COUNCIL HOUSING COMMITTEE MEETING
JULY 14, 2009

PLACE: City Hall, Council Chambers, 2nd Floor
       425 N. El Dorado Street
       Stockton, CA 95202

ATTENDANCE:

Committee:

Councilmember Katherine Miller, Chair

Staff:

Bob Bressani, Deputy Director, Revitalization Department
Lorre Islas, Program Manager
Matt Duaine, Division Chief/Fire Marshal
Emily Mah-Nakanishi, Associate Planner
Gregg Meissner, Development Services Manager
Michael Niblock, Director of Community Development
Phil Simon, Deputy Fire Marshal/Fire Protection Specialist
Michele Baciocco, Secretary (Recorder)

Others:

Ted Holzem, Mintier Harnish
Chelsey Norton, Mintier Harnish
John Beckman, BIA
Colleen Foster, Campaign for Common Ground
Anthony Robinson, P.A.C.T.
Dave Siders, The Record
Sharon Simas, Service First of Northern California
Levi Singleton, APD

ISSUE/COMMITTEE RECOMMENDATION

ISSUE: Draft Housing Element

RECOMMENDATION: None. Informational item only.
COMMITTEE REPORT TO THE CITY COUNCIL

DISCUSSION

Background

The City of Stockton is mandated by the State of California to update the Housing Element of the General Plan approximately every five years, with specific deadlines established by the State Department of Housing and Community Development Department. Stockton’s current Housing Element was completed in 2004 and is due to be updated and submitted to the State Department of Housing and Community Development by August 2009.

In November 2008, the Council approved a contract with the consulting firm Mintier Harnish to update the Housing Element. Since then, extensive work has been done and a number of public meetings have been held as a part of the preparation of the Housing Element Background Report and Policy Document, which are currently available for public review.

State law requires that local governments address the existing and projected housing needs of all economic segments of the community through their Housing Element. The Housing Element is required to identify sufficient sites to accommodate the City’s regional housing need allocation. The San Joaquin Council of Governments provides the official housing allocation for each city and county within its geographic region. Out of the 38,220 total countywide units, the City of Stockton was allocated 16,540 new housing units for the January 2007 through June 2014 planning period. Beyond these income-based housing needs, the Housing Element must also address special needs groups such as persons with disabilities, the homeless, and senior households.

During the preparation of the draft Housing Element, City staff and Mintier have conducted two community/stakeholder workshops to solicit input from individuals and organizations in the community, including residents, nonprofit and for-profit housing developers, and social service providers. The comments provided by the community members and housing stakeholders were used to shape the draft Housing Element policies and programs.

The draft Housing Element will be submitted to the Housing and Community Development Department in early August, 2009 for a 60-day review. Once staff and the consultants have responded to comments that the Housing and Community Development Department may have regarding the document, the draft Housing Element will be brought to the Planning Commission and City Council for adoption through the public hearing process. The adopted Housing Element is then sent back to the Housing and Community Development Department for a 90-day final review period, which should
lead to certification. It is anticipated that the final review and certification by the Housing and Community Development Department will take place in December 2009.

Committee Deliberations

Chair Kathy Miller opened the Council Housing Committee meeting of July 14, 2009, at 9:07 a.m. Vice Chair Holman and Member Eggman were absent.

Issue – Draft Housing Element

Chair Miller asked for public comments.

Colleen Foster (Campaign for Common Ground). Ms. Foster said she attended both stakeholder workshops. The consultants did a good job of bringing in new policies and new goals. Ms. Foster is interested in the inclusionary housing ordinance. The draft Housing Element references preparing a study for inclusionary housing. There is a target date listed as 2011-2012. She feels this study should be completed sooner. She is requesting this study be completed in 2009.

Anthony Robinson (P.A.C.T.). Mr. Robinson said that over two years ago P.A.C.T. presented to City Council an example of an inclusionary zoning ordinance. At that time the Council sought a consultant to evaluate how the City would go about meeting its housing needs. That consultant report identified inclusionary zoning as a means and a method by which the Council could address its housing needs. That Council asked for further information of financial costs. P.A.C.T. is unsure if the new Council has received this information. P.A.C.T. believes the inclusionary zoning is an issue that has been brought up and has been addressed and feels that the report Council has requested can be completed this year.

Deputy Director Bob Bressani responded that the study is underway. It was a two phase study; the second part has been received from the consultant. It was returned to the consultant for a number of corrections. Staff has to review the second draft before it is presented. Thus, the dates included in the policy document of the Housing Element were inaccurate. There is no reason the affordable housing study, which will lead to the discussion about inclusionary zoning, cannot be brought forward to the Council or committee within the next few months.

Chair Miller turned the meeting over to City staff. Deputy Director Bressani said the purpose of this meeting is to review and comment on the draft Housing Element. At that point he introduced the consultants from Mintier Harnish, Ted Holzem and Chelsey Norton. The consultants presented a PowerPoint presentation. (See attached.)
At the conclusion of the PowerPoint presentation, Mr. Holzem opened the floor for discussion.

Anthony Robinson (P.A.C.T.) asked for clarification – because an area is zoned high density, the presumption is most high density areas are low income. Mr. Holzem said no, the assumption by the State is that higher density housing is more affordable to lower income households. Mr. Robinson asked about the units projected to be built downtown, would they be considered low or moderate income? Ms. Norton responded that the City has to show the State that there are enough sites that have high density zoning to accommodate high density housing, and the State equates high density as potentially available for lower income.

John Beckman (BIA) said the consultants alluded to the inclusionary zoning policy as showing the State that we are working toward something. Mr. Beckman asked if an inclusionary zoning policy was not included/mentioned in the package sent to the State, would that have a bearing on the ability to get the Housing Element approved. Ms. Norton said not necessarily. She explained what needs to be showing in the policy document is that the City has a good set of policies and programs and that the State is satisfied that those policies and programs will meet the City’s need.

Colleen Foster (Campaign for Common Ground) – said that in the implementation program, an Infill Review Team, consisting of a variety of professionals, was mentioned. Ms. Foster asked if there would be any general public representative on the team, or is it basically a professional practice? Mr. Holzem said he would leave that decision up to the City department heads and City Council.

Ms. Foster also asked about the definition of special needs. Ms. Norton explained that special needs housing types is not the housing groups, it is defining the housing types, i.e., single room occupancy units, transitional housing and emergency shelters.

Mr. Robinson said the City is planning on expanding its boundaries with new development. He thought something was mentioned about this having a financial impact on the City when addressing the housing needs. Mr. Holzem responded that the regional housing need allocated to the City must be accommodated within the current city limits, as they exist today.
The meeting was adjourned by Chair Miller at 9:57 a.m.

COUNCIL HOUSING COMMITTEE

Councilmember Katherine Miller, Chair

Councilmember Elbert Holman, Vice Chair

Councilmember Susan Eggman, Member

L1:myb
Attachments

1. Council Housing Committee Notice dated July 14, 2009
2. Council Housing Committee Sign In Sheet dated July 14, 2009
3. Council Housing Committee PowerPoint Presentation dated July 14, 2009
CITY OF STOCKTON

CITY COUNCIL COMMITTEE NOTICE

COUNCIL HOUSING COMMITTEE

DATE: July 14, 2009

PLACE: City Hall, 425 N. El Dorado Street
       Council Chambers, Second Floor

TIME: 9:00 a.m.

COMMITTEE MEMBERS:
Katherine Miller, Chair
Susan Talamantes Eggman, Member

Elbert Holman, Vice Chair
Leslie Baranco Martin, Alternate

STAFF NOTICED:
J. Gordon Palmer, Jr., City Manager
Deputy City Managers
Ren Nosky, City Attorney
Katherine Melsner, City Clerk
Mike Taylor, City Auditor
Connie Cochran, Public Information Officer
Florence Low, Program Manager III
Kindelberg Morales, Administrative Aide
Michele Baciocco, Secretary (Recorder)

RESPONSIBLE DEPARTMENT AND STAFF FOR ITEMS ON THE AGENDA:
Bob Bressani, Deputy Director
Lorre Islas, Program Manager
Janice Miller, Program Manager II

OTHERS INVITED:
The Record

PUBLIC COMMENTS

ISSUE(S) TO BE DISCUSSED:

1. Draft Housing Element

ATTACHMENTS:

NOTE: Draft Housing Element is available on the City’s website at www.stocktongov.com

cc: City Council
For information contact Carolina Luces at 209-937-8215.
### PLEASE SIGN IN

**Council Housing Committee**  
**Council Chambers**  
**July 14, 2009 – 9:00 a.m.**

<table>
<thead>
<tr>
<th>NAME (PLEASE PRINT)</th>
<th>COMPANY/ORGANIZATION</th>
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<tr>
<td>Colleen Foster</td>
<td>Campaign for Common Ground</td>
<td>951-2311</td>
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<tr>
<td>Len Singleton</td>
<td>APD</td>
<td>480-8602-5062</td>
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<tr>
<td>Emily Mah-Natarshi</td>
<td>CDD</td>
<td>937-8569</td>
</tr>
<tr>
<td>John Beckman</td>
<td>BIA</td>
<td>235-7831</td>
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<tr>
<td>Sharon Simas</td>
<td>Service First of No. CA</td>
<td>644-6320</td>
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<tr>
<td>Gregg Means</td>
<td>Cos-Coo</td>
<td>8270</td>
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<tr>
<td>Phil Simon</td>
<td>Stockton Fire Dept.</td>
<td>937-8315</td>
</tr>
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<td>Matt Duane</td>
<td></td>
<td>639-2270</td>
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<tr>
<td>Anthony Johnson</td>
<td>PA C.T.</td>
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**Housing Committee Meeting**  
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Council Housing Committee Meeting

July 14, 2009

City of Stockton Housing Element Update
Workshop Agenda

- Introductions
- Presentation
  - Housing Element Update Schedule
  - Housing Element Overview
  - “Fair Share” Housing Allocation
  - Housing Issues and Policy Strategies
- Interactive Discussion
Update Schedule

Phase 1: Program Initiation
Phase 2: Background Report
  - Stakeholder Workshop #1
Phase 3: Draft Housing Element
  - Stakeholder Workshop #2
  - Housing Committee Meeting
  - Planning Commission Study Session
Phase 4: HCD Review and Housing Element Revision
Phase 5: Environmental Review Process
Phase 6: Public Review/Adoption


Housing Element Requirements

• One of the seven mandated elements of the General Plan
• State sets schedule for periodic update of the housing element.
  – State sets 7 1/2 year planning period
    • January 1, 2007 to June 30, 2014
  – 5-year timeframe
• Review by California Department of Housing and Community Development (HCD) for compliance with State law
• Existing and projected housing needs of all economic segments of the community
Draft Housing Element

Background Report
- Existing Housing Needs
- Resource Inventory
- Constraints on Housing
- Evaluation of the Existing Policies/Programs

Policy Document
- Goals, Policies, Program, & Quantified Objectives
Background Report Updates

- 2007 U.S. Census American Communities
- Survey Data
- Foreclosures
- Settlement Agreement
- "Fair Share" Housing Allocation
Ability to Meet "Fair Share" Housing Allocation
CITY'S OBLIGATION TO PROVIDE AFFORDABLE HOUSING

Fair Share Allocation

ENSURING ADEQUATE SITES
- Existing Sites
- Proposed Sites
- Adequate Services

PROMOTING AFFORDABLE HOUSING DEVELOPMENT
- Regulatory Incentives
- Removing Constraints
- Providing Funding
CITY'S OBLIGATION TO PROVIDE AFFORDABLE HOUSING

ENSURING ADEQUATE SITES

Fair Share Allocation

PROMOTING AFFORDABLE HOUSING DEVELOPMENT

- Existing Sites
- Proposed Sites
- Adequate Services
"Fair Share" Housing Allocation

CALIFORNIA
(Housing and Community Development)

SJCOG
San Joaquin County Association of Governments
Regional Housing Needs Allocation (RHNA) = 38,220 units

- Escalon 494
- Lathrop 1,326
- Lodi 3,891
- Manteca 4,054
- Ripon 951
- Tracy 4,888
- Stockton 16,540
- Unincorporated 6,075

43%
## Fair Share Allocation

<table>
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<tr>
<th>Category</th>
<th>Units</th>
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<tr>
<td>Above Moderate (Above 120%)</td>
<td>6,238</td>
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<tr>
<td>Moderate (80 to 120%)</td>
<td>2,998</td>
</tr>
<tr>
<td>Low (51 to 80%)</td>
<td>2,742</td>
</tr>
<tr>
<td>Very Low (31 to 50%)</td>
<td>2,281</td>
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<tr>
<td>Extremely Low (&lt;30%)</td>
<td>2,281</td>
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<td><strong>Subtotal</strong></td>
<td><strong>16,540</strong> units</td>
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<td><strong>Lower-income Sites Not Rezoned</strong></td>
<td><strong>239</strong> units</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16,779</strong> units</td>
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Lower-income = 7,304
Not Rezoned =
Above Moderate Income
Above Moderate Income

Metro Square, Sacramento, CA

Metro Square, Sacramento, CA 21 DU/acre
Above Moderate/Moderate Income

Laurel Creek Homes, Napa
Modular Home
Moderate Income

City Walk, Brea, CA

24 units/acre
Low Income

Heritage Walk, Pasadena, CA

42 units/acre
Very Low and Low Income

Fremont Mews, Sacramento, CA

75 units/acre
Very Low Income

St. Francis, Sacramento, CA

36 units/acre
Simple Math

Housing built from 2007-2009 or remaining development capacity in approved projects/subdivisions.

- RHNA
  - Issued by HCD, allocated by SJCOG.

- Built and Approved Projects

- Housing Opportunity Sites
  - Development potential on vacant and underutilized sites.

- Ability to Meet Housing Needs

City of Stockton Housing Element Update
- 10 Subsidized housing projects
  - 634 units
- 27 Market rate projects and subdivisions
  - 16,136 units
Opportunity Sites Inventory

- Downtown Area
  - Higher densities
  - Smaller sites
  - 1,583 units

- Greater Downtown Area
  - Moderate densities
  - Smaller sites
  - 475 units

- Remaining City limits
  - Typical densities
  - Medium sites
  - 6,196 units
Stockton's Ability to meet its “Fair Share”

City of Stockton Housing Element Update

16,779 units 16,770 8,254

Includes an additional 239 units that were not rezoned as called for in the 2004 Housing Element

Yes

Ability to Meet Housing Needs

Council Housing Committee, July 14, 2009
Housing Issues and Policy Strategies
CITY'S OBLIGATION TO PROVIDE AFFORDABLE HOUSING

Fair Share Allocation

PROMOTING AFFORDABLE HOUSING DEVELOPMENT

- Regulatory Incentives
- Removing Constraints
- Providing Funding

ENSURING ADEQUATE SITE
Policy Document

1. Adequate Sites for Housing
2. New Housing Development (New)
3. Affordable Housing
4. Infill/Downtown Housing (New)
5. Mitigate Governmental Constraints
6. Maintaining and Preserving Existing Housing
7. Housing for Special Needs (New)
8. Promoting Fair Housing Practices
9. Addressing the impacts of Foreclosures (New)
10. Energy Conservation and Waste Reduction
Major Policy Issues

• Stakeholder Issues
  – Foreclosures/homeownership
  – Settlement Agreement/infill/higher densities/“green”
  – Inclusionary housing
  – Emergency shelters
  – Incentives for infill/affordable housing

• Other Issues/Concepts
  – New State mandates
  – Housing Element monitoring
Foreclosure Problems

- Stakeholder input
- Addressing foreclosures issues
- Neighborhood blight
- Increased crime activity
- Declining property values
- Loss in property tax revenue
- Local economic impacts
- Overcrowding
Foreclosure Policy Strategies

HE-9.1 Neighborhood Stabilization:
Allocate State and/or Federal funding to acquire foreclosed properties and preserve them as affordable housing.

HE-9.2 Foreclosure Assistance:
Provide support to local organizations who offer foreclosure counseling services and make information available to residents on foreclosure assistance.

HE-9.3 Neighborhood Maintenance:
Preserve and restore the appearance neighborhoods most impacted by foreclosures through code enforcement activities and neighborhood and community group support.
Foreclosure Implementation Programs

38. Foreclosure Acquisition and Rehabilitation:
   Work with qualified non-profit partners to acquire foreclosed properties and redevelop them as affordable housing.

39. Foreclosure Prevention Information:
   Distribute information on foreclosure prevention.

40. Nuisance Abatement in Foreclosure Impacted Areas:
   Expand code enforcement in the areas most impacted by foreclosures.

41. Neighborhood Stabilization Program Funds:
   Use Neighborhood Stabilization Program funds to provide emergency assistance to foreclosed properties.
Settlement Agreement

• Stakeholder input
  – Promoting infill
  – Higher densities
  – “Green” development
  – Incentives
Settlement Agreement

- Issues
  - Increasing residential infill
    - 4,400 units in the Greater Downtown Area
    - 14,000 units in remaining (2008) City limits
    - Providing incentives
    - Balancing with development outside the City limits
  - Adopting “green” building standards
    - For all residential development
    - Retrofit for remodels over 50 percent
Settlement Agreement
Policy Strategies

HE-2.7 Second Unit Infill:
Encourage the development of second units in existing single-family neighborhoods.

HE-2.9 Redevelopment Area Incentives:
In redevelopment project areas, provide incentives to those projects located within the Downtown and Greater Downtown Areas.

HE-4.1 Infill Development:
Promote infill development through incentives such as less restrictive height limits, less restrictive setback and parking requirements, subsidies, infrastructure improvements, and streamlined permitting.

HE-4.2 Balanced Growth:
Ensure development at the city’s outskirts does not grow in a manner that is out of balance with infill development.

HE-10.2 Energy Conservation and Efficiency:
Utilize review and regulatory powers to enhance and expand residential energy conservation and efficiency.

HE-10.3 Green Building Concepts:
Require green building concepts and processes in new residential construction and rehabilitation of the existing housing.
Settlement Agreement Implementation Programs

14. Infill Housing Plan Program:
Provide plans for single-family homes in the City’s redevelopment areas that are pre-approved through the City's design review and building plan check review process.

15. Infill Review Team:
Start an infill review team to facilitate the development of infill projects in the Downtown and Greater Downtown Areas.

44. Local Assessment District:
Study the feasibility of financing mechanisms to fund actions to undertake energy efficiency measures, install solar rooftop panels, install “cool” roofs, and take other measures to reduce greenhouse gas emissions.
Settlement Agreement
Implementation Programs

4. Fiscally-Positive Impact Fees:
   Adopt impact fees on new development to ensure development outside infill areas is *fiscally-positive* to the City.

13. Development Outside Infill Areas:
   Amend the General Plan to *limit* the granting of entitlements for projects outside the City limits until specified levels of infill development, jobs-housing balance goals, and greenhouse gas (GHG) and vehicle miles traveled (VMT) reduction goals are met.

43. Build It Green Standards:
   Adopt an ordinance *requiring* that all new housing units obtain Build It Green certification or comply with a green building program of comparable effectiveness..
Inclusionary Housing

- Stakeholder input
  - Provide affordable housing in new development

Issues

- Part of Phase II of the Affordable Housing Strategy
Inclusionary Housing
Policy Strategies

HE-2.4 Housing Variety:
Encourage and provide a variety of housing types that provide market-rate, affordable housing opportunities and promote balanced mixed-income neighborhoods.

HE-3.4 Provision of Units:
Encourage the provision of units available for sale or rent to lower- and moderate-income households.

HE-3.9 Integrated Affordable Housing:
Encourage the integration of sites for affordable housing throughout residentially-designated areas and avoid concentration of low-income housing units.
11. Inclusionary Housing Program:

Study the feasibility and structure options for an Inclusionary Housing Program.
State Law Mandates

- Density bonus provisions
- Farm employee housing
- Special needs housing defined
- Single family provisions in multifamily Zones
- Allow emergency shelters “by –right”
State Law Mandates Implementation Programs

16. Development Code Amendments:
   Revise farm employee housing requirements.
   Amend the Development Code to define and list SROs as a permitted uses in the RH zone.
   Restrict single family development on parcels zoned RM and RH to isolated sites that are infeasible for multifamily.

24. Zoning for Emergency Shelters:
   Amend the Development Code to allow emergency shelters “by right” (i.e., as a permitted use) in the IL, IG, and PF zones.
Housing Element Monitoring

- Required by State law
  - Must report to HCD annually
- Good planning and management practice
Housing Element Monitoring
Implementation Programs

48. Implementation Reporting:
Review and report annually on the implementation of Housing Element programs to the HCD.

49. Biannual Staff Review:
Conduct biannual staff meetings to review the City’s progress in implementing the Housing Element and addressing housing issues.

50. Housing Element Implementation:
Annually review and report to the City Council on the implementation of Housing Element programs and the City’s effectiveness in meeting the programs’ objectives.
Next Steps

- Summarize stakeholder comments and input
- Conduct Planning Commission Study Session
- Incorporated Public Review Draft comments
- Prepare and submit HCD Review Draft Housing Element
- Address HCD concerns
- Environmental review
- Adoption hearings with the Planning Commission and City Council
- Certify Housing Element
Additional Information

- If questions are raised regarding the sites inventory, the following slides can be reviewed to provide a detailed overview.
- This is not part of the planned presentation.
- However, we recommend using these slides for presentations to the Planning Commission.
CITY'S OBLIGATION TO PROVIDE AFFORDABLE HOUSING

ENSURING ADEQUATE SITES

Fair Share Allocation

PROMOTING AFFORDABLE HOUSING DEVELOPMENT

- Existing Sites
- Proposed Sites
- Adequate Services

- Regulatory Incentives
- Removing Constraints
- Providing Funding
Adj usted 2007–2014 RHNA

Lower-Income: 7,543
Moderate-Income: 2,998
Above Moderate-Income: 6,238

Graph showing the adjusted RHNA for different income levels.
City of Stockton
Housing Element Update

**Built and Approved Units**
(2007-2009)

- Subsidized Projects
- Market Rate Projects

Built/Approved Units

- Lower-Income: 1,531
- Moderate-Income: 3,776
- Above Moderate-Income: 11,464
Opportunity Sites Inventory

- Lower-Income: 6,488
- Moderate-Income: 780
- Above Moderate-Income: 983

Includes 30 Second Units

Remaining City Limits
Greater Downtown
Downtown

City of Stockton
Housing Element Update

Council Housing Committee, July 14, 2009
Ability to Meet Housing Needs

- Remaining RHNA
- Opportunity Sites Capacity

- Lower-Income: 6,013
- Moderate-Income: 780
- Above Moderate-Income: 983

City of Stockton Housing Element Update