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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

CITY OF OAKLEY
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December 27, 2005

MAYOR
Pat Anderson

VICE MAYOR
Brad Nix

COUNCILMEMBERS
Bruce Connelley
Carol Rios
Kevin Romick

Ms. Cathy Creswell
Department of Housing and Community Development
Division of Housing Policy Development
1800 3rd Street, Room 430
Sacramento, CA 95814

CITY OF OAKLEY HOUSING ELEMENT ANNUAL PROGRESS REPORT

Dear Ms. Creswell,

Enclosed, please find the Housing Element Annual Progress Report for Oakley, CA. On December 12, 2005 the City Council reviewed and authorized submission of the attached Report. We appreciate your acceptance of this Report and look forward to working with you in the future.

Respectfully,

Bryan H. Montgomery
City Manager

cc: Rebecca Willis, Community Development Director, City of Oakley
Rochelle Henson, Senior Planner, City of Oakley

BHM/cnf

AR

CITY OF OAKLEY

CITY COUNCIL

RESOLUTION NO. 122-05

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY MAKING
FINDINGS AND APPROVING THE ANNUAL PROGRESS REPORT ON
IMPLEMENTATION OF THE HOUSING ELEMENT FOR THE CITY OF OAKLEY**

FINDINGS

WHEREAS, in November 1998, the voters approved the incorporation of the City of Oakley, to be effective July 1, 1999; and

WHEREAS, on July 1, 1999, the City of Oakley was incorporated; and

WHEREAS, after incorporation, the City adopted the Contra Costa County General Plan for the Oakley Area as its General Plan, the County's subdivision ordinance as its subdivision ordinance, and the County's zoning ordinance as its zoning ordinance (Ordinance Nos. 1-99, 17-99, 22-99). Since that time, the City has prepared its own general plan, as required by Government Code Section 65360; and

WHEREAS, in December 2002, the Oakley City Council adopted the Oakley 2020 General Plan; and

WHEREAS, as part of the General Plan the City developed a Housing Element, which was certified by The State Department of Housing and Community Development Department (HCD) in 2005; and

WHEREAS, the City is required to provide housing opportunities for all income groups. HCD reviews the Housing Element portion of the General Plan, and requires an Annual Progress Report on the Implementation of the Housing Element; and

NOW, THEREFORE, on the basis of the above findings of fact and the entire Record, the City Council makes the following additional findings in support of the approvals:

1. The City has completed an Annual Progress Report (Attachment 1), which outlines the progress the City has made on the goals and policies outlined in the Housing Element.
 - a. The City shall meet the State Department of Housing and Community Development Department (HCD) requirements to ensure the City is providing adequate housing types for all income groups;
 - b. Compliance with HCD requirements will provide for orderly, well planned and balanced growth with the City;

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 12th day of December, 2005, by the following vote:

- AYES: Anderson, Connelley, Nix, Romick
- NOES: None
- ABSTENTIONS: None
- ABSENT: Rios

APPROVED:



MAYOR

ATTEST:



CITY CLERK

**Annual Status Report¹
on Implementation of the Housing Element
General Plan Report requirement pursuant to
Section 65400 of the Government Code**

Government Code Section 65400(b)(1) mandates that all cities and counties submit to their legislative bodies an annual report on the status of the general plan and status in its implementation (the "Status Report"). Only charter cities are exempt from the requirement to prepare Status Reports, pursuant to Government Code Section 65700. However, a charter city may have elected to include the annual status report as one of its goals and objectives in their most recent element. A copy of this Status Report must also be sent to the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD).

Jurisdiction: **City of Oakley**

Address: 3231 Main Street
Oakley, CA 94561

Contact Rebecca Willis

Phone: 925-625-7000

Report Period: July 1, 2004 to June 30, 2005

A. Status in meeting Regional Housing Need.

2001 RHNA – New Construction Need

Income Group	RHNA	New Construction Units Permitted During Reporting Period	Remaining New Construction Needed
Very Low	209	82	127
Low	125	101	24
Moderate	321	47	274
Above Moderate	553	946	0
TOTAL	1,208	1176	425

¹ Suitable for submission for Workforce Housing Program and to meet HCD Annual Report Requirements

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives.

Housing Programs

PROGRAM	TIMING	STATUS
<p>As a new City, much of the new General Plan land use designations are not consistent with the current Zoning Ordinance, which is based on Contra Costa County land use designations. Approximately 2,240 acres will need to be rezoned in order to establish consistency between the City's new General Plan residential land uses and the City's updated Zoning Ordinance.</p>	<p>No later than September 2005</p>	<p>City staff is working with a consultant to get the existing map in computer format. The Zoning Ordinance was adopted October 2005. Rezoning will proceed.</p>
<p>Designate residential sites to provide consistency with the City's identified housing needs, and anticipate future housing need through the rezoning and annexation pre-zoning processes. In January 2005 the City identified five sites comprising a minimum of 16 acres in which they will target for up-zoning to the multifamily high land use category.</p>	<p>Complete the rezoning process no later than September 30, 2005.</p>	<p>4.9 acres have been rezoned to multi-family housing. The City is conducting an environmental review on 5 additional sites totaling approximately 26 acres.</p>
<p>To meet the projected RHNA for 151 units of low and very low income, an affordable housing overlay will be incorporated into the new Oakley Zoning Ordinance. The overlay will increase by right density allowed on sites zoned multifamily high within the City limits to 24 du/acre for affordable housing projects meeting the minimum requirements to be eligible for a density increase under State Density Bonus Law. The application of the AHO will apply to all sites zoned Multifamily High and 24 units per acre will represent the base density used to calculate the density bonus to comply with State Density Bonus Law.</p>	<p>To be included in the Oakley Zoning Ordinance by April 2005</p>	<p>Adopted October 2005. Effective 11/24/2005.</p>

PROGRAM	TIMING	STATUS
Update financing and phasing plans to provide infrastructure improvements necessary to support affordable housing.	No later than June 2004	The Redevelopment 20 percent Set Aside account is dedicated to these uses per the adopted amended Redevelopment Plan October 2005.
Maintain an inventory that details the amount, type, and size of vacant and underutilized parcels to assist developers in identifying land suitable for residential development. Encourage the build out of underutilized land by providing potential developers with technical assistance, and information on financial incentives.	Quarterly, Ongoing	Active Program
Encourage development serving targeted needs, such as condominium/townhouses affordable housing, and senior housing, to increase the stock of affordable housing by providing information through brochures and the City's web site on vacant sites for housing development, City incentives for the development of affordable housing, and possible funding resources.	Ongoing, starting March 2005	The site design is outlined and will be posted March 2006 on the City's "Redevelopment" web page.
Optimize Multifamily opportunities on sites meeting the following criteria: (a) proximity to public transit or bus service; (b) proximity to commercial and social services; (c) parcel size and configuration which enhances the feasibility of development; (d) lack of physical constraints (noise, wetlands, etc.); (e) provision for a variety of housing types and affordable housing opportunities; and (f) other criteria deemed appropriate. Apply these criteria to evaluate rezoning proposals involving multifamily development.	Ongoing	The City has rezoned 4.9 acres to multi-family use and is currently reviewing additional sites through the CEQA process.

PROGRAM	TIMING	STATUS
Encourage high-density residential development along corridors where regular transit service either exists or is anticipated by offering City incentives such as reduced parking standards, reduced setback requirements and/or density bonuses.	Ongoing	Affordable housing overlay zone was adopted in October 2005
Encourage efforts for provision of affordable housing through multifamily housing, senior developments, farmworker housing, town homes/ condominiums, duplexes and other housing types, the affordable housing overlay, infill development. The City will provide information concerning the City's incentives and funding sources for the development of affordable housing at the City Planning and Building Departments and the City web site.	Ongoing, Incentives and funding information will be made available by July 2005.	Adopted affordable housing overlay October 2005. Information is available in the Zoning Ordinance. A policy to allow a density bonus for construction of very low affordable housing units was also adopted in October 2005
Encourage affordable housing development through direct financial assistance (e.g., redevelopment, CDBG, HOME funds, regulatory incentives (e.g., density bonuses) and land write-downs to the extent financially feasible.	Ongoing	Participating with Contra Costa County's consortium for CDBG and HOME funds.
Prepare and adopt multifamily residential design guidelines.	No later than December 2005	City staff is reviewing the draft, which is planned to go to the Planning Commission in January 2006
The City staff will increase its coordination with the State HCD staff to apply for the funding that is made available through Proposition 46.	Apply for the 2005 Workforce housing grant in March 2006, after the issuing of building permits for the Cypress Grove Family Apts.	In process.

PROGRAM	TIMING	STATUS
Continue to implement the provisions of the City's Inclusionary Ordinance within the Redevelopment Area. Monitor the success of the program on an annual basis.	Ongoing; report to the Redevelopment Agency Board annually in July	Active Program
Continue to implement the City's density bonus ordinance and/or an additional incentive to affordable housing developments that provide affordable units. Update the City's existing density bonus ordinance to include the provisions of SB 1818 (Chapter 928, Statutes of 2004).	Update with the new Oakley Zoning Ordinance; Ongoing	Adopted October 2005.
Make City Redevelopment Agency funds available for affordable housing activities including funds for low to moderate-income housing programs including financing, infrastructure improvements, land acquisition, and construction.	Ongoing. Specific assignment of Housing Funds to the four Redevelopment Agency Housing Fund programs will be accomplished by July 2009.	Active Program
Pursue sources of predevelopment financing through available federal, state, local, and private sources, to assist affordable or special needs housing development being carried out by qualified nonprofit housing corporations. The City will contact the California Department of Housing and Community Development annually to determine the deadline dates for the various funding programs.	Ongoing. Annually, the City will contact the Department of Housing and Community Development to determine the application deadlines for the various funding sources.	Active Program

PROGRAM	TIMING	STATUS
Issue Notice of Funding Availability (NOFA) identifying the financial assistance programs listed in Program 10.2.H acquired by the City and create streamlined development assistance programs in order to provide public, competitive funding processes for affordable housing funding resources available through the City.	Ongoing. The NOFAs will be released within 30 days, after the various financing programs are procured by the City.	Active Program
Adopt a program of regulatory and financial incentives for affordable housing.	Ongoing. Program for regulatory and financial incentives will be adopted by July 2005.	Housing Policy Regulations adopted October 2005
Support homeownership programs carried out by nonprofit housing corporations through provision of land, financial assistance, and/or technical assistance.	Ongoing. Provide financial assistance to nonprofit housing corporations by July 2005.	Active Program
Partner in the various local first-time homebuyer programs or identify first-time homebuyer programs that can be provided by the City. Disseminate information about the available City administered first-time homebuyer programs. An informational brochure will be developed to provide program information. This brochure will be provided at City offices, library and the City web site and to real estate agencies in the City.	By July 2005.	The City is currently assisting nine households in the First Time Home Buyers program, which is funded through the HCD BEGIN program and administered by Habitat for Humanity.
Require that all affordable housing development subsidized by the City or required by the City contain provisions that assure long-term affordability mechanisms.	Ongoing	All affordable developments within the City have restrictions either through a performance deed of trust for State density bonus units or straight deed restrictions under California Redevelopment Law.

PROGRAM	TIMING	STATUS
Maintain affordability for intended period of time through well-written contracts and/or deed restrictions and ongoing monitoring for compliance.	Ongoing	Active Program
Develop a program that would require housing developers (both single family and multifamily) to build a minimum percentage of units that meet Title 24, Tier II or Tier III Energy Standards.	Ongoing	Active Program
Review regulations to ensure that supportive housing and other group living situations with more than six beds are able to be located subject to reasonable local regulations.	Review and update, if necessary, of regulation will be completed by July 2006.	Active Program
Allow flexibility in development standards such as smaller unit sizes and parking reduction for senior projects.	Ongoing	Active Program
Work with Contra Costa County to assess homeless needs and address homelessness that may occur by implementing the goals and priorities addressed in the Contra Costa Homeless Continuum of Care Plan and participating on the 2006 Plan update.	Ongoing, participated in the 2006 Plan update	Active Program
Contact homeless service providers to determine the number of displaced and homeless persons who are or have been residents of Oakley. Prepare a comprehensive report with recommendations for submittal to the City Council.	December 2005	Contact is in progress. The Zoning Ordinance identifies reduced restrictions in support of homeless service providers.

PROGRAM	TIMING	STATUS
<p>Participate in the planning and locating of emergency shelter facilities proposed within Oakley. The City will encourage and facilitate the development of homeless and transitional shelters by processing a Land Use Permit consistent with State law for applications in areas designated multifamily zones amending the Zoning Ordinance to allow emergency and/or transitional shelters as a permitted use in these areas.</p>	<p>Ongoing, to be incorporated in the Oakley Zoning Ordinance by March 2005</p>	<p>Zoning Ordinance adopted October 2005.</p>
<p>Support the creation and operation of transitional housing programs operated by Contra Costa Housing Authority and other non-profit housing groups by facilitating the development of housing for persons in need of emergency and/or transitional shelters by offering incentives such as financing where appropriate, fee deferrals, fee waivers, and fast tracking.</p>	<p>Ongoing</p>	<p>Active Program</p>
<p>Develop and distribute housing resource materials, including location of existing and planned affordable housing and housing assistance programs.</p>	<p>June 2005, Ongoing</p>	<p>Marketing of an affordable complex, which had permits issued November 2005 is in progress. The First Time Home Buyers program is currently assisting nine households.</p>
<p>Within the new adopted Zoning Ordinance, establish guidelines to establish review and approval procedures for affordable multifamily housing, emergency shelters, and transitional housing projects satisfying the adopted standards.</p>	<p>No later than 2005</p>	<p>Zoning Ordinance adopted October 2005.</p>

PROGRAM	TIMING	STATUS
Review the appropriateness of reducing, waiving, and/or deferring impact and/or processing fees for units affordable to very low and low income households, including senior housing, and apartment units, and housing for special needs groups.	Ongoing	Active Program
Allow flexibility, where appropriate and consider aesthetics, safety public input, etc., in infrastructure and development standards and land use and zoning controls in order to encourage affordable residential development.	Ongoing	Active Program
Annually evaluate whether there are constraints on the development, maintenance and improvement of housing intended for persons with disabilities.	Annually – evaluation to be completed by July of each year.	Active Program
Develop and formalize a general process that a person with disabilities will need to go through in order to make a reasonable accommodation request in order to accommodate the needs of persons with disabilities and streamline the permit review process. The City will provide information to individuals with disabilities regarding reasonable accommodation policies, practices and procedures. This information will be available through postings and pamphlets at the City and on the City's website.	No later than July 2005	Accommodation requests and permit questions can be acquired through the City's building official.
Utilize the Planned Unit District (P-1) process to secure more creatively designed projects to encourage the inclusion of an affordable housing component within new projects.	Ongoing	P-1 zone district has been updated in the new zoning ordinance and was adopted October 2005.

PROGRAM	TIMING	STATUS
Develop summary information handouts for residential developers to explain applicable Zoning Ordinance and General Plan requirements. Provide specific examples of projects meeting these requirements. Train staff in the residential project review process to ensure consistency in the application of all City standards.	No later than July 2005	Informational handouts are available at the planning department and on the City's website.
Provide a Rehabilitation Program, through the Redevelopment Agency, in order to assist very and low-income households occupying housing in need of repair. Provide information on available housing rehabilitation programs to residents of neighborhoods within the Redevelopment Area. Rehabilitate 20 units by January 2007.	Ongoing, January 2007	Adopted, allocated and implemented \$400,000 in 2005. The first grant went to a very low income handicapped senior household to repair the roof and was completed November 2005. Three loans are in process.
Provide a housing rehabilitation program to homeowners and renter occupied units throughout the City by applying for the CDBG grant program in order to assist very low and low-income households occupying housing in need of repair.	2006 funding cycle	Active Program
Provide a brochure on energy conservation and utility assistance programs directed as assisting residents in the very low, low and moderate income categories.	Ongoing	Active Program
Solicit public input bi-annually to identify neighborhoods that appear to be in decline.	Ongoing, Starting June 2005	Meetings are conducted regularly to address neighborhood issues.
Investigate the feasibility of establishing a rental inspection program.	December 2005	The City is in the process of hiring a Code Enforcement Officer.
Carry out code enforcement activities as a means to ensure the quality of the housing stock and residential neighborhoods.	Ongoing	The City is in the process of hiring a new Code Enforcement Officer.

PROGRAM	TIMING	STATUS
Require a one-to-one replacement of any affordable housing demolished due to public action. Include this program in the City of Oakley Housing Ordinance.	Incorporate a one-to-one demolition ordinance into the Zoning Ordinance by January 2006	There has not been any affordable housing demolished.
Develop and implement an infrastructure preservation program to ensure that infrastructure facilities are adequately maintained and do not contribute to the deterioration of neighborhoods.	Infrastructure preservation program to be developed by July 2006.	In process.
Explore implementing the state-funded Mobile Home Park Assistance Program (MPAP), which assists low-income mobile home park tenants; acquire tenant ownership of their park.	Ongoing	Active Program
Implement a Condominium Conversion Ordinance, if and when appropriate.	Implementation of Condominium Conversion Ordinance will be analyzed annually and incorporated into the Zoning Ordinance when appropriate.	Not appropriate at this time.
Encourage enforcement of federal and state anti-discrimination laws. Acquire and maintain fair housing materials, including all pertinent resources, posters and information available through the Department of Fair Employment and Housing (DFEH) and Housing and Urban Development (HUD). Develop information flyers and brochures in Spanish and in English. Distribute materials to public locations such as the library and senior center, multifamily housing, and City offices.	March 2005	Materials are available at City offices. Having these informational materials available at other public locations is in progress.

PROGRAM	TIMING	STATUS
Continue to refer all housing discrimination referrals to the City Principal Planner who will work with the complainant and refer complaints to the State Fair Employment and Housing Commission.	Ongoing	Active Program
Conduct regular workshops on the fair housing laws, as they pertain to race, disability, family size and income discrimination and protection, to educate property owners, managers, and real estate professionals.	Annually	None have been conducted at this time. However, it is the City's goal to offer regular workshops to educate property owners, managers, and real estate professionals.
Continue to require a community childcare fee for all single family and multiple family dwelling units.	Ongoing	Active Program
Establish an annual monitoring program to identify assisted housing units at risk of losing their affordability subsidies or requirements.	Ongoing	The first audit was completed January 2005.
Work with federal, state, nonprofit housing organizations, and Contra Costa County to help purchase complexes that the owner wishes to convert to market rate.	Ongoing	Active Program
Establish a program to preserve affordable housing at risk of converting to market rate through a program that includes notification to owners and tenants and participation in federal, state, and local preservation programs.	Ongoing	The City's Redevelopment Agency is exercising First Right of Refusal on "option events" on several moderate units to preserve their affordable status.
Participate with the California Housing Finance Agency, developers using mortgage revenue bond allocations, and lending institutions to preserve, and/or replace subsidies for federally assisted housing with expiring Section 8 subsidies.	Ongoing	Active Program

PROGRAM	TIMING	STATUS
Coordinate annual workshop with employers, members of the housing community, and City officials to identify the City's housing and commercial needs.	Annually	Workshop was facilitated by the City during the process of rezoning September 2005. The community is concerned about reducing commercial land.
Monitor the completion and implementation of the goals and policies set by the Housing Element. Continue to update and amend codes and policies as necessary.	Annually	Housing Element Annual Progress Report completed December 2005. Codes and policies have been updated as necessary and are outlined above.

C. Progress toward mitigating constraints identified in the housing element.

1. Land Use Controls:

The City is currently in the process of reviewing additional sites to rezone to multi-family to ensure land is adequately allocated for affordable housing developments. The General Plan policies and zoning regulations, which control the amount and distribution of land allocated for different land uses in the City, could be considered a constraint to affordable housing development.

2. Residential Development Standards:

The City of Oakley Residential Development Standards do not contain any unduly restrictive provisions. The Guidelines ensure there is quality development that blends with the neighborhood.

3. Building Codes and Code Enforcement:

The enforcement of development and building standards has not typically been a constraint on the production or improvement of housing in the City. Although the City's Code Enforcement is described as reactive, the City supports a proactive Community Service Program, which serves as an educational service and resource to residents and business owners regarding municipal codes.

4. Disability Provisions:

No constraints have been found in the City Building Code and Zoning Code regarding Disability Provisions. The City will continue to monitor land use regulations for possible governmental constraints to housing for persons with disabilities. It is a standard building permit process to improve accessibility in existing units.

5. On and Off-Site Improvements:

On and off-site improvement costs are an important component of new residential development. Costs can vary from site to site. Even when infrastructure is already available, improvements and or expansions may need to be made. These costs can be

considered a constraint to any development, including affordable housing development. It is standard in most cities to address traffic, health and safety issues.

6. Site Improvements, Development and Impact Fees, and Processing Fees:

The City collects a number of varying fees from new development projects to cover the costs of review, processing, checks and inspection. The City of Oakley's fees are more than one nearby community, but comparable to another and comparable to the County. Since fees are based on time and materials, final cost depends on the project. The City's fees are typical and comparable with other Cities and are not considered a constraint.

7. Environment:

Various environmental qualities requiring protection are incorporated and therefore may cause constraints to the development of affordable housing. Specifically, property along the Delta may require approval from a number of regulatory agencies, and irrigated pastures of rolling fields, orchards, and vineyards have the possibility to support extensive seasonal wetland areas and therefore may also be subject to regulatory constraints. However, the majority of land adjacent to the Delta is not available for development.

8. Development Permit and Approval Processing:

In general, the development permit approval processing in Oakley does not create any unnecessary delays nor does it increase the cost of housing. While costs vary between projects, the City is conscious of utilizing efficient practices in processing so as not to increase development costs. Development permit and approval processing is not considered a constraint.

9. Second Unit Ordinance:

The City of Oakley adopted this ordinance July 2003. It includes guidelines for the construction of a second unit on a resident's property. The criteria do not pose a constraint to the development of second units.

10. Residential Design Guidelines:

The residential design guidelines do not pose a significant constraint to the development of affordable complexes. The goal is to assist in developing aesthetically desirable and sustainable multifamily projects.

11. Land Prices and Construction Costs:

The high cost of land and high construction costs are both major constraints to the development of affordable housing.

12. Availability of Financing:

The availability of funding to subsidize the gap necessary to make affordable housing projects achievable is a major constraint in the development of affordable housing. The City has bond funds, the BEGIN program, and a 20 percent Tax Increment available to assist in the development of affordable housing projects.

13. Vacancy Rates:

Vacancy rates in Oakley are considered low (most rentals are occupied). This generally results in the demand for housing to exceed the supply, which results in the possibility of increased housing costs.

14. Constraint Removal Efforts:

The City provides cost reductions to developers through its adopted Density Bonus Ordinance when low and very-low income housing units are proposed. The City is flexible in site development standards and zoning code requirements, and or accelerated plan checks in the development of affordable housing.