trends

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. UC Berkeley's Urban Displacement Project (UDP) states that a census tract is a sensitive community if the proportion of very low income residents was above 20% in 2017 and the census tracts meets two of the following criteria: (1) share of renters above 40% in 2017; (2) share of Non-White population above 50% in 2017; (3) share of very low-income households (50% AMI or below) that are also severely rent burdened households above the county median in 2017; or (4) nearby areas have been experiencing displacement pressures. Using this methodology, sensitive communities were identified in areas between El Cerrito and Pinole; Pittsburg, Antioch and Clayton; East Brentwood; and unincorporated land in Bay Point. Small pockets of Sensitive Communities are also found in central Contra Costa County from Lafayette towards Concord. Refer to Map 21(a).



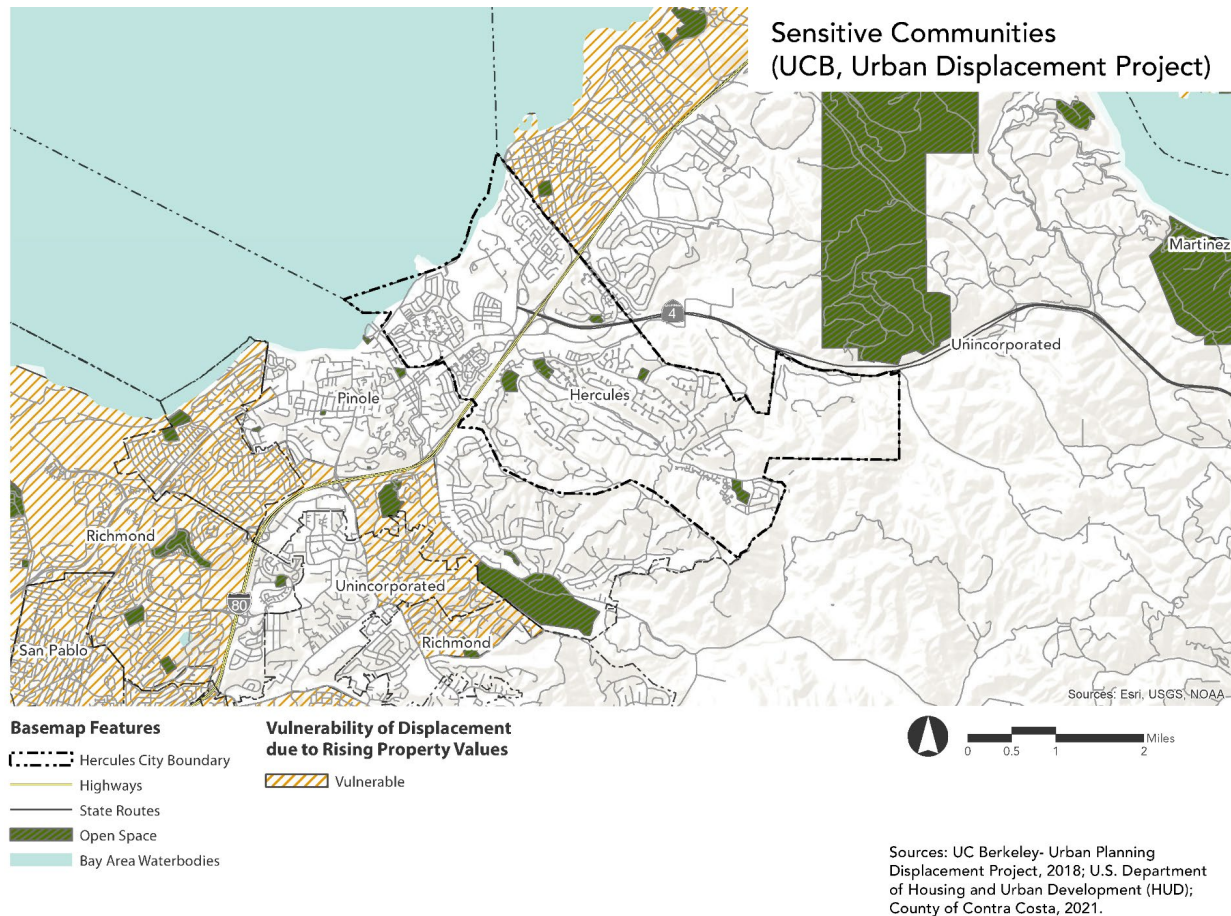
Map 21(a) Sensitive Communities as Defined by the Urban Displacement Project in Contra Costa County

Local Trends

In 2015, the UDP conducted research on gentrification and displacement in the Bay Area, which concluded that nearly 48% of Bay Area neighborhoods are experiencing displacement. Western Contra Costa County (including Hercules) has experienced the most displacement and gentrification. No census tracts in Hercules, however, were identified as sensitive communities.

Population estimates for people experiencing homelessness are very difficult to quantify. Census information is often unreliable due to the difficulty of efficiently counting a population without permanent residences. Given this impediment, local estimates of the homeless and anecdotal information are often where population numbers of the homeless come from. In 2020 according to the Annual Point in Time (PIT) Count there were a total of 7 unsheltered individuals in Hercules. This was up from the 2018 PIT Count when there were 2 unsheltered individuals counted. In the 2017 PIT Count where there were no homeless residents counted in Hercules. In 2016 the PIT Count was 1 and in 2015 the PIT Count was 12. While the number of homeless individuals in Hercules has fluctuated the count remains relatively low.

As a part of Contra Costa County, homeless residents in Hercules have access to County Health, Housing, and Homeless (H3) services. Programs under H3 include: C.O.R.E Homeless Outreach, Homeless Youth Services, Homeless Adult Services, Permanent Supporting Housing, and Community Homeless Court.



Map 21(b) Sensitive Communities as Defined by the Urban Displacement Project in Hercules

Affirmatively Furthering Fair Housing and Sites Inventory

The sites inventory identified for the 6th cycle housing element were done so in a manner that affirmatively further fair housing opportunities. Special care was taken to ensure that identified affordable housing sites are not concentrated in low-resourced areas, locations disproportionately exposed to pollution or other health impact or area of segregation and concentrations of poverty. Looking at maps 1(b) (Racial Demographics in Hercules), 11(b) (TCAC Composite Scores in Hercules), 8(b) (R/ECAPs in Hercules), and 10 (Racially Concentrated Areas of Affluence) there are no concentrated areas of low resource, disproportionate pollution burdens or racial segregation in the City to consider when selecting sites for affordable housing. The sites for affordable housing have been purposefully located near transit hubs to encourage mobility, connectivity, and reduced reliance on personal vehicles.

Table H3-20 lists the housing projects and opportunity sites by TCAC area and income category. All the sites identified are within a TCAC area with moderate resources. Four of these housing projects have extremely/ very low income units and five have low income units. All housing projects except for two have a mix of income categories, which will help to support a diversity of income levels and provide affordable options for many residents throughout the City. Regarding the housing projects that do not have a mix of

income categories, Sycamore Crossing was included in a mixed-use project that did not include affordability targets in the Development Agreement and the second, a New Town Center vacant lot was utilized as an affordable housing development site because of its proximity to transit and other amenities (parks, library, grocery store).

Table H3-20: Housing Projects and Opportunity Sites in Hercules

Project	Project/Land Status	Extremely/ Very Low Income (0-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)	Above Moderate- Income (+120%)	Total
TCAC – MODERATE RESOURCE						
Bayfront Phase III 2200 John Muir Parkway	Entitled	0	19*	-	368	387
Hill Town John Muir Parkway and San Pablo Avenue	Entitled	-	-	30***	568	598
“Skelly Drive” 215 Skelly Drive	Entitled	-	1**	1	38	40
Sycamore Crossing Sycamore Avenue and San Pablo Avenue	Entitled	-	-	-	120	120
New Town Center Parcel 1 Sycamore Avenue and Willow Avenue	Vacant	402	-	-	-	-
New Town Center Lot 1 Sycamore Avenue and Willow Avenue	Underutilized	27	82	78	-	187
New Town Center Lot 2 Sycamore Avenue and Willow Avenue	Underutilized	38	116	110	-	264
New Town Center Lot 3 Sycamore Avenue and Willow Avenue	Underutilized	11	31	29	-	71
Total		478	249	248	1,093	2069

* Affordable units are per Development Agreement with Bayfront Development, LLC

**Affordable units are per Development Agreement with D.R. Horton

***Affordable units are per Development Agreement with SCVHG

As demonstrated in Tables H3-20 and H3-21, the new sites proposed or underway for the City do not create or exacerbate patterns of segregation. Area 1 includes census tracts 3923 and 3591.05 to the west of Interstate 80 (I-80) and area 2 includes census tracts 3592.03 and 3592.04 to the east of I-80. There are not any sites currently planned for census tract 3592.04. One area to focus on is overpayment by renters. Households to the east of I-80 experience rates of overpayment at 40 to 60%. To the west of I-80, households in the southern portion experience overpayment at 20 to 40% and households in the north experience rates of overpayment at an elevated rate of 60 to 80%. As can be seen in Table H3-21, areas with higher rates of overpayment have plans for high levels of low-income housing. The additional low income households are likely to alleviate some of this cost burden and could result in lower rates of overpayment in these areas in the future.

The entirety of Hercules has a non-White population above 81%. This includes residents that report their race as Black or African-American (non-Hispanic, American Indian and Alaska Native (non-Hispanic), Asian (non-Hispanic), Native Hawaiian and other Pacific Islander (non-Hispanic), Some other race (non-Hispanic), Two or more races (non-Hispanic), Hispanic or Latino. Unlike many other regions nearby and across the County racially exclusive areas and neighborhoods do not present a challenge to new housing. In an interview with community stakeholders the diversity of Hercules ethnically, economically, and age wise was identified as a strength.

The City is primarily moderate resource with one census tract showing moderate but rapidly changing resources. Rapidly changing resource scores point to improving conditions in the area and increasing levels of opportunity across the various TCAC opportunity indices suggesting that efforts made by the City to improve conditions are showing positive progress.

Table H3-21: Housing Projects and Opportunity Sites in TCAC Areas

Site Number	Census Tract	Census Tract HH	Capacity			AFFH Indicators					
			Lower	Moderate	Above Moderate	% Minority ¹	Income	TCAC	Ovrpmt	Ovrcrwd	Displacmnt
AREA 1											
404730005	3923	1,028	19	0	368	>81%	Greater than \$125,000	Moderate Resource	60% - 80%	<8.2%	0
404040064	3923	1,028	0	29	569	>81%	Greater than \$125,000	Moderate Resource	60% - 80%	<8.2%	0
404020094	3591.05	1,786	0	0	120	>81%	<\$125,000	Moderate (rapidly changing)	20% - 40%	<8.2%	0
404020012	3591.05	1,786	1	1	38	>81%	<\$125,000	Moderate (rapidly changing)	20% - 40%	<8.2%	0
TOTAL		2,814	20	30	1,095						
AREA 2											
406070042	3592.03	2,314	402	0	0	>81%	<\$125,000	Moderate Resource	40-60%	<8.2%	0
406070025	3592.03	2,314	109	78	0	>81%	<\$125,000	Moderate Resource	40-60%	<8.2%	0
406070043	3592.03	2,314	154	110	0	>81%	<\$125,000	Moderate Resource	40-60%	<8.2%	0
406070007	3592.03	2,314	42	29	0	>81%	<\$125,000	Moderate Resource	40-60%	<8.2%	0

2021-2029 Housing Element

TOTAL	3,847	707	217	0	
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Sources: ACS 2021, 5-Year Estimates, U.S. Department of Housing and Urban Development (HUD), County of Contra Costa (2021)

1. % Minority refers to the percent of Non-White residents at the block group level. Non-White residents include Black or African-American (non-Hispanic), American Indian and Alaska Native (non-Hispanic), Asian (non-Hispanic), Native Hawaiian and other Pacific Islander (non-Hispanic), Some other race (non-Hispanic), Two or more races (non-Hispanic), Hispanic or Latino



CHAPTER 4

COMMUNITY PROFILE AND

HOUSING NEEDS ASSESSMENT

A. Population and Employment Trends

Housing needs are influenced by population and employment trends. This section provides a summary of changes to the population size, age, and racial/ethnic composition of the City of Hercules.

Current Population and Population Growth

Between 2010 and 2020, as reported by the Census, the population of Hercules grew approximately 5.25%, from 23,825 to 25,075 residents. Compared with Contra Costa County as a whole, the 8.82% increase from 2010 to 2020 was higher in the county. The Association of Bay Area Governments (ABAG) growth forecasts predict a steady increase in population through 2040. From 2020 to 2040, ABAG estimates that the City's population will grow by 14.14%, while countywide population is expected to increase by 22.9 percent%.

Table H-4.1: Population Growth and Projected Growth

	2010	2020	2040	% Change	% Change
				2010-2020	2020-2040
Hercules	23,825	25,075	28,620	5.25%	14.14%
Contra Costa County	1,027,415	1,117,995	1,373,965	8.82%	22.90%

Source: ABAG Growth Forecasts

In addition to population projections, several other demographic characteristics and trends define housing needs. Among these characteristics are age composition, racial and ethnic composition, and employment.

Table H-4.2: Age, Race and Ethnicity, and Employment by Industry

Demographic Profile	2010	Percentage	2019	Percentage
Age				
0-4	1,145	5.9%	1,089	4%
5-14	3,078	16%	3,180	12%
15-24	2,629	13.5%	2,921	11%
25-34	2,357	12%	3,383	13%
35-44	3,523	18%	3,529	14%
45-54	3,587	18%	3,612	14%
55-64	1,736	9%	4,022	16%
65-74	918	5%	2,696	11%
75-84	414	2%	943	4%
85+	101	1%	241	1%
Median Age	37.4		41.2	
Race/Ethnicity				
White (non-Hispanic)	4,026	17%	4,901	19%
Hispanic	3,508	15%	4,053	16%
Black	4,434	19%	3,832	15%
Asian/Pacific Islander	10,893	46%	11,541	45%
Other	1,134	5%	1,273	5%
Employment by Industry				
Educational services, and health care and social assistance	2,728	22%	3,800	27%
Retail trade	1,488	12%	1,126	8%
Manufacturing	949	8%	1,219	9%
Professional, scientific, and management, and administrative and waste management services	1,209	10%	1,854	13%
Construction	506	4%	569	4%
Arts, entertainment, and recreation, and accommodation and food services	918	7%	954	7%
Finance and insurance, and real estate and rental and leasing	1,348	11%	982	7%

Table H-4.2: Age, Race and Ethnicity, and Employment by Industry

Demographic Profile	2010	Percentage	2019	Percentage
Other services, except public administration	478	4%	662	5%
Transportation and warehousing, and utilities	1,081	9%	1,153	8%
Public Administration	799	7%	767	5%
Wholesale Trade	435	4%	271	2%
Information	308	3%	358	3%
Agriculture, forestry, fishing and hunting, and mining	17	0.1%	238	2%

Source: US Census Bureau 2010, 2019 5-year

Age

Population age distribution serves as an important indicator of housing needs, because housing needs and preferences change as individuals or households grow older. Young families tend to focus more on cost and the ability to become first-time homebuyers. Table H-4.2 shows the age groups of Hercules residents. In 2019 the largest percentage of residents fell in the 55–64 age group at 16%. The largest age groups in 2010 were the 35–44 and 45–54 age groups, both at 18%. The second largest age group in 2019 was residents aged 35–44. In 2010 the second largest age group was 5–14 years old at 16%. The median age in the city is 41.2 years. Compared with the County (39.7 years) and the state (36.5 years), the City’s population is older. The large population of middle aged and older adults means that demand for smaller down-sized units and assisted living will likely continue to grow.

Race and Ethnicity

Table H-4.2 shows the racial/ethnic distribution of population in the City of Hercules. Asian (45%) and White (19%) residents make up most of the City’s population. This breakdown is notably different than Contra Costa County overall which is mostly White (43%) and Hispanic residents (25%). Since 2010, the Asian population has decreased from 56% and the White population has decreased from 21%.

Employment

Hercules has 13,953 workers living within its borders who work across 13 major industrial sectors. Table H-4.2 provides detailed employment information. Many Hercules residents work in educational services, and health care and social assistance (3,800 employees, 27% of total), and professional, scientific, and management, and administrative and waste management services (1,854 employees, 13% of total). Between 2010 and 2018, there was an increase in educational services, health care, and social assistance, and an increase in professional, scientific, and management, and administrative and waste management services.

These trends are important to understand, as certain industries are generally associated with lower median earnings. In Hercules, educational services, health care and social assistance workers have a

median income of \$64,293, and those in professional, scientific, and management, and administrative and waste management services have a median income of \$69,261. The income of the two major Hercules industries is roughly the same. The 10 principal employers in Hercules are outlined in Table H-4.3.

Table H-4.3: 10 Principal Employers, 2020

Employer	Number of Employees	Percentage
Bio-Rad Laboratories Inc	2,271	17.00%
West Contra Costa Unified School District	238	1.80%
Home Depot	198	1.5%
Contra Costa County Social Services	106	0.8%
Lucky Supermarkets	100	0.75%
Pacific Bio Labs Inc	94	0.71%
City of Hercules	60	0.45%
Kinder's Meats & Deli BBQ & Catering	40	0.30%
Benda Tool & Model Works Inc	36	0.27%
Big Lots	25	0.19%

Source: City of Hercules Comprehensive Annual Financial Report, June 30, 2020

B. Household Characteristics

Characteristics for Hercules households are summarized in Table H-4.4. In 2010, the number of households in Hercules increased by 309 from 8,337. Renter occupied households decreased by 53 from 1,596 households in 2010. Owner-occupied households increased by 484 from 6,375 households in 2010.

Table H-4.4: Household Characteristics by Tenure

Household Characteristic	Owner Households	Renter Households	All Households
Number of Households ¹	6,859 (79%)	1,543 (18%)	8,646
Median Household Income ¹	\$123,208	\$79,632	\$117,018
Household Income Categories²			
Extremely Low Income (0-30% AMI)	275 (4%)	294 (3%)	569 (7%)
Very Low Income (30-50% AMI)	310 (4.6%)	153 (10%)	463 (5.6%)
Low Income (50-80% AMI)	830 (12%)	219 (15%)	1,049 (13%)
Moderate Income (80-100% AMI)	643 (9.5%)	184 (12%)	827 (10%)
Above Moderate Income (100% + AMI)	4,670 (69%)	614 (42%)	6,284 (64.5%)
Total	6,728	1,464	8,192
Total number of projected Extremely Low-Income Households (RHNA) ²	N/A	N/A	172

Table H-4.4: Household Characteristics by Tenure

Household Characteristic	Owner Households	Renter Households	All Households
Overpayment			
All Households Overpaying for Housing	745 (11%)	280 (19%)	1,025 (12%)
Lower Income Households Overpaying for Housing (*0-80% AMI) ²	605 (42%)	280 (42%)	880 (42%)

Source¹: US Census Bureau, American Community Survey 2014-2018 5-year estimates

Source²: U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) Tables 2013-2017

Percentages indicate the share of all households

Income

According to the 2018 American Community Survey, the median household income for Hercules was \$117,018, which is higher than Contra Costa County median household income of \$99,716. Median household income differs by tenure; in Hercules, owner households have a significantly higher median income than renter households (a difference of \$43,576).

Census data estimates that 4.6% of the Hercules population lives in poverty, as defined by federal guidelines. This proportion is lower than in Contra Costa County, where 8.7% of residents live in poverty. Poverty thresholds vary by household type. In Hercules, the number of persons living in poverty is higher for Black residents, with 16.4% living in poverty, and 17.9 percent% of people with less than a high school degree are living in poverty.

Because poverty thresholds do not differ based on geography, a better measure to understand income disparities can be to identify various percentages compared to the median income for a particular area. For housing planning and funding purposes, the Department of Housing and Urban Development (HUD) uses five income categories to evaluate housing need based on the Area Median Income (AMI) for the county. Note that in California, the California Department of Housing and Community Development (HCD) uses an expanded definition of Moderate-Income Households:

- Extremely Low-Income Households earn 0-30 percent of AMI
- Very Low-Income Households earn 30-50 percent of AMI
- Low-Income Households earn 50-80 percent of AMI
- Moderate-Income Households earn 80-100 percent of AMI (HCD uses 120%)
- Above Moderate-Income Households earn over 100 percent of AMI (HCD uses 120%+)

Comprehensive Housing Affordability Strategy (CHAS) data provides special Census tabulations (developed for HUD) and calculates household income adjusted for family size and tenure. As shown in Table H-4.4, in Hercules, above moderate-income households comprise the largest share of all households (64.5 percent), and low-income households comprise the second largest share (13%). Income also differs by tenure; as indicated in Table H-4.4, more renter households are in the lower income categories (0-80 percent AMI) than owner households.

Housing Overpayment

State and federal standards specify that households spending more than 30% of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30% of its income on housing costs, it has less disposable income for other necessities such as health care, child-care, and food. In the event of unexpected circumstances such as loss of employment or health problems, lower-income households with a housing cost burden are more likely to become homeless or double up with other households. In Hercules, 12% of households are overpaying for housing. Lower income households have a higher rate of overpayment at 42%.

C. Housing Stock Characteristics

Housing Stock

In 2019, the Department of Finance estimates there are 8,646 occupied housing units in the City. Compared to 2010, the City's housing stock has increased by 309 units. Most of the City's housing stock is made up of single-family homes (65%), and 29% of the housing stock is made up of multi-family homes. Census data indicates that 0.3% of owner units and 0% of rental units are vacant.

Hercules was developed as a community of single-family dwelling units and has primarily remained as such. Between 2010 and 2020, single-family units make up most of the new development, totaling 175 new single-family units, in comparison to 147 new multiple family units. Single-family detached units now make up 65% of the housing stock, while single-family attached units make up 15%, multi-family comprise 19%, and mobile homes and other housing filling out the remaining 0.1%.

Table H-4.5: Housing Stock Characteristics by Tenure

Housing Characteristic	Owner Households	Renter Households	All Households
Total Housing units	6,859 (79%)	1,543 (18%)	8,646
Single-Family Detached	N/A	N/A	5,802 (65%)
Single-Family Attached			1,357 (15%)
Multi-Family Units			1,703 (19%)
Mobile home, other units			13 (.1%)
Total units			8,875
Average or median Household Size			3.07
Vacancy Rate	0.30%	0.00%	2.80%
Overcrowded Units	0.1%	0%	0.1%

Table H-4.5: Housing Stock Characteristics by Tenure

Housing Characteristic	Owner Households	Renter Households	All Households
Units Needing Replacement/Rehabilitation	N/A	N/A	None
Housing Cost	\$824,769	\$2,201	N/A

Note: Does not sum to 100% due to vacant units

Sources: US Census Bureau, American Community Survey 2015-2019 5-year estimates,

Zillow Home Value Index, California Department of Finance E-5 Population and Housing Estimates

Households are defined as permanent residents while housing units describe structures. According to the U.S. census, a household includes all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. When reviewing housing data these are subtle definitions that explain the variance between “All Households” and “Total Units”.

Overcrowding

In response to a mismatch between household income and housing costs in a community, some households may not be able to buy or rent housing that provides a reasonable level of privacy and space. According to both California and federal standards, a housing unit is considered overcrowded if it is occupied by more than one person per room (excluding kitchens, bathrooms, and halls). In Hercules overcrowding does not pose a major problem. Only 14 owner units are considered overcrowded (0.1% of all households), and no renter households are considered overcrowded. Only 9% of owner units are considered severely overcrowded (0.1% of all households) and no renter units are considered severely overcrowded.

Housing Condition

The condition of housing stock can be an indicator of potential rehabilitation needs. Based upon observations and experiences of the Community Development staff, the City estimates that in 2021, there were no housing units are in severe need of replacement or substantial rehabilitation due to housing conditions.

Housing Cost

The cost of housing in a community is directly correlated to the number of housing problems and affordability issues. High housing costs can price low-income families out of the market, cause extreme cost burdens, or force households into overcrowded or substandard conditions. The Hercules median home price in December 2020, based on information provided by Zillow Home Value Index, was \$824,769, which is 10% higher than the median price in 2019. The median home price in Contra Costa County in 2020 was \$772,413, \$52,356 lower than in Hercules.

According to the 2018 Census, 18% of Hercules households are rental housing. Census data shows that the average rent in Hercules is \$2,201 per month, with most (20.9%) paying between \$2,500 and \$2,999 in rent. Table H-4.6 shows that the HUD-determined fair market rents for Contra Costa fall within the range of the rents within Hercules. Therefore, the rental rates in Hercules generally are less than the HUD determined fair market rents, indicating that certain parts of Contra Costa County are potentially more expensive than local rents.

Table H-4.6: Fair Market Rents in Contra Costa County

Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	\$1,595	\$1,934	\$2,383	\$3,196	\$3,863

Sources: FY2021 Fair Market Rents. U.S. Department of Housing and Urban Development (HUD)

Special Housing Needs

Housing-element law requires local governments to include an analysis of housing needs for residents in specific special needs groups and to address resources available to address these needs.

Table H-4.7: Special Needs Groups

Special Needs Category	Count	Percent
Persons with Disabilities ¹	2,241	9% of population
Persons with Developmental Disabilities ²	2,241	9% of residents
Elderly (65+ years) ¹	3,880	15% of residents
	1,030 households	12% of households
Large Households (5+ members) ¹	1,300 households	15% of households
Farmworkers ¹	168	1% of labor force
Female Headed Households ¹	1,097 households	13% households
People Experiencing Homelessness ³	7	N/A

Sources:

1. US Census Bureau, American Community Survey 2015-2019 5-year estimates
2. California Department of Developmental Services, 2020, reflects the DDS consumer count by CA ZIP Codes 94547, 94572
3. Contra Costa County: Annual Point in Time Count Report

Persons with Disabilities including persons with Developmental Disabilities

Disabled residents face housing access and safety challenges. Disabled people, in many cases, are of limited incomes and often only receive Social Security income. As such, most of their monthly income is often devoted to housing costs. In addition, disabled persons may face difficulty finding accessible housing (housing that is made accessible to people with disabilities through the positioning of appliances and fixtures, the heights of installations and cabinets, layout of unit to facilitate wheelchair movement, etc.) because of the limited number of such units.

There are 2,241 residents with a disability in Hercules, representing nine percent of residents. The majority of residents with a disability are 75 years or older (46.8%), followed by those 65 to 74 years (21.2%). The most commonly occurring disability amongst seniors 65 and older was an ambulatory disability, experienced by 17.7% of Hercules' seniors. An ambulatory disability is any disability that prevents or impedes walking. Although local statistics are not available, according to the Census, 14.7% of residents in Contra Costa County with a disability live in poverty compared to 4.6% of residents without a disability living in poverty.

The City's local housing policies work to promote barrier free housing to residents with disabilities. Housing types that can accommodate residents with disabilities include senior housing, supportive housing, residential care facilities, and transitional housing. Senior housing is allowed in all residential zones throughout the City. Supportive housing, residential care facilities and transitional housing, both large type and apartment type, are allowed in all residential zones of the City but in some cases do require a conditional use permit. Additionally, the City provides resources on its website for housing support for residents with disabilities such as the Housing Authority of Contra Costa County which provides public housing programs for seniors and individuals with disabilities.

Specific programs that address the needs of persons with disabilities and developmental disabilities are listed below (complete details for housing programs can be found in Chapter 2):

- Program H1-2: Affordable Housing Partnerships and Funding Sources
- Program H1-3: Housing Choice Voucher Program
- Program H1-4: Monitor and Preserve Affordable Housing and At-Risk Housing
- Program H2-3: Senior Housing
- Program H2-5: Alternative Housing Models
- Program H3-2: Housing for Extremely Low-Income and Low-Income Households
- Program H4-1: Housing for Persons with Special Needs
- Program H4-2: Fair Housing Services
- Program H4-3: Affirmatively Furthering Fair Housing

The State Department of Developmental Services (DDS) currently provides community-based services to persons with developmental disabilities and their families through a statewide system of 21 regional centers. The Regional Center of the East Bay serves residents in Hercules. The center is a private, non-profit community agency that contracts with local service providers to offer a wide range of services to individuals with developmental disabilities and their families. In Hercules, 220 residents are reported as consumers of the services provided at the local Regional Center. Of those receiving services from the center, 122 are 18 years old and above and 98 are below the age of 18. The majority of residents receiving care from the center live in the home of a parent or guardian (181), followed by individuals in a community care facility (29), followed next by those living independently or in supported living (11).

The State of California Community Care Licensing Division indicates a range of existing facilities that serve the City's residents with disabilities (Table H-4.8).

Table H-4.8: Licensed Care Facilities

Name	Type
Angels Touch Care Home, LLC	Assisted Living
Care Home Sweet Home	Assisted Living
Cozy Family Care	Assisted Living
Dream of Angel Care, LLC	Assisted Living
Res Success	Adult Day Care

Source: California Department of Social Services

Elderly (65+ years)

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, many people aged 65 years and older live alone and may have difficulty maintaining their homes, are usually retired and living on a limited income, and are more likely to have high health care costs and rely on public transportation. This is especially true for this with disabilities. The limited income of many elderly persons often makes it difficult for them to find affordable housing. There are 1,030 households headed by elderly residents, representing 12% of total households in Hercules. The majority of households headed by elderly residents are married-couple households, with 4.8% of elderly residents and adults aged 18 to 64 are living in poverty. Senior housing is allowed in all residential zones in Hercules. Table H-4.8 lists the four assisted living facilities within the City which serve senior residents and residents with disabilities. The Senior Center in Hercules works to service elderly residents in a number of ways. The Senior Center provides weekly meal services through CC Café, the Contra Costa Food Bank is on-site the first and third Tuesday of each month, Meals on Wheels operates out of the Senior Center, and Senior Center staff and volunteers do monthly wellness checks with Senior Center members. Elderly residents in Hercules also have access to services provided by Contra Costa County Area Agency on Aging,¹ which provides the services listed below among others:

- Adult Day Care
- Long-Term Care Ombudsman
- Family Caregiver
- Preservation of housing legal services

Large Households (5+ members)

Large households, defined by HCD as households containing five or more persons, have special housing needs due to the limited availability of adequately sized, affordable housing units. Larger units can be very expensive; as such, large households are often forced to reside in smaller, less expensive units or double-up with other families or extended family to save on housing costs, both of which may result in unit overcrowding. There are 1,300 large households in Hercules, representing 15% of all households. A larger percentage of owner-occupied units (12%) are defined as large households as compared to rental

¹ <https://ehsd.org/elderly-disabled/area-agency-on-aging/>

households (3%). In Hercules, 3.4% of families are living in poverty, with 1.6% of large families (5 or 6 people) living in poverty.

Farmworkers

Due to the high cost of housing and low wages, a significant number of migrant farm workers have difficulty finding affordable, safe, and sanitary housing. There are 168 residents who may work as farmworkers in Hercules, representing only 1% of the City's labor force. Maps from the State of California Department of Conservation Farmland Mapping and Monitoring Program show no farmland in Hercules. Due to the low number of agricultural workers in the City, the housing needs of migrant and/or farm workers can be met through general affordable housing programs.

Female Headed Households

Single-parent households require special consideration and assistance because of the greater need for daycare, health care, and other services. In particular, female-headed households with children tend to have lower incomes and a greater need for affordable housing and accessible daycare and other supportive services. There are 1,037 female headed households in Hercules, representing 13% of households. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, severely limits available housing options. A total of 13% of female-headed households live in poverty, much higher than all households living in poverty at 3.4%.

People Experiencing Homelessness

Population estimates for people experiencing homelessness is very difficult to quantify. Census information is often unreliable due to the difficulty of efficiently counting a population without permanent residences. Given this impediment, local estimates and anecdotal information are often where population numbers of the homeless come from. In 2020, according to the Annual Point in Time (PIT) Count, there were a total of seven unsheltered individuals in Hercules. This was up from the 2018 PIT Count when there were two unsheltered individuals counted. In the 2017 PIT Count, no homeless residents were counted in Hercules. In 2016, the PIT Count was one, and in 2015, the PIT Count was 12. While the number of homeless individuals in Hercules has fluctuated, the count remains relatively low. Due to the COVID-19 pandemic, a PIT Count was not conducted for unsheltered individuals in 2021, and the 2022 data (at the time this element was prepared) were still under review by Contra Costa Health to verify the accuracy, as significant inconsistencies were discovered in the data².

As a part of Contra Costa County, homeless residents in Hercules have access to County Health, Housing, and Homeless (H3) services. Programs under H3 include: C.O.R.E Homeless Outreach, Homeless Youth Services, Homeless Adult Services, Permanent Supporting Housing, and Community Homeless Court.

Programs from the Housing Element update that address the needs of people experiencing homelessness are listed below:

- Program H2-5: Alternative Housing Models
- Program H4-1: Housing for Persons with Special Needs

² <https://cchealth.org/h3/coc/reports.php>

- Program H4-3: Affirmatively Furthering Fair Housing
- Program H4-4: Outreach Plan

Energy Conservation Opportunities

The Housing Element should analyze opportunities for energy conservation in residential development. Energy-related housing costs can directly impact the affordability of housing. While state building code standards contain mandatory energy efficiency requirements for new development, the City and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy-related expenses. Policies addressing climate change and energy conservation are integrated into the Hercules General Plan.

PG&E offers energy efficiency incentives especially for lower income households including: \$30 to \$75 rebates for energy efficient appliances like washers, refrigerators, air conditioners, and water heaters. PG&E also offers rebates from \$0.10 to \$0.59 per square foot for conservation improvements like insulation and cool rooms, as well as \$50 to \$300 rebates for fans, natural gas furnaces, and pool pumps. Income-qualified homes can also take part in energy savings assistance programs to save on their energy bills by making improvements to homes, apartments, or mobile homes and replacing old refrigerators, furnaces, and water heaters. Hercules also offers reduced Traffic Facilities Impact Fees for projects located within one-half mile from transit stations or mixed-use projects where 50% or more of the building space is being used as residential.

At-Risk Housing Analyses

State housing law requires an inventory and analysis of government-assisted dwelling units eligible for conversion from lower income housing to market rate housing during the next ten years. Reasons for this conversion may include expiration of subsidies, mortgage pre-payments or pay-offs, and concurrent expiration of affordability restrictions.”

Based on City records and information from the California Housing Partnership Corporation, in the next 10 years (2021-2031), no assisted housing developments in Hercules are at risk of losing affordability.

Coastal Zone

The City of Hercules is not in a coastal zone and therefore is not subject to the requirements of Government Code 65588 (c) and (d).

Projected Housing Need (RHNA)

Housing Element law requires a quantification of each jurisdiction’s share of the regional housing need as established in the RHNA Plan prepared by the jurisdiction’s council of governments. The California Department of Housing and Community Development (HCD), in conjunction with the ABAG, determine a projected housing need for the region covered by ABAG. This share, known as the Regional Housing Needs Allocation (RHNA), is 441,776 new housing units for the 2021-2029 planning period throughout the ABAG region. ABAG has, in turn, allocated this share among its constituent jurisdictions, distributing to each its own RHNA divided along income levels. The City of Hercules has a RHNA of 995 housing units to

accommodate in the next housing element period (2023–2031). The income distribution is shown in Table H-4.9.

Table H-4.9: Regional Housing Needs Allocation 2021-2029

Income Group	% of County AMI	Number of Units Allocated	Percent of Total Allocation
Very Low ¹	0-50%	344	35%
Low	>50-80%	198	20%
Moderate	>80-120%	126	13%
Above Moderate	120%+	327	33%
Total	---	995	100%

Note: Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low-income households (0-30% AMI). In estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data. There are 569 extremely low- and 463 very low-income households. Therefore, the City's very low-income RHNA of 344 units can be split into 172 extremely low-income and 172 very low-income units.



CHAPTER 5

HOUSING CONSTRAINTS

Constraints to the provision of adequate and affordable housing are posed by market, governmental, infrastructure, and environmental factors, among others. These constraints may increase the cost of housing or may render residential construction economically infeasible for developers. Housing production constraints can also significantly impact households with low and moderate incomes and special needs.

Market Constraints

Land Costs

The price of housing has risen since the late seventies at a much faster rate than household income, driven by the imbalance between housing demand in the region and housing supply. In addition to land costs, contributing factors include materials, labor, financing, fees and associated development requirements, sales commissions, and profits.

Land costs have represented an increasing proportion of the overall costs of a new home over the past twenty years, especially in the Bay Area. It is generally the case that high land costs represent the overriding factor affecting the affordability of residential development in California cities. Land prices also vary depending on zoning (number of units allowed) and availability of improvements. Other variables affecting the cost of land are the size of lots, location and amenities, the availability and proximity of public services, and the financing arrangement between the buyer and seller. Similarly, site constraints such as environmental issues (steep slopes, soil stability, seismic hazards, or flooding) can also be factored into the cost of land.

The cost to clear an acre of land for redevelopment significantly increases the cost of development, as do the local, state, and federal policies relating to relocation and replacement of low income housing. Depending on the existing improvements that must be removed to redevelop a site, the total cost to acquire a parcel, relocate occupants, and possibly mitigate hazardous materials can be quite expensive. This can pose a problem for development if Hercules rents or sales prices cannot support the high cost of development.

According to the California Building Industry Association, the cost of land represents a substantial portion of the total housing development cost but has little impact on the maintenance and improvement of existing stock. In many markets, up to 25 percent of housing costs are attributable to land costs. The average land costs in California are significantly higher than costs in most other states.

Land costs for single family homes are between \$210,000 and \$2,510,000. Land costs for apartments and condos range between \$400,000 and \$1,600,000. Due in large part to limited land availability in the City, residential land has not been widely available for sale. High costs will continue to present challenges for the production of affordable housing in the City.

Construction Costs

Construction costs, which can comprise a significant portion of the sales price of a home, are one of the major cost factors with residential development. According to data from the California Construction Cost Index, hard construction costs in California grew by 44 percent between 2014 and 2018, or an additional \$80 per square foot.¹ Construction costs are estimated to account for upwards of 60 percent of the production cost of a new home, especially for multi-unit residential buildings which often require the use of more expensive materials, like steel, and need additional amenities such as parking structures.² Variations in the quality of materials, type of amenities, labor costs and the quality of building materials could result in higher or lower construction costs for a new home. Pre-fabricated factory built housing, with variation on the quality of materials and amenities may also affect the final construction cost per square foot of a housing project.

An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data is national and does not consider regional differences, nor does the data include the price of the land upon which the buildings are built. The February 2021 national averages for costs per square foot of apartment units and single-family homes are as follows:

- Type I or II, R-2 Residential Multi-family: \$157.74 to \$179.04 per square foot
- Type V Wood Frame, R-2 Residential Multi-family: \$120.47 to \$125.18 per square foot
- Type V Wood Frame, R-3 Residential One- and Two-Family Dwelling: \$130.58 to \$138.79 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per

¹ Hayley Raetz, Teddy Forscher, Elizabeth Kneebone and Carolina Reid, The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California, The Turner Center for Housing Innovation, University of California Berkeley, March 2020, p.8, http://turnercenter.berkeley.edu/uploads/Hard_Construction_Costs_March_2020.pdf

² Ibid., Raetz et al, p.4.

square foot in 2021. Hercules uses both the ICC and RSMeans construction valuation software as a resource for valuations. Hercules area construction cost uses a cost multiplier/index multiplier of 1.2%.

Availability of Financing

Development Financing

Financing is available from a variety of sources including financing institutions, insurance companies, and pension plans (such as CalPERS). The decline in the U.S. economy beginning in 2008 and the national credit crisis, however, limited the amount of financing available to potential developers, and difficulties with financing will likely continue, despite low interest rates.

With the high costs of housing development, packaging financing for affordable housing is increasingly challenging. Typically, multiple sources are required to finance an affordable housing project. Typical sources of funding for affordable housing include:

- A first mortgage from a lending institution
- Low-Income Housing Tax Credits and/or tax-exempt mortgage bonds
- Community Development Block Grant funds
- HOME Investment Partnership funds
- California Housing Finance Agency

Depending on the type of financing used (tax credits, bonds, federal funds, etc.), other requirements, such as the inclusion of certain accessibility accommodations and the use of prevailing wage versus Davis-Bacon³ wage, can affect development costs significantly.

Mortgage Financing

The availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements, and refinancing, whether financed at market rate or with federal government assistance. Mortgage assistance from local governments is not covered by HMDA.

Approval Times and Requests for Lesser Densities

Requests to develop housing at densities below those anticipated in the Housing Element may be a non-governmental constraint to housing development, when the private sector prefers to develop at lower

³ The Davis-Bacon Act of 1931 is a federal law which established the requirement for paying prevailing wages on public works projects. All federal government construction contracts and most contracts for federally assisted construction over \$2,000 must include provisions for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects

densities than shown in the Housing Element. To date, there have been no applications for development at lesser densities. Recent housing projects, as described in Chapter 6: Housing Resources, have permitted 68 du/acre and 86 du/acre in Mixed-Use Zones (Table H-6.6: Density of Proposed Project in Mixed-Use Zones).

Non-governmental constraints can also affect the timing between project approval and requests for building permits. This may be due to delays in securing construction financing, finding contractors, or changes in the housing market since project approval. In Hercules, since 2017, the estimated average timeline for building permit issuance for larger residential projects has been ten months after discretionary review has been approved. However, a few projects have not received building permits due to inability to obtain financing or builder replacements. The Owl Ranch project will be obtaining building permits within the one-year deadline from the final map being recorded.

Governmental Constraints

Local policies and regulations can impact the price and availability of housing and the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, among other issues may constrain the maintenance, development, and improvement of housing.

Hercules's land use controls, design guidelines, codes and enforcement, required site improvements, fees and permit processing procedures have been developed, in part, to correct development problems that have become evident over time.

Land Use Controls

The City of Hercules regulates the use of land within the City limits through the General Plan, the Regulating Code for the Central Hercules Plan (within the old redevelopment area plan), the Waterfront District Master Plan, and the Zoning Ordinance. Hercules's Land Use Element of the General Plan was adopted in 1998 and along with the Zoning Ordinance, provides a wide range of housing types and densities, ranging from one unit per acre to 75 units per acre. Table H-5.1 lists the residential land use categories included in the Land Use Element of the City's General Plan.

Table H-5.1: Relationship Between General Plan and Zoning

General Plan Designation	Density (Dwelling units per acre)	Zoning District
Single Family – Estate	1-2 du/ac	RS-E
Single Family – Low Density	2-7 du/ac	RS-L
Multi Family – Low Density	Up to 12 du/ac	RM-L
Multi Family – Medium Density	12 to 30 du/ac	RM-M
Multi Family – High Density	30 to 55 du/ac	RM-H
Mobile Home Park	7 du/ac	P-M-H
Industrial Residential (Mixed Use)	25 du/ac (live-work units)	I-R

Table H-5.1: Relationship Between General Plan and Zoning

General Plan Designation	Density (Dwelling units per acre)	Zoning District
Planned Commercial/Residential	40 du/ac ¹	PC-R

Notes:

1.A maximum density of 80 units per acre was permitted for the Town Centrale project on Sycamore Avenue as an approved planned development plan.

Source: City of Hercules, Zoning Ordinance, 2021.

Planned Development Districts

The Hercules Zoning Ordinance provides for a Planned Commercial Residential (PC-R) District to accommodate both residential and commercial uses in a well-planned, mixed-use development, as well as to provide an opportunity for an integrated mixture of residential and commercial employment-generating uses within the same structure or site. The PC-R district allows for lower cost live-work opportunities for start-up commercial enterprises and other smaller scale point-of-sale enterprises that are compatible with the residential and commercial uses within the building or site. It also provides for upper floor residential over ground floor commercial uses and encourages mixed-use development that could minimize vehicle use. Applications for expanding and new development in the PC-R zone must be reviewed by the Community Development Director but may also require Planning Commission, and in some cases, City Council approval.

'Measure J' Growth Management Program

Measure J Sales Tax Expenditure Plan, the voter-approved growth management measure in Contra Costa County, encourages a stronger link between local/sub-regional land use decision-making and local/sub-regional transportation improvements. The measure requires that each jurisdiction adopt, or maintain in place, a development mitigation program to ensure that new growth is paying its share of the costs associated with that growth. Furthermore, each jurisdiction must comply with either a new countywide, mutually agreed upon, voter-approved urban limit line (ULL), or the local jurisdiction's voters must approve the jurisdiction's own ULL.

While implementation of such growth management measures could create a potential constraint on housing development, Measure J places a strong emphasis on the creation of housing opportunities for all income levels and on the responsibilities of local jurisdictions to meet regional fair-share housing requirements.

One of the criteria considered by the Contra Costa Transportation Authority (which monitors Measure J compliance and coordinates transportation project funding under Measure J) is compliance of a local jurisdiction's Housing Element with State requirements. Jurisdictions that do not have a Housing Element in compliance with State requirements risk losing their funding for transportation improvements under the Measure J program. Measure J does not, therefore, present a constraint to housing development. Rather, it acts as a stimulus to local jurisdictions to meet their fair-share housing requirements for all

income levels, in accordance with State laws. Furthermore, the City of Hercules has adequate sites within the ULL to accommodate its share of regional housing needs.

Residential Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. In general, the City's zoning regulations are designed to balance the goal of providing housing opportunities for all income groups, while protecting the health and safety of residents and preserving the character of existing neighborhoods. The City's Zoning Ordinance allows residential uses in the following districts:

- **Residential Single-Family Estate (RS-E):** The RS-E district provides sites for homes on larger lots to be developed with custom built and individually designed homes with a gross density of one or two units per acre and a minimum parcel size of one-half acre.
- **Residential Single Family Low Density (RS-L):** The purpose of the RS-L district is to provide areas for single family housing on smaller lots that will generally be developed as part of a larger planned subdivision.
- **Residential Multi-Family Low Density (RM-L):** The RM-L district provides sites for low density multi-family housing such as townhouses, condominiums, and apartments as well as single-family housing that incorporates good design and amenities.
- **Residential Multi-Family Medium Density (RM-M):** The RM-M district provides for townhouses and condominiums, similar to the RM-L district, but at a medium density, as well as for apartments.
- **Residential Multi-Family High Density (RM-H):** The RM-H district is intended for high density multi-family housing, typically located near public transit centers, adequate streets, shopping centers, or other high-activity areas.
- **Mobile Home Park District (P-M-H):** The purpose of the P-M-H district reserves appropriately located areas for mobile home parks and provides for reasonable densities consistent with sound standards of public health and safety.
- **Industrial Residential Mixed-Use District (I-R):** The I-R district provides for integrated mixture of residential space and workspaces in the same structure. The residential space, generally located above the workspace, such as a loft, is to provide a living area for persons employed in the workspace.
- **Planned Commercial-Residential Mixed-Use District (PC-R):** The PC-R district accommodates both residential and commercial uses in a well-planned, mixed-use development.
- **New Town Center District (NTC):** The NTC district accommodates transit-oriented development in a relatively dense pattern of buildings in the center of town with a mix of residential, commercial, office, and public and quasi-public uses.
- **Historic Town Center District (HTC):** The HTC district is intended to provide a wide range of office and administrative uses along with supporting retail commercial uses while retaining the historic

character of the area. The undeveloped parcels of the HTC have an allowable residential density of 40 units per acre under the amended Waterfront District Master Plan. Development standards specific to each zone district are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. These standards serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards associated with the key districts with residential potential are summarized in Table H-5.2. The City's development standards were established to implement the types of uses and intensities envisioned. These standards do not constrain housing development in the City.

Table H-5.2: Residential Development Standards

	RS-E	RS-L	RM-L	RM-M	RM-H	P-M-H	I-R	PC-R	NTC
Site Area (acres)	—	—	3	5	15	20	--		—
Density (du/ac)	1-2 ¹	2 -7	12	12-30	30-55	7	25	40	30-75
Lot Size (sq. ft.)	1/2 acre ¹	6,000 ²	3,000 ^{2,3}	3,000 ²	3,000 ²	PDP	5,000 ²	PDP	—
Lot Frontage (ft.)	45	30	200 for multi-family, 30 for other			PDP	50 ²	PDP	PDP
Lot Depth (ft.)	200 ⁴	100	200 for multi-family, 80 for other			(PDP)	100 ²	PDP	PDP
Lot Width (ft.)	100	60 ⁵	200 for multi-family, 35 ⁵ for other			--			—
Setbacks									
Front (ft.)	20		15			10	10 ²	0	
Rear (ft.)	25	15			20	10 ²	10–15		
Side (ft.)	15	5	15 ⁶			5	0 ²	0	
Corner Side (ft.)	20	15			10	10 ²	0		
Maximum Site Coverage	20%	50%	60%			70%	50%	PDP	PDP
Usable Open Space Per Unit(sq. ft.)	—	—	1,000	300	300	200	50	50/1008	PDP
Building Height(ft.)	35	35	45 ⁽⁷⁾	60	90	30	40	40/50/65 ⁹	20–85

Notes:

PDP: As per an approved Planned Development Plan

1. Maximum density and minimum lot size are designated on zoning map for 1 or 2 units per acre density and corresponding 1 acre or 0.5 acre minimum size.

2. Minimum lot size unless a smaller lot size is allowed by an approved Planned Development Plan.

3. Minimum lot size for single-family housing is 4,000 sq. ft. unless a smaller lot size is allowed by an approved Planned Development Plan.

Table H-5.2: Residential Development Standards

	RS-E	RS-L	RM-L	RM-M	RM-H	P-M-H	I-R	PC-R	NTC
--	------	------	------	------	------	-------	-----	------	-----

4. Minimum lot depth unless area is designated for 2 units per acre, then 150 ft. minimum depth applies.

5. Minimum lot width for corner lots, add 10 feet.

6. Minimum side setback unless smaller setback is allowed by an approved Planned Development Plan.

7. Maximum height for single-family housing and duets/duplexes is 35 feet.

8. 50 sq. ft./unit for live-work, 100 sq. ft./unit for residential.

9. 50 ft. height allowed for combined commercial and residential uses within a structure; for major frontages along Sycamore Avenue and San Pablo Avenue, a maximum height of 65 ft. is allowed only if approved in an adopted PDP.

Source: City of Hercules Zoning Ordinance, 2021.

Prior to the economic downturn, the City had approved several high-density residential and mixed- use development projects and had several pending applications in various specific plan areas. These projects achieved densities ranging from 33 to 45 units per acre, representing 83 percent to 113 percent of the maximum density allowed in these areas. These projects demonstrated that the City's development standards are reasonable and facilitate the development of projects at their allowable densities.

Parking Requirements

Parking requirements for residential uses in Hercules are summarized in Table H-5.3. Apart from the standard for units with one bedroom or none, these requirements are lower than the parking standards for density bonus eligible projects as established by State law and therefore, do not constrain the production of housing. The City adopted its Zoning Ordinance amendment in 2015 to comply with the State Density Bonus law parking requirements. Furthermore, parking standards can be reduced, on a case-by-case basis, e.g., if the project is located within a transit-oriented or mixed- use development.

Table H-5.3: Parking Standards for Residential Development

Residential Use	Spaces Required	Loading Spaces Required	Notes
Single-Family	2 per unit	None	2 spaces in garage, 1 additional space for 5+ bedroom units
Second Dwelling Unit	1 per unit	None	---
Multi-Family	1.5 per unit + 0.5 guest space per unit	1 per 25 units and 1.0 per additional 100 units	1 space per unit must be in garage or carport
Residential Use	Spaces Required	Loading Spaces Required	Notes
Mobile HomePark	2.25 per unit	1 per 100 units	2 tandem spaces allowed
Senior Housing	0.5 per unit + 1 per employee		None

Source: City of Hercules Zoning Ordinance, 2021.

Specific/Area Plans

The City of Hercules has adopted several specific and area plans. In 2000 the City adopted the Waterfront District Master Plan (WDMP) for the area that was previously the Hercules Powder Company. The Central Hercules Plan was adopted in 2001, the New Town Center District was adopted in 2009, and the Initial Planned Development Plan and zoning regulations & development standards for Sycamore Crossing were adopted in 2010.

The City has taken significant steps towards ensuring that its development standards support the development of a variety of housing types, including affordable housing, through the development of a 'Regulating Code' for the Central Hercules Plan area, where the majority of new development is taking place in the City. The Regulating Code was further refined through the Waterfront District Master Plan, which applies to the largest development area in Hercules, and through the Initial Planned Development Plan process (subsequently the zoning regulations and development standards) for Sycamore Crossing. The Central Hercules Plan Regulating Code and the Waterfront District Master plan establish development standards based on traditional urban design conventions and supersede the City's Zoning Ordinance in the Central Plan and Waterfront areas. The Regulating Code and District Plan establish a wider range of approved and conditional uses (for example, all residential uses—single-family and multi-family—are considered approved/permitted uses in all districts) and development standards are established based upon Street Type rather than use type. The Regulating Code and District Plan essentially regulate the location, form, and bulk of buildings in relation to streets and public spaces. Table H-5.4 summarizes the building dimensional requirements set forth in the Central Hercules Plan Area.

Table H-5.4: Building Standards in the Central Hercules Plan Area

	Four-Lane Avenue	Two-Lane Avenue	Main Street	Town Center Street
Building Width	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.
Building Depth	125 ft. max.	125 ft. max.	125 ft. max.	125 ft. max.
Building Height	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high	3 stories min. 5 stories max. 55 ft. max 1st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high
	Four-Lane Avenue	Two-Lane Avenue	Main Street	Town Center Street
Space between Buildings	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached
	Neighborhood Street	Neighborhood Lane	Two-Way Edge Drive	One-Way Edge Drive

Table H-5.4: Building Standards in the Central Hercules Plan Area

	Four-Lane Avenue	Two-Lane Avenue	Main Street	Town Center Street
Building Width	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.
Building Depth	125 ft. max.	125 ft. max.	125 ft. max.	125 ft. max.
Building Height	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1st floor at least 12 ft. high
Space between Buildings	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached
Parking	1.25 spaces per dwelling unit 1 space per 400 sf of retail 1 space per 300 sf of office			

Table H-5.5 summarizes a sampling of the similarly form-based regulations of the Waterfront District Master Plan that pertain to five specific zones within the Waterfront district. Both the Regulating Code and the Waterfront District Master Plan also provide for streamlined development review processes, with greater emphasis on administrative review and approval authority for those developments that meet the requirements set forth in the Code and the Master Plan, with appeal procedures for review by the Town Architect, Planning Commission, and City Council.

Table H-5.5: Building Standards in the Waterfront District Master Plan

	Bayfront Boulevard Main Street	Main Street Transition	Clubhouse Center	Village Neighborhood	Neighborhood General
Build-to Line (Distance from Right of Way)	0–10 ft.	0 ft.	8 ft. min. 12 ft. max.	8 ft. min. 12 ft. max.	8 ft. min. 12 ft. max.
Building Depth	30–50 ft. min.	30 ft. min.	30–50 ft. min.	12 ft. min.	12 ft. min.
Building Height	2 stories min. 4 stories max.	2 stories min. 4 stories max.	2 stories min. 4 stories max.	2 stories min. 4 stories max.	stories min. stories max.

Table H-5.5: Building Standards in the Waterfront District Master Plan

	Bayfront Boulevard Main Street	Main Street Transition	Clubhouse Center	Village Neighborhood	Neighborhood General
Distance between Entries	50 ft. max	50–100 ft. max	50–100 ft. max	100 ft. max	100 ft. max
Parking	1 space / 1,500 s.f. residential 2 spaces / 1,000 s.f. non-residential No parking spaces required for affordable or senior housing units				

New Town Center District

The New Town Center (NTC) district was adopted in 2009 to foster a transit-oriented town center consisting of a dense pattern of buildings in the center of town and a mix of residential, commercial, office, and public and quasi-public uses. The NTC intends to create an interconnected network of pedestrian-oriented streets, blocks, and publicly accessible open spaces to encourage development that promotes walking, biking, and transit use. All new and expanded development in the NTC zone is subject to design review, planned development plans, and must be approved by the Community Development Director and/or the Planning Commission. Development in the NTC is held to a higher standard regarding transit accessibility, pedestrian access, landscaping, recreation, and overall unified development. The NTC consists of approximately 35 acres within central Hercules and allows between 30 and 75 dwelling units per acre, with a midrange of 60 dwelling units per acre. The 35 acres consist of six parcels located at a visible, regionally prominent, heavily traveled crossroads along the I-80 and SR 4 interchange. One of the parcels has since been rezoned in 2017 to General Commercial and developed as a Safeway-anchored shopping center. Table H-5.6 shows the development standards for the New Town Center District. Additional standards such as lot sizes, coverage, and parking are to be determined as approved Planned Development Plans.

Table H-5.6: Development Standards in the New Town Center District

Residential Density (units/acre)		Commercial Density (FAR)		Setbacks				Building Height	
Range	Midrange	Range	Typical	Front	Rear	Side	Corner Side	Min.	Max.
30-75	60	0.10- 2.00	1.00	0	15 ft., adjacent to residential; 10 ft. adjacent to any other use	0	0	20 feet or 2 stories	85 feet

New Pacific Properties Specific Plan Area

The New Pacific Properties Specific Plan Area was adopted in 2000 to promote redevelopment of the former Pacific Refinery site into a new, predominately residential neighborhood and to guide residential and commercial development within this community. The goal was to create a high-quality environment, establish a strong tax base, and instill new vitality into a blighted area. This Specific Plan identifies nine separate zones that correspond to the various planning areas within the New Pacific Properties Specific Plan area as detailed in Table H-5.6. All residential planning areas are zoned for single-family detached development, except for P8 which is zoned for multi-family attached development. Table H-5.7 shows the development standards for designations within the New Pacific Properties Specific Plan Zones.

Table H-5.7: Development Standards for New Pacific Properties Specific Plan

Zone/Planning Area	Building			Setback				Parking
	Lot Size (sq. ft.)	Height (feet/stories)	Density (units/acre)	Front ¹ (ft)	Rear	Side	Corner	(garage spaces per unit)
Residential Low Density (SP-R-L) P1 SFR	6,000	40/2	2.0-8.0	8 or 10	15	5	10	2
Residential Low Medium Density (SP-R-LM) P2 & P3 SFR	5,500- 5,000	35/2	2.0-9.0	8 or 10	15	5	10	2
Residential Medium Density (SP-R-M) P4 SFR	4,000	35/2	Up to 13.0	8 or 10	10	5	10	2
Residential Medium High Density (SP-R-MH) P5 SFR	3,375	35/2	Up to 13.0	8 or 10	10	5	10	2
Residential Z-Lot Line (SP- R-Z) P6 SFR	3,037	45/2	Up to 15.0	10	5	4	10	2
Residential Pocket Lots (SP-R-PL) P7 SFR	2,668	45/2	Up to 17.0	10	5	4	10	2
Residential Multi- Family (SP-R-MF) P8 MFR	-	60/4	12.0-30.0	15	15	15	15	-
Retail/Residential Flex (Sp-R/RF)	10,000	45/2	-	20	0/202	10	15	-

Notes:

- 1 Distance from Front with Parkway to Main Structure or Front without Parkway to Main Structure.*
- 2 Minimum rear lot setback for commercial development shall be 20 feet when adjacent to existing residential or residentially zoned areas.*

Overlay Zones

(H) Historic Overlay District

The purpose of the (H) Historical Overlay District is to identify the areas and buildings of the City that possess a unique historical character and to preserve, enhance, promote, and expand the cultural and historical identities, characters, and environments of these areas and buildings. The Historic Overlay District includes land designated Historic Town Center (HTC) by the General Plan, lands presently zoned Historical Overlay District, and additional lands that may be zoned for the overlay district. New areas added to the H District must be approved by the City Council. Alterations to buildings within the H District are subject to review by the Historical Architectural Review Board (the Planning Commission).

(F) Special Flood Hazard Area Overlay District

The purpose of the (F) Special Flood Hazard Area Overlay District is to promote health, safety, and welfare and to minimize public and private loss as a result of flood hazards. The Special Flood Hazard Area Overlay District is established by definition as the area of land designated by the Federal Emergency Management Agency (FEMA) within the 100-year flood plain as defined by Flood Insurance Rate Maps (FIRM). Development in the F District must meet general development standards as well as additional ones designated for individual properties. For example, portions of the Refugio Creek basin near the mouth at Bayfront may not yet be fully suitable for further development until additional flood control improvements are made to eliminate flood hazards.

Refugio Creek Overlay District

The purposes of the Refugio Creek Overlay District are to establish a 50-foot setback between development and the “top of bank” of the creek corridors of Refugio Creek and its tributaries as transition areas between the flood prone riparian habitats and development. The verlay is also intended to preserve the wooded tree-lined character of the hiking/biking trail along Refugio Creek and to protect wetland and riparian communities from degradation due to development. The Overlay implements habitat protection and flood mitigation measures associated with the General Plan Land Use Element. All development in the Refugio Creek Overlay District is subject to additional development regulations to ensure that the purposes of the Overlay are met.

Density Bonus

Hercules encourages the development of affordable housing through Chapter 13.30 of the Development Code (Property Development Standards). This section of the Development Code is intended to implement the requirements of Government Code §65915, which allows incentives for the development of affordable housing for low-income, moderate-income, and senior households. The density bonus regulations also allow for exceptions to applicable zoning and other development standards to further encourage development of affordable housing. The City has not yet updated their density bonus ordinance to be consistent with the recent State legislative actions passed in 2021 that resulted in numerous changes to the density bonus requirements under Government Code §65915.

Table H-5.8: Required Density Bonus Provisions¹

Income Group	Minimum Set-Aside of Affordable Units	Bonus Granted	Each Additional 1% Adds:	Maximum
Very Low Income	5%	20%	2.5%	35%
Lower Income	10%	20%	1.5%	35%
Moderate Income	10% (for-sale units)	5%	1.0%	35%
Senior Housing	100% (35 unit min.)	20%	--	20%
Land Donation (Very Low Income Projects only)	10%	15%	1%	35%
Condominium/Apartment Conversions	33% low-to-moderate income	25%	NA	25%
	15% very low income			

1. AB 2345 (2021) amends the Density Bonus Law to increase the maximum density bonus from thirty-five percent (35%) to fifty percent (50%). To be eligible for the maximum bonus, a project must set aside at least (i) fifteen percent (15%) of total units for very low income households, (ii) twenty-four percent (24%) of total units for low income households, or (iii) forty-four percent (44%) of for-sale units for moderate income households. Levels of bonus density between thirty-five percent (35%) and fifty percent (50%) are granted on a sliding scale.

Inclusionary Housing Ordinance

In 2006, the City of Hercules adopted an inclusionary housing ordinance that required new residential developments to include a minimum percentage of dwelling units that were affordable to very low, low, and moderate income households. The ordinance included provisions requiring that in residential developments, ten percent of the dwelling units must have been affordable, or a had to have paid a fee in lieu of providing some or all of the required units. The specific unit and income mix in each development was negotiated with the developer based upon the City's housing needs and the specific characteristics of each development (e.g., property size, location, etc.). The inclusionary housing ordinance established rental and sales restrictions on inclusionary units that were enforced by a recorded agreement between the City and the developer and also between the City and buyers of the affordable units. The City required deed restrictions of 30 years for for-sale units and 20 years for rental units. With this process of negotiation, the City was able to respond quickly to economic conditions and market trends and offer flexibility. This flexibility allowed the City to work with the developers to ensure project feasibility.

Given economic conditions and the elimination of redevelopment agencies, in 2012 the City Council suspended the Inclusionary Housing ordinance indefinitely. The City continues to work with project applicants to achieve affordable housing through negotiations/development agreements on a case-by-case basis. Furthermore, the Inclusionary Housing Ordinance has only been suspended, and the City can opt to evaluate the feasibility and appropriateness of reinstating the ordinance at any time.

Conclusion: Land Use Controls and Residential Development Standards

The City of Hercules regulates the use of land within City limits through the General Plan, the Regulating Code for the Central Hercules Plan, the Waterfront District Master Plan, Overlays, Specific Plans and the

Zoning Ordinance. These land use tools provide a wide range of housing types and densities, ranging from one unit per acre to 75 units per acre. The City can also utilize its Density Bonus to offer additional incentives for affordable housing development. The Density Bonus Ordinance has not been updated to reflect recent changes in State law. Therefore, a program has been included in this Housing Element to amend the Density Bonus Ordinance to be consistent with State regulations.

Provisions for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, second units, mobile homes, homeless shelters, and transitional housing, among others. Table H-5.9 below summarizes the various housing types permitted within the City's zoning districts, including uses that were incorporated in the 2015 amendment to the Zoning Ordinance.

Table H-5.9: Residential Land Use Regulations

Residential Uses	RS-E	RS-L	RM-L	RM-M	RM-H	PM-H	IR	CG	CC	HTC	PC-R	PO/RD	NTC
Single-Family	A	A	C	C	--	--	--	--	--	--	--	--	--
Condos/Townhomes	--	--	C	C	C	--	--	--	--	A	A	--	A
Multi-Family	--	--	C	C	C	--	--	--	--	A	A	--	A
Mobile Homes	A	A	A	A	--	A	--	--	--	--	--	--	--
Mobile Home Park	--	--	--	--	--	C	--	--	--	--	--	--	--
Live/Work Units	--	--	--	--	--	--	A	--	--	--	A	--	--
Emergency Shelter	--	--	P	--	--	--	--	--	--	--	--	A	--
Single-Room Occupancy Units	--	--	--	--	--	--	--	--	--	C	--	--	--
Supportive Housing (Apartment Type)	--	--	P	P	P	--	--	--	--	P	P	--	P
Supportive Housing (Residential Care Facility Small Type)	A	A	P	P	P	--	--	--	--	--	--	--	--
Supportive Housing (Residential Care Facility Large Type)	--	--	P	P	P	--	--	C	C	--	--	--	--
Residential Care Facility - 6 or fewer	A	A	A	A	--	--	--	--	--	--	--	--	--
Residential Care Facility – 7 or more	--	--	--	C	C	--	--	C	C	--	--	--	--
Transitional Housing (Apartment Type)	--	--	A	A	C	--	--	--	--	A	A	--	A
Transitional Housing (Residential Care Facility Small Type)	A	A	C	C	--	--	--	--	--	--	--	--	--
Transitional Housing (Residential	A	A	C	C	C	--	--	C	C	--	--	--	--

Table H-5.9: Residential Land Use Regulations

Residential Uses	RS-E	RS-L	RM-L	RM-M	RM-H	PM-H	IR	CG	CC	HTC	PC-R	PO/RD	NTC
Care Facility Large Type)													
Accessory Dwelling Unit	P	P	P	P	P	--	--	--	--	--	P	--	--

Notes:

A = Administrative Use Permit Required, C = Conditional Use Permit Required, DR = Design Review Required, P = Permitted

-- = Use Not Allowed

Source: City of Hercules Zoning Ordinance, 2024

Single-Family

Single-family dwellings are permitted with an administrative use permit and Design Review Permit in the RS-E and RS-L zones. Requiring an AUP for single-family homes in single-family residential zones serves as a constraint to housing development due to the additional conditions of approval and findings that are part of the AUP process. Therefore, this Housing Element includes a program to permit single-family homes by-right in the RS-E and RS-L zones.

Condominiums and Townhomes

Condominiums and townhomes are permitted with a CUP and Design Review Permit in the RM-L, RM-M, and RM-H zones. They are permitted with an administrative use permit in the PC-R and NTC zone.

Multiple-Family

Multi-family housing projects proposed in zones RM-L, RM-M, and RM-H are allowed with a CUP and Design Review Permit, and in the PC-R and NTC zones with an AUP. Because the CUP, the AUP, and the Design Review Process, to an extent, can be considered barriers, Program H3-3: Development Process Streamlining will commit the City to revise the Zoning Ordinance to have multi-family housing projects be subject to design review approval only. As described in the Development Review section below, the subjective language for Design Review findings will be amended to provide approval certainty.

Mobile Home Parks, Mobile Homes and Manufactured Homes

Manufactured housing and mobile homes can be an affordable housing option for low- and moderate income households. According to the Census and ACS, there are no mobile homes in Hercules. Hercules provides for mobile home parks within its P-M-H zone via a Conditional Use Permit process. The P-M-H Mobile Home Park District is a floating zone that is not applied to any parcel. Per the zoning code Land Use Regulations: Residential District, Mobile homes are not allowed in RM-H zone and require an Administrative Use Permit (AUP) in RS-E, RS-L, RM-L, and RM-M zones. Requirements for mobile homes are streamlined by only requiring an AUP in RM-L and RM-M, while single-family homes require a conditional use permit.

Pursuant to state law, manufactured factory-built housing that is built on a permanent foundation must be allowed in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. As part of

the Zoning Ordinance amendments in the Housing Plan, a definition for manufactured housing will be added. The City complies with state law by treating manufactured homes as regular single-family homes.

Accessory Dwelling Units (ADUs)

ADUs are commonly referred to as second units, in-law units, and accessory-apartments and contribute needed housing to the City's housing stock. In January 2021 and again in January 2023, the City amended its Zoning Ordinance to address changes in state housing law affecting local regulation of Accessory Dwelling Units. With the amendments, the Planning Director ministerially approves building permits for ADUs in compliance with Section 13-35.320 without needing a public hearing or any additional permits other than the building permit. Furthermore, the application process is streamlined, and the Planning Director shall act on an application to create an ADU within 60 days from the date an application is complete.

Group Homes/Residential Care Facilities

Residential care facilities licensed or supervised by a federal, state, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment.

Pursuant to the State Lanterman Developmental Disabilities Services Act (a.k.a., Lanterman Act), small residential care facilities serving six or fewer persons shall be treated as a regular residential use and permitted where residential uses are permitted. The Hercules Zoning Ordinance was amended in February 2015. The amendment deleted "group housing" (both small and large facilities) as a Residential Use type and replaced it with "supportive housing," "transitional housing," and "residential care facility" for six or fewer residents and for seven or more residents.

Residential Care Facilities for six or fewer persons are permitted in the RS-E, RS-L, RM-L and RM-M residential zones with the approval of an Administrative Use Permits (AUP). Facilities with seven or more persons are permitted in the RM-M and RM-H residential zones with the approval of a conditional use permit (CUP).

As described in the *Development Review* section below, AUPs and CUPs are discretionary review processes (AUPs are approved by the Community Development Director while CUPs go before the Planning Commission). Per the Lanterman Act and other state housing regulations, no local agency can impose stricter zoning or building and safety standards on these homes of six or fewer persons with disabilities than are required of the other permitted residential uses in the zone.

The Plan section of this Housing Element is committing the City to amend the Zoning Ordinance to allow single-family homes by-right in the RS-E and RS-L zones. In addition, supportive housing projects are permitted by-right in the RM-L, RM-M and RM-H zones. With the proposed Zoning Ordinance amendments for single-family homes, residential uses will be permitted by-right in all residential zones. Therefore, small residential care facilities should also be permitted by-right in accordance with the Lanterman Act.

Large residential care facilities (seven or more persons) currently require a CUP in the RM-M and RM-H zones and are not allowed in any other residential zones. However, supportive housing is permitted by-right in the RM-L, RM-M and RM-H zones. Therefore, the Zoning Ordinance should be amended to permit large residential care facilities by right in the multi-family zones (RM-L, RM-M, RM-H).

The Housing Plan section of this Element includes a program to amend the Zoning Ordinance permitting small residential care facilities by right in all residential zones and large residential care facilities by-right in the RM-L, RM-M and RM-H zones. The program also requires the Zoning Ordinance to include the following language: "Allow group homes that operate as single-family residences and that do not provide licensable services to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences. Ensure that any permitting or approval requirements for group homes that provide licensable services to seven or more residents are consistent with state housing laws."

Live-Work Units

A live-work unit is an integrated housing unit and working space, occupied and utilized by a single household in a structure, either single-family or multi-family, that has been designed or structurally modified to accommodate joint residential occupancy and work activity. Live-work units are permitted with an administrative use permit in the Industrial Residential Mixed Use (I-R) and PC-R zones. Development regulations for live-work units are different for each zone in which they are permitted. In the I-R zone, a live-work unit must provide a minimum of 600 square feet of living area, including bathroom, kitchen, and sleeping area. Residential space within a live-work unit cannot exceed 1,500 square feet (unless specified in the Master Development Plan) and not more than 50 percent of the floor area of each live-work unit can be devoted to living area. The PC-R zone only specifies that a live-work unit has a minimum of 600 square feet of living area, including bathroom, kitchen, and sleeping area.

Emergency Shelters

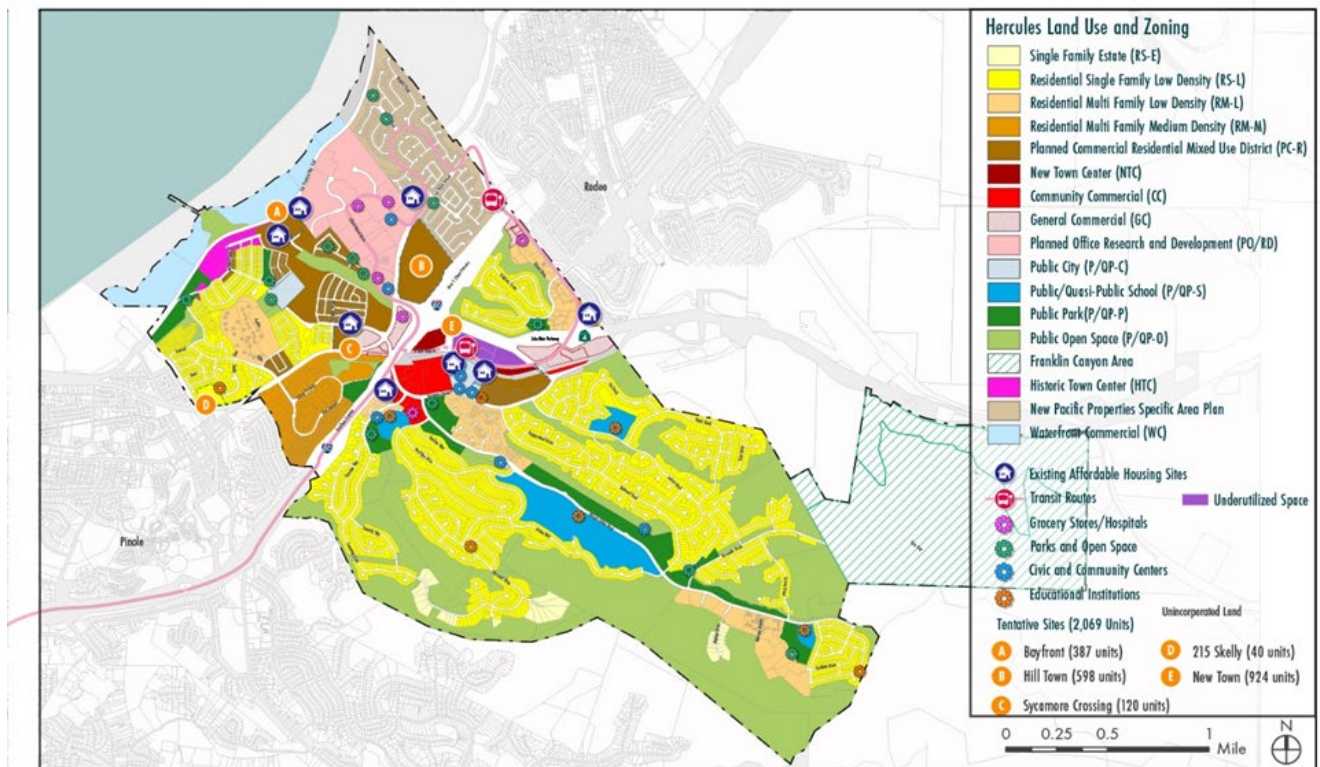
In February 2024, the Hercules City Council adopted Ordinance 549, updating the City's Zoning Ordinance related to emergency shelters. This Ordinance addressed recent state law changes, including AB 2339 and AB 101. AB 2339 requires that local jurisdictions strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where: emergency shelters are allowed as a permitted use without discretionary approval, the use of objective development standards, and sufficient land capacity. accommodate at least one year-round shelter and accommodate the City's share of regional unsheltered homeless population. AB 2339 also expanded the definition for emergency shelters to include other interim interventions, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care. AB 101 creates a particular category of homeless shelters called "Low Barrier Navigation Centers" (LBNC), the development of which is a "use by right" in areas zoned for mixed-use and nonresidential zones permitting multifamily uses if it meets specified requirements". A LBNC is unique from other homeless shelters, as it is a Housing First, low-low barrier, service-enriched shelter focused on moving people into permanent housing while providing temporary living facilities and connecting individuals to basic resources and services such as income, public benefits, and health services.

Ordinance 549 made the following changes to the City's Zoning Ordinance:

- Add Emergency Shelters as Permitted (P) Land Use in RM-L Residential Multifamily Low Density Zoning Districts.
- Modify emergency shelter objective standards (Zoning Ordinance Sec. 13-35.258) to state:
 1. Emergency shelters are limited to a maximum of 30 beds/persons facility. The California Building Code defines minimum sizes based on included private amenities.
 2. Occupancy by an individual or family may not exceed 180 days in any 365-day period unless the management plan provides for longer residency by those enrolled and regularly participating in a training or rehabilitation program.
 3. A waiting area shall be provided which contains a minimum of 10 square feet per bed provided at the facility. The waiting area shall be in a location not adjacent to the public right-of-way, shall be visually screened from public view, and if located outside, shall provide consideration for shade/rain conditions.
 4. On-site management and on-site security shall be provided during all hours during which the emergency shelter is in operation.
 5. The emergency shelter shall provide on-site parking at a rate of one (1) space per 1,000 square feet of gross floor area or one (1) space per employee, provided that the standard does not require more parking for emergency shelters than other residential or commercial uses within the same zone.
 6. The facility may provide the following services in designated areas separate from sleeping areas:
 - a. A counseling center for job placement, education, health care, legal, or mental health services.
 - b. Laundry facilities to serve the clients at the shelter.
 - c. Central cooking and dining area(s).
 - d. Client storage area (for the overnight storage of bicycles and personal items).
 - e. Play/recreational areas for family shelters.
 7. An emergency shelter shall not be located within 300 feet of another emergency shelter, as measured from property line to property line.
- Modify the "Emergency Shelters" definition to state: "Emergency Shelters" shall mean housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. Emergency shelters shall include other interim interventions, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care."

- Add Low-Barrier Navigation Center as a Permitted (P) Land Use to Historic Town Center District (HTC), Planned Commercial Residential Mixed-Use District (PC-R) and New Town Center District (NTC).

Based on the homeless population estimate (20 persons based on 2023 Point-in-Time estimates), the City needs to find appropriate sites for at least one shelter (maximum capacity of 30 persons). Given the size of the homeless population in the City, it is more feasible for the establishment of emergency shelters via the adaptive reuse of older single-family home sites within the RM-L zone. Currently, approximately 15 parcels in this zone have older homes that may become available for adaptive reuse. Figure H5-1: Proximity to Amenities and Transportation., shows that areas zoned RM-L are close in proximity to major roadways and amenities, such as community centers, grocery stores, hospitals and the City's civic center.



Hercules Amenities, Land Use and Zoning Map-May 2024

Figure H-5.1: Proximity to Amenities and Transportation

Transitional/Supportive Housing

State law requires that local jurisdictions address the provision of transitional and supportive housing. Specifically, Government Code Section 65582 provides the following definitions:

“Supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

“Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

“Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

The Zoning Ordinance was amended in February 2015 to comply with state law requirements. Transitional housing is defined pursuant to Government Code Section 65582(h) and is permitted in all zones where housing is permitted subject to the same development standards as the same type of housing in that zone. Similarly, supportive housing dwelling units are defined pursuant to Government Code Section 65582(f) and (g) and are permitted in all zones where housing is permitted subject to the same development standards as the same type of housing in that zone.

The Zoning Ordinance lists three different types of supportive and transitional housing (apartment type, small and large facilities). These different types of housing require different types of permits. A program in this Element includes the following amendment:

- Amend the Residential Land Use Regulations table in the Zoning Ordinance, and associated text, to comply with state law (SB 745), which requires transitional and supportive housing to be considered a regular residential use to be similarly permitted as other similar residential uses in the same zone, and for supportive housing to be consistent with the requirements of AB 2162 (2018), which requires that supportive housing meeting specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects locating within 0.5 mile from transit, no minimum parking requirements may be applied.

Single Room Occupancy (SRO)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs today have one or the other. The Hercules Zoning Ordinance does not currently contain specific provisions for SRO units. However, the City amended the Zoning Ordinance in 2015, prior to adoption of the Housing Element, to facilitate the provision of SROs. Under the amendment, SROs are permitted conditionally in the Historic Town Center zone. Individual SRO units shall not exceed 300 square feet nor be occupied by more than two persons. Full or partial kitchens and bathrooms shall be provided in every SRO project.

Employee Housing

Some employers choose to provide housing for their employees. State law requires that employee housing that accommodates six or fewer employees be regulated with the same zoning requirements as those that regulate family dwellings of the same type in the same zone. The City amended its Zoning Ordinance in February 2015 to define housing that provides accommodations for six or fewer employees as a single-family structure and is subject only to the zoning requirements that are required of a dwelling of the same type in the same zone.

Housing for Persons with Disabilities

Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modification or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. An analysis was conducted of the zoning ordinance, permitting procedures, development standards and building codes to identify potential constraints for housing for persons with disabilities. The City's policies and regulations regarding housing for persons with disabilities are described below.

Zoning and Land Use

Under State Lanterman Developmental Disabilities Services Act (a.k.a., Lanterman Act), small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential districts.

The City amended the Zoning Ordinance in February 2015 to replace "group housing" as a land use classification with eight new classifications: Residential Care Facility (6 or fewer residents, or 7 or more residents); Supportive Housing (Apartment Type, Residential Care Facility Small Type, or Residential Care Facility–Large Type); and Transitional Housing (Apartment Type, Residential Care Facility–Small Type, or Residential Care Facility–Large Type). Each new land use classification is defined in terms of what services it can provide and how many residents are permitted. The definition and provisions conform to the Lanterman Act, as well as to Government Code 65582(f)(g)(h). Uses are permitted, conditionally permitted, or prohibited according to similar uses in the same zones. The amendment addressed the provision of transitional housing, supportive housing, and single-room occupancy housing that also offer appropriate housing options for persons with disabilities.

Definition of Family

Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.⁴⁴ The Hercules Zoning Ordinance does not define family and therefore does not restrict any households from being considered a family.

Building Codes

The City actively enforces the 2022 California Building Standards Code provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that ten percent of the total dwelling units in multi-family buildings without elevators and consisting of three or more rental units or four condominium units comply with the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.
- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include but are not limited to kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces are required.

Reasonable Accommodation

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning

⁴ California court cases (City of Santa Barbara v. Adamson, 1980, and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a “family” as (a) an individual; (b) two or more persons related by blood, marriage or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood-related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of municipalities and therefore violates rights of privacy under the California Constitution.

Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The City amended the Zoning Ordinance in February 2015 to establish a reasonable accommodation procedure to address reasonable accommodation requests (Chapter 13-53). The Reasonable Accommodation Ordinance specifies eligibility, type, and extent of standards for which the City will grant reasonable accommodation, criteria for determining reasonableness, ministerial review, and approval procedure with the Planning Director as decision-maker, and other provisions that will provide consistency in the granting of reasonable accommodation. The procedure applies to the primary residence of persons who are protected under the Federal Fair Housing Amendments Act of 1988 and/or California Fair Employment and Housing Act.

Protected persons may request reasonable accommodation by submitting an application form provided by the Planning Department, including, at a minimum, the following information:

1. The applicant's name, address and phone number;
2. The address for the property for which the reasonable accommodation request is being made;
3. The basis for the claim that the Fair Housing Laws apply to the person(s) requesting the reasonable accommodations and evidence supporting the claim which may include a letter from a medical doctor or other licensed health care professional, a disabled person license or other appropriate evidence which establishes that the person(s) needing the reasonable accommodation is disabled pursuant to Fair Housing Laws;
4. The current use of the property and a concise physical description of the property;
5. A description of proposed changes to the property;
6. The specific reason the requested accommodation is necessary to make a particular dwelling available to the disabled person(s); and
7. The Zoning Ordinance provision for which reasonable accommodation is being requested.

The reasonable accommodation is granted only if meets the following development standards and regulations: Firstly, the request for reasonable accommodations must pertain to a legally established residential dwelling. Secondly, the residential dwelling in question must serve as the primary residence for the individual(s) seeking the reasonable accommodations, and these individuals must have been identified as protected under Fair Housing Laws. Lastly, any exterior modifications made to the dwelling must be designed in a manner that aligns with the architectural character, colors, and texture of both the dwelling itself and the surrounding neighborhood.

In addition, the decision to grant or deny a request for reasonable accommodation is based on six findings:

1. The parcel and/or housing, as the subject of the reasonable accommodation request, will be occupied as the primary residence by an individual protected under the Fair Housing Laws.
2. The request for reasonable accommodation is necessary to make specific housing available to 1 or more individuals protected under Fair Housing Laws.

3. The requested reasonable accommodation will not impose an undue financial or administrative burden on the City.
4. The requested reasonable accommodation will not require a fundamental alteration of the zoning laws of the City.
5. The requested reasonable accommodation will not adversely affect the health or safety of persons residing or working in the vicinity or be detrimental to the public health, safety, and welfare.
6. The requested reasonable accommodation will not be injurious to property or improvements in the neighborhood.

Finding #6 may serve as a constraint to a reasonable accommodation request due to the language regarding “injurious to property or improvements in the neighborhood”. This finding will be revised as part of the Zoning Ordinance Amendment programs in the Plan section to provide for approval certainty.

The Planning Director issues a written determination of the action and may grant or deny the accommodation request based on the criteria outlined in this Chapter. The written decision on the request for reasonable accommodation explains in detail the basis of the decision, including compliance with the criteria set forth in Sections 13-53.140 and 13-53.150. The written decision of the Director is final unless an applicant submits an appeal.

In June 2016, the City adopted Ordinance 496 to clarify provisions and allow transitional/supportive housing with a Conditional Use Permit in the RM-L Zoning District.

Permits and Fees

As the Zoning Ordinance provides for ministerial review of reasonable accommodation requests, no specific permits or fees are required. Required findings, standards, and application requirements described above.

Conclusion: Variety of Housing Types

The City of Hercules provides for a variety of housing types including single-family, multi-family, live/work, supportive and transitional housing, residential care facilities, ADUs and others. The City also has a process in place for reasonable accommodation requests. However, analysis in this Constraints chapter identified items that need to be amended in the City’s Zoning Ordinance to comply with State law and/or remove potential constraints to housing development. These changes are included in the Housing Plan programs and include:

- Permit **single-family homes** by-right in the RS-E and RS-L zones.
- Have **multi-family housing** projects be subject to design review approval only (Remove CUP and PDP requirements)
- Add a definition for **manufactured housing**. Definition should include that manufactured housing is allowed in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development

regulations. (Note: Manufactured housing is separate from mobile homes. The City's mobile home regulations remain unchanged).

- Permit **small residential care facilities** by right in all residential zones and **large residential care facilities** by-right in the RM-L, RM-M and RM-H zones. The Zoning Ordinance Amendment program also calls for the Zoning Ordinance to include the following language: "Allow group homes that operate as single-family residences and that do not provide licensable services to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences. Ensure that any permitting or approval requirements for group homes that provide licensable services to seven or more residents are consistent with state housing laws."
- Amend the Residential Land Use Regulations table in the Zoning Ordinance, and associated text, to comply with state law (SB 745), which requires **transitional and supportive housing** to be considered a regular residential use to be similarly permitted as other similar residential uses in the same zone, and for **supportive housing** to be consistent with the requirements of AB 2162 (2018), which requires that supportive housing meeting specific criteria to be permitted by right in zones where multi-family and mixed-use developments are permitted. Specific criteria include the size of the project and percentage set aside for target population, and specified amount of floor area for supportive services, among others. For projects locating within 0.5 mile from transit, no minimum parking requirements may be applied.
- **Reasonable Accommodation Procedures** Finding #6 will be revised to remove subjective language and provide for approval certainty.

Development Review

The following discussions summarize the types of approval/permits required for various residential developments and the processing time required. The City is committed to actively collaborating with potential developers to encourage the development of housing for all Hercules residents. Types of assistance provided to developers could potentially include:

- Fee reduction/waivers
- Extensions on permits
- Approval of the use of State Community Infrastructure Program, Mello-Roos, or other infrastructure financing programs.

Development Applications

A development application is required for any of the following: administrative permits, conditional use permits, variances, planned development plans, and zoning designation changes. The planning approval process for each of these items varies.

Use Permits

The City of Hercules offers three types of use permits: Administrative Use Permits, Conditional Use Permits, and Temporary Use Permits. These use permits are designed to provide the City with a zoning compliance review and recording procedure for proposed land uses. They ensure that initiation or re-establishment of legally permitted uses complies with all standards and requirements of the Zoning Ordinance. A Use Permit is revocable and can be granted for a limited amount of time.

Administrative Use Permit (AUP)

An AUP is issued by the Community Development Director for uses that are generally permitted within a district and usually are of low impact to the community and environment. Conditions of approval, mandatory review periods, and expiration periods can be required at the discretion of the Community Development Director. When granting conditional approval, the Director has the authority to impose requirements and conditions with respect to location, siting, construction, maintenance, operation, duration, and overall development as deemed reasonable and necessary for the protection of adjacent properties and public interest. If an AUP is denied by the Director, it can be appealed to the Planning Commission, which has the authority to approve it with conditions. If the Director feels that an AUP application would be more fitting as a CUP, the Community Development Director can refer it to the Planning Commission as well. In Hercules, Administrative Use Permits with Design Review are required for all new buildings except certain state compliant ADUs. Both the AUP and design review are conducted concurrently. As described in the Variety of Housing Types section above, requiring an AUP for single-family homes in single-family residential zones serves as a constraint to housing development due to the additional conditions of approval and findings that are part of the AUP process. Therefore, this Housing Element includes a program to permit single-family homes by-right in the RS-E and RS-L zones.

Conditional Use Permit (CUP)

A CUP is designed to provide the necessary flexibility to the City in achieving the purposes of the General Plan and Zoning Ordinance and to provide for special considerations for some development. In the City of Hercules, the CUP application and approval process runs concurrently with the design review process in order to ensure maximize efficiency and timeliness of project review and approval. Both processes take approximately 45–60 days to complete, not including time for CEQA review process.

CUPs are issued by the Planning Commission and will usually include conditions of approval, mandatory review periods, and expiration periods at the discretion of the Planning Commission. The findings required for the approval of a CUP are described below (Use Permit Procedure).

Any decision on a CUP made by the Planning Commission can be appealed to the City Council by any person. An appeal requires a written appeal to the Community Development Director and payment of the applicable appeal fee within ten working days of the mailing or posting of the notice of decision. The appeal will then be heard by the City Council at the next available hearing.

CUPs are currently required for all multi-family, condominium, and townhouse developments as well as group housing; however, multi-family units are permitted by right in many of the City's specific plan areas. The Waterfront District Master Plan includes areas where multi-family housing is permitted by right. Within the New Town Center project area, multi-family dwellings only require an administrative use

permit. These sites are already zoned for high-density residential development at 40 units per acre. Based on market conditions and development trends, it is not anticipated that higher density would be required. If increased densities are desired, it would be processed with a General Plan/Specific Plan Amendment and zone change, and possibly followed by a CUP. Nonetheless, the CUP process may be seen as a constraint to multi-family development. The Housing Plan in this Element commits the City to revise the Zoning Ordinance to have multi-family housing projects be subject to design review approval only.

Temporary Use Permit

Temporary Use Permits are issued by the Community Development Director for uses or activities with a proposed duration of no more than 30 days in any calendar year. They can be issued by the Planning Commission for conditional uses with duration of 31 days or longer in one calendar year. Conditions of approval and expiration periods can be required at the discretion of the Community Development Director.

Use Permit Procedure

Applications for any of the above use permits must include, among other things, a site plan drawn to scale depicting existing and proposed uses and structures, existing and proposed locations of streets, utilities, drainage facilities, driveways, pedestrian walkways, off-street parking and loading facilities as well as existing and proposed landscaped areas. After determining that an application is complete, the Community Development Director reviews the applications and must act in less than 60 days if the application is exempt from CEQA, per the Permit Streamlining Act. By taking action, the Director approves, approves with conditions, or denies an application. If the Director considers an application, a better candidate for a conditional use permit or temporary use permit, it must be forwarded to the Planning Commission, with the recommendation, within 30 days. The Director and Planning Commission can grant an application for a Use Permit if the following findings are made:

- The proposed use is consistent with the General Plan.
- The proposed location of the use conforms to the purposes of the zoning ordinance and the purposes of the district in which the site is located and will comply with the applicable provisions of the Zoning Ordinance.
- The location, size, design and operating characteristics of the proposed use will be compatible in design, scale, coverage, and density with existing and anticipated adjacent uses.
- There is adequate access, traffic, public utility, and public service capacity for the proposed use and surrounding existing and anticipated uses.
- There is not potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

The third finding for the use permit may be considered subjective due to the “compatible” requirement. This Housing Element includes a program to replace subjective findings with objective language that provides approval certainty.

The City Council has the authority to review any action of the Community Development Director or Planning Commission in granting or denying a Use Permit. The City Council must abide by the same findings listed above in reviewing a Use Permit application. These findings must be supported by facts and relate to development and performance standards only and therefore do not constrain housing development in the City.

Zoning Amendments

The zoning amendment process ensures that zoning amendments conform to the General Plan and are internally consistent with the Zoning Ordinance. An amendment or change to the Zoning Map is initiated by the property owner of the proposed change who must file an application with the Community Development Director. An amendment to the Zoning Ordinance or Zoning Map can also be initiated by the Community Development Director, by resolution of the Planning Commission, or by action of the City Council in the form of a request to the Commission that it consider the proposed change. The City Council grants amendments to the Zoning Ordinance that fall within the following categories:

- Change in Zoning Map boundaries of any zoning district.
- Change in Zoning Ordinance text of a zoning district regulation.
- Change in off-street parking or loading facilities requirements, general provision, exception, or other regulatory provision within the text of the Zoning Ordinance.

In order to grant the amendment, the City Council must find the following:

- The proposed amendment is consistent with the General Plan.
- The proposed amendment would not be detrimental to the health, safety, welfare, and public interest of the City.
- The proposed amendment is internally consistent and does not conflict with the purposes, regulations, and required findings of the Zoning Ordinance.

Planned Development Plan (PDP)

The Planned Development Plan (PDP) process is required for: 1) parcels over five acres in size; 2) multi-family unit projects with 10 or more units; or 3) in the Central Hercules Regulating Plan areas are required to go through the Planned Development Plan process. Essentially, parcels meeting the criteria for mandatory PDPs have either been developed or entitled. Hence, the PDP process would only be initiated by a developer seeking a departure from the existing development criteria associated with a particular zone. The PDP process has been used for all of the master-planned residential and mixed-use projects approved in Hercules since 2007, including the following (asterisk denotes Housing Element site):

- Bayfront* (2007)
- Hill Town* (IPDP 2007 as an RDA project, site remediation completed 2015, FPDP 2017)

- Sycamore Crossing* (initial PDP 2010 as an RDA project, modified PDP 2014 by a new developer, final PDP 2017)
- Victoria Crescent (2013)
- Muir Pointe (2014)
- Owl Ranch* (2022)

The Owl Ranch subdivision, approved in 2022, utilized the PDP process to permit lot sizes smaller than the zoning district minimum, thereby increasing the number of housing units beyond what would have been allowable without the PDP. The PDP process has not hindered the developments listed above; rather, it has streamlined the process efficiently. Notably, the PDP process has been successfully utilized for master-planned residential and mixed-use projects approved in Hercules since 2007, indicating its efficacy in facilitating development. That said, it is worth noting that all the parcels that require a PDP have to this point been developed or are currently entitled. The PDP provides a pathway for the developer to remove project-specific constraints affecting feasibility. Ultimately, the "waiver" can be granted if it fulfills the criteria such as "the area surrounding the project site can be planned and zoned in coordination and substantial compatibility with the proposed development." One of the essential purposes of the PDP process is to allow flexibility in residential type and tenure in regulated plan areas.

There are three potential stages in the PDP review process: 1) conceptual, 2) initial, and 3) final. The final stage includes a design review as discussed below.

Conceptual Planned Development Plan: The Conceptual PDP is an optional procedural step intended to provide an opportunity for discussion and informal review of a proposed subdivision or development that requires a PDP. The process provides a forum to discuss the overall direction for the proposed project, enabling the landowner or developer to address the comments on the project prior to making a formal application. Conceptual PDPs are generally recommended for projects that are large, complex, or may be subject to controversy. A Conceptual PDP must include a complete site plan as well as a determination of use of density bonus, number of dwelling units, and potential housing types. During the conceptual stage, the developer meets informally with City staff, the Planning Commission, and City Council. After these informal reviews are completed, the developer submits an Initial PDP as well as any other subdivision or development applications.

The Initial and Final PDP processes described below may be reviewed concurrently if requested by the applicant.

Initial Planned Development Plan: The Initial PDP focuses on the review of the project's subdivision plan and/or site development plan. It is evaluated and approved in conjunction with other basic subdivision and development applications. The Initial PDP is intended to establish a comprehensive set of documents and conditions of approval which will regulate the subdivision or development process. The Initial PDP is subject to environmental review and requires that the City Council make findings according to findings discussed below. No improvements to the land shall commence or be approved until the City Council has approved the Initial PDP. All Initial PDPs have to be prepared and endorsed by a licensed civil engineer or licensed land surveyor.

Final Planned Development Plan: The Final PDP is intended to establish a set of documents and conditions of approval for the detailed design of buildings and other improvements on the site which will then regulate the development process. The final stage is subject to environmental review as necessary and requires the City Council to make findings as discussed below. The final stage also requires final design review approval.

The PDP process is a tool that allows for development flexibility. The Conceptual PDP is an optional step and promotes early coordination with the City to help identify any issues early on in the process. The Initial and Final PDP processes may be done simultaneously, along with any other applications that a project may require (site plan, design review, etc.). Therefore, the PDP process does not extend development review times for projects in Hercules.

Planned Development Permit Approval Findings: A PDP application along with the Community Development Director's report must be forwarded to the Planning Commission for review. The Planning Commission then forwards its recommendation to the City Council for final action. If the PDP includes a subdivision, the proceedings for the review of the tentative subdivision map may be undertaken concurrently with the proceedings with respect to the PDP. The City Council grants PDP permits or modifies approved PDPs with or without conditions based on the following findings:

- The proposed use and densities are consistent with the General Plan.
- The streets and thoroughfares proposed are suitable and adequate to carry anticipated traffic, and increased densities will not generate traffic in such amounts as to overload the street network outside the planned development.
- Any exceptions from standard ordinance requirements are warranted by the design and amenities incorporated in the Final PDP and approved through the minor exception process.
- The area surrounding the project site can be planned and zoned in coordination and substantial compatibility with the proposed development.
- Existing or proposed utility services are adequate for the development densities proposed.

As described above, the use of PDPs in Hercules is now mainly at the request of developers. However, the requirement that multi-family projects with ten or more units located outside of a Planned Development Zone may be a constraint to multi-family development. Also, the fourth finding above may be seen as a constraint to development based on the "substantial compatibility" language; which may be seen as subjective. The program section of this Housing Element includes Zoning Amendments to remove the PDP requirement for ten or more unit multi-family projects outside of the PD zone and reword the fourth finding to allow for certainty in approval.

Design Review

The Design Review process is intended to improve the general standards of orderly development of the individual buildings and structures in the City. The process establishes standards and practices that will promote and enhance good design, site relationships, and other aesthetic considerations in the City, as well as preserves and enhances property values and the visual character of the community. In the City of Hercules, some AUP and all CUP applications run concurrently with the design review process to ensure

maximum efficiency and timeliness. Both processes take approximately 45–60 days to complete, excluding any time required for CEQA review. Design review approval by the Planning Commission is required for the erection, construction, or exterior alteration of most public or private buildings and structures or sign. Additions to single-family homes, accessory structures to single-family homes, and signs may have their designs approved by the Community Development Director alone. Certain qualifying accessory dwelling units are exempt from design review.

The Regulating Code for the Central Hercules Plan establishes specific architectural guidelines for development in Central Hercules. A primary goal of the Architectural Guidelines is achieving authenticity of design elements and encouraging construction that is straightforward and functional. The Architectural Guidelines specify general requirements, permitted finish materials, and allowable configurations for the following building elements:

- Building walls
- Columns, arches, piers, railings, and balustrades
- Windows, skylights, and doors
- Roofs and gutters
- Garden walls, fences, and hedges
- Signs

The Hercules Waterfront District Master Plan also has its own set of Architectural Regulations, which provide direction for the design of buildings, appurtenances, and site elements within the Master Plan area. Under these Guidelines, single-family detached housing is required to follow one of three design styles: Italianate, Victorian, and Craftsman. Multi-story, mixed-use buildings must follow one of the following architectural styles: waterfront warehouse; Gold Rush; Victorian; Tudor/English Arts & Crafts; Spanish Revival; or Bay Area Eclectic. Additional specifications vary depending on the chosen style and location within the Waterfront District. These styles were selected due to their historic and successful use in many of the best Bay Area neighborhoods. The Guidelines also prefer the use of authentic, natural building materials, which include wood, brick, smooth plaster, stone, tile, slate, and naturally weathering metals. It is specifically intended for houses within this planning area to not be conventional “tract houses” to which a few “special details” are applied. Specific landscaping regulations for residential developments in the Master Plan area can also be found in the Waterfront District Master Plan.

Design guidelines provide clear guidance to developers/architects during the project design phase and enhance the level of certainty in project review and approval.

A Design Review application must be filed with the Planning Director and can be filed in conjunction with applications for tentative subdivision maps, environmental impact documents, Zoning Ordinance permits and approvals, and other permits. The application must include a site plan, building design plans, landscaping and irrigation, environmental information, and any other data that the Planning Commission may require to make a finding. Chapter 42 of the Zoning Ordinance outlines the required elements of design review, which includes: site planning; building design; landscaping and irrigation; and environmental form (e.g., measures to address flooding, access, geologic/seismic hazards, and noise).

If a Design Review application can be approved by the Community Development Director, as discussed above, the Director can approve, approve with conditions, or deny the application within ten working days after determining the application is complete. Any action by the Community Development Director can be appealed to the Planning Commission within 14 days. In some cases, the Director will decide that an application for an addition to a single-family home or accessory structure is of such a size, importance, or unique nature to be a significant design issue and present the application to the Planning Commission.

Design Review applications that require Planning Commission review are first reviewed by the Community Development Director. After deeming an application complete, the Director has 10 working days to provide written comments on the proposed plan to the applicant, which the applicant can address in a revised plan. When the City receives the complete revised plans, the Director schedules a review of the application by the Planning Commission at the next available Planning Commission meeting. Prior to the Planning Commission meeting or hearing, the Director will provide written comments to the Commission regarding the application. The Planning Commission then approves, approves with conditions, or denies the Design Review application based on the following findings:

- The approval of the design review plan complies with all provisions of the Design Review chapter of the Zoning Ordinance, other pertinent provision of the Zoning Ordinance and applicable zoning and land use regulations, including the Hercules General Plan.
- The approval of the Design Review plan must be in the best interest of the public health, safety, and general welfare.
- General site considerations, including site layout, open space and topography, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height walls, fences, public safety, and similar elements have been designed to provide a desirable environment for the development.
- General architectural considerations, including the character, scale, and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and signing and similar elements have been incorporated to insure the compatibility of the development with its design concept and the character of adjacent buildings.
- General landscape considerations, including the location, type, size, color, texture, and coverage of plant materials at the time of planting and after a five-year growth period, provision for irrigation, maintenance and protection of landscaped areas and similar elements have been considered to ensure visual relief, to complement buildings and structures, and to provide an attractive environment for the enjoyment of the public.

Decisions of the Planning Commission may be appealed to the City Council. The City has also established guidelines for site development in the Zoning Ordinance and General Plan, including tree removal, drainage, outdoor space, circulation, architectural design, and landscaping. These guidelines are basic and reasonable principles that most architects would regularly incorporate into their plans and are not considered a constraint. As such, the City's design review process does not usually result in design changes that substantially increase the cost of housing development. Design review is also performed concurrently with the review of other applications and therefore does not unduly lengthen the time of project review.

and approval. Overall, Hercules remains as one of the more affordable communities in the East Bay area. Its development review process, including design review, does not result in significant increase in housing costs.

Staff's authority to approve design review permits (i.e., administrative permits) is limited to additions to existing residential units and similar or smaller projects. The design review for future phases of the Waterfront would require Planning Commission approval, but not City Council unless appealed to the Council. Grounds for appeal are simply filing an application and paying the requisite appeal fee. Other housing development outside the Waterfront would require Planning Commission and City Council approval of a Design Review Permit.

Findings number 4 and 5 above contain subjective language that may serve as a constraint to development. A program has been included in this Housing Element to amend these findings in the Zoning Ordinance to provide approval certainty. Additionally, based on grant availability, the City will apply for funds to expand the City's Objective Design Standards to multi-family projects.

Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time which elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: rezoning or general plan amendment requirements; public hearing required for Commission/Council review; or a required Negative Declaration or Environmental Impact Report (EIR).

As shown in Table H-5.11, the approval process for single- and multi-family development generally takes approximately two to three months to complete. The City provides information about the different permits and applications required for development on its website as well as at the public counters. The permit process in Hercules is designed to expedite all city land use permits. Typical processing times range from several weeks for minor subdivisions and developments that are permitted by right within the zoning district, to several months for major subdivisions and developments that require conditional use permits.

Given the level of development anticipated in the City, there is nothing to indicate that the City's land use controls or development standards are constraints on residential development for any income group. Furthermore, the City's efforts to provide greater flexibility and streamlined development review through the Regulating Code help promote a greater variety of housing types and support the goals of affordability.

Timelines for approval of recent multi-family projects indicate the average time between approval and permitting align with the timelines published in the Approval Process, especially from the time of the permit application to the permit approval. However, extenuating circumstances may increase the overall project timeline, such as market conditions, project financing, rezoning, and zoning variances. The PDP process allows for the approval of specific variances from zoning standards without formal rezoning and zoning variance approval. Detailed approval times between applications and permits are provided in Table H-5.10: Approval Procedure, with additional detail in each subsection).

Senate Bill 35 (Approval Process)

SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects by providing a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act (CEQA). When the state determines that jurisdictions have insufficient progress toward their lower-income RHNA (very low and low income), these jurisdictions are subject to the streamlined ministerial approval process (SB 35 [Chapter 366, Statutes of 2017] streamlining) for proposed developments with at least 50 percent affordability. If the jurisdiction also has insufficient progress toward their above-moderate-income RHNA, then they are subject to the more inclusive streamlining for developments with at least 10 percent affordability. In 2023, SB 35 was extended and modified by SB 423 and will automatically sunset on January 1, 2036.

As of June 2019, the City of Hercules was determined to be subject to SB 35 streamlining for proposed developments with 50 percent or greater affordability. The City has not received any applications or inquiries for SB 35 streamlining. To accommodate any future SB 35 applications or inquiries, Program H3-3: Development Process Streamlining is included in the Housing Plan, to provide an informational packet to interested parties that explains the SB 35 streamlining provisions and provides SB 35 eligibility information.

Table H-5.10: Approval Procedure for Single-Family and Multi-Family Projects

	Event	Date
1.	Applications submitted	Day 1
2.	Application and submittal requirements are reviewed for completeness	Day 7
3.	Letter of completeness is mailed to applicant	Day 14
4.	Draft conditions are distributed to the Development Review Committee	Day 15
5.	Conditions from the Development Review Committee are due	Day 30
6.	Notices are emailed to the local newspaper	Day 45
7.	Notices are mailed to property owners	Day 50
8.	Changes to staff report are due from the City Manager and City Attorney	Day 50
9.	Final staff report is approved by the City Manager/City Attorney	Day 55
10.	Staff report is delivered to the Planning Commission	Day 58
11.	Planning Commission holds a public hearing for all planning permits If project approved, invoices for processing applications cease. Approval subject to 14-day appeal period.	Day 62
12.	Applicant pulls building permit (All building and engineering permits begin)	Day 76
13.	Applicant begins construction of project	Day 106

On-/Off-Site Improvement Requirements

On- and off-site improvement requirements are established on a case-by-case basis for new housing development. For large developments, specific improvements may be required, consistent with the City's General Plan policies and development standards to ensure that public health and safety are protected.

Off-site improvements are required when a nexus exists between the development and its impacts on facilities. The *Regulating Code for the Central Hercules Plan* and the *Waterfront District Master Plan* establish improvement requirements based upon traditional urban design conventions, which generally support narrower street widths and more compact, pedestrian-oriented forms of development that are more efficient and less costly. The Waterfront District Master Plan also calls for the formation of a Maintenance Improvement District that will maintain specified improvements, which include but are not limited to street trees, alley pavement and utilities, and street lighting.

The Waterfront District Master Plan specifies the minimum street widths required for the undeveloped portion of the Waterfront District. Required minimum street widths vary, depending on the street and anticipated use, but range from 20 feet to 60 feet. Street rights-of-way and improvements are to be dedicated by projects as necessary to provide adequate internal circulation and external access. New residential areas are expected to be designed to: 1) avoid conflict with major streets or thoroughfares; 2) have access to transit facilities; and 3) encourage safe and convenient alternatives to the private automobile.

The Regulating Code for Central Hercules serves as a general guide for on- and off-site improvements for the majority of the remaining vacant but developable properties within the City. It establishes street right-of-way requirements for various types of streets as follows:

- One-Way Edge Drive – 30 feet
- Two-Way Edge Drive – 40 feet
- Neighborhood Lane – 50 feet
- Neighborhood Street – 60 feet
- Town Center Street/Main Street – 60 feet
- Two-Way Avenue – varies
- Four-Way Avenue – 110 feet

Streetlights are to be located at intervals no greater than 50 feet. Street furniture such as benches and trash receptacles are to be placed at intervals no greater than 200 feet. Overall, these standards are consistent with those for most urban communities. The Regulating Code does not establish a required ratio of non-residential to residential. The amount of commercial and residential space in a mixed-use project will be determined on a project-by-project basis depending on site design and market economics.

As stated before, the City has also established guidelines for site development, including tree removal, drainage, outdoor space, circulation, architectural design, and landscaping. These guidelines are basic and reasonable principles that most architects would regularly incorporate into their plans and are not considered a constraint.

Fees and Exactions

In addition to improvements and dedication of public land, developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In

general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional costs borne by developers contribute to overall increased housing unit costs. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City to serve the new development. The City's permit processing fee schedule for residential development is displayed in Table H-5.11. Certain fees are calculated on a time and materials basis where the developer is responsible for the expense of the fee plus a city-mandated surcharge. The City of Hercules has limited staff resources and many of the reviews are outsourced to third-party consultants.

New housing is typically charged for an administrative use permit or conditional use permit, if it is for multi-family units, as well as impact fees shown in Table H-5.13. If the development is a subdivision, there are additional fees for processing the tentative and final maps. In addition, the developer may have to pay the cost of preparing environmental reports, traffic studies, and soils reports.

The City's Development Impact Fee program not only ensures that new development adequately contributes to the provision of necessary public services and facilities in the City, but also promotes transit-oriented development. Table H-5.13 shows the schedule of fees established for residential development. In addition, residential developments in Hercules must pay the fees shown in Table H-5.14. In accordance with Government Code section 65940.1(a)(1) all fees, zoning and development standards for each parcel are posted on the City website.

Table H-5.11: Planning and Development Fees

Type	Fee	Deposit
Administrative Use Permit	\$1,065	
Home-Based Occupation Permit	\$532	
Conditional Use Permit	\$7,070	
Design Review (Administrative)	\$2,260	
Design Review (Legislative)	\$7,195	
Minor Modification (Administrative)	\$2,260	
Tentative Subdivision or Parcel Map	Actual	as determined by staff
Zoning Designation Change	Actual	\$5,000
Zoning Text Amendment	Actual	\$5,000
Planned Development Plan	Actual	\$10,000
General Plan Amendment	Actual	\$10,000
Development Agreement	Actual	\$15,000
Specific Plan, Original	Actual	\$10,000
Specific Plan, Amendment	Actual	\$10,000
Administrative Fees		
Planning Staff Services – above item minimum, or after first 15 minutes at		

Table H-5.11: Planning and Development Fees

Type	Fee	Deposit
counter		
Planning Staff Services, Pre-Submittal Review	\$750	
Appeal Administrative Decision to Planning Commission	\$4,535	
Appeal Planning Commission Decision to City Council	\$5,515	
<i>City of Hercules, Master Fee Schedule, Effective November 14, 2023</i>		

The City's permit and processing fees are comparable to, and often lower than, those of nearby cities such as El Cerrito and Martinez (Table H-5.12). These cities are very similar in size and character to Hercules. Another neighboring jurisdiction – Richmond – charges variable fees based on time spent on the project. Minimum amounts are required, and the costs can increase significantly depending on the complexity of the project. For third-party review the city charges a 20% indirect cost fee to recover operational expenses. The City of Hercules's fees are reasonable and not considered a constraint to housing development.

Calculating and justifying indirect costs for municipal fees involves identifying the direct costs of a project or activity, determining an appropriate allocation base for the indirect costs, calculating the indirect cost rate, applying the indirect cost rate to the direct costs, and justifying the indirect costs to stakeholders. The City of Hercules has established a 20% fee on direct third-party costs by including the following in the Department's allocation base:

- Labor hours
- Office space expenses
- Material costs
- Number of permits produced.
- Number of customers

These costs included in the allocation base are reviewed annually and adjustments made as needed. Certain fees can be waived on development projects if a development agreement is in place that specifies terms and conditions related to fees and expenses administered by the jurisdiction.

Table H-5.12: Regional Comparison of Planning Fees (2023)

Permit Type	Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
Administrative Use Permit	\$1,065	\$1,188	Actual cost	\$2,358	\$919	\$2,998
Conditional Use Permit	\$7,070	\$2,152-\$5,535	Actual cost	Actual cost – deposit of \$5,000	\$5,445	\$5,098
Administrative Design Review	\$2,260	\$2,045	\$645	\$387-\$2,652	\$761	\$2,001

Table H-5.12: Regional Comparison of Planning Fees (2023)

Permit Type	Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
Legislative Design Review	\$7,195	\$922-\$8,267	Actual cost-deposit of \$10,000	Actual cost-deposit of \$15,000	\$3,885-\$14,000	\$4,318
Tentative Parcel Map (0-4 lots)	Actual cost	\$7,938	Initial \$10,000 chargeable deposit for staff (at rate of \$215/hr.) and legal review, to be replenished when less than \$2,000	Actual Cost - Initial Deposit of \$6,500	\$5,000 Deposit; \$3,500 Minimum Fee	\$1,819 per addtl. lot fee (includes Vesting Map)
Zoning Designation Change	Actual cost – deposit of \$5,000	\$21,280	Initial \$10,000 chargeable deposit for staff (at rate of \$215/hr.) and legal review, to be replenished when less than \$2,000	Actual Cost - Initial Deposit of \$13,000	\$9,933	Fee + Actual Cost - \$9,106
General Plan Amendment	Actual cost – deposit of \$10,000	\$21,280	Initial \$10,000 chargeable deposit for staff (at rate of \$215/hr.) and legal review, to be replenished when less than \$2,000	Actual Cost - Initial Deposit of \$13,000	\$10,000 Deposit; \$7,000 Minimum Fee	Fee + Actual Cost - \$12,749
Development Agreement	Actual cost – deposit of \$15,000	\$47,910	Initial \$10,000 chargeable deposit for staff (at rate of \$215/hr.) and legal review, to be replenished	Actual Cost - Initial Deposit of \$14,000	\$10,000 Deposit; \$7,000 Minimum Fee	Fee + Actual Cost - \$12,749

Table H-5.12: Regional Comparison of Planning Fees (2023)

Permit Type	Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
			when less than \$2,000			

Table H-5.13: Typical Residential Impact Fees

	Fees (per unit)
Park and Recreation Facilities	\$1,705
General Public Facilities	\$ 827
Police Facilities	\$1,466
Fire Facilities	\$1,817
Transportation Facilities ¹	\$ 5,977
Sewer Facilities	\$ 4,679
Community Development Tax	\$ 1,500
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 6,916
Public Benefit Fee ²	\$ 4,000
Total Single Family (per unit)	\$ 28,887
Multi Family (Per dwelling unit)	
Park and Recreation Facilities	\$ 1,033
General Public Facilities	\$ 518
Police Facilities	\$ 915
Fire Facilities	\$ 1,120
Traffic Facilities ¹	\$ 3,191
Sewer Facilities	\$ 4,415
Community Development Tax	\$ 1,500
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 3,407
Public Benefit Fee ²	\$ 2,350
Total Multi-Family (per unit)	\$18,449

Notes:

Per Section 66005.1 of the Mitigation Fee Act, certain projects may qualify for lower impact fees for Traffic Facilities based on the project's consistency with Section 66005.1 of the Mitigation Fee Act. Qualifying factors for housing developments include, but are not limited to:

- Common ownership and financing consisting of residential use or mixed use where not less than 50% of the floor space is for residential use;
- Location within one-half mile of a transit station and direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length;
- Convenience retail uses, including a store that sells food, located within one-half mile of the housing development; and Provision of either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

1. Reduced Traffic Facilities impact fees are negotiated and approved through a Development Agreement by the Office of the City Manager.
2. Per the Bayfront Implementing Development Agreement, the Public Benefit Fee applies only to the Bayfront Waterfront Project.

Table H-5.14: Other Residential Development Fees

	Single Family(per unit)	Multi-Family(per unit)
Sewer Connection Fee	\$ 5,155	\$5,155
School Impact Fee (to School District)	\$4.08 per square foot	

Source: City of Hercules, 2023.

Fire facilities fees, school impact fee, sewer connection fee, and West County Sub-Regional Transportation Mitigation fee are charged by outside agencies beyond the City's control. These fees are similar for all jurisdictions served by the same agencies and therefore do not specifically impact housing development in Hercules.

Based on the various fees detailed in Table H-5.13 and Table H-5.14, a single-family unit may cost up to \$28,887 in impact fees and a multi-family unit may cost up to \$18,449 in impact fees (excluding school impact fees, which vary depending on the size of the dwelling unit). In 2015, Contra Costa County administered the issuance of building permits for residential and commercial projects in Hercules. County processing fees are based on a projects value, rather than a flat fee or by project square footage. Combined with processing fees, a typical single-family unit may cost \$44,074 and a typical multi-family unit may cost \$34,917 as shown in Table H-5.15. Typically, all fees combined comprise about seven percent of the total development costs. This fee level is consistent with fees associated with residential development in the Bay Area. Based on the number of constructed, approved, and entitled projects in the City, development and impact fees do not constrain housing development in Hercules.

Impact fees provide the City with a necessary source of income to fund basic services. Nonetheless, the City is sensitive to the impact that development fees have on housing affordability and has included a policy in the Housing Element to consider fee waivers or deferrals on a case-by-case basis. Whether a housing development is affordable or market rate, the impacts of the development fees are quite similar.

As part of Bayfront Development Agreement, City Council substantially reduced impact fees City-wide in November 2011. The Bayfront-specific Public Benefit Fee was proposed by and agreed to by Hercules Bayfront, the private developer/landowner for the Waterfront. Therefore, the City's development fees do not constrain housing development in the community.

Table H-5.15: Actual Development and Impact Fees from Recent Developments

Fee Description	Single-Family	Multi-Family
Unit Valuation	\$1,000,000	\$1,000,000
Plan Review	\$5,516	\$5,516
Permit Review and Processing	\$827	\$827
Building Permit	\$5,171	\$5,171
Energy Compliance	\$1,724	\$1,724
Access Compliance	\$2,758	\$2,758

Table H-5.15: Actual Development and Impact Fees from Recent Developments

Fee Description	Single-Family	Multi-Family
Electrical Inspection	\$460	\$460
Mechanical Inspection	\$460	\$460
Earthquake Fee	\$130	\$200
City Imposed Fees	\$27,028	\$17,801
Total Fees	\$44,074	\$34,917

Source: Land Development Fee Schedule, Contra Costa County, 2020

Building Codes and Enforcement Procedures

The City of Hercules requires all construction to meet the requirements of the California Code of Regulations Title 24. The only City-adopted amendment to the codes is an amendment to the California Plumbing Code that requires seismic gas shut-off valves on all residential construction that either (a) includes gas piping and is valued at \$5,000 or more, or (b) does not include gas piping but is valued at \$15,000 or more. In addition, the City has developed Historical Guidelines applicable to all historical structures within the City and are designed to provide maintenance criteria and methods of construction for preserving the structures for future generations.⁵

As well as responding to citizen complaints, the Building Division takes a proactive approach to code enforcement, investigating potential violations that may present a threat to the health, safety, and general welfare of the community. In an effort to address the age and condition of the housing stock in Hercules, the Building Division uses software that enables the City to receive, log, and thoroughly track code enforcement cases thoroughly. For fiscal year 2021/2022, Hercules City Council approved \$50,000 in funding for additional code enforcement to maintain neighborhood unity.

The Building Division does in-house reviews of smaller scale projects, with a turn-around time of approximately one week. Larger projects are sent to an outside plan check service with a turn-around time of approximately two to three weeks. The Building Division, through a third-party contract with Contra Costa County Building Division, responds to all requests for inspections within 24 hours of receiving the request. As such, Hercules's building codes and enforcement procedures do not appear to create an undue constraint on housing development or improvement, but instead ensure a safe built environment for its citizens and future homeowners.

⁵ In accordance with the California Historical Code State law, the renovation of historic structures may include the use of materials and construction methods as of date of original construction, unless a health or safety hazard would result.

Conclusion: Development Review, On- and Off-Site Improvements, Fees and Building Codes/Enforcement

This Constraints chapter of the Housing Element examines the City's processes for residential development in Hercules. This includes the application process, fees, improvements required as part of the project and building codes that are utilized during the building process. The above analysis found the following that may serve as constraints to residential development in Hercules:

- Requiring an AUP for single-family homes in single-family residential zones serves as a constraint to housing development due to the additional conditions of approval and findings that are part of the AUP process. Therefore, this Housing Element includes a program to permit single-family homes by-right in the RS-E and RS-L zones.
- The CUP process may be seen as a constraint to multi-family development. The Housing Plan in this Element commits the City to revise the Zoning Ordinance to have multi-family housing projects be subject to design review approval only.
- The third finding for the use permit may be considered subjective due to the "compatible" requirement. This Housing Element includes a program to replace subjective findings with objective language that provides approval certainty.
- The program section of this Housing Element includes Zoning Amendments to remove the PDP requirement for ten or more unit multi-family projects outside of the PD zone and revise the fourth finding to allow for certainty in approval.
- Design Review Findings number 4 and 5 above contain subjective language that may serve as a constraint to development. A program has been included in this Housing Element to amend these findings in the Zoning Ordinance to provide approval certainty. Additionally, based on grant availability, the City will apply for funds to expand the City's Objective Design Standards to multi-family projects.
- A Development Process Streamlining program is included in the Housing Plan to provide an informational packet to interested parties that explains the SB 35 streamlining provisions and provides SB 35 eligibility information.

Community Concerns

Potential opposition to affordable housing exists in many communities throughout the Bay Area. Specific project concerns can relate to potential environmental impacts, quality of design, and the quality of long-term management of the project. The extensive community involvement that took place in developing the Central Hercules Plan and subsequent planning efforts have contributed significantly to building community support for affordable housing as an integral part of the City's development. This is reflected in the diverse housing types that are promoted through the Central Hercules Plan, the Waterfront District Master Plan, and in the City's former Affordable Housing Program. The Housing Element also includes

programs to address these issues and further build support for the integration of new affordable housing opportunities in the community.

Environmental and Historical Preservation Constraints

A community's environmental setting affects the feasibility and cost of developing housing. Environmental issues range from the availability of water to the suitability of land for development due to potential exposure to seismic, flooding, wildfire, and other hazards. If not properly recognized and accommodated in residential design, these environmental features could potentially endanger lives and property. The potential significance of a site or setting as it relates to a historic person, event, or period of time can also limit development and redevelopment opportunities. This section summarizes these potential constraints in Hercules.

Geological and Seismic Hazards

Potential geological hazards in the City include: landslides, soil creep, Valley Alluvium soils, existing fills, ground water, seepage and ponding and erosion. In order to mitigate these hazards, the City has adopted a Grading Ordinance to establish standards for grading operations, requiring the issuance of grading permits, providing for the approval of grading plans and inspection of grading construction. The Grading Ordinance also provides for testing where there are potential geological hazards.

Based on history, all of the San Francisco Bay Area is considered seismically active. Because of this, Hercules is in one of the most seismically active regions in the country. The City is located in the vicinity of the San Andreas Fault (21 miles away), the Hayward Fault (2.5 miles away), the Concord- Green Valley Fault (11 miles away), and the Calaveras Fault (40 miles away). The City of Hercules employs the use of Special Study Areas to avoid construction near active faults and other hazardous areas.

Fire Hazards

The major fire hazard areas within Hercules are the open space areas, which generally include brush, grass, covered hills, and forested areas. Fire protection services to the City of Hercules are provided by the Rodeo-Hercules Fire Protection District on a 24-hour basis. Because wildfire hazards are not as prevalent among developed areas, most residential areas of the City are not at significant risk.

Flood Hazards

Potential causes for flooding in the City include high tides and storm waves, creek overflows, and standing water from excess rainfall. The Refugio Creek area is susceptible to flooding; however, the City of Hercules has adopted a Special Flood Hazard Area Overlay District as well as a Refugio Creek Overlay District to ensure that land use standards in flood hazard areas are adequate.

Hazardous Waste

The City of Hercules has been dealing with the issues of hazardous waste management, solid waste management, and emergency responses for several years. Hazardous waste generated within the City limits is currently limited to a number of small quantity generators and household hazardous waste. The

Hercules Powder Plant was remediated to residential standards in 1996, and residential neighborhoods are now developed on the site. The Pacific Oil Refinery has been demolished and remediated, and an 800-unit residential neighborhood has been constructed on it. The Hilltown location, previously occupied by PG&E, has completed its soil remediation to residential standard.

Historic Preservation

Historic preservation is an established part of planning in Hercules. Over the past decade, the community has initiated preservation initiatives to protect the many historic houses that remain as reminders of the past. Because Hercules's heritage remains a primary goal of the community, the City has adopted a Historic Overlay District as well as Historic Preservation Design Guidelines.

Much of the City's future residential development will occur within urbanized areas and within specific plan areas. The potential environmental impacts have been considered by the City.

Opportunities for Energy Conservation

Energy Efficiency Incentives

Energy costs have increased substantially in recent years due to increased fuel costs. Energy costs have become a significant portion of housing costs, especially for lower income households. PG&E offers a range of incentives to encourage energy conservation:

- Rebates ranging from \$30 to \$75 for energy-efficient appliances such as washer, refrigerator, air conditioner, and water heater.
- Rebates ranging from \$0.10 to \$0.50 per square foot for general energy conservation improvements, including attic insulation, wall insulation, and cool roof.
- Rebates ranging from \$50 to \$300 per unit for whole house fan, natural gas furnace, and pool pump.

PG&E also offers the Energy Savings Assistance Program to income-qualified households to help manage energy use and save on monthly energy bills. Specifically, income-qualified households may receive assistance in:

- Improvements to the house, apartment, or mobile home, including LED light bulbs, insulation and waterproofing services, caulking, showerheads, or minor home repairs.
- Replacement of old refrigerator, furnace, and/or water heater.
- Energy savings tips.

City Policies

As discussed earlier, the City promotes smart growth and energy conservation through mixed-use developments. To promote transit-oriented development, the City offers a reduced Traffic Facilities Impact Fee for projects that are located within one-half mile from a transit station or mixed-use projects

where 50% or more of the building space is being used as residential. Additionally, the City is working on an all-electric appliance ordinance that may be adopted before the Housing Element update.

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CHAPTER 6

HOUSING RESOURCES

This section analyses the resources available for the development, rehabilitation, and preservation of housing in Hercules. This includes the evaluation of the availability of land resources, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support the provision of affordable housing, as well as the administrative resources available to assist in implementing the City's housing programs.

Availability of Sites for Housing

A critical component of the Housing Element is the identification of sites for future housing development, and evaluation of the ability of these sites for future housing development, and evaluation of the ability of these sites to accommodate the City's share of regional housing needs as determined by the Association for Bay Area Governments (ABAG). Hercules is an urbanized community that has very little vacant, uncommitted land for new development. As a result, the City of Hercules has spent the better part of a decade identifying potential parcels and development corridors for additional residential development and developing policies and ordinance to increase the zoning on many of those sites. The following discussion summarizes the residential growth potential in each of these areas and concludes with an assessment of how these sites can address the City's share of the regional housing needs.

Regional Housing Needs Allocation

California law requires that each city and county has land zoned to accommodate its fair share of regional housing need. To determine whether a jurisdiction has sufficient land to accommodate its share of regional housing needs for all income groups, that jurisdiction must identify "adequate sites." Under State law (California Government Code §65583[c] [1]), adequate sites are those with appropriate zoning and development standards to facilitate and encourage the development of a variety of housing types suitable for all income levels. The share for the Association of Bay Area Governments (ABAG) region is known as the Regional Housing Needs Allocation, or RHNA. The sixth cycle RHNA for the ABAG region covers an 8-year planning period, 2023-2031, and is divided into four income categories: very low, low, moderate, and above moderate. The California Department of Housing and Community Development (HCD) determined that the projected housing need for the northern California ABAG region (including the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) is 441,176 new housing units for this Housing Element planning period. ABAG allocated this projected growth to the various cities and unincorporated county areas within the ABAG region, creating the RHNA, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031, in December 2021, and update March 2022. Hercules's RHNA for the 2023-2031 planning period is 995 housing units, distributed among the four income categories as shown in Table H-6.1. As illustrated in this chapter, Hercules has sufficient capacity under existing land use policy to meet its 2021-2029 RHNA obligations.

Progress Towards RHNA

Since the RHNA uses June 30, 2023 as the baseline for growth projections for the Housing Element planning period of 2023 to 2031, jurisdictions may count units approved, proposed, or under construction anticipated to be complete after June 30, 2023. Approved residential development projects credited toward the 2023-2031 include various affordable and market-rate projects. Many of these projects are concentrated within and around the City's existing and planned transit-oriented districts and mixed-use areas, providing a high opportunity for access to services and transit. Combined, these approved projects can accommodate 929 units (Table H-6.2). However, the City has a remaining 627 RHNA of units to be addressed through ADU projections and site identification for low- and moderate-income units. Although the City expects ADU activity to increase in the next planning period, it does not rely upon those numbers to address the RHNA. The City will continue to promote and monitor ADU activity as part of its Housing Plan and utilize vacant and underutilized parcels to meet the RHNA allocation.

Table H-6.1 Hercules RHNA

Income Group	% of County MFI	RHNA (Housing Units)	Percentage of Units
Very Low	0-50%	344	34.6%
Low	51-80%	198	19.9%
Moderate	81-120%	126	12.6%
Above Moderate	120%+	327	32.9%
Total		995	100%

Source: ABAG, 6th Cycle RHNA Allocation 2022

Approved and Under Construction Projects

The following projects have all been entitled. The City is currently working with the developers on the timing for construction, which is a function of market conditions and availability of financing. The City does not have a history of project "drop-out" in response to changing market conditions. Existing development agreements can be renegotiated, by request, and at the discretion of the City. Affordable housing units, at all income levels, in the entitled projects are included as terms and conditions of the applicable development agreement.

Bayfront

The third phase of this project could begin construction in Spring 2025 in the TOD Waterfront District of Hercules. The Hercules Bayfront Master Plan is a multi-phase TOD project spanning over 42 bay adjacent acres. Bayfront is primarily a suburban, family-oriented community, being developed in near plans for a new town center, a lively new waterfront, and an exciting new train and ferry terminal. Under the current development agreement, this TOD project has a 5% affordable housing at 50% to 80% of AMI. The project is entitled and is anticipated to be completed in the planning period. There have been two projects completed, The Exchange at 172 units, and The Grand at 231 units. The project site is currently undeveloped, except for two vacant structures near one another in the southern portion of the site: the former Hercules Powder Company Clubhouse and the former Hercules Powder Company Administration Building. The next phase of development will include an additional 171 units, including 9 affordable units. At, build out the Bayfront vestment plan includes 1,592 units, per the current vestment plan, over

approximately 40 acres. The TOD Waterfront District includes land that was previously an industrial site that has been targeted for adaptive reuse and redevelopment.



Source: Ledcor, Hercules Bayfront, Conceptual Illustrative Master Plan, 2020



..... HERCULES BAYFRONT PROJECT AREA BOUNDARY (APPROXIMATE)

SOURCE: Wagstaff/MIG

Figure 3.2

PROJECT SITE -- EXISTING CONDITIONS
(AERIAL PHOTOGRAPH)

Wagstaff/MIG • Urban and Environmental Planners

Hercules Bayfront Project EIR

Source: Draft Environmental Impact Report for the Hercules Bayfront Projects, November 2010.

Hill Town

The Santa Clara Valley Housing Group (SCVHG) is developing a mixed-use project on a 44-acre site bounded by John Muir Parkway to the south, San Pablo Avenue to the west, the Victoria by the Bay development to the north, and Interstate 80 to the east. The property consisted of an abandoned petroleum tank farm and a storm water treatment facility with detention basins, a cell tower site, and vacant lands. However, as of June 2024, all of the structures have been removed. Despite the challenging topography, the project will consist of 598 units (including townhomes, courtyards, and podium housing). The project will be constructed in four phases and include, per the development agreement, 30 units (5% of the total units) of moderate-income affordable housing. The project will also include 4,200 square feet of neighborhood retail. The project is entitled and is anticipated to be completed in the planning period. The developer is petitioning the jurisdiction to revisit Mello-Roos, which has been modeled at 1.8 to 2.0%. The assessment is needed primarily to address existing conditions at the project site, which present a challenge, but also an opportunity to build on a site that is “evocative of the Italian hill towns built centuries ago” and envisioned “urban density in a highly livable, marketable, picturesque package.”



Source: SCVHG, Final Development Plan, February, 2020



SOURCE: Impact Sciences, Inc. - November 2008

FIGURE 2.0-4

Aerial Photograph of the Hill Town Site

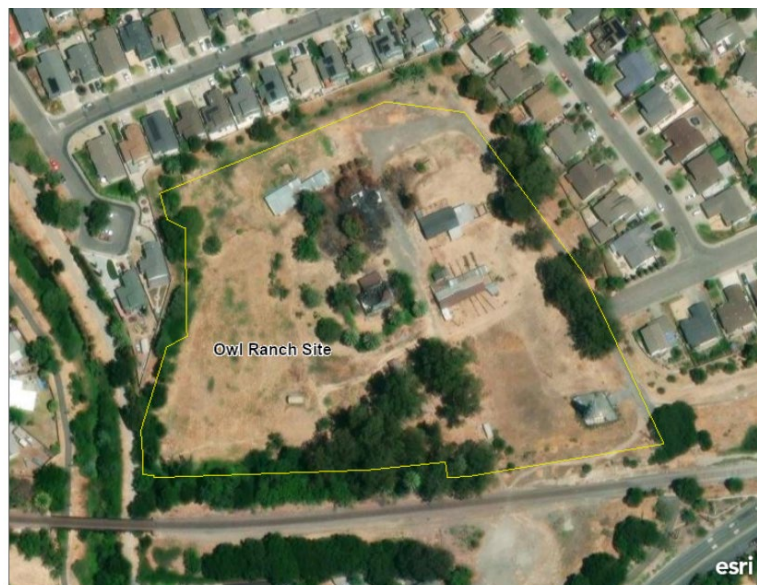
Source: Hercules Updated 2009 Redevelopment Plan Draft Environmental Impact Report, January 2009.

Owl Ranch

D.R. Horton is constructing an approved project containing 40 single-family units on 7.44 acres at 215 Skelly Drive. The project will include two affordable housing units. The project includes a stormwater treatment area, an open space buffer, and a public trail along the southern portion of the project site that would provide pedestrian access to Pinole Creek and the San Francisco Bay Trail. This project contains one affordable unit at 50%-80% AMI. The project site was partially developed with structures as early as 1902. The site formerly contained a single-family residence, 58 horse paddocks, a permitted 2,400-square-foot storage building, miscellaneous outbuildings, and a large metal clad shed from the site's previous use as a horse ranch. Demolition and tree removal were completed in Spring 2023 and utility and site preparation work is in progress, with model home construction and sales expected to begin in Spring 2024.



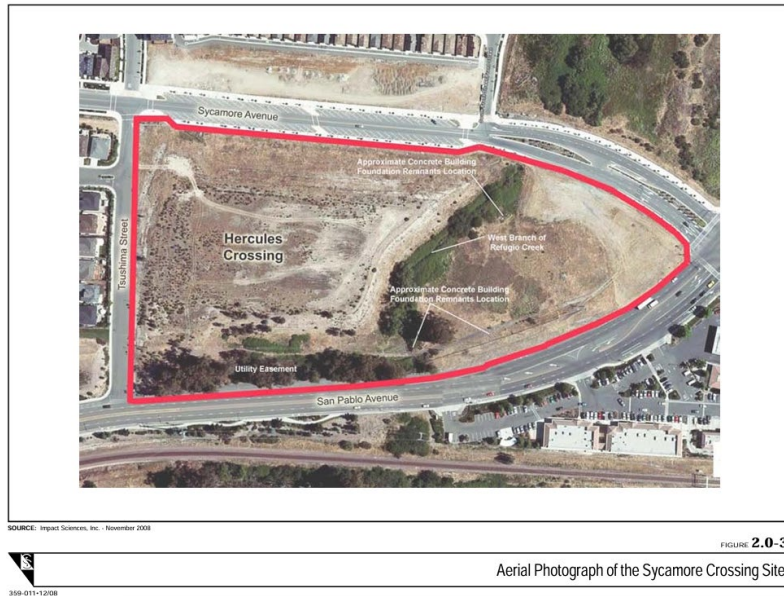
Source: D.R. Horton, Application Cover Letter, April 2022



Source: GIS

Sycamore Crossing

Sycamore Crossing is a 12.88-acre (1.77 and 11.11-acre parcels) vacant site at the southwest corner of the intersection of Sycamore Avenue and San Pablo Avenue. The City approved an application by the property owners, represented by the Lewis Group, to develop the site with retail, hotel, and residential uses. Sycamore Crossing was approved for 120 residential units. The project includes a stormwater treatment area, open space, a community garden, and access to Ohlone Creek. The project is entitled and is anticipated to be completed in the planning period.



Source: Hercules Updated 2009 Redevelopment Plan Draft Environmental Impact Report, January 2009.

Table H-6.2: Approved Projects

Project	Project Status	Extremely/ Very Low Income (0- 50% AMI)	Low Income (50-80% AMI)	Moderate Income (80- 120% AMI)	Above Moderate- Income (+120%)	Total
Bayfront	Entitled	-	9*	-	162	171
Hill Town	Entitled	-	-	30***	568	598
Owl Ranch	Entitled	-	1**	1	38	40
Sycamore Crossing	Entitled	-	-	-	120	120

Table H-6.2: Approved Projects

Project	Project Status	Extremely/ Very Low Income (0- 50% AMI)	Low Income (50-80% AMI)	Moderate Income (80- 120% AMI)	Above Moderate- Income (+120%)	Total
Total		-	10	31	888	929

* Affordable units are per Development Agreement with Bayfront Development, LLC

** Affordable units are per Development Agreement with D.R. Horton

*** Affordable units are per Development Agreement with SCVHG

Sites Inventory

The Housing Element Sites Inventory consists of vacant and underutilized sites in mixed-use areas. These sites ensure that the remaining RHNA can adequately be accommodated during the planning period. The sites have no identified constraints that would prevent development or reuse during the Housing Element period. Table H-6.3 summarizes the sites inventory.

Table H-6.3: Sites to Meet the RHNA

Project	Extremely/ Very Low Income (0- 50% AMI)	Low Income (50-80% AMI)	Moderate Income (80- 120% AMI)	Above Moderate- Income (+120%)	Total
Vacant Mixed-Use Sites	402				402
Underutilized Mixed-Use Sites	66	198	188	0	453

Density Assumptions and Cost of Housing in Hercules

State law has established “default densities” that are considered sufficient to provide market-based incentives for the development of housing for lower-income households. For jurisdictions such as Hercules that have a population greater than 25,000 and are located within a Metropolitan Statistical Area (MSA) with a population of more than two million, the default density is 30 dwelling units per acre (or higher). This default standard applies equally to communities with higher residential property values (such as Hercules), and to communities where home prices, rents, and the cost of vacant land are significantly below the regional average.

The Hercules General Plan (adopted in 1998, amended in 2015) identifies many areas in the city as appropriate for higher density residential development and mixed-use development between 40 and 80 units per acre, with the Hercules New Town Center (NTC) district having a minimum of 30 units per acre and an overall target density of 60 units per acre. A discussion of density assumptions and the affordability level of specific sites is included in the discussion below.

Vacant and Underutilized Mixed-Used Parcels

Hercules New Town Center (NTC) District

The Hercules New Town Center (NTC) district will establish a new downtown for the community and the region. HNTC will include the relocated and expanded Hercules Transit Center at its core, combining a regional bus station and location for a potential future BART extension. Surrounding the mass transit station will be pedestrian-oriented mixed-use development including retail, entertainment, office and urban-density residential uses (a total of 1,306 units). The HNTC is divided into three sub-districts to be developed in phases. Phase one is known as Market Town, which is situated on 6.62 acres and was approved in 2009 to include 55,000 square feet of retail, 256 housing units and 80,000 square feet of offices and two parking structures providing 800 spaces. The second phase, known as Cinema Town, would be the largest phase and is envisioned to be a retail and entertainment destination for the region. It would be developed on 17 acres and would contain up to 300,000 square feet of retail, 100,000 square feet of office, and over 600 residential units along with required parking. Therefore, these potential units were not included in the inventory of vacant sites. The third and final stage of HNTC, known as Transit Town, would be predominantly residential on 11 acres, with approximately 450 residential units, 20,000 square feet of local retail, and 10,000 square feet of live-work space. In total, as approved in the development plan, as anticipated has a capacity of 1,306 units across four parcels.

New Town Center District Vision

According to the Central Hercules Plan, “the formulaic pattern of commercial development (large parking lots and bland chains in strip centers) is perceived quite negatively. Its unwalkable, single-use form exacerbates traffic problems too.”¹ To this end, the vision for a Town Center in the Central Hercules Plan included the following characteristics: Walkable streets and well-defined blocks; buildings facing the streets with doors and windows; a mix of uses, with everyday needs within walking distance; durable, varied architecture; residents of all ages and incomes; various housing types for rent and ownership; public plazas or squares in each neighborhood, plus a central green space; and, landscaping for defining spaces, greenbelts, and shading

NTC Land Use Regulations

Based on this vision, the Municipal Code outlines the purposes of the New Town Center District zone which include:

1. Creating a transit-oriented town center consisting of a relatively dense pattern of building in the center of town and a mix of residential, commercial, office, and public and quasi-public uses.
2. Establishing commercial and retail development in the area around Sycamore and San Pablo Avenues and along SR 4.
3. Creating a vibrant, urbanized place for shopping, working, and living at the core of Hercules.
4. Providing transit users with opportunities to reduce vehicular travel by creating opportunities to purchase goods and services at or near transit stations.

The NTC includes minimum and maximum density for residential development that ranges from 30-75 dwelling units per acre, with an anticipated 60 dwelling units per acre at build-out. The commercial density FAR can range from 0.10 to 2.00, with typical FAR at 1.00. Current development trends in the Bayfront

¹ The Plan for Central Hercules, California. December 2000. Pg. 1.4.

project, a mixed-use project that will demonstrate that high residential density is feasible and realistic, and appropriate to accommodate housing for all income levels.

The realistic capacity calculated for sites in the NTC district is based on the average density and acreage of projects approved as Phase 1 and Phase 2 of the Bayfront project. A conservative estimate of 80 percent of the average density has been applied to account for the possibility of commercial development or any individual site constraints on the unique parcels. Further, the Bayfront project, has continually focused on maximizing residential development.

Suitability of Nonvacant Sites

A survey of the vacant and underutilized land reveals that the NTC district has 21.77 acres of vacant and underutilized land that could realistically yield 855-units and includes the opportunity for commercial development. Table H-6.4 and Table H-6.5 summarizes the capacity calculated and affordability assumptions.

Site selection in the NTC district is based on both vacant and the underutilized nature of the sites. As, previously mentioned, this area is the most available high-profile site in Hercules and the City is seeing increasing demand for residential development, encouraged by the flexibility of the NTC zone. The Housing Element must analyze the extent to which existing uses may impede additional residential development. The sites chosen for the inventory have been identified because they have the highest potential for residential development based recent regional trends.

Table H-6.4: Vacant Mixed-Use Sites (NTC)

General Plan Designation	Zoning	Maximum Density	Assumed Density	Vacant Acres	Potential Dwelling Units	Affordability Level
New Town Center (Loop Site)	New Town Center	75 du/acre	60 du/acre	6.7	402	Very Low
Total				6.7	402	

Source: Potential dwelling units do not reflect straight application of maximum density to vacant land. The number of potential dwelling units has been reduced to 80 percent of the maximum density to reflect the possibility of commercial development or individual site constraints on the parcel. 60 du/acre represents the residential build-out target for the New Town Center zone. Capacity calculations are rounded up to the nearest integer.

Table H-6.5: Underutilized Mixed-Use Sites (NTC)

General Plan Designation	Zoning	Maximum Density	Assumed Density	Site Acreage	Potential Dwelling Units	Affordability Level
New Town Center Lot 1	New Town Center	75 du/acre	30 du/acre	6.24	188	Moderate/ Low/Very Low
New Town Center Lot 2	New Town Center	75 du/acre	30 du/acre	8.83	265	Moderate/ Low/Very Low

Table H-6.5: Underutilized Mixed-Use Sites (NTC)

General Plan Designation	Zoning	Maximum Density	Assumed Density	Site Acreage	Potential Dwelling Units	Affordability Level
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Note:: Potential dwelling units do not reflect the straight application of maximum density to vacant land. The number of potential dwelling units has been reduced to 40 percent of the maximum density to reflect the possibility of commercial development or individual site constraints on the parcel. Capacity calculations are rounded up to the nearest integer.

Characteristics of Existing Uses Redeveloped

Table H-6.6 summarizes recent residential development in Hercules and the region as well as sites with owner interests in redevelopment. Recent development trends in the City and region have shown that residential projects are feasible in sites with the following site characteristics:

- **Improvement to Land Value ratio (ILV):** The ILV ratio assesses the relationship between the land's value and the structures erected upon it. In cases where the land's value significantly outweighs that of the buildings on it, it becomes advantageous for the owner to contemplate redevelopment with higher-rent or higher-sales-value uses. Recent projects and sites with owner interest in Table H-6.6 have an ILV ratios ranging from 0 to 3.5 (and in some rare cases like in Iron Horse Village in San Ramon, 27). Excluding this outlier in San Ramon, ILV ratios in sites with redevelopment projects and sites with owner interest averaged 0.71.
- **Floor to Area Ratio (FAR):** Also known as lot coverage, FAR represents the relationship between the total usable floor area of a building and the total area of the lot. A low FAR suggests underutilization of a site, particularly in zones that allow higher densities. Residential projects have been proposed or completed on sites with an FAR with an average of 0.29. Including the sites with development interest in Los Gatos, the average FAR is 0.26. Single-family residential uses, commercial uses with excess parking, and parking lots tend to have low FAR.
- **Age of Structure:** Existing buildings are at least 30 years old. This is the age where buildings require significant rehabilitation, or updates may be needed. Sites with recently proposed, constructed projects or with development interest in Table H-6.7 have structures built as far back as 1902 or as recently as the 1990s.²

Table H-6.6 : Recent Redevelopment Project Characteristics – Hercules and Region

City	Project	Project Status	Existing Use (commercial, retail, parking, vacant, etc.)	ILV	FAR	Yr. Built/ Age of Structure
Hercules	Bayfront	Entitled	Mostly Vacant; two vacant commercial structures	N/A	0.01	At least 1938 ⁺

² The age of the structure in Vista Woods Apartments (Pinole) was not available but Google Earth Imaging shows the structure was there as of 1993. Earlier imaging not available.

City	Project	Project Status	Existing Use (commercial, retail, parking, vacant, etc.)	ILV	FAR	Yr. Built/ Age of Structure
Hercules	Hill Town	Entitled	Industrial	N/A	0.18	At least 1985+
Hercules	Owl Ranch	Entitled	SFR (Ranch)	N/A	0.06	1902
San Ramon	City Village	Under- Construction	Office	N/A	0.42	1983
San Ramon	TTLT Townhomes	Approved	Outdoor Commercial	N/A	0.05	1960s
San Ramon	CityWalk (BR 2600)	Approved	Office / Parking	N/A	0.0 (Surface parking to be redeveloped)	1983
San Ramon	The Marketplace	In Review	Retail Commercial	3.31	0.36	1988
San Ramon	Iron Horse Village	In Review	Office	27.68	0.66	1979
San Ramon	Windflower Fields	Approved	Roller Skating Rink + Parking	0.65	0.16	1975
San Ramon	2481 Deerwood Dr.	In Review	Office and parking	0.25	0.26	1986
Concord	Oakmont of Concord	Construction Completed	telephone switching station	0.74	0.82	N/A
Concord	The Grant (North)	Built	Redevelopment of underutilized commercial office and retail.	0.02	0.14	1973
Concord	The Grant (South)	Built	commercial office and retail.	0.02	0.14	1973
Concord	RMG Affordable Housing	Under Construction	commercial retail	0.28	0.17	1960
Concord	Clayton Road Townhome s	Under Construction	commercial retail.	0.93	0.03	1951
Concord	Galindo Terrace	Under Construction	Gas station	0.57	0.09	1949
Concord	Salmon Run Apartments	Under Construction	Commercial offices	0.75	1.83	1989
Concord	Clayton Way Subdivision	In Review	single-family home.	0.07	0.02	1907

City	Project	Project Status	Existing Use (commercial, retail, parking, vacant, etc.)	ILV	FAR	Yr. Built/ Age of Structure
Pinole	2151 Appian Way	Under construction	Medical office + Parking (2 lots)	N/A	0.38 avg 0.28, 0.50	1967/1970
Pinole	Vista Woods Apts	Under Construction	Office + parking; vacant; SFH (3 lots)	N/A	0.06 avg 0.14, 0.04, 0.0	At least 1993+ (office) 1948+ (SFH)
Los Gatos	424-17-036	Owner Interest	Ace Hardware	0.25	0.24	63
Los Gatos	529-04-083	Owner Interest	Restaurant	1.14	0.28	53
Los Gatos	532-07-085, 532-07-086	Owner Interest	Retail commercial, personal services	0.00	0.14	58
Los Gatos	529-16-040	Owner Interest	Car dealership	0.35	0.17	64
Los Gatos	529-16-041	Owner Interest	Car dealership	3.59	0.24	50
Los Gatos	424-14-034, 424-14-035	Owner Interest	Car dealership	0.51	0.07	56
Los Gatos	527-49-048, 527-49-049	Owner Interest	Gas station and retail	1.07	0.13	58
Los Gatos	527-32-028	Owner Interest	Gas station	0.26	0.05	53
Los Gatos	529-23-018	Owner Interest	Office buildings (already demolished)	0.00	0.38	57
Los Gatos	529-16-069	Owner Interest	Retail and auto related services	0.17	0.26	63

Sources: City of Hercules, San Ramon 2023-2031 Housing Element, Concord 2023-2031 Housing Element, Pinole City website, Los Gatos 2023-2031 Housing Element.

Notes. The age of the structure in Bayfront (Hercules), Owl Ranch (Hercules) Vista Woods Apartments (Pinole) was not available. Google Earth Pro Historical Imagery was used to approximate the age of the structures.

Parking Lots

ILV and age of structure characteristics do not apply to parking lot sites. Depending on their use, parking lots may be developed on their own such as when the lots are used as storage or are developed in conjunction with the associated use (commercial buildings and adjacent parking lot, such as Citywalk, Wildflower Fields and 2481 Deerwild Dr in San Ramon, 2151 Appian Way in Pinole, Table H-6.6).³

³ Other examples in Table H-6.6 are likely represent the development of parking with the associated commercial use given the low FAR though the existing use listed in the sources referenced only listed the use as a broader category like commercial, retail, office.

There is also a trend in the region for parking lots used as transit hubs to be developed with housing. For example, in April 2024, Bay Area Rapid Transit (BART) unveiled a plan to redevelop parcels currently serving as parking lots for BART riders into a project comprising approximately 750 housing units, new public open spaces, and potentially a new public library. Spanning around 6 acres, the project is set to include 100 to 150 garage spaces dedicated to BART riders. Additionally, the City of El Cerrito will develop a parking management plan allowing BART riders to pay for on-street parking. BART's development of these parcels is permitted under AB 2923, which allows BART to enable TOD through land-use zoning on BART-owned property in collaboration with local jurisdictions. This project demonstrates how reconfiguring or redeveloping parking areas into housing can effectively support transit-oriented development and improve access to amenities and opportunities.

Figure H-6.1: El Cerrito Plaza Redevelopment Project Area



Source: Bay Area Rapid Transit, April 2024. <https://www.bart.gov/about/business/tod/el-cerrito-plaza>

Figure H-6.2: Appian Village Development Project Area (Pinole)



Criteria for Selection

Based on the characteristics of existing uses of redeveloped sites, the City selected sites that meet the following three criteria:

1. FAR is less than 0.26.⁴
2. Similar uses have recently been recycled
3. Not consistent vision of New Town Center: Specifically, providing mixed-use developments, including establishing commercial and retail development in Sycamore and San Pablo Avenues and along SR 4 in conjunction to residential uses and adding opportunities to purchase goods or services near transit stations, 60 units per acre, and a minimum FAR of commercial uses (0.10).⁵

In addition, all sites also have locational characteristics that make them desirable for the development of housing as they are all close to amenities, close to existing and planned transit, and are in tracts with Moderate or High Resources according to TCAC designations.

Table H-6.7: Underutilized Mixed-Use Sites Existing Use (NTC)

General Plan Designation	FAR	Existing Use	Consistent with vision of NTC?
New Town Center Lot 1	0.042	Caltrans Hercules Maintenance Station	No
New Town Center Lot 2	0.002	Parking/ BART Transit Hub	No

Lot 1

Lot 1 is a 6.24 acre site currently a Caltrans Hercules Maintenance Station. There are small structures scattered throughout the property, resulting in an FAR of 0.042. With an assumed density of 30 units per acre, the site could accommodate 188 units.

⁴ Average FAR of recently redeveloped projects in the region is 0.26. ILV and Age of structure not used because non-vacant sites selected are parking lots, so these characteristics do not apply.

⁵ See New Town Center District Vision and NTC Land Use Regulations sections under the Hercules New Town Center Section.



Lot 2

Lot 2 is an 8.83 site currently being used as a transit center. About 6.61 acres are developed as parking lot and transit station and the remainder eastern portion of the parcel (1.85 acres) is vacant. As explained in the next section, realistic capacity is assumed based on minimum allowable density of 30 units per acre even though maximum density is up to 75 units per acre to account for development restraints due to existing conditions and to reflect the possibility of commercial development. Like the El Cerrito TOD described earlier, this transit hub could be developed in phases and provide parking spaces for BART riders such that parking losses is not a constraint to development. In addition, the City is currently developing a separate transit hub that could offset any losses in parking or transit hub use. Alternatively, the not the entire site needs to be redeveloped. The potential 265 units estimated in this site could be developed in a parcel as small as 3.5 acres at maximum density (50% of the site area). The site could be redeveloped in different configurations and phases to achieve the assumed realistic capacity.



Status of Sites and Development Facilitation in the NTC

Caltrans was consulted during the development of the New Town Center (NTC). In a letter included in the New Town Center Environmental Impact Report (EIR), Caltrans acknowledged Lot 1 (Maintenance Yard) and Lot 2 (Transit Center) as part of the NTC and requested the City to explain how the proposed project would affect the Maintenance Yard. The City's response highlighted that detailed planning for this parcel would include provisions for the adequate replacement of the existing facilities at this site, ensuring that Caltrans would be fully consulted.⁶ Therefore redevelopment of this site is not anticipated to displace existing uses on site. Since development of the NTC plan, there has not been any direct communication with Caltrans.

The City remains committed to advancing development within the NTC. Recently, it completed the Willow/Palm Avenue Pedestrian Connection project, which links New Town Center sites to schools, parks, and neighboring communities. This project includes the streets adjacent to Lot 1 and Lot 2 (see Figure H-6.3). Also, the City has about \$5 million in its housing asset fund available to support affordable housing development.

⁶ Hercules New Town Center Environmental Impact Report. (2009) Pg. 10-41 to 10-45.

Figure H-6.3: Willow/Palm Avenue Pedestrian Connection Project #8 Area



The City will also support development of Lot 1 (Caltrans Maintenance Yard) by proactively engaging Caltrans to develop a long-range land use vision for the site beginning 2025. By the end of 2026, the City will pass a resolution stating that the Caltrans excess land will be pursued for the housing/mixed use development. By the end of 2027, partner with developers to pursue the decertification or disposition process for a portion of the Caltrans site for residential/mixed use development. If by the end of 2028 that development of housing on the Caltrans site is determined to be infeasible, the City will identify and rezone as necessary, alternative sites to fully accommodate the RHNA for all income categories.

Hercules NTC District – Density and Affordability Assumption

The City has been active in increasing density and has seen an increase in residential and commercial development with the approval of the Waterfront District Master Plan (Bayfront) and the Hercules New Town Center (NTC) district. There are four entitled as of spring 2023. The estimated realistic capacity for sites in the NTC district is based on allowed uses and recent development trends. Since the NTC defines minimum and maximum densities, the site inventory analysis calculated the realistic capacity based on the average density and acreage of the approved projects listed in Table H-6.6. Recent residential projects on large sites greater than 0.5 acres and less than 10 acres, that have occurred under the Waterfront District Master Plan have been The Exchange and The Grand residential development projects. The projects have an average density of 78 du/acre.

Due to the range in densities, the NTC district can accommodate a range of housing types for all income levels. Larger sites over 0.5 acres are identified as most appropriate to accommodate lower-income housing. A conservative estimate of 60 du/acre or 80 percent of the maximum density of 75 du/acre for large vacant sites most appropriate for lower-income housing. And 30 du/acre or 40 percent of the maximum density of 75 du/acre for non-vacant sites has been applied to account for the possibility of commercial development or any individual site constraints on unique parcels. These are conservative based on the percentage of allowable dwelling units per acre realized on previously developed and approved mixed-use parcels, which has been at or near 100%.

Mixed Use Assumptions for Realistic Capacity NTC District (Mixed-Use Zone)

Many of the mixed-use designations in Hercules require a portion of the project to be commercial to facilitate an active pedestrian environment on the ground floor of projects. Hercules's mixed-use standards include limited setback requirements, liberal FAR requirements for residential, and development agreements for mixed-use that have resulted in approved housing projects nearing maximum densities. Conversely, the NTC district has a minimum residential requirement of 30 du/acre, with a project target of 60 du/acre overall, which will allow for a variety of housing types and maintain capacity for commercial development.

A survey of recent local development trends was performed to estimate the possibility of commercial development vs. mixed-use or residential development throughout Hercules (Table H-6.7). Between 2019 and 2021, four developments were approved, one development was approved in the Waterfront mixed-use zone as Phase III of a multi-phase development. Mixed use projects were predominately residential with a no commercial enhancing the ability of projects to achieve maximum densities (commercial allowances and residential allowances are calculated separately.) While it is possible for projects to be 100 percent commercial in the mixed-use districts, no projects over the past few years have been 100 percent commercial, conversely Phase I and Phase II of the Bayfront project have been exclusively residential due to market conditions. The city has a rich history of adaptive reuse of sites, such as the Victoria by the Bay neighborhood, developed on a former refinery site, and the Bayfront and Hill Town projects, former industrial sites that were transitioned to mixed-use residential properties.

Of the remaining three approved projects, two are approved in general Planned Commercial-Residential (PC-R) zones and have included housing of various types and sizes and will add 660 new units to the City's housing stock. These projects have lower densities due to site constraints (Hilltown) and approved site development plans that did not maximize residential capacity (Sycamore Crossing.. Consequently, these projects were not appropriate, due to their unique characteristics, as comparable developments to determine realistic capacity because of their unique site constraints. Hilltown has specific grading considerations required for build-out due to the topography and Sycamore Crossing was a planned mixed use development that includes commercial retail and commercial hospitality.

Furthermore, with the declining trend of retail and potential impacts of COVID-19 on office use, as well as the continued upward trend in housing prices, the prospect of 100 percent commercial projects is not likely to increase. The estimate of potential residential capacity is based on densities below the demonstrated trends. Through the City's upcoming General Plan update, the corridors will be re-evaluated and incentives for additional housing opportunities are also anticipated. Therefore, the sites inventory includes a healthy buffer to accommodate the potential loss of residential capacity due to commercial development. Additionally, per HCD guidance, the realistic capacity for the vacant mixed-use and underutilized mixed-use increases the buffer by projecting the capacity at less than the maximum

allowable. Considering Land Use Controls and Site Improvements, the Realistic Capacity of the Site, and Typical Densities, the capacity factor adjustments for vacant mixed-use and underutilized mixed-use were 80 percent and 40 percent, respectively.

Table H-6.8: Density of Proposed Projects in Mixed-Use Zones

Project Name	Zoning	Actual Density	Housing Type	# of units	Status	Affordability Level
Bayfront	PC-R	86 du/acre	Townhomes/ Apartments	171	Entitled	Low Income/ Above Moderate
Hill Town	PC-R	13 du/acre	Townhomes/ Apartments	598	Entitled	Moderate/ Above Moderate
Sycamore Crossing	PC-R	68 du/acre	Townhomes/ Apartments	120	Entitled	Above Moderate

Source: City of Hercules, 2022

Table H-6.9: Hercules NTC District Sites

NTC District Zone	Zoning	Parcel Size	Assumed Density	Affordability Level	Total Site Realistic Capacity
Parcel 1 (Loop)	NTC	6.7	60 du/acre	Low	402
Lot 1	NTC	6.24	30 du/acre	Low/Moderate	188
Lot 2	NTC	8.83	30 du/acre	Low/Moderate	265

Note: The number of potential dwelling units for Parcel 1 (Loop), vacant mixed-use, has been reduced to 80 percent of the maximum density, calculated on gross acreage, to reflect the possibility of commercial development or individual site constraints on the parcel. The number of potential dwelling units for the remaining parcels, underutilized mixed-use, has been reduced to the minimum density to account for development restraints due to existing conditions. and to reflect the possibility of commercial development. These adjustments have been developed utilizing HCD guidance on realistic capacity. The overall density target for the NTC District is 60 units per acre. Capacity calculations are rounded up to the nearest integer.

AB 1397

Consistent with updated Housing Element law (Assembly Bill 1397) related to the suitability of small and large sites, the lower-income sites inventory presented in this section is limited to sites of between 0.5 and 10 acres in size, as HCD has indicated these size parameters best accommodate lower-income housing. In this inventory, no sites are less than one-half acre in size or larger than 10 acres in size.

AB 1397 also adds specific criteria for the assessment of the realistic availability of non-vacant sites during the planning period. Due to the built-out nature of Hercules, most sites have existing uses. If non-vacant sites accommodate half or more of the lower-income need, the Housing Element must present “substantial evidence” that the existing use does not constitute an impediment to additional residential use on the site. As described in Table H-6.12 non-vacant site only accommodate 40 percent of the lower-income need.

Nonetheless, non-vacant sites included in the inventory have been chosen due to their location, existing uses, and potential for intensification. To ensure that appropriate sites have been chosen, properties that show recent investments or updates or contain uses of local importance are not included, and clear criteria were used to evaluate all sites within Hercules, as described above.

Table H-6.10: Lower Income Sites – Vacant vs Non-Vacant

	Parcels	Units	% Total Lower Income RHNA
Vacant	1	402	60.4%
Non-Vacant	2	264	39.6%
Total	3	666	100.0%

AB 1397 requires that vacant sites identified in the previous two Housing Elements and non-vacant sites identified in the previous Housing Element only be deemed adequate to accommodate a portion of the housing need for lower-income households if the site is zoned at residential densities consistent with the default density established by HCD (30 units per acre) and the site allows residential use by right for housing developments in which at least 20 percent of the units are affordable to lower-income households.

All sites used to accommodate remaining RHNA needs after crediting pending projects have not been used in previous Housing Elements.

Table H-6.11: Sites Identified in Previous Elements

Use		VL	L	Mod	AM	Total	In 4th Cycle?	In Fifth Cycle?
New Town Center Vacant Site (Loop Site)	Vacant	402	0	0	0	402	N	N
<i>New Town Center Lot 1</i>	Non-Vacant	28	82	78	0	188	N	N
<i>New Town Center Lot 2</i>	Non-Vacant	39	115	111	0	265	N	N

No Net Loss Provision

Government Code Section 65863 stipulates that a jurisdiction must ensure its Housing Element inventory can accommodate its share of the RHNA by income level throughout the planning period. If a jurisdiction approves a housing project at a lower density or with fewer units by income category than identified in the Housing Element, it must quantify at the time of approval the remaining unmet housing need at each income level and determine whether there is sufficient capacity to meet that need. If not, the city must “identify and make available” additional adequate sites to accommodate the jurisdiction’s share of housing need by income level within 180 days of approving the reduced-density project. Program H2-6: No Net Loss is included in the Housing Element to set up a process for compliance.

Comparison of Sites Inventory and RHNA

Combined, the sites identified have the potential to accommodate 855 residential units. As Table H-613 indicates, these sites will provide opportunities to achieve remaining RHNA goals for all income categories and provide a surplus of 228 units, including a buffer for lower income units.

These areas are considered highly likely to experience high-density residential development for two key reasons: 1) the high demand for more affordable housing throughout Contra Costa County, and 2) the availability of underutilized land in areas recently designated for mixed-use, with the potential for high-density residential development. The sites chosen are significantly underutilized given their size and location. As market forces continue to push toward higher densities, recycling of underutilized land is expected to increase. If the trend continues, the City can anticipate increased recycling of land, particularly in higher-density areas where economies of scale can be realized.

Table H-6.12: Summary of Strategy to Meet RHNA

	VL	L	Mod	AM	Total
RHNA	344	198	126	327	995
Approved/Under Construction	0	10	31	888	929
<i>Bayfront</i>	0	9	0	162	171
<i>Hill Town</i>	0	0	30	568	598
<i>Owl Ranch</i>	0	1	1	38	40
<i>Sycamore Crossing</i>	0	0	0	120	120
Remaining RHNA	344	188	95	0	627
Total Sites Inventory	469	197	189	0	855
Vacant Site	402	0	0	0	402
Non-vacant Sites	67	197	189	0	453
<i>Lot 1</i>	28	82	78	0	188
<i>Lot 2</i>	39	115	111	0	265
Shortfall/Surplus	+125	+9	+94	-	+228
Shortfall/Surplus (lower income combined)	+134		+94	-	+228
% Buffer	+25.2%		+98.9%	-	-

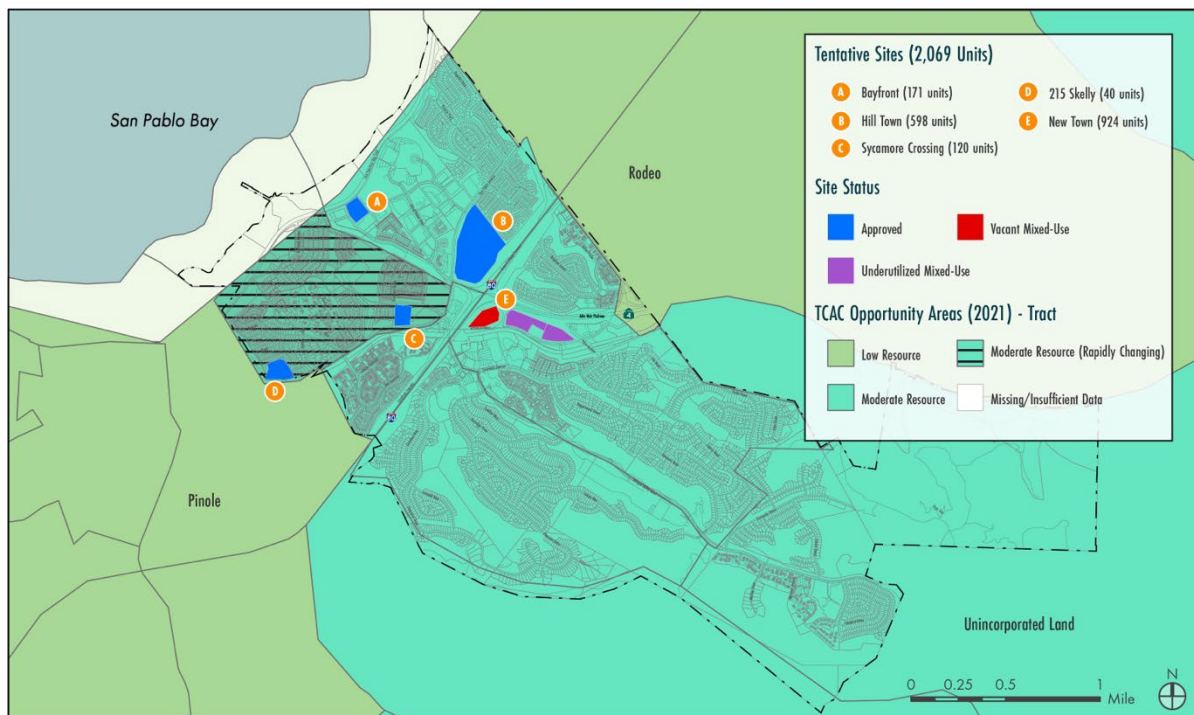
Consistency with Affirmatively Furthering Fair Housing (AFFH)

State law requires that for housing elements due on or after January 1, 2021, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities (Government Code Section 65583(c)(10)). Affirmatively furthering fair housing means taking meaningful

actions that address significant disparities in housing needs and in access to opportunity. For purposes of the Housing Element sites inventory, this means that sites identified to accommodate the lower-income need are not concentrated in low-resourced areas (for example, with a lack of access to high-performing schools, proximity to jobs, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty.

HCD and the California Tax Credit Allocation Committee (TCAC) coordinated efforts to produce opportunity maps that evaluate specific economic, environmental, and educational characteristics shown by research to support positive economic, educational, and health outcomes for low-income families. Figure H-6.4: Housing Element Sites and TCAC Opportunity Areas shows the TCAC opportunity areas in Hercules, ranging from low to high resources, with most of the city categorized as moderate resource. Racially or ethnically concentrated areas of poverty (R/ECAPs) are HUD-designated Census tracts with relatively high concentrations of non-white residents living in poverty. There are no R/ECAPs within Hercules.

Figure H-6.4: Housing Element Sites and TCAC Opportunity Areas



City of Hercules Housing Element Sites and TCAC Opportunity Areas (2021)



The distribution of identified sites improves fair housing and equal opportunity conditions in Hercules because sites are all distributed in moderate resource areas. This is positive, considering that these represent locations where new higher-density housing can be provided, and residents will have access to good schools, diverse jobs and distant from industrial uses—and not concentrated in existing low poverty areas. A thorough AFFH analysis based on the City’s most current Analysis of Impediments to Fair Housing Choice is included in the Housing Constraints section of this Housing Element.

Infrastructure Capacity

The sites inventoried in this Housing Element all lie within urban areas well served by street and utility infrastructure. The City operates its own street, water, wastewater, and storm drain systems, prepares master plans to ensure infrastructure improvements are planned and funded to meet growth needs, and works with Contra Costa County Sanitation Districts, independent water agencies that serve small portions of the City, and Contra Costa County Flood Control to ensure cooperative use of the shared systems. Aside from the nongovernmental and governmental constraints discussed in Chapter 4 (Constraints), no additional infrastructure constraints would impede the development of new housing units in the future on the identified sites.

Hercules is a fully developed, and full urban level services are available to each site in the inventory. Specifically, water, sewer, and dry utility services are available for all the sites included in the inventory. Water supply is provided by EBMUD, and sewer service is provided by the Pinole-Hercules Water Pollution Control Plant (WPCP), which serves the cities of Pinole and Hercules and is operated and maintained by the City of Pinole under a Joint Powers Agreement. Both providers ensure that priority connections are given to developments that include housing units affordable to lower income households in accordance with California Government Code 65589.7 Policy 3.07. To ensure that infrastructure needs of specific projects are addressed, the City requires that project applications for new development be reviewed for adequate infrastructure. Applications are evaluated on a case-by-case basis to ensure the capacity exists to service new developments.

Administrative Resources

The City of Hercules Planning and Community Development Department

The Planning and Community Development Department promotes and maintains livable communities. This involves planning for the future, building and maintaining strong neighborhoods, ensuring high quality development, encouraging business redevelopment, preserving our past and environment, and ensuring a high quality of life. To achieve these objectives, the Planning and Community Development Department offers a wide range of services and responds to public inquiries regarding zoning, land use, use permits, and development standards.

Agencies with administrative capacity to implement programs contained in the Housing Element include the City of Hercules and local and regional non-profit private developers. The Planning Division within the Planning and Community Development Department takes the lead to implement Housing Element programs and policies. The Division is responsible for implementing the General Plan by ensuring that development projects are consistent with the General Plan, the Development Code, and State codes. The City also invites non-profit developers to expand affordable housing options in the City.

Financial Resources

The City has access to a variety of funding sources for affordable housing development and preservation of affordable units at risk of converting to market rate housing. Funding is obtained from federal, state, and sometimes local sources. The key housing financial resources currently utilized are summarized below. Due to both the high cost of developing and preserving housing, and limitations on both the amount and uses of funds, layering of funding sources may be required for affordable housing programs and projects.

Community Development Block Grant (CDBG)

The City participates under the Contra Costa County Community Development Block Grant (CDBG) program. The CDBG program is flexible in that funds can be used for a range of community development activities primarily benefitting lower-income households. The eligible activities include but are not limited to: acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and clearance activities.

Other Resources

A variety of funding resources including but not limited to those listed below are resources available to help Hercules to maximize the effectiveness of available funds.

State Resources

- State Low-Income Housing Tax Credit Program
- Building Equity and Growth in Neighborhoods Program (BEGIN)
- CalHome Program
- Multifamily Housing Program (MHP)
- Housing Related Parks Grant
- CalHFA Single and Multi-Family Program
- Mental Health Service Act (MHSA) Funding
- Affordable Housing and Sustainable Communities (AHSC) Program
- Homekey

Private Resources

- Federal Home Loan Bank Affordable Housing Program (AHP)
- Community Reinvestment Act Programs
- Enterprise Community Partners Grant
- United Way Funding
- Private Contributions

The City has also received funding from the State of California Local Early Action Planning Grant Program (LEAP) for planning activities that accelerate housing production. LEAP provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their sixth cycle housing elements.

The federally funded Housing Choice Voucher program (formerly Section 8) is overseen by the Housing Authority of County of Contra Costa and provides rental assistance payments to owners of private market rate units on behalf of low-income tenants.

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CHAPTER 7

HOUSING ELEMENT PROGRAM

ACCOMPLISHMENTS

This chapter analyzes program performance for the City of Hercules's 2015-2023 Housing Element programs. State law (California Government Code Section 65588[a]) requires each jurisdiction to review its Housing Element as frequently as appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goals
- The effectiveness of the Housing Element in attainment of the community's housing goals and objectives
- Progress in implementation of the Housing Element

This evaluation provides critical information on the extent to which programs have achieved stated objectives and whether these programs continue to be relevant to addressing current and future housing needs in Hercules.

The City has analyzed the effectiveness of the 5th cycle Housing Plan actions, policies, and goals and has used this evaluation to inform the revised Housing Plan for the 6th cycle. While the fair housing analysis conducted in Chapter 3 relied upon contemporary, data the retroactive analysis of past program accomplishments depended on data points collected during program actions that, in some cases, did not align directly with the data points collected during the fair housing analysis conducted for the 6th cycle.

Overall, the Fair Housing programs that targeted households showed that services were provided to a number of special needs households such as the elderly and persons experiencing homelessness. Indirectly, the jurisdictions efforts to increase affordability via policies supporting varied types and tenures increase the affordable housing stock that generally improved the availability of housing that variably resulted in serving special needs households. Although no specific data points exist for some of the 5th cycle programs, it is expected that the populations served under many of the direct service actions align with those programs that focused on ELI and LI households. The jurisdiction recognizes that the expansion of programs focused on special needs populations will be necessary to address the focus areas identified

in the fair housing analysis. Overall, the City of Hercules is designated as a moderate resource community with no specific pockets of poverty or wealth, and as a result of its historic development patterns is a very diverse community.

Overcrowded households were not identified in the 5th cycle as a targeted demographic for specific action, nor was farmworker housing; there are no active farms in the City of Hercules and no Agricultural Land Use Designations. Anecdotally and statistically, we know that overcrowding is increasing slightly due to affordability pressures on all households, and the most vulnerable special needs populations will require additional attention beyond tenant protections. Therefore, many of the new program goals, policies, and actions are informed not only by the 5th cycle evaluation but also the fair housing assessment and community input collected during the authoring of the Housing Element. Analyzing the cumulative effectiveness of the 5th cycle Housing Plan actions, policies, and goals in conjunction with the additional analyses conducted in this document, along with community engagement, has informed the development of the 6th cycle Housing Plan.

The evaluation provides the basis for recommended modifications to policies and programs and the establishment of new housing objectives. The Department of Housing and Community Development determined that the Hercules 2015-2023 Housing Element was in full compliance with State law. Following adoption in 2015, the City was tasked with following through on the commitments made in the housing programs. Following the evaluation table, the quantified objective performance is summarized.

Goals and Policies

Table H-7.1: Goals and Policies

Goal 1: Assist in the provision of housing that meets the needs of all socioeconomic segments of the community				
Policy 1.1	Facilitate homeownership opportunities for low-and moderate-income households			
Policy 1.2	Seek all available resources, including tax-increment revenue, in-lieu fees, and State and Federal monies for the creation of housing opportunities affordable to low and very low-income households when projects are presented			
Policy 1.3	Actively support and work with non-profit housing, development corporations and other housing providers to promote the development of housing that is affordable to moderate, low and very low-income households			
Policy 1.4	Strive to ensure that units receiving City assistance preserve their affordability for a period of at least 30 years and no less than 15 years			
Policy 1.5	Encourage development of new special needs housing for seniors, single parents, families, large families, the disabled, including those with developmental disabilities, and extremely low-income households			
Policy 1.6	Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low- and low-income households in conformity with State law			
Program	Program Title	Achievements/Results	Evaluation	Recommendation
1.a	<u>Section 8 Housing Choice Vouchers</u> . Assist the County in advertising this program through the City web site, public	Since the dissolution of the Redevelopment Agency (RDA), the City's web site has	Continue to support the expansion of Section 8	Obtain hard copy materials from Contra Costa Housing Authority

Program	Program Title	Achievements/Results	Evaluation	Recommendation
	counters, and bulletin boards in order to meet the HUD requirements that 70% of new Section 8 vouchers be used by extremely-low-income households. Activity of the Housing Authority of the County of Contra Costa, as the City of Hercules is not a designated Successor Housing Agency	been modified to remove all RDA components. The City's web site has been revamped to provide a link to the Housing Authority's web site and its online database of currently available housing.	vouchers and voucher based affordable housing projects	
1.b	<u>Affordable Housing Development Incentives and Outreach</u> . Maintain a list of interested and qualified affordable housing developers. Actively and annually publicize to affordable housing developers the opportunities to develop affordable housing in Hercules, available incentives, and financing options provided by the City or other agencies.	The City maintains a list of affordable housing developers and continues to pursue projects that qualify for CDBG, HOME funds, and HOPWA funds. Staff are also on the HCD and HUD email list for notification of upcoming grant opportunities. Staff are also on the HCD and HUD email list for notification of upcoming grant opportunities.	No subsidized housing projects were completed during the planning period. However, focus was placed on two substantial conversion and acquisition and rehabilitation projects	Increase actions in this area
1.b	<u>Affordable Housing Development Incentives and Outreach</u> . Utilize State and Federal assistance programs, such as HOME, LIHTC, and CHFA funds, on an ongoing basis to the fullest extent possible to develop affordable lower income housing for seniors, families, and persons with disabilities, including persons with developmental disabilities. Support funding applications by developers if the proposed projects are consistent with the goals and policies of the City's General Plan. Annually, the City	in 2019 the City entered a Joint Exercise of Powers Agreement with the California Public Finance Authority ("CalPFA") to approve the issuance of \$28,000,000 in bonds by CalPFA to provide financing to The Reliant Group, Inc. for the acquisition and rehabilitation of the Willow Glen Apartments to convert the 84 multi-family units into 8 very low	The jurisdiction successfully increased affordable housing stock	Continue with a focus on special needs populations

Program	Program Title	Achievements/Results	Evaluation	Recommendation
	will pursue funding opportunities	affordable units and 76 low affordable units. In 2021, the City also joined CalCHA and supported the conversion of 174 market rate units (Exchange at Bayfront) into moderate income units.		
1.b	<u>Affordable Housing Development Incentives and Outreach</u> . Work with developers in the Central Hercules Plan area and other areas of new development on an ongoing basis to ensure that the City's housing goals of providing a wider mix of housing types and affordability levels are achieved	In 2019 building permits issued for the Grand at Bayfront, a 232-unit apartment complex, with 15 units being affordable to low income (<80% median income level). The City responded to multiple inquiries regarding the potential to develop housing in the New Town Center as well as the Waterfront/Bayfront and Hilltown areas.	Affordable housing unit commitments were made in the Central Hercules Plan area	Continue to work with developers to deliver affordable housing in future phases and developments in the plan area
1.c	<u>Density Bonus Program</u> . Continue to monitor the effectiveness of the Density Bonus program and provide technical assistance to developers in the use of the City's program	The City continues to implement the Density Bonus ordinance by allowing density bonuses and concessions/incentives consistent with State law. In 2020, with more changes to the density bonus law. Staff continues to educate itself on the new changes as developers are opting to engage in density bonus as a mechanism for increasing density	Density bonuses have resulted in increased units and affordable housing provisions	Continue program with a focus on included specific units with special needs populations

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		and accessing incentives and waivers. Staff works with developers that seek guidance on the application of the local and state density bonus law.		
1.d	<u>Extremely Low-Income Households</u> . Explore incentives to encourage developers to include units affordable to extremely low-income households, including but not limited to additional density or floor-area-ratio increases, flexible development standards (parking, height limit) and priority processing.	On June 28, 2016, City Council adopted Zone Amendment #ZA 16-02, was passed by the City Council to clarify provisions and allow transitional/ supportive housing in the RM-L zone.	New development agreements included provisions that had requirements for affordable housing units	Continue to provide incentives for the production of affordable housing stock and provisions for affordable housing units

Goal 2: Conserve and improve the condition of the existing housing stock, especially affordable housing

Policy 2.1 Promote the continued maintenance and enhancement of residential units

Policy 2.2 Restore and maintain residential structures of architectural or historic significance

Policy 2.3 Work to preserve affordable units in publicly assisted housing development that are at risk of converting to market-rate housing

Policy 2.4 Work with property owners and nonprofit housing providers to preserve existing housing for low- and moderate-income households

Policy 2.5 Enforce adopted code requirements that set forth the acceptable health and safety standards for the occupancy of housing units

Program	Program Title	Achievements/Results	Evaluation	Recommendation
2.a	<u>Code Enforcement</u> .	The City has a small group of volunteers in the Police Department that performs some basic, pro-active code enforcement. In response to complaints filed, the Building Department has also sent out voluntary compliance letters to owners of reported properties.	The City successfully expanded code enforcement activity	Continue to support code enforcement

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		For FY 21/22, City council approved \$50,000 funding for additional code enforcement, contracted with CSG, to maintain neighborhood unity.		
2.a	<u>Code Enforcement.</u> Continue installation of automatic gas shut-off valves to improve resident safety.	This program continues to be implemented as every house that is sold or permitted for improvements exceeding \$25,000 is required to have an automatic gas shut-off valve installed.	Temporal success as qualifying transactions occur	Continue
2.a	<u>Code Enforcement.</u> Continue referring code compliance violations to available residential rehabilitation programs to bring those homes up to standards	Since the dissolution of the Redevelopment Agency (RDA), the City's web site has been modified to remove all RDA components. The City's web site has been revamped to provide a link to the Housing Authority's web site and its online database of currently available housing.	Completed and referrals are ongoing	Conduct survey to assess units in need of rehabilitation and contact referral agencies to report demographics of households served
2.b	<u>Foreclosure Prevention Assistance.</u> Advertise the program through City website and provide brochure at public counters	The City's website displays links that advertise foreclosure resources within Contra Costa County.	Additional protections were implemented during the pandemic	Identify tenant protections that can be continued
2.c	<u>Owner-occupied Single-Family Residential rehabilitation.</u> Advertise the program through City website and provide brochure at public counters	The City's website displays links that advertise single-family residential rehabilitation programs which include rebates and incentives for homeowners.	Ongoing	Carry forward as is and expand for special needs populations

Goal 3: Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure

- Policy 3.1** Implement land use policies that allow for a range of residential densities and products, including low-density single-family uses, moderate-density town homes and higher density apartments, condominiums, and units in mixed-use developments
- Policy 3.2** Encourage transit-oriented developments that take advantage of the City's convenient access to regional transit through reduced traffic mitigation fees and master planning (such as the Hercules Bayfront plans) that offers flexible development standards for transit-oriented developments.
- Policy 3.3** Encourage development of residential uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas and transportation routes by planned mixed-use and transit-oriented developments.
- Policy 3.4** Encourage compatible residential development in areas with recyclable or underutilized land
- Policy 3.5** Allow flexibility within the City's standards and regulations to encourage a variety of housing types

Program	Program Title	Achievements/Results	Evaluation	Recommendation
3.a	<u>Provision of Adequate Sites.</u> Continue to pursue/implement the projects on available sites as outlined in Table 46	Ledcor completed construction of Bayfront Block N consisting of 174 market-rate units of multi-family housing and continued construction of Bayfront Blocks Q & R, which will including 217 market-rate and 15 low-income affordable multi-family units. In 2019, Muir Pointe (formerly Parcel C) continued construction of 144-unit market rate single-family detached subdivision.	Completed	Although available sites have been accounted for, continue to seek creative opportunities to increase housing stock
3.a	<u>Provision of Adequate Sites</u> Update the City's sites inventory every two years to monitor the consumption of residential and mixed-use properties.	The residential sites inventory was updated in 2015 with the update of the 2015-2023 Housing Element. In 2019, the City Council approved General Plan Amendment #17-02 and Zone Amendment #17-02 to change the land use designation of 8.88 acres of land (Assessor's Parcel Numbers 404-020-094-3 and 404-020-	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		095-0) from "General Commercial" to "Planned Commercial-Residential") to allow 120 multi-family residential units as part of the City- approved Sycamore Crossing project.		
3.a	<u>Provision of Adequate Sites.</u> Encourage sustainable development patterns by continuing to offer reductions in Traffic Facilities Impact Fees for projects located within one-half mile of a transit station and for mixed-use projects where 50% or more of the building space is used for residential purposes	2019, the City updated impact fees for transportation facilities. Certain projects may still qualify for lower impact fees for Traffic Facilities based on the project's consistency with Section 66005.1 of the Mitigation Fee Act. Qualifying factors include, but are not limited to, proximity and access to transit and the amount of residential space and parking provided on-site. Reduced Traffic Facilities impact fees are negotiated and approved through a Development Agreement by the Office of the City Manager.	The City identified and facilitated the development of the transit infrastructure of the jurisdiction	Continue to seek funding for the development of the transit improvements

Goal 4: Mitigate any potential governmental constraints to housing production and affordability

Policy 4.1 Periodically review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees that are determined to be a constraint on the development of housing, particularly housing for lower and moderate-income households and for persons with special needs.

Program	Program Title	Achievements/Results	Evaluation	Recommendation
4.a	<u>Development Standards and Procedures</u>	In 2020, the City drafted a new accessory dwelling unit ordinance to ensure consistency	The ADU ordinance was completed	Continue to work with HCD on the review and certification of the

		with recently enacted State of California accessory dwelling unit laws [ZTA 20-03] Ordinance 531, February 2021. On June 28, 2016, City Council amended the City's Zoning Ordinance to clarify provisions to allow transitional/ supportive housing in the RM-L zone	and constraints identified	ordinance and address housing constraints
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Goal 5: Continue to promote equal housing opportunity in the City's housing market regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors

Policy 5.1 Provide fair housing services to Hercules residents, and ensure that residents are aware of their rights and responsibilities regarding fair housing

Policy 5.2 Provide equal access to housing for special needs residents such as the homeless, elderly, and disabled

Policy 5.3 Promote the provisions of disabled-accessible units and housing for mentally and physically disabled

Policy 5.4 Establish a means to facilitate resolutions of problems and conflicts that may occur in tenant-landlord relations

Program	Program Title	Achievements/Results	Evaluation	Recommendation
5.a	<u>Fair Housing.</u> Continue to support the County and refer any complaints and inquiries to the County for resolution and services	The City continues to investigate complaints and take action on Building and Housing Code Violations in single and multi-family rental housing. The City continues to fund ECHO Housing to provide tenant landlord and fair housing services to Hercules residents.	Ongoing	Continue with a broader focus on special needs populations
5.a	<u>Fair Housing.</u> Advertise fair housing services of the County at public counters, through the City website, and at various community locations, including the City Library,	The City website displays links for housing and homeless services offered through Contra Costa County. These programs include support for temporary	Ongoing	Continue with a broader focus on special needs populations

Program	Program Title	Achievements/Results	Evaluation	Recommendation
	Community Centers, and Senior Center.	homeless assistance, housing for individuals with disabilities, senior housing, and transitional housing. The City continues to implement the recommendations outlined in the Analysis of Impediments to Fair Housing Choice in collaboration with the Contra Costa Consortium, and has sent surveys and held workshops to educate residents on fair housing services within the County.		
5.b	<u>Reasonable Accommodation.</u> Advertise the program through City website and provide brochure at public counters	The City's website has been revamped to provide a link to the Housing Authority's web site and other services throughout Contra Costa County regarding reasonable accommodations for residents with disabilities.	Ongoing	Continue with a broader focus on special needs populations
5.b	<u>Reasonable Accommodation</u> Provide technical assistance regarding the application requirements and procedures to persons/entities seeking reasonable accommodations.	Staff within the Building Department and Community Development Department address questions regarding application requirements and procedures as they come up.	Ongoing	Carry forward as is
5.b	<u>Reasonable Accommodation.</u> Within one year of the Housing Element adoption, revise the Reasonable	The City Council on June 28, 2016, adopted Ordinance 496, approving Zone	Completed	Discontinue

Program	Program Title	Achievements/Results	Evaluation	Recommendation
	Accommodation Ordinance to remove the primary residence requirement, thereby allowing the application of reasonable accommodation to all dwellings, including secondary homes	Amendment #ZA 16-02, which amended the City's Zoning Ordinance, Chapter 6 (Residential Districts) and Chapter 53 (Reasonable Accommodations for Persons with Disabilities) to clarify provisions of transitional/supportive housing in the RM-L zone as similar uses in the same zone.		

Goal 6: Promote energy efficiency and conservation throughout Hercules

Policy 6.1 Promote the use of Green Building techniques in residential development

Policy 6.2 Ensure all new residential development complies with energy efficiency performance standards of the California Building Standards Code

Policy 6.3 Utilize site planning techniques to allow passive energy efficiencies through solar access, landscaping and building orientation

Policy 6.4 Seek opportunities to educate the public about energy conservation

Policy 6.5 Encourage energy conservation measures and solar systems in existing homes where feasible and cost-effective

Program	Program Title	Achievements/Results	Evaluation	Recommendation
6.a	<u>Energy Conservation.</u> Promote mixed-use/transit-oriented development that provides opportunities for energy conservation.	In 2019, the City approved construction permits for Block N in the Waterfront District, comprising 174 apartment units and 13,000 square feet of retail within 1/4-mile of the future Regional Intermodal Transportation Center. In 2020, the City approved entitlements for the Hill Town project, comprising 598 multi-family units and 4,000 square feet of retail within 1/2-mile of the existing bus transit	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		center and less than one mile from the future Regional Intermodal Transportation Center. As of July 2018, the first three phases of the Regional Intermodal Transportation Center are complete. The City has constructed a framework which will provide over 1,300 residential units along the waterfront along with commercial, office, and live-work space connecting pedestrians to the Bay Trail, Ferry Terminal, Capitol Corridor Train Station, and WestCAT bus line		
6.a	<u>Energy Conservation.</u> Encourage developers to exceed the California Green Building Code requirements in incorporating energy conservation features and techniques	The City Council encourages approved developments to provide "dark fiber" conduit to prepare for future high-speed internet service, which can help accommodate telecommuting opportunities, thus reducing greenhouse gases. City shares information on Energy Upgrade California and BayREN Home + energy efficiency program for homeowners and small and medium businesses through its website. Hercules Municipal Utility provides financial incentives for its residential members to increase the energy	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		efficiency of participating homes. Rebates are offered for a variety of home appliances and weatherization improvements, including refrigerators, dishwashers, clothes washers, insulation and high-performance windows.		

Quantified Objectives

Table H-7.2 summarizes Hercules's quantified objectives for the 2015-2023 Housing Element planning period and the progress the City has made, including progress meeting the City's fifth cycle RHNA. Through 2020, permits issued exceeded the total RHNA allocation (742 units were issued permits with a target of 682 units). However, this is mostly due to development of moderate- and above-moderate units. Only 16 low-income units were built so far during this period. The City was able to convert 84 multi-family units into low and very low affordable units in 2019 through a joint agreement with CalPFA to allow the rehabilitation and conversion of the Willow Glen apartments. Additionally, the City joined CalCHA in 2021 to support the conversion of 174 market rate units at the Exchange at Bayfront into all moderate units. 596 moderate income units (Sycamore Crossing 120 units, Bay Front Blocks M, O, P 476 units) and 568 above moderate-income units (Hill Town) are entitled and awaiting building permits. As of the time of this report, these units have yet to be counted toward the 5th cycle's RHNA allocation.

Table H-7.2 Summary of 2015-2023 Housing Element Quantified Objectives (through 2020 APR)

Objectives	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
Building Permit Objectives (RHNA)						
Goal		220	118	100	244	682
Progress		0	16	391	335	742
Single-Family Rehabilitation Objective						
Goal				X	--	X
Progress				84	--	84

Table H-7.2 Summary of 2015-2023 Housing Element Quantified Objectives (through 2020 APR)

Objectives	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
At-Risk Housing Units to Preserve						
Goal			X	--	--	X
Progress			X	--	--	X