ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Housing Policy Department
Received on:
MAR 1 3 2013

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

Table A

Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes: Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development (See Instructions)	Deed Restricted Units (See Instructions)	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
new SFR		O				15	15	15	NA		
2nd unit		R			2		2	2	NA		studio rents are $1200, moderate income-$1,658
multifamily		R				300	300	300	NA		
duplex		O				2	2	2	NA		
		O							NA		
		O							NA		
		R							NA		
		O							NA		
(9) Total of **Moderate and Above Moderate** from Table A3 ►											
(10) Total by income Table A/A3 ► ►					2	317	319	319			
(11) Total **Extremely Low-Income** Units*			0								

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA whichmeet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity			6	6	4 loans and two grants were issued to perform energy efficiency and building code violation improvements.
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	6	6	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units as shown in Table A

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for **Moderate**				2		2	2
No. of Units Permitted for **Above Moderate**	15	2	300			317	317

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.			2007	2008	2009	2010	2011	2012	2013	2014	2015	Total Units to Date (all years)	Total Remaining RHNA by Income Level	% Completed
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9			
Very Low	Deed Restricted	456	0	70	33	0	0					103	353	23%
	Non-deed restricted													
Low	Deed Restricted	302	3	1	1	15	5					25	277	8%
	Non-deed restricted													
Moderate	Deed Restricted	374	3	2	0	0	6	2				13	361	3%
	Non-deed restricted													
Above Moderate		826	48	61	184	131	117	317				858	-32	104%
Total RHNA by COG. Enter allocation number:		1,958	54	134	218	146	128	319				999	959	49%
Total Units ► ► ►														
Remaining Need for RHNA Period ► ► ► ► ►														

Note: units serving extremly low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction	Walnut Creek	
Reporting Period	Jan. 2012	1-Dec-12

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	**Housing Programs Progress Report - Government Code Section 65583.** Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	**Objective**	**Timeframe in H.E.**	**Status of Program Implementation**
Program 1.1: Maintain General Plan Designations for high density residential housing and Mixed Use Residential and Mixed Use Commercial districts in the Core Area.	Policy 1. Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.	ongoing	Several large developments are under review, and one high density residential project of 300 units completed is now under construction along N. Civic Drive in the Core Area. The project will pay $3.5 million in housing impact fees to be used toward affordable housing. The first half was paid at building permit issuance.
Program 1.2: Continue to use the specific plan process in the Core Area as a means of accomplishing planned residential development. The specific plans should include an incentive package for projects where a certain percentage of new units will be affordable to low and moderate income households.	Policy 1. Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.	ongoing	The City is preparing a West Downtown Specific Plan that will likely result in smart growth opportunities near the Walnut Creek BART Station. The plan will be completed by 2015. The Shadelands Gateway Specific Plan will also allow for senior housing development off of Ygnacio Valley Road. City's inclusionary ordinance also requires all residential ownership projects of 2 or more units to provide 10% affordable units or pay a fee. Also, all rental projects are required to pay a housing impact fee of $15/sf times livable square footage.
Program 1.3: Study and consider provision of incentives such as height bonuses within Measure A limits, parking strategies, fee deferrals, and priority processing of projects including a minimum percentage of affordable housing, particularly for the BART site.	Policy 1. Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.	ongoing	The City approved a Density Bonus Ordinance in February 2009, which became effective April 6, 2009, in conformance with State law, and which provides additional incentives for affordable housing beyond state law requirements. The BART Transit Village was approved by Council, and it includes 600 units of rental housing, with an impact fee of over $6 million.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

Program 1.4: Study possible incentives and develop guidelines for residential use of floor space above ground floor commerical, such as height bonuses within Measure A limits, parking strategies, fee deferrals, flexible development standards, and priority processing of mixed use projects. Development standards to be evaluated include density, parking requirements, lot coverage and setbacks.	Policy 1. Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.	ongoing	The City Council has approved numerous projects through the planned development process, however, the downturn in the housing market in 2008, stalled the construction of these. Many have not started construction, such as an approved 48-unit condominium project on a 0.5 acre lot at 1605 Riviera Avenue. But with the increase in the demand for rental housing, the city is beginning to see some projects restart. In addition, Citrus Walk of 47 units, Iron Horse Manor of 26 units, and Oak Court Townhomes of 20 units, as well as the 87-unit 555 Ygnacio Valley Road, were all PD-rezoning projects that have been constructed
3.1 Develop new zoing designations that are consistent with the newly established Mixed Use Land Use Categories and require that new development includes a residential component in the Mixed Use/Residental Emphasis land use categories.	Policy 3 - Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic, particularly in the Core Area, and near public transit.	1-Dec-10	With the adoption of General Plan 2025, the City Council adopted a program that allows for mixed uses in several areas previously designated as exclusively commercial within the City's core area. These areas include 17 acres between Botelho Drive, S. Main Street, Newell Avenue, and I-680 (Change Area #3), 5 acres at N. Main Street and Creekside Drive (Change Area #5), 4.27 acres at N. Main Street and Ygnacio Valley Road (Change Area #6), 6.8 acres at the Walnut Creek BART Station (Change Area #7), and 1 acre at N. California Boulevard and Bonanza Street (Change Area #10). Staff is implementing a work program to rezone Areas outside of the Core. Certain high density residential development proposals have also been approved for key sites, including N. 125 units at Main Street, 120 at Arroyo, 300 units at N. Civic, and 600 units at the BART Station. Approximately 1500 new rental units have been entitled or now are in the entitlement process.
4.1 In the Preliminary Review Team process, encourage developers to utilize the planned development process to develop residential projects on smaller lots.	Policy 4 - Continue to allow the designation of the residential land use category, Single Family High, 6 to 9 dua, in certain areas to increase the supply of housing, consistent with the character and integrity of existing neighborhoods.	ongoing	The City Council has approved numerous projects through the planned development process, however, the downturn in the housing market in 2008, stalled the construction of these. Many haven not started construction, but with the increase in demand for rental hosuing, the city is beginning to see some projects restart. In addition, Citrus Walk of 47 units, Iron Horse Manor of 26 units, and Oak Court Townhomes of 20 units, as well as the 87 unit 555 YVR were all PD-rezoning projects that have been constructed.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

8.1 Encourage the use of the planned development process to allow innovative approaches aimed at increasing affordable housing. During the PRT review process, facilitate maximum allowable density and good design by explaining benefits of the Density Bonus Ordinance, b y offering reduced parking requirements for low income housing and allowing flexible dev. and parking standards.	Policy 8 - Encourage innovative housing approaches in the design and ownership of units to increase the availability of affordable housing	ongoing	Villa Vasconcellos, a 70-unit affordable senior apartment complex, completed in early 2008, exhibits innovative design. The building used green building materials and technology. Flooring on the ground floor is very durable stained concrete, and carpeting is recycled materials. Lighting and applicants are energy efficient, and building maximizes natural light, and passive solar heating and cooling. The roofs are coated in a reflective white seal to reflect heat. Casa Montego, 33 senior affordable units, was deisgned on a hillside next to existing affordable housing, which allowed a connection to share amenities. Pleasant Creek Homes are 10 attached ownership units on a small lot, and Third Avenue Apartments was designed with submerged parking and higher density to transition from a commercial to a single family neighborhood.
Program 10.4 Keep and maintain a list of housign proponents and provide information regarding affordable housing projects and potential housing opportunities to these organizations and individuals on an as needed basis.	Policy 10-Provide an adequate supply of residentially zoned land at sufficient densities to accommodate existing and future housing need.	ongoing	The City notified a developer of four potential sites and negotiations began with the owners of sites on Third Avenue in 2008. Funding was approved for site acquisition in 2009. the City also notified developers of opportunity sites for housing development, including the Co-Op site on N. Main Street and a surplus Caltrans property on Barkley Avenue. In 2010-2011, the City worked with a nonprofit on retaining site control for two parcels in the downtown.
12.2 Support the development of Extremely Low Income rental housing by seeking additional funds from state and federal sources.	Policy 12 - Give high priority to housing that is affordable to WC workers, first-timbe buyers and renters.	ongoing	Applied for $550,000 in BEGIN funds from the State and received these for the 10 unit Pleasant Creek Homes project by Habitat.
12.3 Continue to set aside a portion of CDBG annual allocation for housing programs	Policy 12 - Give high priority to housing that is affordable to WC workers, first-timbe buyers and renters.	annually	The City's Housing Budget is comprised of CDBG funds, Inclusionary Housing Impact and commercial linkage fees, and City housing loan repayments. Over the next five years, the City expects to receive between $8-10 million in Housing Impact and Commercial Linkage fees. A minimum of 70% of housing impact fees, and 100% of commercial linkage fees are used for the development of affordable housing.
12.9 Encourage sweat equity programs for the construction of homes for first-time buyers through the acqusition of a site for Habitat for Humanity.	Policy 12 - Give high priority to housing that is affordable to WC workers, first-timbe buyers and renters.	July 2009-2012	Entitlements were approved for a 10-unit Habitat homeownership project in 2011, and construction began in 2012. Units are expected to be completed in 2013.
12.14. Inform developers about and allow Density Bonuses consistent with State law and the City's Density Bonus ordinance.	Policy 12 - Give high priority to housing that is affordable to WC workers, first-timbe buyers and renters.	2009 and 2010	The City adopted a Density Bonus ordinance in early 2009. The city has 2 developers that have been approved for density bonuses, Satellite Housing for a 48-unit rental development, and Habitat for Humanity for a 10-unit ownership project.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

14.1. Using CDBG funds, continue to proivde fudnign, when appropriate, to organizations that provide transitional housing and assist the homeless.	Policy 14- Support efforts to provide temporary and permanent shelter and transitional housing for homeless persons	annually	City provided $17,000 in CDBG and housing funds to Trinity Center, a nonprofit homeless service center operated by St. Paul's Episcopal Church in December 2012. These funds are to help the nonprofit establish itself after the ending of the FreshStart Program at that site.
15.1: Provide funding to agencies that provide services and permanent affordable housing for people with disabilities.	Policy 15-Encourage the development of housing accessible to people with disabilities	2009-2010	The Third Avenue Apartments project, approved for funding by the City and RDA funds of $3.6 million, will also include units funded through HUD 811 for persons with disabilities.
17.1. Continue to allocate funds to support local nonprofit organizations for fair housing counseling and education and outreach efforts.	Policy 17 - Promote fair housing opportunities for all people.	ongoing	The City funds ECHO Housing to provide Housing Counseling services and Fair Housing Services.
19.1. Develop policies consistent with AB31 and SB375 to reduce greenhouse gas emission and work with other agencies in the region to establish common thresholds for green building. Provide incentives for green building to reduce the costs of compliance such as rebates and reduced fees.	Policy 19 - Encourage the use of sustainable and green b uilding design in new and existing housing in compliance with legislation in AB32 and SB375	2011-2012	The Housing Division recommended using Energy Efficiency Block Grant funds from DOE to provide home rehabilitation loans to low and moderate income households for energy efficiency home improvements. $115,000 was expended in deferred loans which leveraged County rebate programs as well.
20.1 Work to attempt to produce 1,958 dwelling units between Jan 2007 and June 30, 2014, the City's share of RHND.	Policy 20-Strive to meet Walnut Creek's share of regional housing needs.	ongoing	With building permits that will be pulled for affordable housing in 2013, the City is at 35% for Very Low income, 10% for Low income, 3.5% for Moderate Income, and over 100% for Above Moderate Income goals.
23.1. Implement the City's Density Bonus Ordinance adopted in 2009 and the Inclusionary Ordinance.	Policy 23: provide regulatory and/or financial incentives where appropriate to offset or reduce the costs of affordable housing development, including density bonuses and flexibility in site development standards.	ongoing	Two affordable housing developments received density bonuses, including Habitat's Pleasant Creek Homes and Third Avenue Apartments. These projects also received a waiver of traffic mitigation fees, public art fees, parkland dedication fees, and housing impact fees.
24.1 Revise the city's Inclusionary Ordinance to allow projects of up to 19 units to pay an in-lieu fee.	Policy 24 - Increase flexibility to developers in the inclusionary zoning ordinance	1-Dec-09	In 2009, the Inclusionary Ordinance was revised to allow projects of up to 26 units to pay in-lieu fees. In 2010, in response to the Palmer court case and Costa Hawkins Act, the City revised its ordinance to require housing impact fees, based upon a nexus study, for new rental development. The City also allowed the payment of fees on ownership projects of all sizes, with half to be paid at Building Permit and half at Certificate of Occupancy.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Walnut Creek

Reporting Period Jan. 2012 1-Dec-12

25.1 Include measures in the new MUR and MUC zoning districts, consistent with the General Plan adopted in 2006 that encourage and facilitate the development of new housing for lower income families by: revising design review standards, and permitting processes, and providing incentives and flexibility in development standards.	Policy 25 - Create new zoning designations for MUR and MUC purusant to the General Plan which encourage and facilitate the development of housing to lower income households.	2010	Staff has begun the Work Program for the MUC, MUR rezoning. Several of these change areas are located in the West Downtown Specific Plan area which is in the community input phase for development now. Staff also recommended interim design guidelines consistent with the N. Main Street Specific Plan.
26.1. Faclitate lot consolidation where possible, particularly as it relates to parcels listed in Appendix C of the sites inventory. Fore example, the City will work with nonprofit developers and owenrs of small sites to identify and consolidate parcels to facilitate the developmetn of affordable housing. The lot consolidation procedure will be posted on the website. Lot consilitaiont requests in the same zoning district will be processed ministerially.	Policy 26 - Facilitate lot consolidation to encourage the development of housing for lower-income households.	ongoing	The City facilitated the acquisition of 4 parcels for the Third Avenue Apartments project by Satellite Housing. The City subsidized acquisition and predevelopment and merged the 4 lots to one parcel.
27.4 Provide assistance to homeowners who may be at risk of foreclosure by continuing to fund nonprofit organizations that provide housing counseling and foreclosure prevention assistance to residents.	Policy 27: Conserve the City's existing housing stock including existing rental housing that is affordable to low and moderate income households.	ongoing	For past several years, Walnut Creek has funded the Home Equity Preservation Alliance to assist homeowners who are at risk of foreclosure with negotiating new loan terms, preventing fraud, and other issues.
27.5 Continue the residential rehabilitation loan program to provide loans, using CDBG funds or other sources of funds to low and moderate income households for single-family rehabilitation.	Policy 27: Conserve the City's existing housing stock including existing rental housing that is affordable to low and moderate income households.	ongoing	In 2012, the City funded 4 home rehabilitation loans and two rehabilitation grants to low and moderate income homeowners for energy efficiency and building code improvements.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction	Walnut Creek	
Reporting Period	Jan. 2012	1-Dec-12

General Comments:

Throughout 2012, staff were handling the dissolution of the Redevelopment Agency. The former Agency remitted approximately $865,000 back to the State in funds that were not committed to projects prior to the effective termination of Redevelopment. Fortunately the economy has recovered and the rental housing market is strong in Walnut Creek. This has allowed the City to collect impact and in-lieu housing fees that will sustain local affordable housing programs through the next Housing Element Cycle. There continues to be a need for an ongoing revenue source for affordable housing at the State and Federal levels as well. In 2013, building permits have already been pulled for 10 affordable ownership units, including 4 very low, 4 low, and 2 moderate. Also in 2013, the City anticipates the permits will be pulled for 48 very low income rental units.
Also, in 2011 and 2012 there were 6 Below Market Ownership units sold to Moderate income families. These were large, 3-bedroom units. Final