



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** March 12, 2019

**TO:** Members of the City Council

**SUBMITTED BY:** Holly Smyth, Planning Director  
Elaine Hsieh, Planning Intern

**SUBJECT:** 2018 Annual Housing Element Progress Report

### **RECOMMENDED ACTION:**

Conduct a public hearing and approve the annual Housing Element Progress Report for the 2018 calendar year and direct staff to submit the report to the appropriate state and regional agencies via minute action.

### **COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:**

There was no commission or subcommittee review of the item.

### **FISCAL IMPACT OF RECOMMENDATION:**

No direct financial impact of filing the annual housing report; however, failing to file the annual housing report can negatively impact the potential receipt of various grant and regional funds.

### **DISCUSSION:**

Government Code Section 65400 requires each governing body (City Council or Board of Supervisors) to prepare an annual report on the status and progress in implementing the jurisdiction's Housing Element of the General Plan, using forms and definitions adopted by the Department of Housing and Community Development (HCD).

The annual report defines how many new residential units are being constructed in the reporting period, broken down by income levels, and then compares this information to the regional housing needs allocation (RHNA) assigned to the City for the entire Housing Element period. The report also looks at the City's housing policies and reports on the progress in achieving those goals.

This year additional information is required to meet SB 35 and AB 879. Previously, all information was only based on when a building permit was issued. Now, an expanded Table A2 requires the reporting of the following for every housing unit:

- When entitlements are approved
- When building permits are issued
- When certificates of occupancy are approved
- Affordability of all units in any phase of development
- Plus additional information regarding other ancillary information.

Attached is the proposed Hercules 2018 Annual Housing Element Progress Report for the 3rd cycle of the 2015–2023 Housing Element.

As shown in Table A2, all 228 residential construction starts/ building permit issuances for the 2018 calendar year were above-moderate income housing levels containing 55 single-family detached homes at Muir Pointe, 1 accessory dwelling unit, and 172 multi-family units at Block N – The Exchange at Bayfront. Entitlement approvals were completed for 233 residential units: 1 accessory dwelling unit and 232 multi-family within Blocks Q-R – The Grand at Bayfront with 15 of the units being low-income and the remaining 218 above moderate income. Lastly, 72 certificates of occupancy were issued within the Muir Pointe subdivision in 2018.

Table C shows progress made on the various Housing Element implementation programs that have occurred during the reporting period, which was limited given the dissolution of redevelopment, lack of funding for housing activities, and lack of staffing.

HCD requires that this Annual Progress Report be considered at a public meeting prior to the City Council approving the Report for submittal to the HCD and the Office of Planning and Research (OPR). Council can approve the report via minute action and not by Resolution. In the Bay Area, copies of the approved report are also usually forwarded to Association of Bay Area Governments (ABAG) and Contra Costa Transportation Authority (CCTA) as well.

#### **ATTACHMENTS:**

1. 2018 Annual Housing Element Progress Report

<i>Financial Impact</i>			
<b>Description:</b>			
<b>Funding Source:</b>			
<b>Budget Recap:</b>			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			