



State Department of Housing and Community Development
c/o Land Use and Planning Unit
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
HousingElements@hcd.ca.gov

Subject: Submittal of the Draft City of Hercules 2023-2031 Housing Element

On behalf of the City of Hercules, MIG is submitting the enclosed revised version of Hercules' Draft 2023-2031 Housing Element.

AB 215 requires that prior to submittal of the first draft to HCD, the local government must make the draft available for public comment for **30 days** and if any comments were received, take at least **10 business days** to consider and incorporate public comments.

The draft Housing Element was made available to the public on June 17, 2022, with the 30-day open comment period ending July 16, 2022. The City of Hercules will continue to receive public comment during the HCD review process.

The City of Hercules looks forward to receiving a report of findings pursuant to Government Code Sections 65585(b)(1) and 65585(b)(3).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Davidson'.

Scott Davidson, AICP
Principal



City of Hercules 2023-2031 Housing Element

City of Hercules
111 Civic Drive
Hercules, CA 94547

May 11, 2022

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ACKNOWLEDGEMENTS

City of Hercules City Council

Dion Bailey, Mayor
Alexander Walker-Griffin, Vice-Mayor
Tiffany Grimsley, Council Member
Chris Kelly, Council Member
Dan Romero, Council Member

City of Hercules Planning Commission

Hector Rubio, Chair
Kenneth Morrison, Vice-Chair
Nicole Sacramento, Commissioner
Robert Schaufenbil, Commissioner
Irena Galieva, Former Commissioner

City of Hercules Community Development Department

Tim Rood, Director
Robert Reber, Former Director

Consultant Team

MIG, Inc.



City of Hercules
Community Development Department
111 Civic Drive
Hercules, CA 94547
510.799.8248
www.ci.hercules.ca.us

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CHAPTER 1

INTRODUCTION

Background & Purpose

The City of Hercules was incorporated in 1900 and 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, Incorporated, and 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, and civic facilities, 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 the City strongly opposed a proposed 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
ABAG	Association of Bay Area Governments
AI	Analysis of Impediments to Fair Housing
ACS	American Community Survey
AMI	Area Median Income
CDBG	Community Development Block
CHAS	Comprehensive Housing Affordability
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
SRO	Single Room Occupancy
TOD	Transit-Oriented Occupancy

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 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.

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 during 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 (Zoom). The workshops, survey, and outreach material were accessible to English speakers, 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 Hercules 2023 – 2031 Housing Element, the City identified key stakeholders documented in the Public Engagement Plan (PEP) and provided, along with 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, Zoom, and/or email. These interactions provided an opportunity for participants to share their feedback the City of Hercules' strengths and challenges, while exploring options for future growth. Interviews were conducted as one-on-one conversations 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 of 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 June 16, 2022. During the public review period, a study session with the Planning Commission will be held to

provide an additional opportunity for public input prior to submitting the draft to HCD for review and comment.

Between June 17, 2022, and July 17, 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, no public comments were received.

The Draft Element will remain 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 will also be posted on the City's website. HCD reviewed the draft Element and provided xx 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 Redevelopment, 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

- 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.

Timeframe: Ongoing; begin advertising homeownership housing assistance programs within one year of Housing Element adoption.

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget; HOME; Federal Income Tax Credit

Objective: Increase access to information about available resources for all community members

Program H1-2: Affordable Housing Partnerships and Funding Sources

- 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. Partnerships and programs to continue and/or pursue 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).
- As federal funding permits, continue to provide loans and grants to maintain a high-quality housing stock, and assisting 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.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget; CDBG; HOME

Objective: Two affordable housing projects during the planning period

Program H1-3: Section 8 Housing Choice Voucher Program

- 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.

- 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.

Timeframe: Ongoing; Add information to the City’s website on participation in the Housing Choice Voucher Rental Assistance Program within one year.

Responsible Agency: Contra Costa Housing Authority; Community Development Department

Funding Sources: HUD

Quantified Objective: Preserve Housing Choice Vouchers currently in use in Hercules

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

- 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 repairs, and masonry work.

Time Frame: Ongoing

Responsible Agency: Housing Authority of the County of Contra Costa; Community Development Department

Funding Sources: Department Budget, General Fund, HUD

Quantified Objective: Assist approximately 16 lower-income households (2 per year).

Program H1-5: Code Enforcement

The Code Enforcement Division is responsible for enforcing City Municipal Codes and certain State codes which 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 and 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 through rehabilitation and preservation of existing units.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Source: Department Budget, General Fund

Quantified Objective: Inspect all inquiries of code enforcement violations .

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 Development Code 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 Regional Intermodal Transportation Center planning area.

Policy H2.4 Continue to allow accessory dwelling units 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 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). 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 accessory dwelling units (ADUs), and shows that the City can adequately accommodate the City's remaining RHNA under existing General Plan and Development Code standards.

- 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 and income levels.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

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

- 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.
- Continue to monitor development interest, inquiries, and progress towards mixed-use development. Periodically re-evaluate 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.
- 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.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H2-3: Senior Housing

Review/revise Development Code 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 senior housing as an administrative use appropriate zoning districts.

Timeframe: Ongoing; amend the Development Code within two years of Element adoption

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H2-4: Accessory Dwelling Units (ADUs)

- As revisions to State law occur, update the City’s ADU Ordinance to comply.
- Create a public outreach program to encourage ADU development, including development of 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.
- Continue to coordinate 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.
- Monitor ADU permit applications and approvals (including the affordability of constructed ADUs) through the mandatory Housing Element Annual Progress Report process. If, at the midpoint of the planning period, targets identified in the Housing Element are not met, identify and implement additional incentives or other strategies, as appropriate, to ensure adequate sites during the planning period.

Timeframe: Annually monitor ADU construction and affordability; in 2025, evaluate progress compared to projections—If targets are not being achieved, implement new strategies in a timely manner (i.e., within approximately six months) to encourage ADU development.

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget, State grants

Quantified Objective: Support the development of 12 accessory dwelling units during the planning period.

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.
- Promote alternative housing models during discussions with developers.
- Review the Building Code (Municipal Code Title 9, Chapter 2) and Development Code (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.

Timeframe: Review and modify Building Code within two years of Housing Element adoption; Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

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.

- 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.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H2-7: Replacement of Units on Sites

Pursuant to Government Code Section 65583.2(g)(3), require the replacement of units affordable to the same or lower income level as a condition of any development on a nonvacant site identified in the Housing Element consistent with those requirements set forth in Government Code section 65915(c)(3). Replacement requirements shall be required for sites identified in the inventory that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, and:

Were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income; or

- Subject to any other form of rent or price control through a public entity’s valid exercise of its police power; or
- Occupied by low or very low-income households.

For the purpose of this program, “previous five years” is based on the date the application for development was submitted.

Pursuant to Government Code section 66300(d) (Chapter 654, Statutes of 2019 (SB 330)), the City shall not approve a housing development project that will require the demolition of residential dwelling units regardless of whether the parcel was listed in the inventory unless a) the project will create at least as many residential dwelling units as will be demolished, and b) certain affordability criteria are met.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H2-8: Development on Nonvacant Sites

Promote residential development on nonvacant sites. As funds are available, target nonvacant sites identified in the Housing Element as priorities for fund allocations, if available. In addition, 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.

Timeframe: Ongoing; consider adaptive reuse standards within three years of Housing Element adoption.

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

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: Density Bonuses

- Update the City's density bonus ordinance to comply with Government Code §65915.

- Monitor State legislation and as changes are made to Government Code §65915, update the City's density bonus accordingly to be consistent.
- Continue to promote the use of density bonuses to provide affordable housing and discuss with developers their interests in and constraints to using a density bonus.

Timeframe: Adopt a density bonus ordinance within three years of Housing Element adoption; Ongoing

Responsible Agency: Community Development Department – Planning Division

Funding Sources: Departmental Budget

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

- Continue to allow the establishment of transitional and supportive housing development and single-room occupancy developments (SROs), where allowed and consistent with Development Code provisions, to support housing opportunities for extremely low-income households.
- Consistent with State law, transitional housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Continue to identify and draft any necessary revisions to the Development Code to make this intent clear, including new definitions and additions to allowed uses tables.
- Update the Development Code to comply with AB 2162 (Supportive Housing Streamlining Act), effective January 1, 2019, which requires supportive housing to be considered a use by right (ministerially permitted) in zones where multi-family and mixed use are permitted, including nonresidential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Add a definition of supportive housing in the Development Code. Comply with AB 2162 requirements to allow for modifications for required parking for units occupied by supportive housing residents that are located within one-half mile of a public transit stop.
- Review the Development Code and make any necessary changes to ensure compliance with AB 101 (Low-Barrier Navigation Centers). Law AB 101 requires that Low-Barrier Navigation Centers be allowed by right in areas zoned for mixed-use and nonresidential zones permitting (by right or conditionally) multi-family uses.
- Prioritize funding toward extremely low-income housing projects, as available.

Timeframe: Adopt Development Code amendments within two years of Housing Element adoption; Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H3-3: Development Process Streamlining

- 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 protection of public health, safety, and welfare.

- Update the Development Code to refer to streamlining options available through the California Government Code.
- To accommodate future SB 35 applications and inquiries, the City will create and make available information on SB 35 streamlining provisions in Hercules and provides SB 35 eligibility information.

Timeframe: Ongoing; Create SB 35 informational packet within two years of Housing Element adoption

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H3-4: Reduce Parking Constraints for New Development

- 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 Development Code Section 13-32.1, as well as to allow 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.

Timeframe: Adopt Development Code amendments within three years of Housing Element adoption

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

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.

Timeframe: Ongoing

Responsible Party: Community Development Department

Funding Source: Departmental Budget

Program H3-6: Infrastructure Master Planning

Hercules is a forward-thinking community that values inclusive planning that takes into account all factors. To that end, the City will undertake comprehensive Master Planning efforts for infrastructure systems, including sewer, stormwater, and other utilities and systems that support development of local land use policy to ensure systems are adequate and up-to-date to support planned development.

Timeframe: Within three years of adoption of the Housing Element

Responsible Agency: Public Works

Sources: Departmental Budget; General Fund

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, or disability, or any other arbitrary factor.

Policy H4.2 Assist in the enforcement of 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: Special Needs Housing

- Provide opportunities to meet the housing needs of special needs residents—including seniors, residents with disabilities and developmental disabilities, large families, extremely low-income households, and those experiencing homelessness.
- Review Development Code standards and procedures associated with the approval of residential care facilities; revise as appropriate to streamline and provide consistent application of standards and ensure that these uses are treated objectively and do not discriminate against persons with disabilities.

- Encourage developers of single-family dwellings to incorporate universal design and/or "visitability" improvements.

Timeframe: Ongoing; update Development Code within one year of adoption

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H4-2: Fair Housing Services

- 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 continue to provide funding support.
- Continue to promote fair housing practices, including advertisement 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.

Timeframe: Ongoing

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Program H4-3: Affirmatively Furthering Fair Housing

- 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.

Timeframe:	Ongoing; expand access to multilingual informational material on fair housing to be made available at public counters, libraries, post office, other community locations, and on the City’s website within two years; assess fair housing issues as part of the regional Analysis of Impediments to Fair Housing Choice (estimated to be updated in 2025) and address any identified impediments in Hercules within one year.
Responsible Party:	Community Development Department
Funding Source:	Departmental Budget

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.

Objective:

- Implement an outreach plan for housing-related issues, such as Housing Element updates. Reach out to the community regarding housing topics in general, as well as specific new developments.
- 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 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.

Timeframe:	Implement outreach plan within one year of Housing Element adoption; Ongoing
Responsible Agency:	Community Development Department/City Clerk
Funding Sources:	Departmental Budgets

Program H4-5: Reasonable Accommodation

The City has established reasonable accommodation procedures in place. In order to ensure consistent application and clarity, the City will re-evaluate these procedures and modify to enhance equal housing opportunity, as needed.

Timeframe: Within one year of Housing Element adoption

Responsible Agency: Community Development Department

Funding Sources: Departmental Budget

Summary of Quantified Objectives

Table H-2.1 summarizes Hercules's quantified objectives for the 2023-2031 Housing Element planning period.

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				N/A	--	N/A
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

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 state 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 that 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)
- 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 of the components 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 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.

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 the ability to address 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 H-3.1: Local Fair Housing Organizations

Organization	Focus Areas
Fair Housing Advocates of Northern California (FHANC)	Non-profit agency that provides fair housing information and literature in a number of different languages, primarily serves Marin, Sonoma, and Solano County but also has resources to 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 in housing preservation and homelessness task force to provide legal services and advocacy for those in need.

Table H-3.1: Local Fair Housing Organizations

Organization	Focus Areas
Pacific Community Services	Private non-profit housing agency that serves East Contra Costa County and provides fair housing counseling as well as education and outreach

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.

Table H-3.2: Number of DFEH Housing Complaints in Contra Costa County (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>

Based on DFEH Annual Reports, Table H-3.2 shows the number of housing complaints filed by Contra Costa County to DFEH between 2015–2020. A slight increase in the number of complaints precedes the downward trend from 2016–2020. Note that 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.

The Department of Housing and Urban Development’s Office of Fair Housing and Equal Opportunity (HUD FHEO) enforces fair housing by investigating complaints of housing discrimination. Table H-3.3 shows the number of FHEO Filed Cases by Protected Class in Contra Costa County between 2015 and 2020. A total of 148 cases were filed within this time period, 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 H-3.3: 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. 6%	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 H-3.4 indicates that the highest number of fair housing complaints are due to discrimination against those with disabilities, followed by income source, race, and national origin.

A summary of ECHO’s Fair Housing Complaint Log on fair housing issues, actions taken, services provided, and outcomes can be found in Table H-3.4 and Table H-3.5.

Table H-3.4: Action(s) Taken/Services Provided

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 Harassment	0	0	0	1	0	1
Income Source	15	0	1	7	1	24
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 attorney; 5. Conciliation with landlord; 6. Client provided with counseling; 7. Client provided with brief service; Source: ECHO Fair Housing (2020 - 2021)

Table H-3.5: 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 have insufficient evidence. Only about 12% of all cases resulted in successful mediation.

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 for the purpose of determining whether a landlord is complying with local, state, and federal fair housing laws.

ECHO conducts fair housing investigations in Contra Costa County (except Pittsburg) and unincorporated Contra Costa County. The 2020 Contra Costa County AI, however, did not report any findings on fair housing testing at the county level, however, it does bring to attention that private discrimination is a problem in Contra Costa County that continues to perpetuate segregation. Based on fair housing testing conducted in the City of Richmond, it was found that there was significant differential treatment in favor of White testers over Black testers in 55% of phone calls towards 20 housing providers with advertisements on Craigslist. Because Whites receive better services, they tend to live in neighborhoods apart from minority groups.

Fair Housing Education and Outreach

Fair housing outreach and education is 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 & information, information on fair housing law for the housing industry, and other fair housing literature. A majority of the fair housing literature is provided in Spanish and English, with some provided 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 in housing, provide support services to aid in the prevention of homelessness, and promote permanent housing conditions. The organization provides 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, homeseeking, 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).

- Fair housing services encompasses 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 the 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, as well as 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 allows tenants who experience rent increases exceeding 10 percent 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). With respect to 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 provides 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 and increase housing stability as well as assist unhoused youth/adults address legal barriers that prevent them from exiting homelessness. This is done through a mix of 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 aforementioned counties 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 and provides fair housing counseling in English and Spanish. Housing Counseling Services provided include:

- Foreclosure Prevention: Consists of a personal interview and the development of 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 '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 and 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 promising, PCSI lacks contact information, resources, and accessibility on their website.

Overall, in terms of capacity, the capacity and funding of the above organizations is generally insufficient. Greater resources would enable stronger outreach efforts, including populations that may be less aware of their fair housing rights, such as limited-English proficiency and LGBTQ residents. Although ECHO serves most of Contra Costa County, it suffers from a severe lack of resources and capacity, with only one fair housing counselor serving the County. A lack of funding also constrains BayLegal’s ability to provide fair housing services for people facing discrimination, which further burdens groups like ECHO that provide such services.

Integration and Segregation

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 are used to measure the evenness with which two groups (frequently defined on racial or ethnic characteristics) are distributed across the 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 percent 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

Race/Ethnicity

Ethnic and racial composition of a region is useful 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 minorities tend to congregate in metropolitan areas though 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).

Contra Costa County is a large, diverse jurisdiction in which people of color comprise a 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 racial and ethnic demographics of Contra Costa County are similar to but not identical to those of the broader Bay Area Region. Overall, the County is slightly more heavily non-Hispanic White and slightly more heavily Hispanic than the Bay Area Region. The Bay Area Region is more heavily non-Hispanic Asian or Pacific Islander than the County. For all other racial or ethnic groups, the demographics of the County and the Region are relatively similar. Table H-3.6 shows the racial composition of Contra Costa County and the Bay Area.

Table H-3.6: Racial Composition

	Contra Costa County	Bay Area**
White, non-Hispanic	47.75%	39.30%
Black or African-American, non-Hispanic	8.92%	5.80%
American Indian and Alaska Native, non-Hispanic	0.28%	0.20%
Asian, non-Hispanic	14.61%*	26.70%*
Native Hawaiian and Other Pacific Islander, non-Hispanic	N/A	N/A
Some other race, non-Hispanic	0.30%	N/A
Two or more races, non-Hispanic	3.77%	N/A
Hispanic or Latino	24.36%	23.50%

*Asian and Pacific Islander combined

**Bay Area refers to members of the Association of Bay Area Governments (ABAG), which are the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma

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

As explained above, dissimilarity indices are measures of segregation, with higher indices meaning higher degree of segregation. 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 H-3.7). 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 largest increase amongst all racial/ethnic groups. This trend is commonly seen throughout the State and is likely attributed to an increase of Hispanic residents during the migration boom of the mid-to-late 1990s. A two percent 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 actually decreased by 13 percent since 1990. The proportion of Black residents has remained relatively steady during this same time period, indicating segregation has been diminishing for the Black population. The above pattern holds true for the greater Bay Area Region as well.

Table H-3.7: Racial/Ethnic Dissimilarity Trends (1990–2020)

Dissimilarity Index	Contra Costa County				Bay Area Region			
	1990 Trend	2000 Trend	2010 Trend	Current (2010 Census Block Group)	1990 Trend	2000 Trend	2010 Trend	Current (2010 Census Block Group)
Non-White/White	41.19	41.95	41.86	44.93	44.67	44.68	43.10	45.89
Black/White	67.52	62.54	58.42	61.80	66.72	63.71	59.29	63.49
Hispanic/White	36.70	45.24	48.07	49.49	43.56	49.67	49.59	51.24
Asian or Pacific Islander/White	34.89	32.73	35.67	40.55	45.55	44.94	44.33	48.21

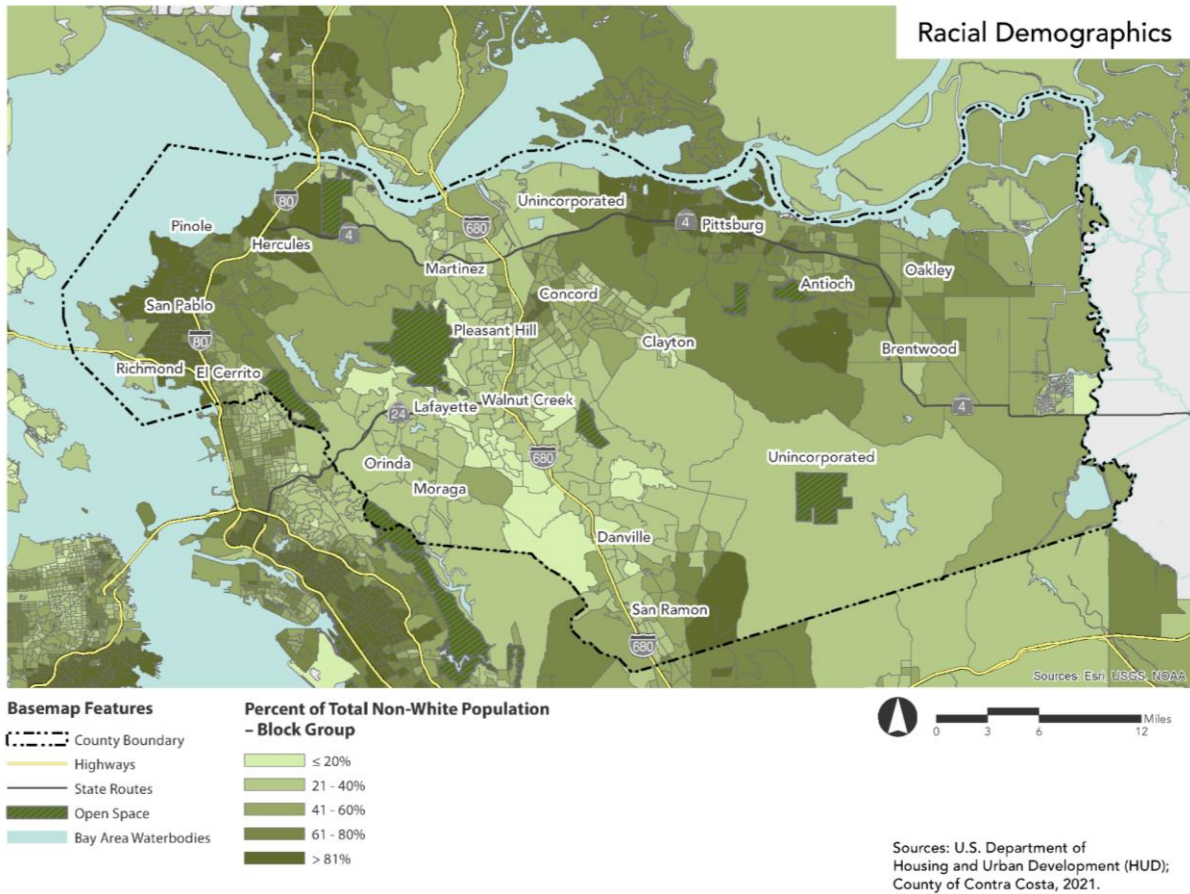
Source: HUD’s Affirmatively Furthering Fair Housing Tool (AFFH-T), Table 3 – Racial/Ethnic Dissimilarity Trends, Data version: AFFHT006, released July 10th, 2020.

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.

According to the 2020 AI, the areas of segregation found throughout Contra Costa County include:

- Black residents concentrated in the cities of Antioch, Hercules, Pittsburg, and Richmond and the unincorporated community of North Richmond.
- Hispanic residents concentrated in the cities of Pittsburg, Richmond, and San Pablo; in specific neighborhoods within the cities of Antioch, Concord, and Oakley; and in the unincorporated communities of Bay Point, Montalvin Manor, North Richmond, and Rollingwood.
- Asians and Pacific Islanders concentrated in the Cities of Hercules and San Ramon, unincorporated communities of Camino Tassajara and Norris Canyon, and within neighborhoods in the cities of El Cerrito and Pinole.
- Non-Hispanic White residents concentrated in the cities of Clayton, Lafayette, Orinda, and Walnut Creek; in the Town of Danville; and in the unincorporated communities of Alamo, Alhambra Valley, Bethel Island, Castle Hill, Diablo, Discovery Bay, Kensington, Knightsen, Port Costa, Reliez Valley, San Miguel, and Saranap.
- There are also concentrations of non-Hispanic Whites within specific neighborhoods in the cities of Concord, Martinez, and Pleasant Hill. In general, the areas with the greatest concentrations of non-Hispanic Whites are located in the southern portions of central Contra Costa County

Additionally, the AFFH Data viewer provides information on the proportion on non-white residents at the block group level (Map 1) and further supports the trends highlighted in the 2020 AI.



Map 1: Minority Concentrated Areas

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. With regards to 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 that further limit their housing options.

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 8 below. Though Contra Costa County has a higher percentage of population with disabilities, the county’s overall disability statistics are fairly consistent with the greater Bay Area, with ambulatory disabilities making up the greatest percentage of disabilities, followed by

independent living, cognitive, hearing, self-care, and vision disabilities. Across the Bay Area and Contra Costa County, the percentage of individuals with disabilities also increases with age, with the highest percentage of individuals being those 75 years and older. Refer to Table H-3.8 for the distribution of percentages by age.

Table H-3.8: Percentage of Populations by Disability Types

Disability Type	Contra Costa County	Bay Area*
Hearing	2.9%	2.6%
Vision	1.8%	1.7%
Cognitive	4.4%	3.9%
Ambulatory	5.9%	5.4%
Self-Care Difficulty	2.4%	2.4%
Independent Living Difficulty	5.2%	5.1%
Percentage of Total Population with Disability	10.9%	9.8%

*Bay Area refers to San Francisco-Oakland-Berkeley, CA Metro Area

Source: 2019 ACS 5-year Estimates

Table H-3.9: Percentage of Population with Disabilities by Age

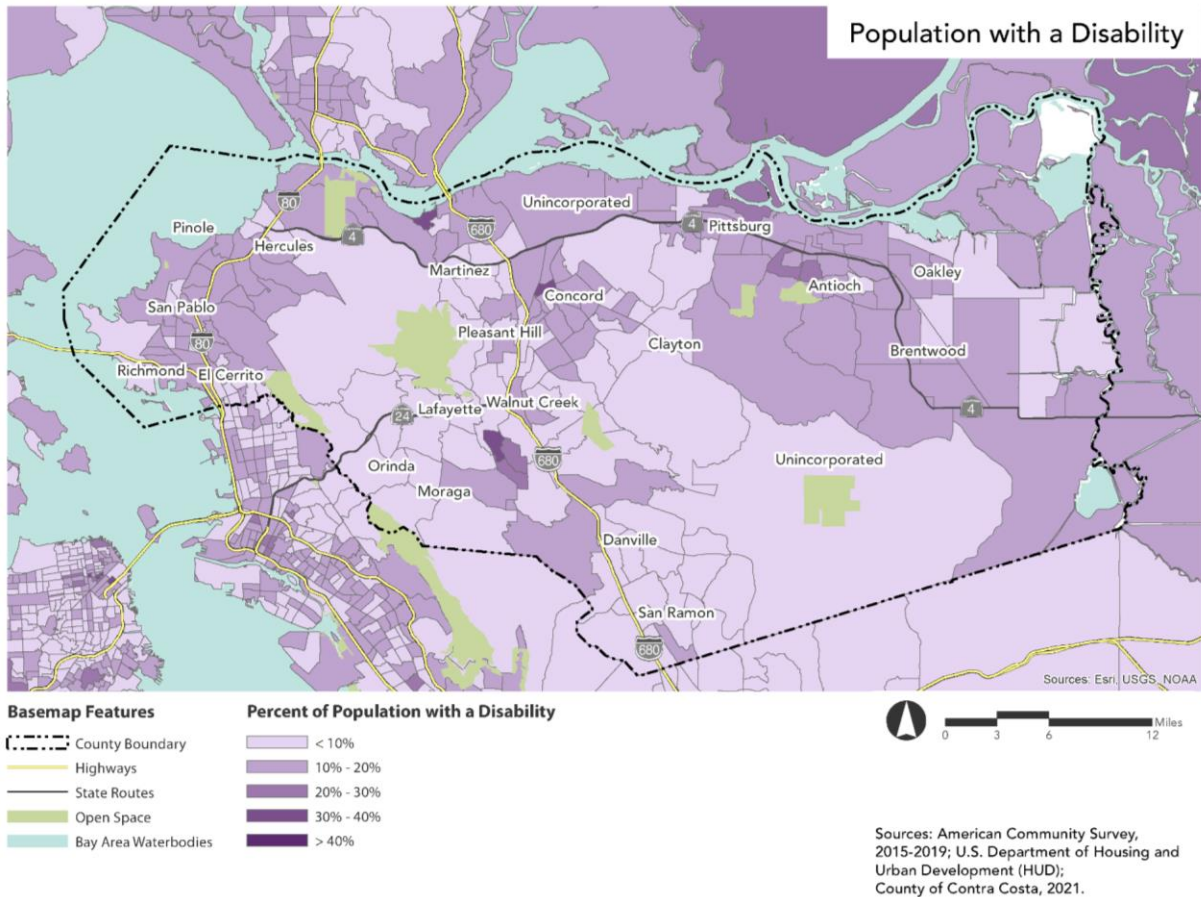
Age	Contra Costa County	Bay Area*
Under 5 years	0.8%	0.6%
5 - 17 years	4.9%	3.7%
18 - 34 years	6.2%	4.3%
35 - 64 years	9.7%	8.7%
65 - 74 years	21.5%	20.5%
75 years and over	51.2%	50.0%

*Bay Area refers to San Francisco-Oakland-Berkeley, CA Metro Area

Source: 2019 ACS 5-year Estimates

In terms of geographic dispersal, there is a relatively homogenous dispersal of persons with disability, 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 population with disabilities increases to 10–20%. Pockets where over 40% of the population has disabilities can be observed around Martinez, Concord, and the outskirts of Lafayette. Comparing Map 2 and Map 6, note that 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 use of HCVs do 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.



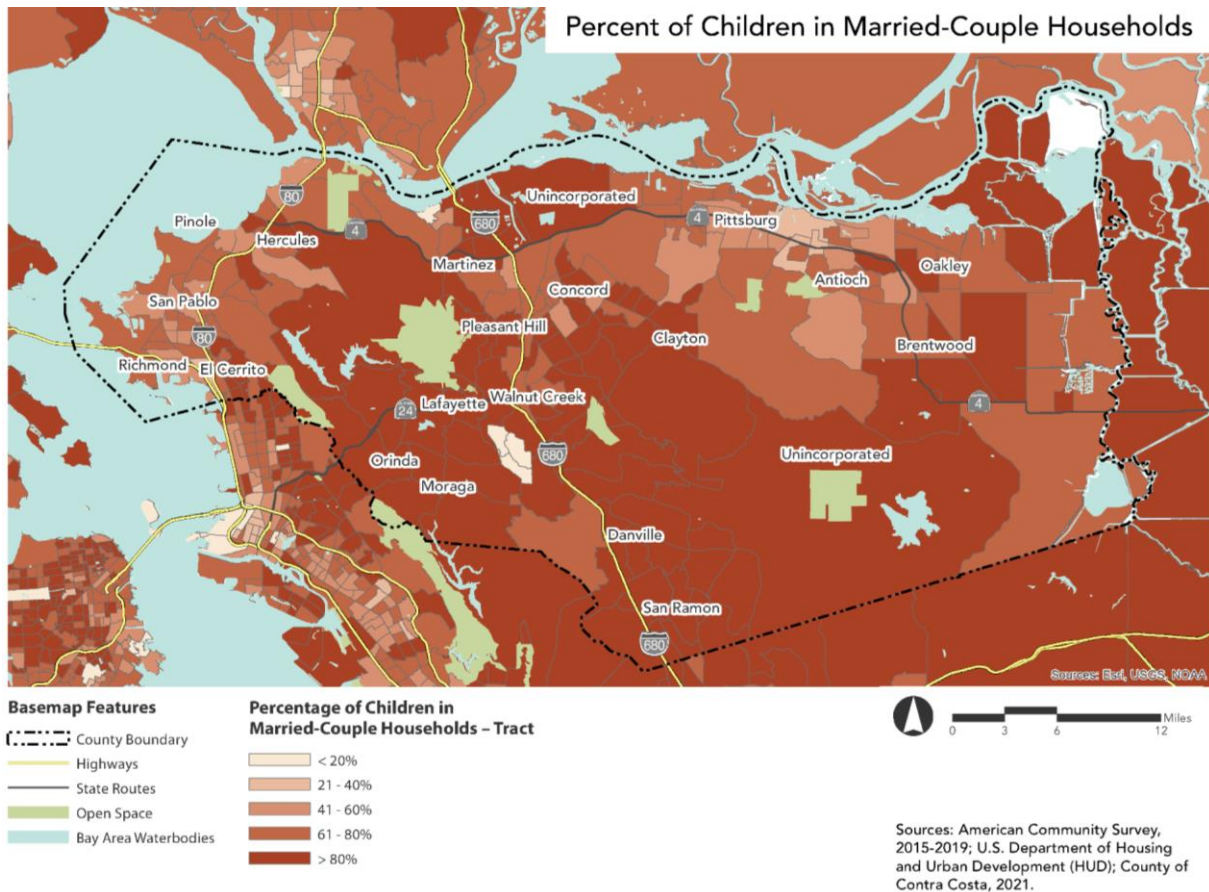
Map 2: Distribution of Population with a Disability

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

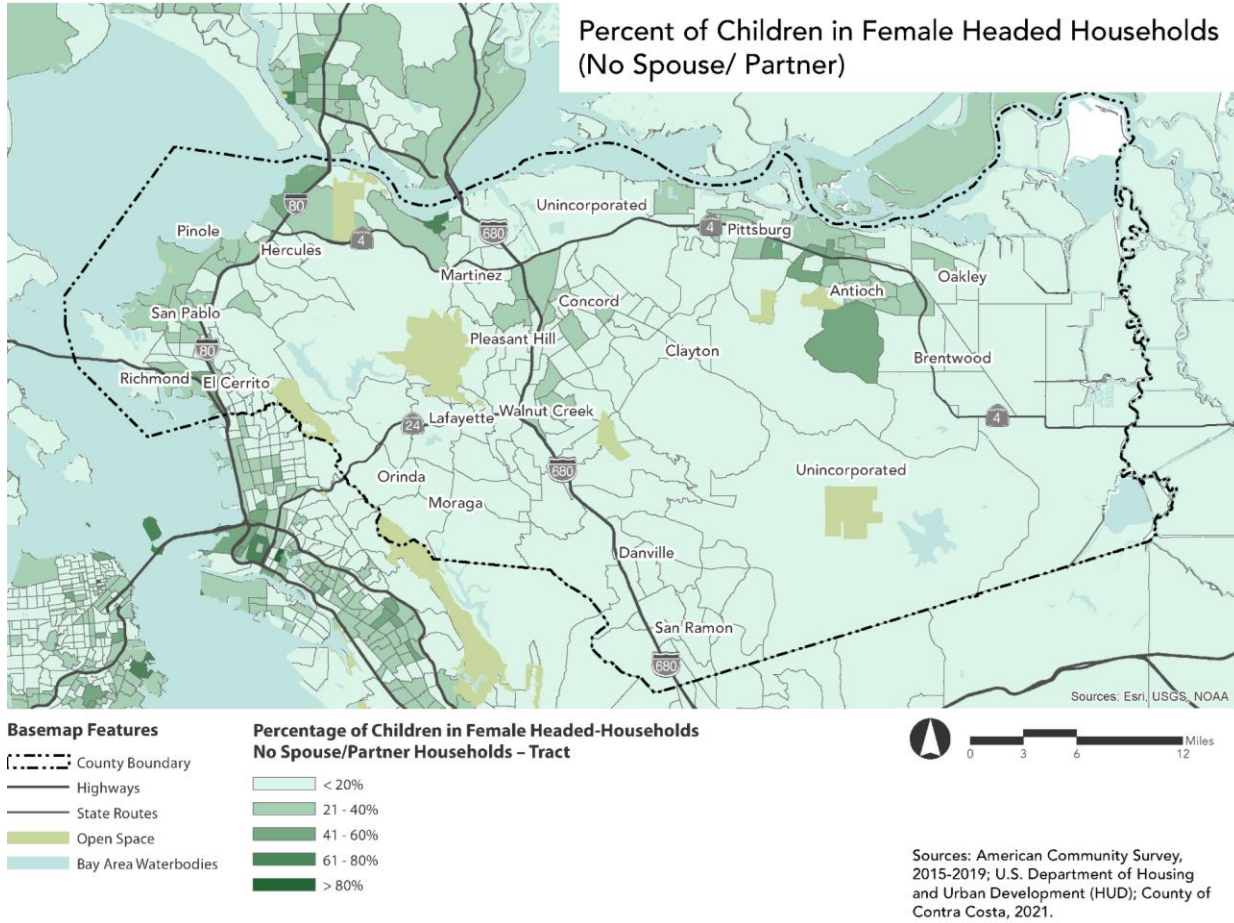
are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.



Map 3: Distribution of Percentage of Children in Married-Couple Households

Map 3 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 exceeds 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 located between Pittsburg and Antioch.

Map 4 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 to the 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.

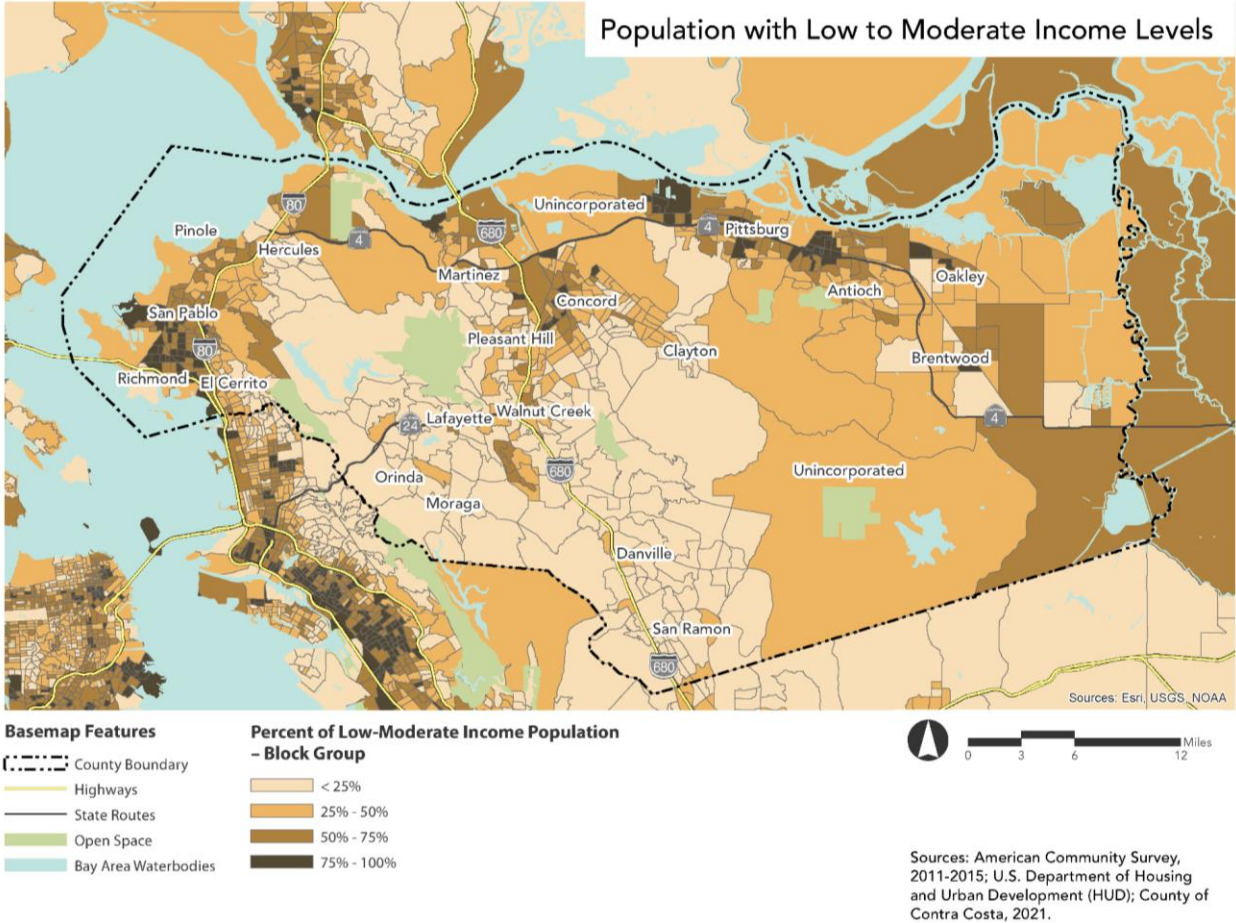


Map 4: Distribution of Percentage of Children in Female-Headed, No-Spouse or No-Partner Households

Income Level

Each year, the HUD receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. 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 certain housing problems and have income low enough to qualify for HUD’s programs (primarily 30, 50, and 80 percent of median income). HUD defines a Low to Moderate Income (LMI) area as a census tract or block group where over 51 percent of the population is LMI (based on HUD income definition of up to 80 percent of the Area Median Income).

Map 5 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 LMI population around Concord. Other areas of the county have a moderate percentage of LMI population (25–75%).



Map 5: Distribution of Percentage of Population with Low to Moderate Income Levels

Table H-3.10 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 H-3.10: Households by Income Category and Tenure in Contra Costa County

Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	7.53%	26.95%	14.40%
Household Income >30% to <=50% HAMFI	8.85%	17.09%	11.76%
Household Income >50% to <=80% HAMFI	11.12%	15.16%	12.55%
Household Income >80% to <=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

Housing Choice Vouchers (HCV)

Housing Choice Vouchers (HCV) are a form of HUD rental subsidy issued to a low-income household that promises 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

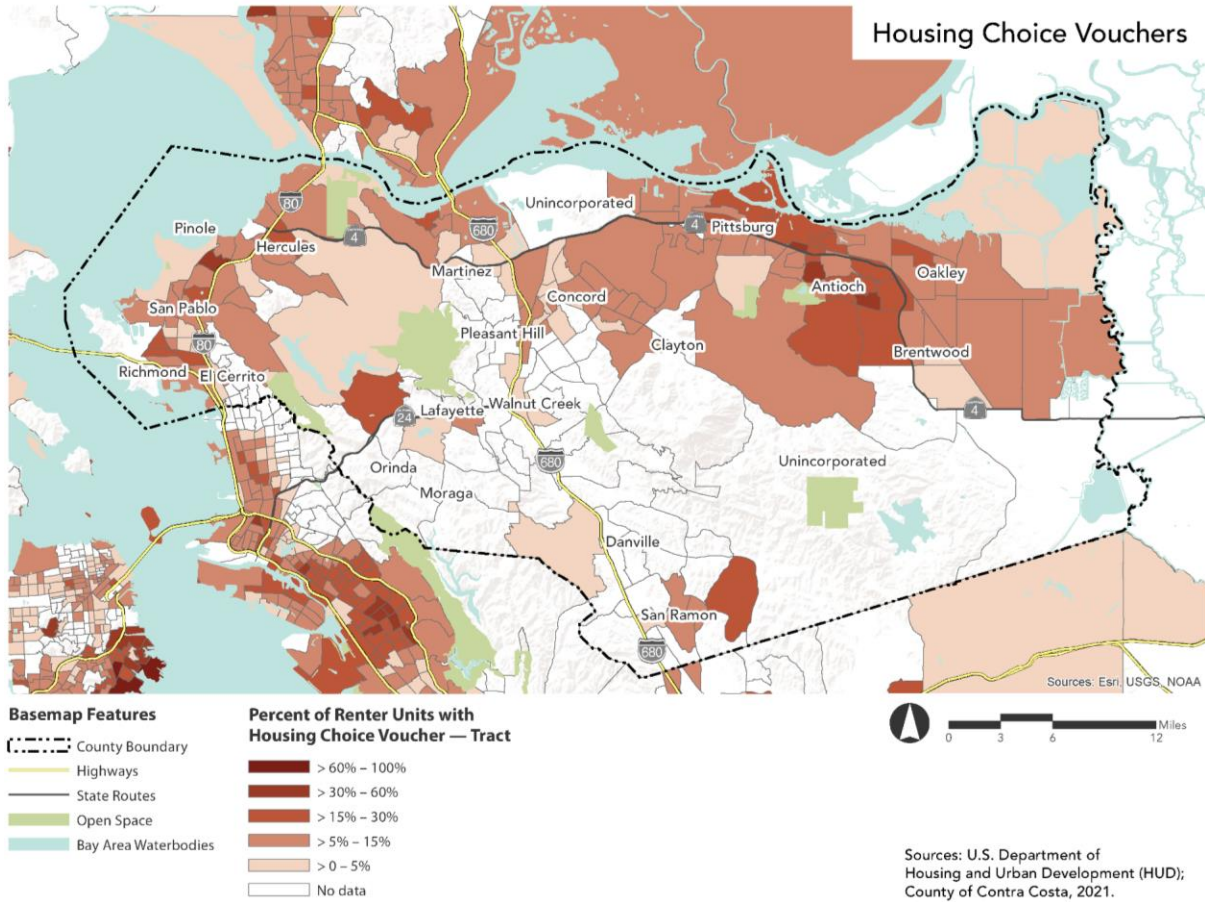
An analysis of the trends in HCV concentration can be useful in examining the success of the program in improving the living conditions and quality of life of its holders. One of the objectives of the HCV program is to encourage participants to avoid high-poverty neighborhoods and to encourage the recruitment 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.

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.

The HCV program serves as a mechanism for bringing otherwise unaffordable housing within reach of low-income populations. With reference to Map 6, 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.

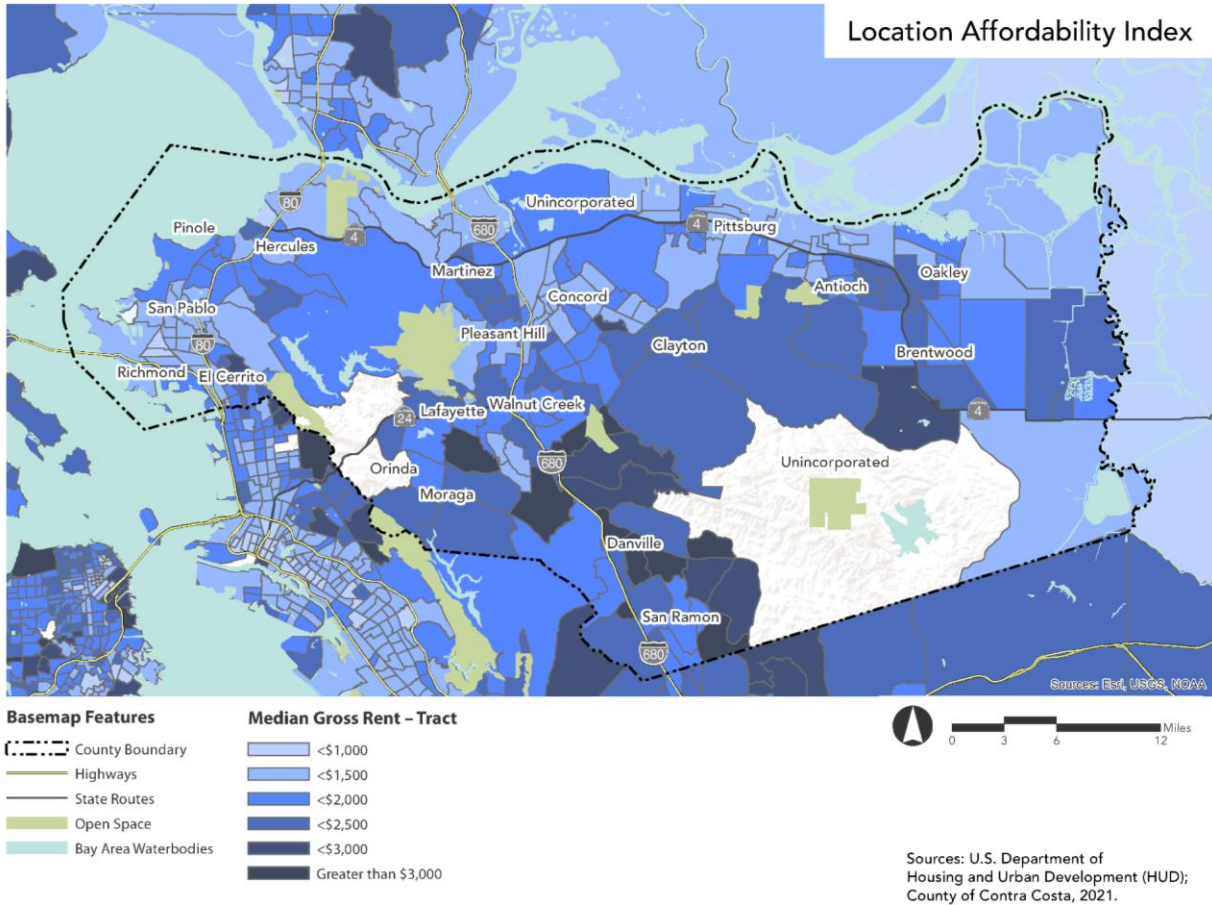


Map 6: Distribution of Percentage of Renter Units with Housing Choice Vouchers

Map 7 shows the Location Affordability Index in Contra Costa County. 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 percent or less of your family’s income on housing, but this fails to account for transportation costs. One reason is that 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 1930’s American households spent just 8 percent 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 percent in 2003.

In Contra Costa County, we see that the majority of the county has a median gross rent of \$2,000–\$2,500. Central Contra County (areas between Danville and Walnut Creek) have the highest rents around \$3,000 or more. The most affordable tracts in the county are along the perimeter of the County in cities like Richmond, San Pablo, Pittsburg, and Martinez.



Map 7: Location Affordability Index

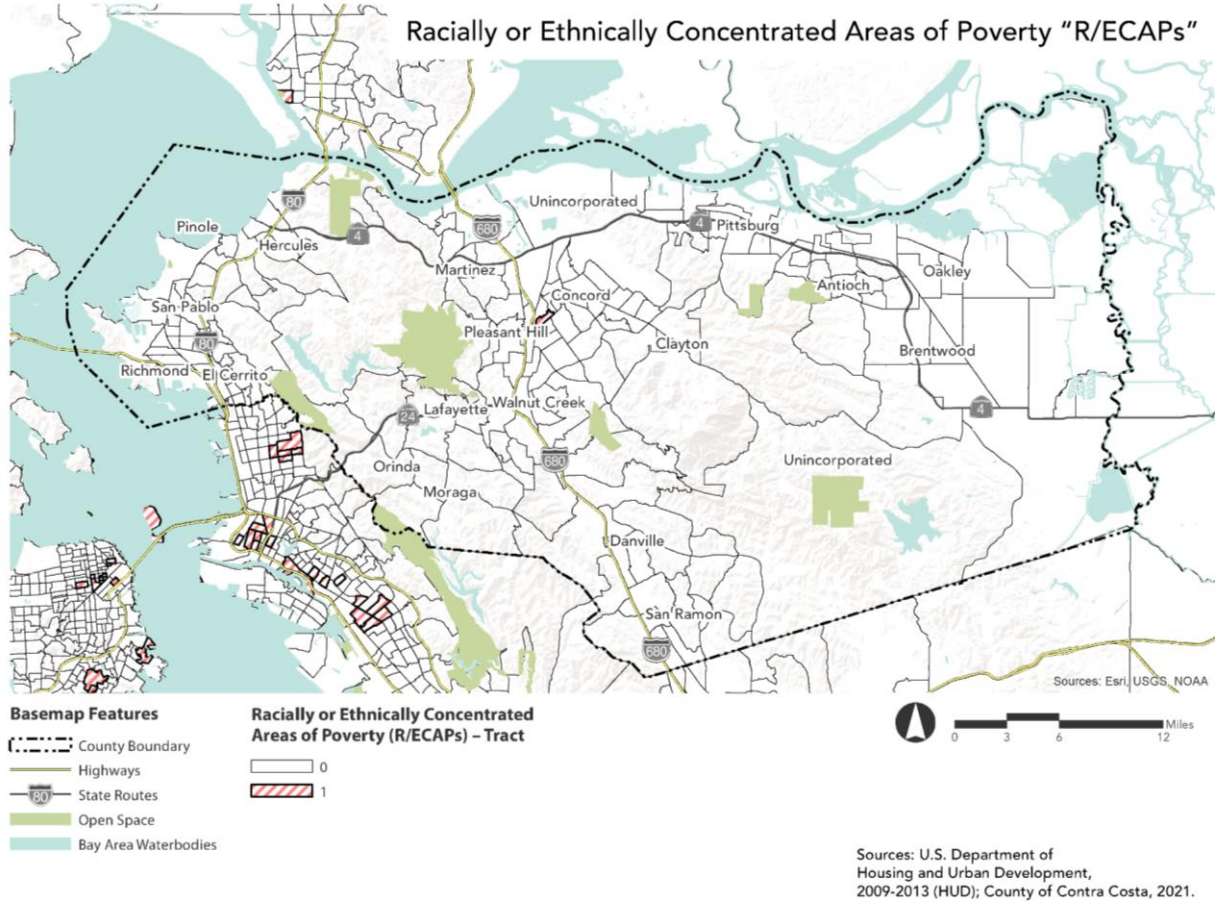
Racially and Ethnically Concentrated Areas

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.

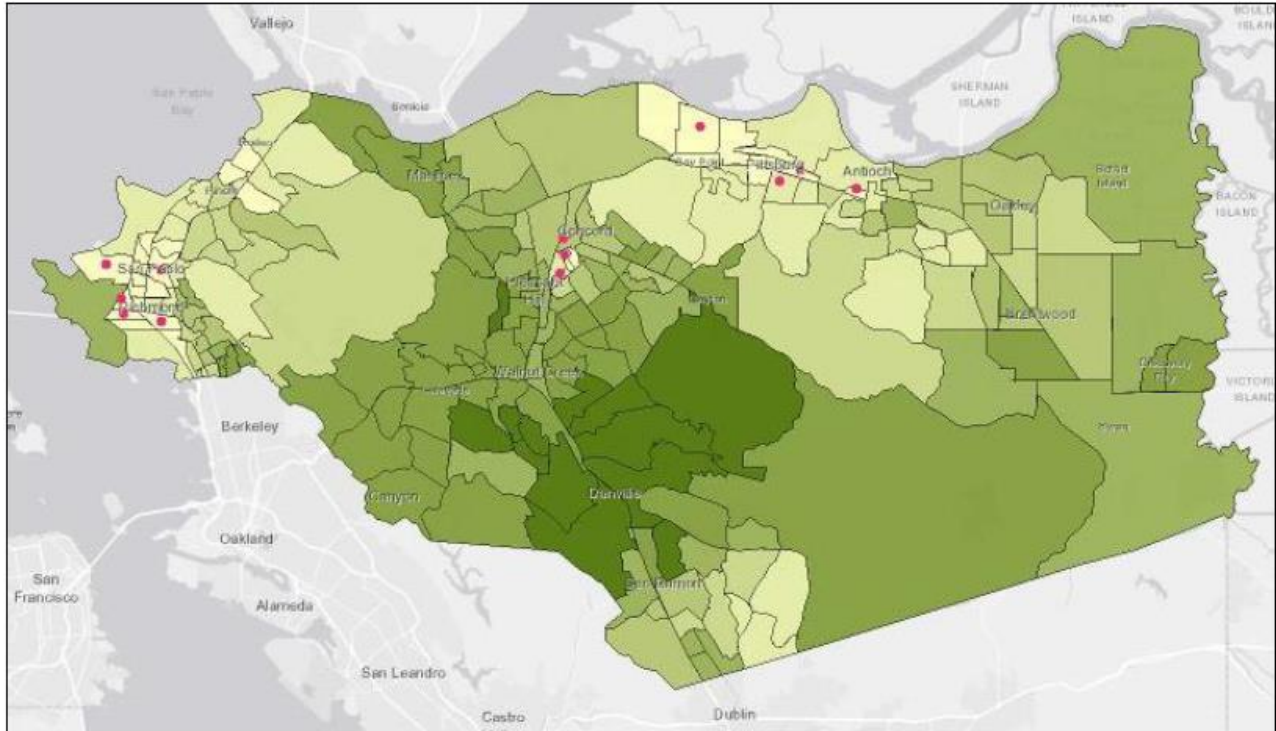
In Contra Costa County, the only area that meets the official definition of a R/ECAP is Monument Corridor in Concord (highlighted with red stripes in Map 8 below).



Map 8: 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 not suitable 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 percent or more. Under this definition, twelve other census tracts would qualify as R/ECAPs in the areas of Antioch, Bay Point, Concord, Pittsburg, North Richmond, Richmond, and San Pablo (Refer to Map 9).



Map 9: Expanded R/ECAPs in Contra Costa County

Source: Contra Costa County Analysis of Impediments to Fair Housing Choice January 2020-2025 (2020 AI).

Note: The 2020 AI does not provide a legend for the map shown above nor does it name the specific 12 additional R/ECAPs identified. The map shows the general location of the expanded R/ECAPs identified in the County.

- Antioch: One R/ECAP located between Highway 4 (on the southern end) and railroad tracks (on the northern end). Somerville Road and L Street form the eastern and western boundaries.
- Bay Point: One R/ECAP located north of Willow Pass Road and goes all the way to the water. It is roughly bounded to the east by Loftus Road and the west by Port Chicago Highway.
- Concord: Three R/ECAPS that share borders with each other. They are all located in the Monument Corridor area of Concord and include the one official R/ECAP identified through the HUD AFFH Data and Mapping Tool. The R/ECAPs are roughly bounded by Highway 242 to the west, and Monument Boulevard to the east.
- Pittsburg: Two R/ECAPS that border each other. The northern R/ECAP is bounded by E. 14th Street to the north and Highway 4 to the south. The other R/ECAP, immediately to the south of the first, is similarly bounded by Highway 4 to the north and Buchanan Road to the south. It is bounded by Railroad Avenue to the west.
- North Richmond: One R/ECAP with Giant Road as its eastern boundary. It lies between W. Gertrude Avenue to the south and Parr Boulevard to the north. The census tract extends all the way to the water on the west side.

- Richmond: Three R/ECAPs roughly located within the Iron Triangle area. Two of the R/ECAPs are stacked on top of each other and form a triangle shape. The southern border aligns with Ohio Avenue, and sides of the triangle area bounded by Richmond Parkway to the west, and the railroad tracks along Carlson Boulevard to the east. The third R/ECAP is directly to the east of the other two. It extends roughly to Highway 80 on its eastern side, and the southern border is formed by Cutting Boulevard. The western boundary is shared with the other two R/ECAPs, and is formed by the railroad tracks along Carlson Boulevard. The northern boundary roughly aligns with Macdonald Avenue.
- San Pablo: One R/ECAP bounded by Highway 80 to the east, and El Portal Road to the north. The western boundary is formed by San Pablo Avenue and 23rd Street. The southern boundary roughly traces the San Pablo city boundary

According to the 2012-2016 American Community Survey, 69,326 people lived in these expanded R/ECAPs, representing 6.3 percent 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, significantly higher than neighboring metropolitan areas of San Francisco, Oakland, and Hayward. To those already living in poverty, the higher rate of dependent children in their households would translate to a greater strain on their resources.

Racially Concentrated Areas of Affluence (RCAAs)

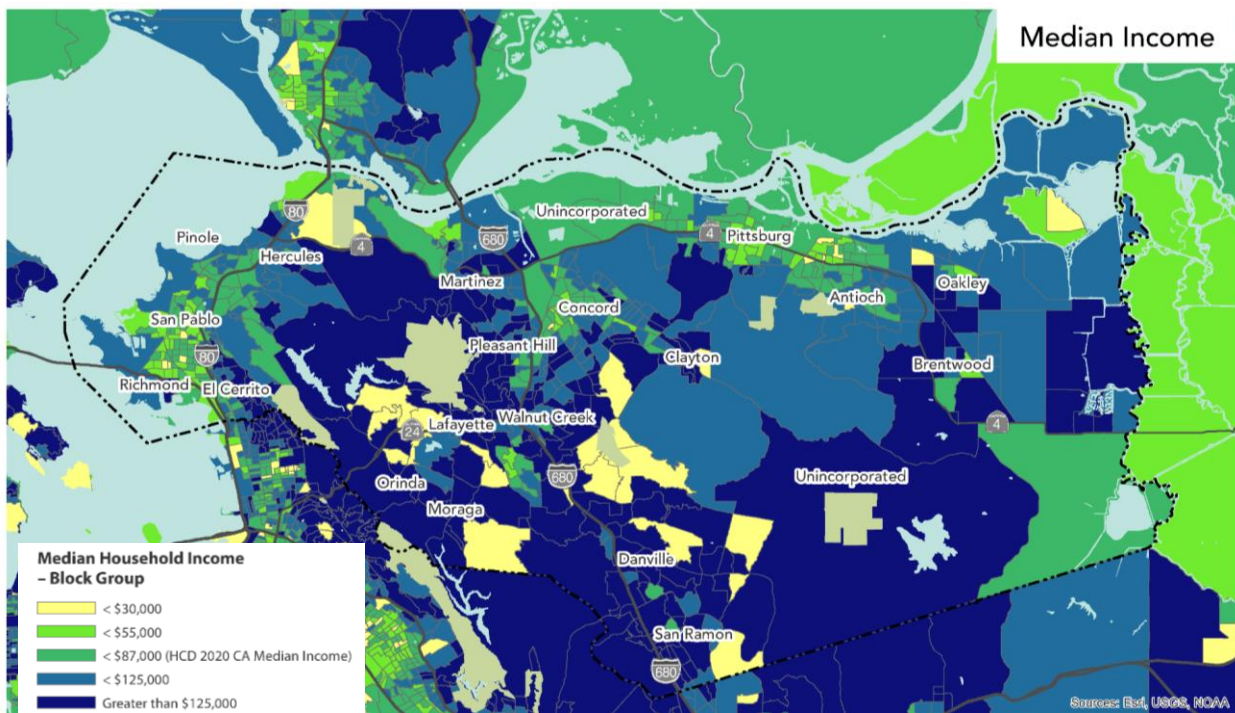
Racially Concentrated Areas of Affluence (RCAAs) are defined by the HUD as communities with a large proportion of affluent and non-Hispanic White residents. According to a policy paper published by the HUD, non-Hispanic Whites are the most racially segregated group in the United States. In the same way neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color, distinct advantages are associated with residence in affluent, White communities. RCAAs are currently not available for mapping on the AFFH Data Viewer. As such, 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 percent 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).

By cross-referencing Map 1 and Map 10, we can see a string of RCAAs running from Danville to Lafayette and that tapers off towards Walnut Creek. This aligns with the cities' racial demographic and median income (summarized in Table 11 below). Although not all census tracts/block groups meet the criteria to qualify as RCAAs, there is a tendency for census block groups with higher white populations to have higher median incomes throughout the county.

Table H-3.11: White Population and Median Household Income of RCAAs in Contra Costa County

City	White Population	Median Household Income (2019)
Danville	80.53%	\$160,808
Lafayette	81.23%	\$178,889
Walnut Creek	74.05%	\$105,948

Source: DataUSA.io (2019)



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

Map 10: Median Household Income in Contra Costa County

Access to Opportunity

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 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 in turn 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 0–1 for each domain by census tracts where higher scores indicate higher “access” to the domain or higher “outcomes.” Refer to Table 12 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 H-3.12: 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

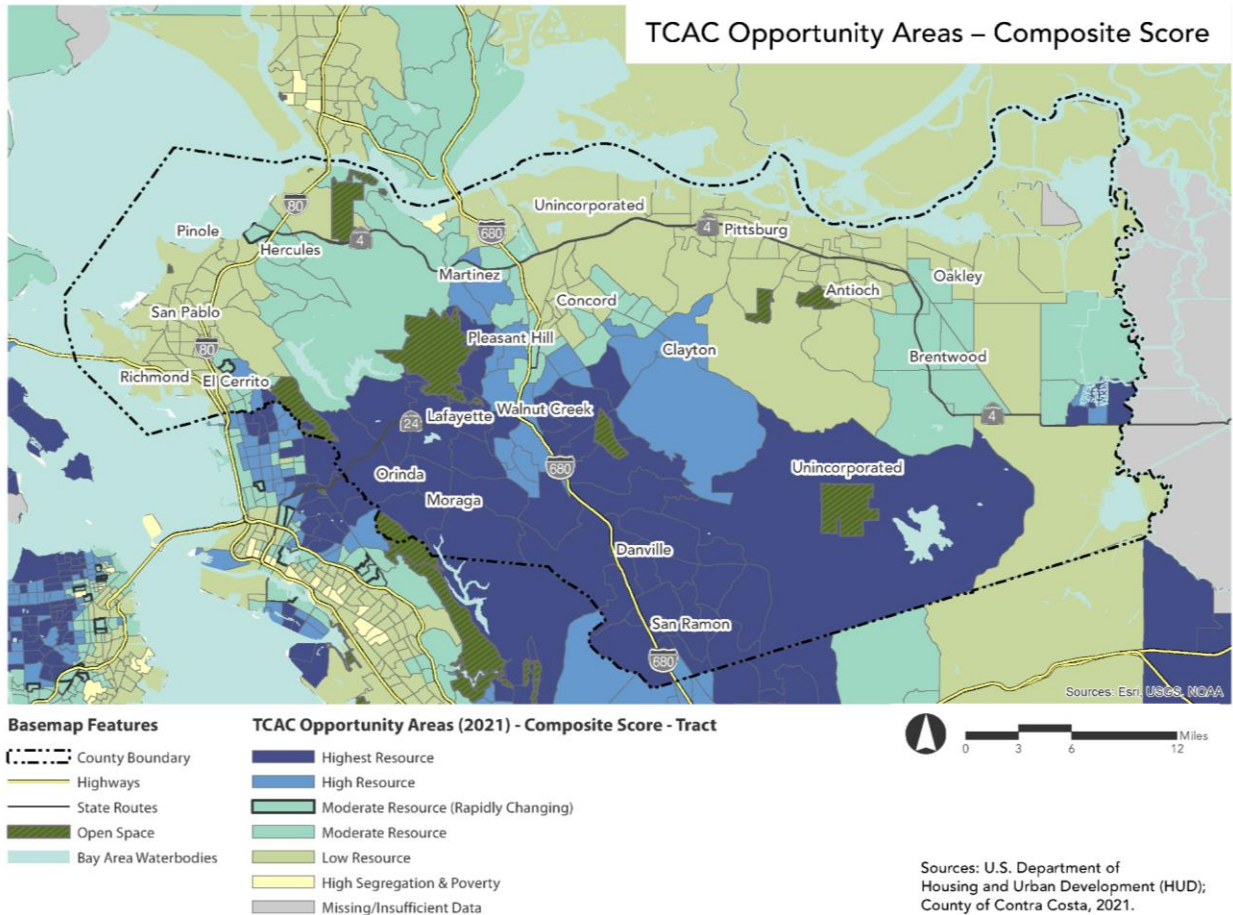
Source: California Fair Housing Task Force, Methodology for the 2021 TCAC/HCD Opportunity Maps, December 2020

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 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.

Map 11 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: Composite Score of TCAC Opportunity Areas in Contra Costa County

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 13 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 3-person single-parent family with income at 50 percent 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 3-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 H-3.13 Opportunity Indices in Contra Costa County

Index	School Proficiency	Transit Trip	Low Transportation Cost	Labor Market	Jobs Proximity	Environmental Health
Contra Costa County						
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
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

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

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

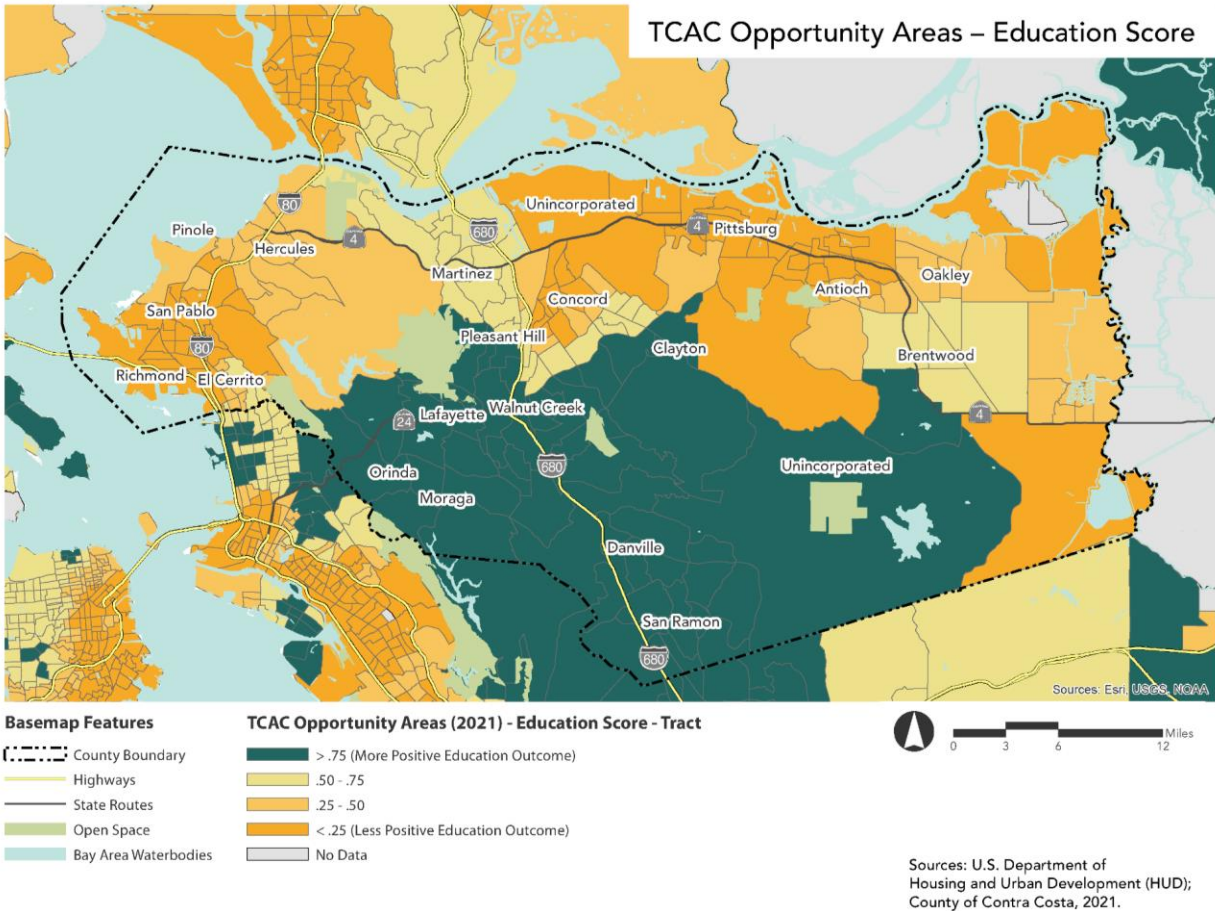
Education

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 reflect student demographics, in that 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.

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.

There are 19 public school districts in Contra Costa County, in addition to 124 private schools and 19 charter schools. Map 12 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 and Map 12 reveals that areas with lower education scores correspond with areas with lower income households (largely composed of minorities) and vice versa. With reference to Table 13, we also see that index values for school proficiency are higher for White residents, indicating a greater access to high quality schools regardless of poverty status.



Map 12: TCAC Opportunity Areas’ Education Score in Contra Costa County

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.

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, commonly 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. BART is an important form of transportation that helps provide Contra Costa County residents access to jobs and services in other parts of the Bay Area. The Capitol Corridor route provides rail service between San Jose and Sacramento and serves commuters in Martinez and Richmond.

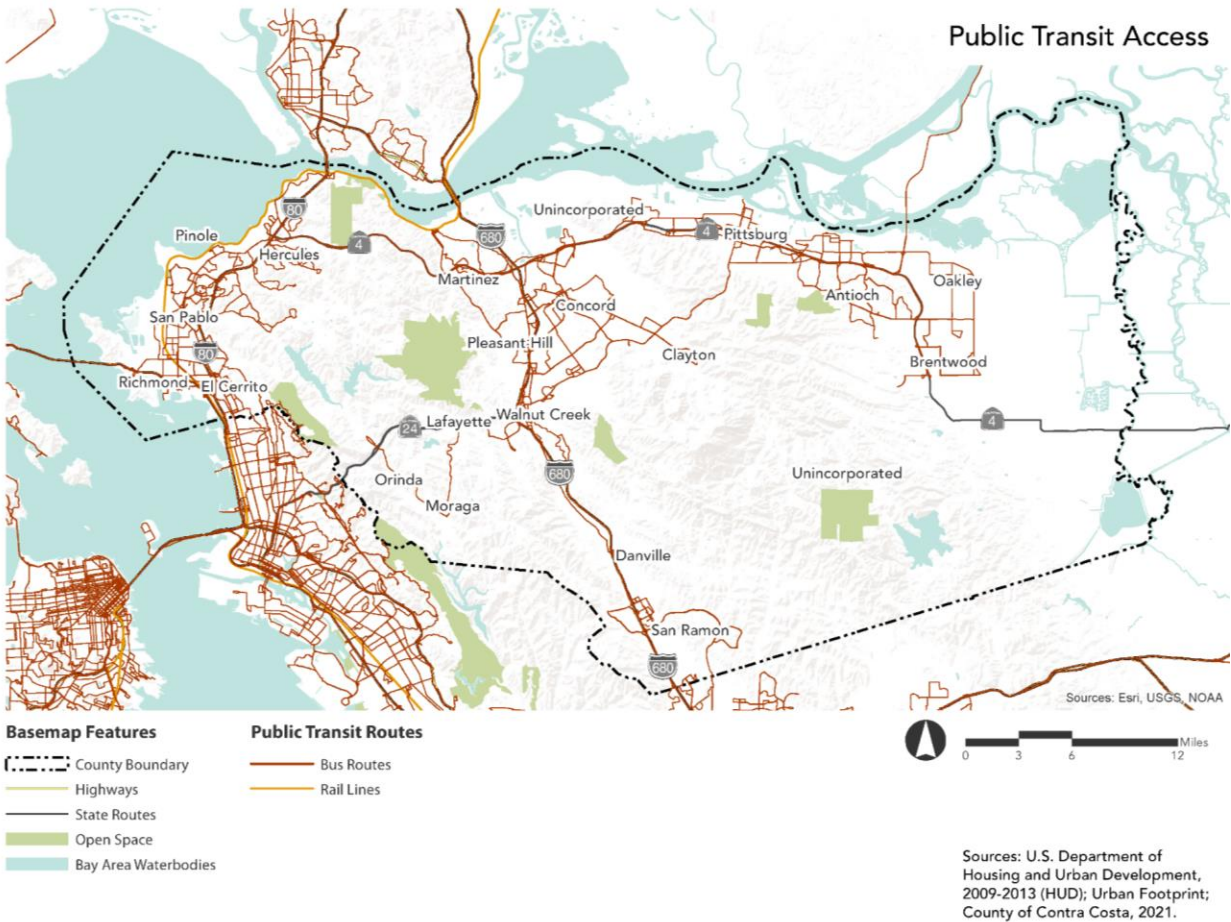
In contrast to rail transportation, bus service is much more fragmented in the County and regionally. Several different bus systems including Tri-Delta Transit, AC Transit, County Connection, and WestCat provide local service in different sections of the County. In the Bay Area, there are 18 different agencies that provide bus service. 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. For example, an East Bay Regional Local 31-Day bus pass is valid on County Connection, Tri-Delta Transit, and WestCAT, but cannot be used on AC Transit. Additionally, these bus systems often do not have frequent service. In central Contra Costa, County Connection buses may run as infrequently as every 45 to 60 minutes on some routes.

Within Contra Costa, 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 serve 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)

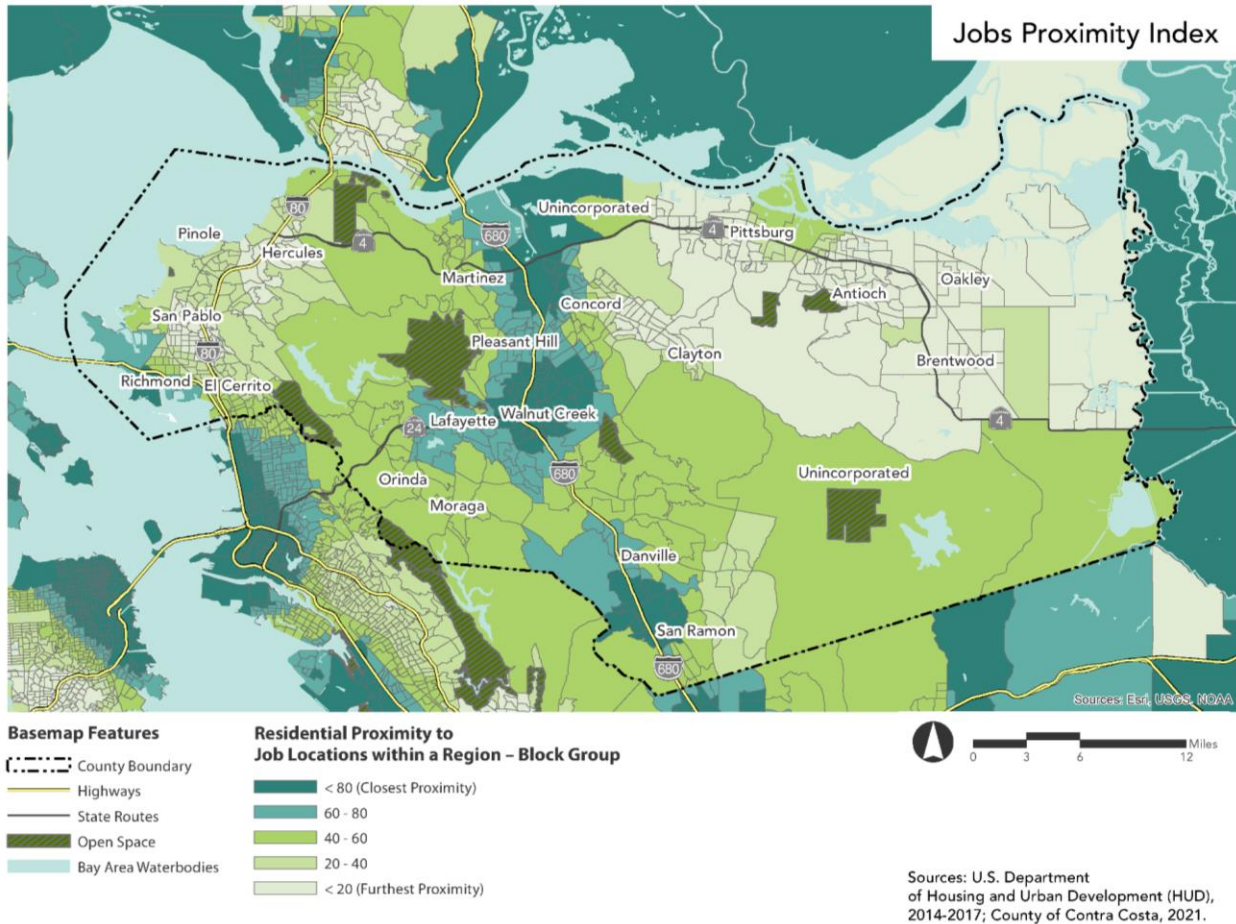


Map 13: Public Transit Routes in Contra Costa County

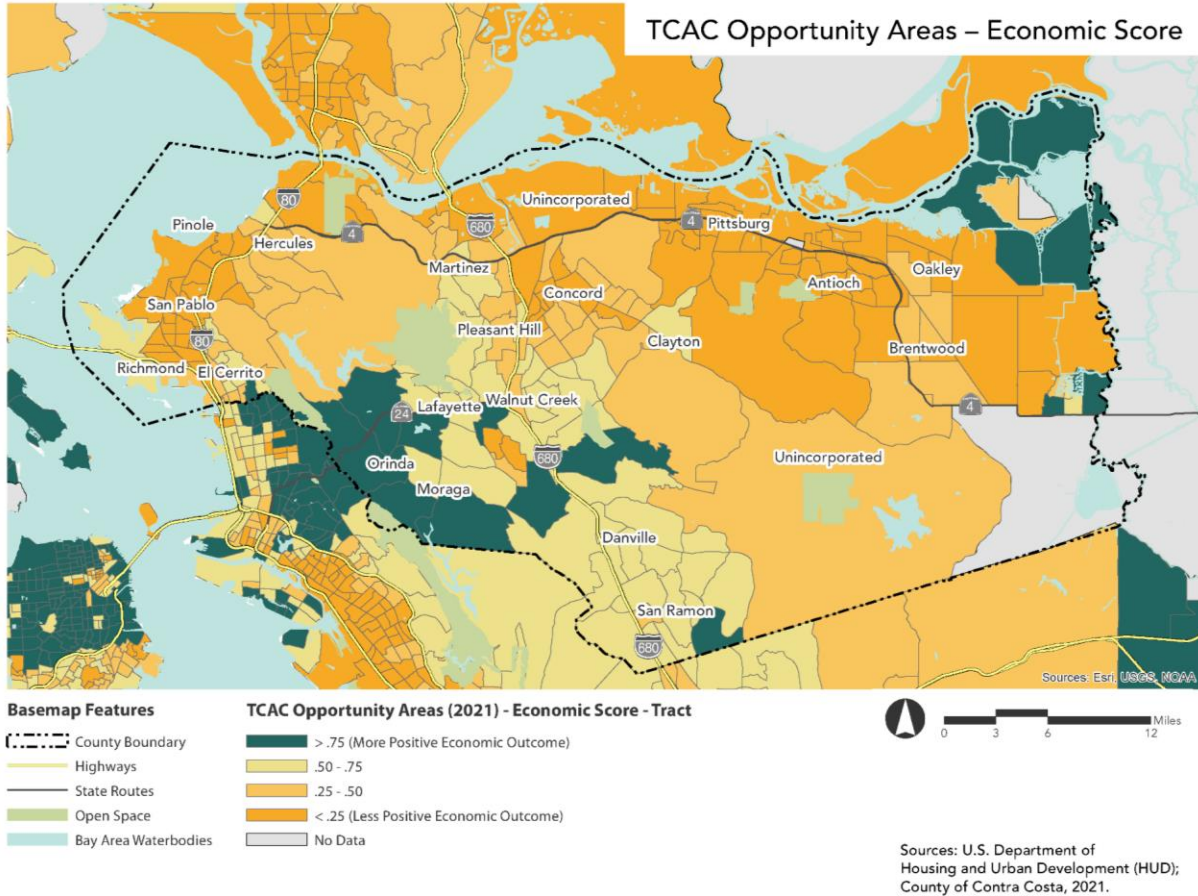
Economic Development

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.

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 13 for a full list of indices). Map 14 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 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.



Map 14: Residential Proximity to Job Locations in Contra Costa County



Map 15: TCAC Opportunity Areas’ Economic Score in Contra Costa County

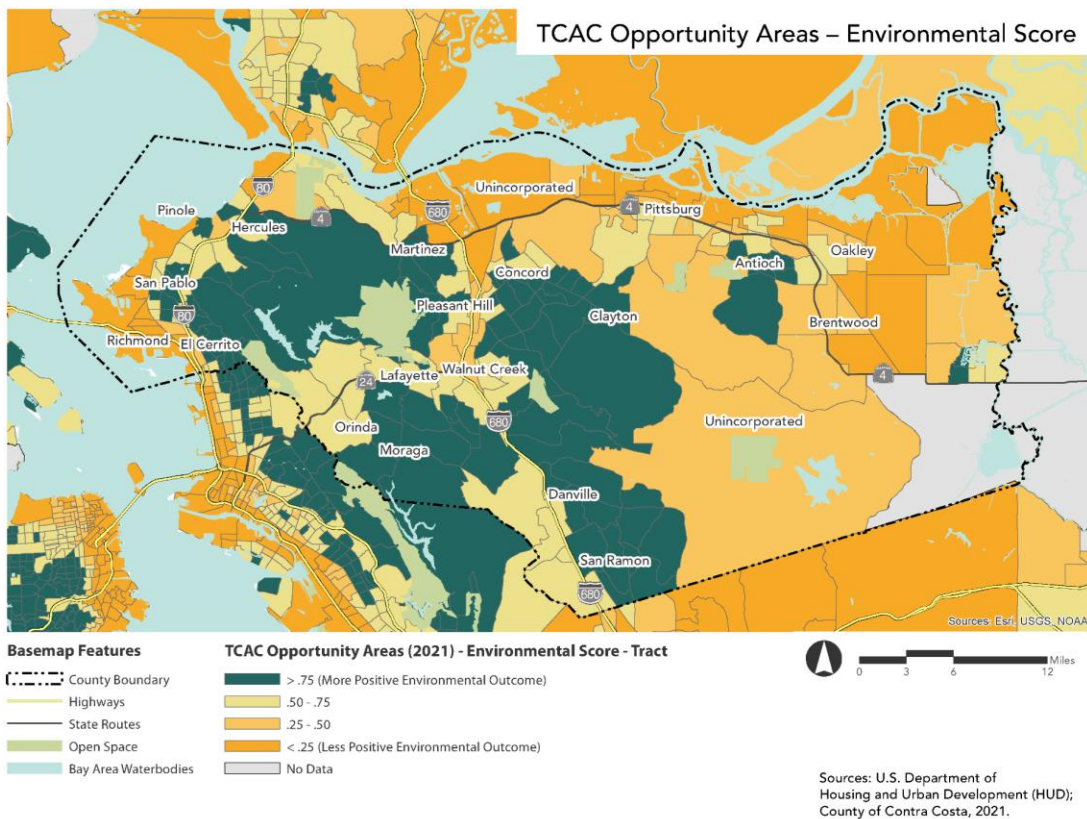
Environment

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 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 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.

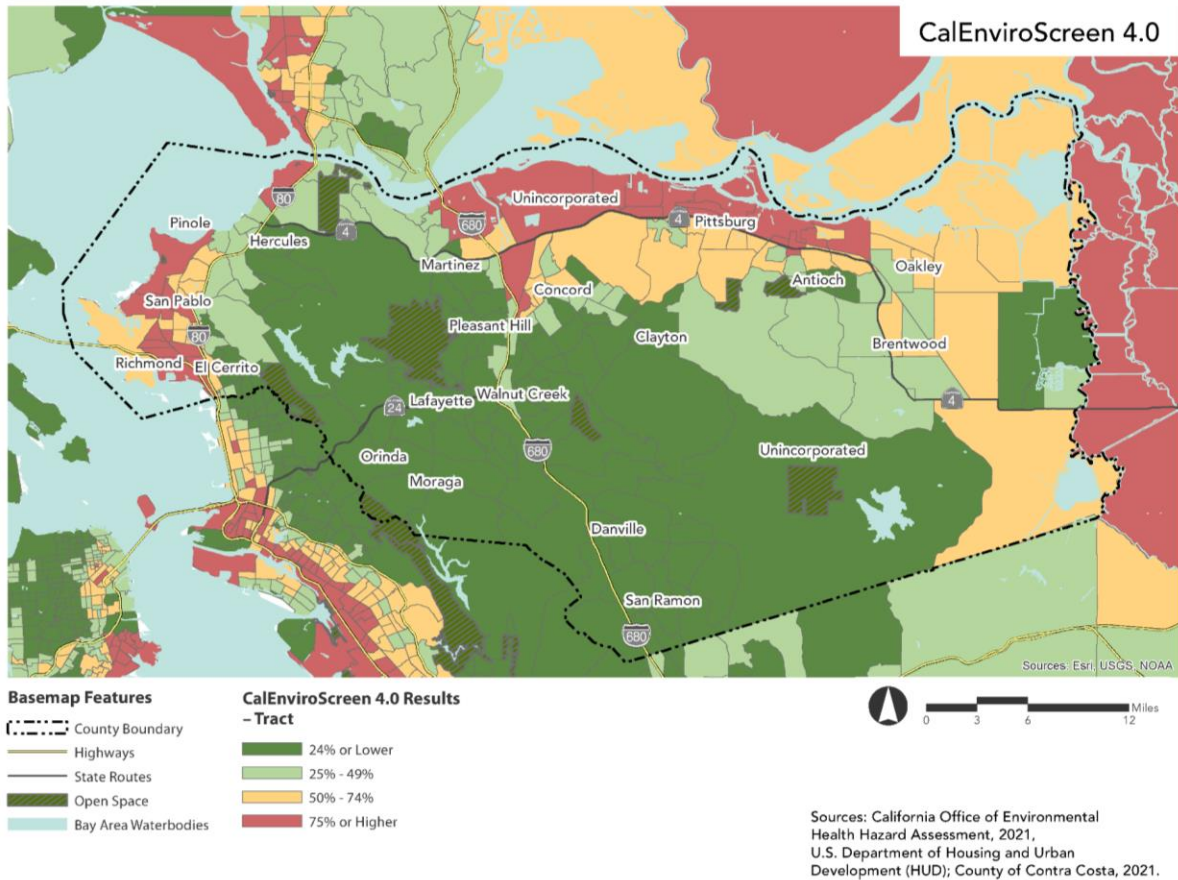
The California Office of Environmental Health Hazard Assessment (OEHHA) compiles these scores to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous 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.

Map 16 below 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 face vulnerability due to socioeconomic factors. The highest scoring 25 percent 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: TCAC Opportunity Areas’ Economic Score in Contra Costa County

Map 17 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 have relatively low scores. From central Contra Costa County, we see an almost radial gradient effect of green to red (least to most pollution).



Map 17: CalEnviroScreen 4.0 Results in Contra Costa County

Health and Recreation

Residents should have the opportunity to live a healthy life and live in healthy communities. 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.

Map 18 shows the HPI percentile score distributions for Contra Costa County. The majority of the County falls in the highest quartile, indicating more healthy conditions. Cities with the lowest percentile ranking, which indicates the least healthy conditions, include Pittsburg, San Pablo, and Richmond.

Map 18: Healthy Places Index in Contra Costa County [to be included in future drafts]

Home Loans

A key aspect of fair housing choice is equal access to credit for the purchase or improvement of a home, particularly considering the continued impacts of the lending/credit crisis. In the past, credit market distortions and other activities such as “redlining” were prevalent and prevented some groups from having equal access to credit. The Community Reinvestment Act (CRA) in 1977 and the subsequent Home Mortgage Disclosure Act (HMDA) were designed to improve access to credit for all members of the community and hold the lender industry responsible for community lending. Under HMDA, lenders are required to disclose information on the disposition of home loan applications and on the race or national origin, gender, and annual income of loan applicants.

However, lending discrimination continues to be a contributing factor to disproportionate housing needs, as class groups who struggle to obtain access to loans are more likely to experience housing problems such as cost burdens, overcrowding, and substandard housing, and to be renters rather than homeowners. When banks and other financial institutions deny loan applications from people of color, they are less likely to achieve home ownership and instead must turn to the rental market. As Contra Costa’s rental housing market grows increasingly unaffordable, Blacks and Hispanics are disproportionately impacted. Table H-3.14 below shows that home loan applications by Black/Hispanic/Latino individuals are uniformly denied at higher rates than those of Whites or Asians. Because blacks and Hispanics in the region are denied loans at far higher rights than white and Asians, their families are far more likely to have less access to quality education, healthcare, and employment.

When minorities are unable to obtain loans, they are far more likely to be relegated to certain areas of the community. While *de jure* segregation (segregation that is created and enforced by the law) is currently illegal, the drastic difference in loans denied between whites and minorities perpetuates *de facto* segregation, which is segregation that is not created by the law, but which forms a pattern as a result of various outside factors, including former laws.

Table H-3.14: Home Loan Application Denial Rates by Race/Ethnicity in Contra Costa County

Race/ Ethnicity	FHA, FSA/RHA, and VA Home– Purchase Loans	Conventional Home- Purchase Loans	Refinance Loans	Home Improvement Loans	Multi-Family Homes
White, non-Hispanic	9.2%	8.0%	16.6%	19.5%	9.5%

Table H-3.14: Home Loan Application Denial Rates by Race/Ethnicity in Contra Costa County

Race/ Ethnicity	FHA, FSA/RHA, and VA Home- Purchase Loans	Conventional Home- Purchase Loans	Refinance Loans	Home Improvement Loans	Multi-Family Homes
Black, non- Hispanic	14.8%	13.5%	27.1%	34.6%	29.4%
Asian, non- Hispanic	13.1%	9.8%	15.2%	19.3%	12.3%
Hispanic	11.3%	12.0%	22.3%	31.0%	28.6%

Source: Contra Costa County AI (2020)

Disproportionate Housing Needs

Disproportionate housing needs generally refers 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 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 percent of gross income;
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income;
- Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom)

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 H-3.15 lists the demographics of households with housing problems in the County.

Table H-3.15: Demographics of Households with Housing Problems in Contra Costa County

	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	375,697	164,933	43.90%	84,938	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 H-3.16 lists the number of households with housing problems according to household type.

Table H-3.16: Household Type & Size

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 (Overpayment)

Housing cost burden, or overpayment, is defined as households paying 30 percent 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.

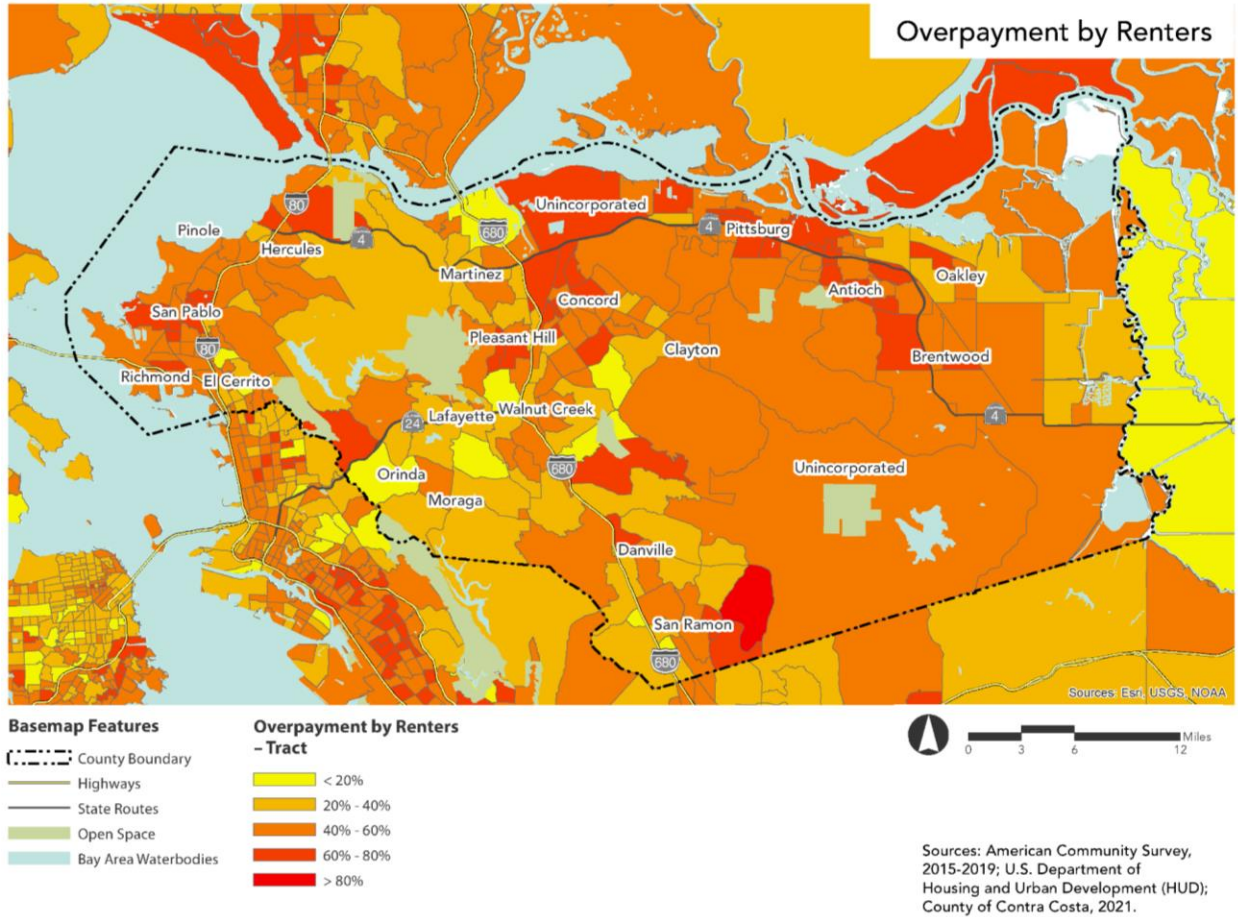
As presented in Table H-3.17, almost 52% of all household's experience cost burdens. Renters experience cost burdens at higher rates than owners (72.80% compared to 40.60%).

Table H-3.17: Households that Experience Cost Burden by Tenure in Contra Costa County

Total Number of Households		Cost burden > 30%	Cost burden > 50%	Percentage of Households that Experience Cost Burden
Owners Only	257,530	74,545	30,010	40.60%
Renters Only	134,750	65,055	33,040	72.80%
All Households	392,280	139,600	63,050	51.66%

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

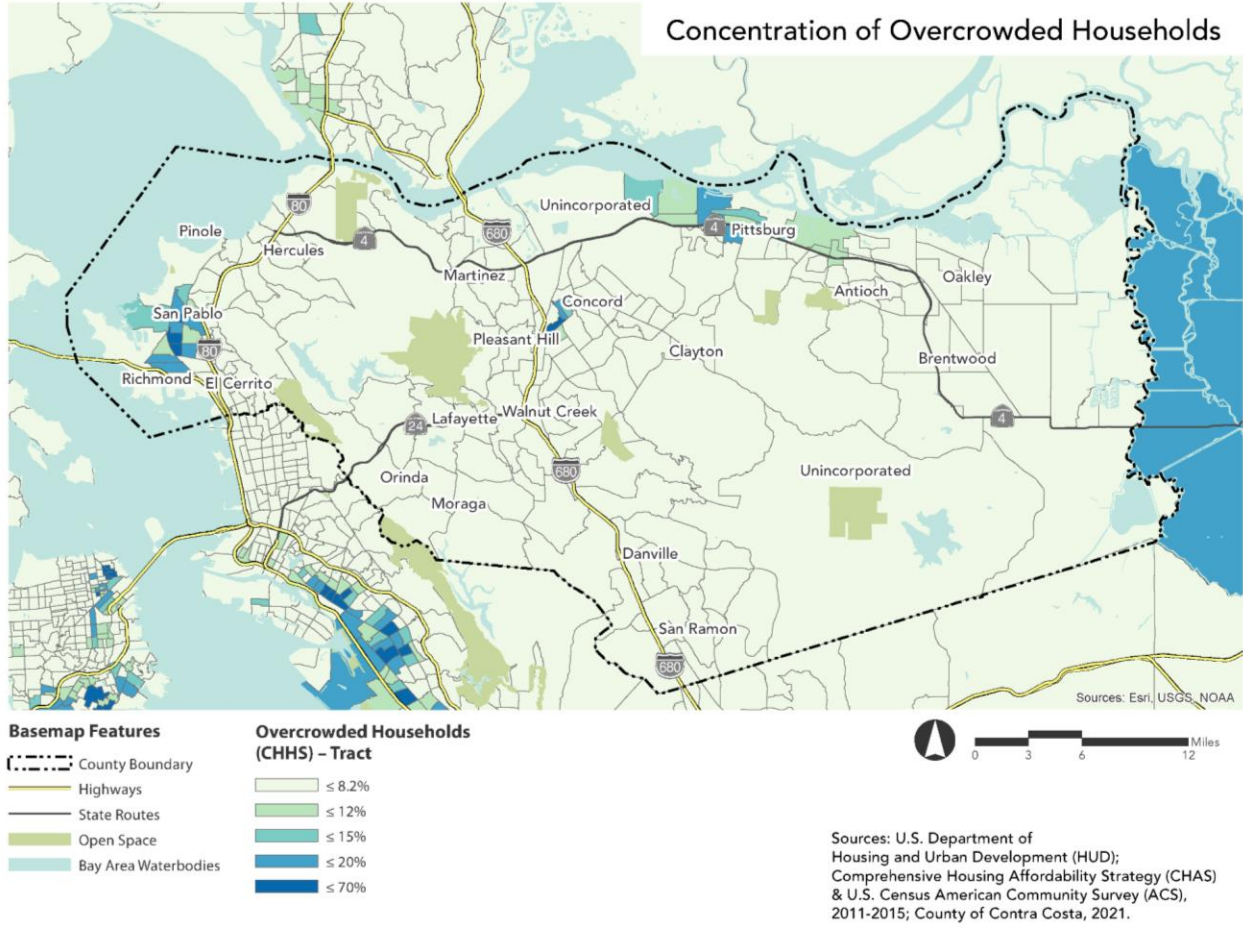
Referring to Map 19, we see concentrations of cost burdened renter households in and around San Pablo, Pittsburg, Antioch, west Brentwood and Oakley, East San Ramon, and northern parts of Concord towards unincorporated areas. In these tracts, over 80% of renters experience cost burdens. The majority of east Contra Costa has 60 to 80% of renter households that experience cost burdens; west Contra Costa 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 percent of renter households experience cost burdens.



Map 19: Distribution of Percentage of Overpayment by Renters in Contra Costa County

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). Map 20 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: Distribution of Percentage of Overcrowded Households in Contra Costa County

Substandard Conditions

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. According to 2015–2019 ACS estimates, shown in Table H-3.18, 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.

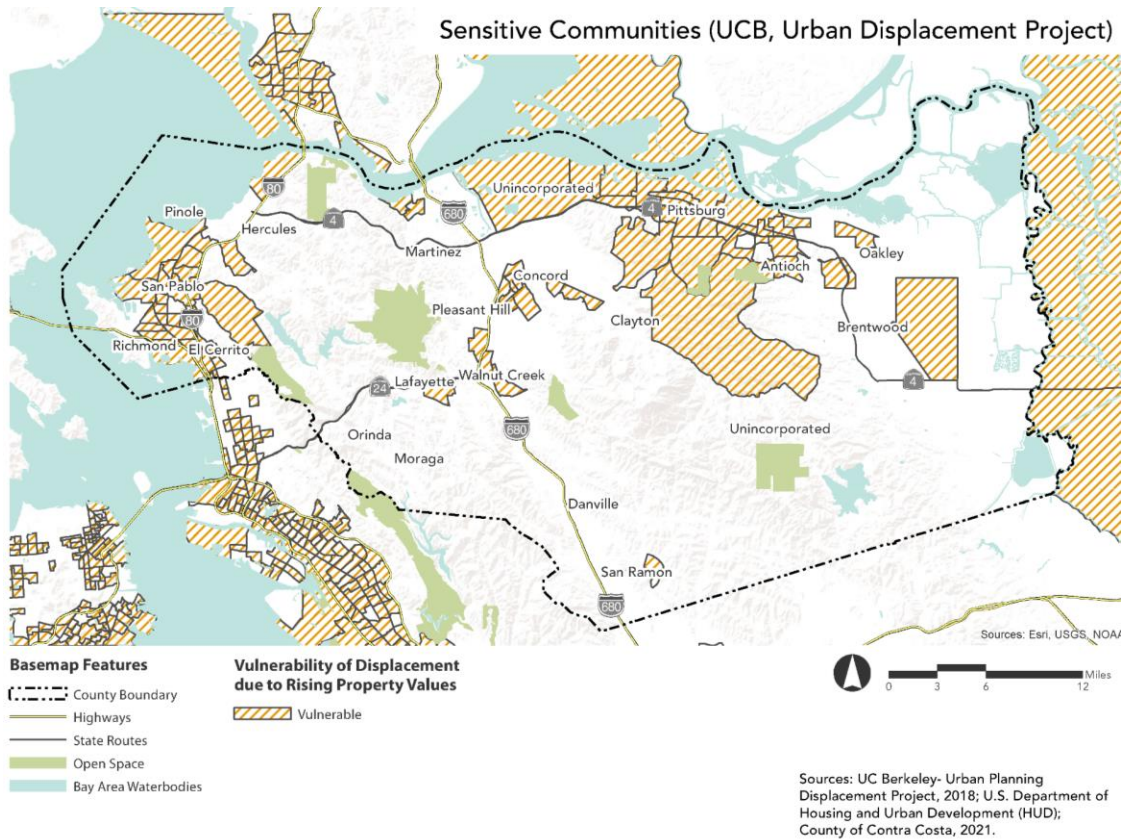
Table H-3.18: Substandard Housing Conditions by Tenure in Contra Costa County

	Owner	Renter	All HHs
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)

Displacement Risk

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 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 percent in 2017; (2) Share of Non-White population above 50 percent in 2017; (3) Share of very low-income households (50 percent 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).



Map 21: Sensitive Communities as Defined by the Urban Displacement Project



CHAPTER 4 COMMUNITY PROFILE/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 percent, from 23,825 to 25,075 residents. Compared with Contra Costa County as a whole, the 8.82 percent 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 percent, 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 percent. The largest age groups in 2010 were the 35–44 and 45-54 age groups, both at 18 percent. 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 percent. 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 will likely continue to grow for smaller down-sized units and assisted living.

Race and Ethnicity

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

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 percent of total), and professional, scientific, and management, and administrative and waste management services (1,854 employees, 13 percent 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. The number of households in Hercules has increased by 309 from 8,337 in 2010. 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

Table H-4.4: Household Characteristics by Tenure

Household Characteristic	Owner Households	Renter Households	All Households
Total number of projected Extremely Low-Income Households (RHNA) ²	N/A	N/A	172
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

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 percent of the Hercules population lives in poverty, as defined by federal guidelines. This proportion is lower than in Contra Costa County where 8.7 percent 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 percent living in poverty, and those with less than a high school degree 17.9 percent.

Because poverty thresholds do not differ based on geographic differences, 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 category (13 percent). 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 percent 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 percent 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 percent of households are overpaying for housing. Lower income households have a higher rate of overpayment at 42 percent.

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. A majority of the City’s housing stock is made up of single-family homes (65 percent), with 29 percent being multi-family. Census data indicates that 0.3 percent of owner-occupied units and 0 percent 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, new development was predominantly single family units, with 175 single family units and 147 multiple family units built. Single-family detached units now make up 65 percent of the City’s housing stock, while single-family attached units make up 15 percent, multi-family units make up 19 percent, and mobile homes and other housing make up the remaining 0.1 percent.

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%

Table H-4.5: Housing Stock Characteristics by Tenure

Housing Characteristic	Owner Households	Renter Households	All Households
Overcrowded Units	0.6%	0%	0.5%
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 0.5 percent of housing units are overcrowded. Overcrowding is slightly more prevalent in owner households.

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 percent 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 percent of Hercules households are renters. Census data shows that the average rent in Hercules is \$2,201 per month, with 20.9 percent 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 rental rates in Hercules. Therefore, the rental rates in Hercules generally are less than the HUD determined fair market rents, indicating that other 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 receive Social Security income only. 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 percent), followed by those 65 to 74 years (21.2 percent). The most commonly occurring disability amongst seniors 65 and older was an ambulatory disability, experienced by 17.7 percent of Hercules' seniors. Although local statistics are not available, according to the Census, 14.7 percent of residents in Contra Costa County with a disability live in poverty, compared to 4.6 percent of residents without a disability living in poverty.

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, especially those 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 percent of total households in Hercules. The majority of households headed by elderly residents are married-couple households. Of all the age groups in Hercules, elderly residents and those aged 18 to 64 have the same rate of poverty at 4.8 percent.

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 percent of all households. A larger percentage of owner-occupied units (12 percent) are defined as large households as compared to rental households (3 percent). In Hercules 3.4 percent of families are living in poverty, with 1.6 percent 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 percent 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 worker housing need 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 day care, 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. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, severely limit the housing options available to them. There are 1,037 female headed households in Hercules, representing 13 percent of households. A total of 13

percent of female-headed households live in poverty, much higher than all households living in poverty at 3.4 percent.

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 of the homeless and anecdotal information are often where population numbers of the homeless come from. In 2020 there were a total of 7 unsheltered individuals in Hercules. This was up from the 2017 count where there were no homeless residents counted in Hercules.

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.

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 percent 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 as shown in Table H-4.8.

Table H-4.8: 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.

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

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

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.

- 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.

Governmental Constraints

Local policies and regulations can impact the price and availability of housing and, in particular, 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.

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

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
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 work space.
- **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

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
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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.
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 amended its Zoning Ordinance 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

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
Mobile Home Park	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, zoning regulations and 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 main 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.	2 stories min. 4 stories max.	3 stories min. 5 stories max.	2 stories min. 4 stories max.

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

		Four-Lane Avenue	Two-Lane Avenue	Main Street	Town Center Street
		55 ft. max 1st floor at least 12 ft. high	55 ft. max 1st floor at least 12 ft. high	55 ft. max 1st floor at least 12 ft. high	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
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.
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 goal 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 also shows the main 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 (garage spaces per unit)
	Lot Size (sq. ft.)	Height (feet/stories)	Density (units/acre)	Front ¹ (ft)	Rear	Side	Corner	
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

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

Zone/Planning Area	Building			Setback				Parking (garage spaces per unit)
	Lot Size (sq. ft.)	Height (feet/stories)	Density (units/acre)	Front ¹ (ft)	Rear	Side	Corner	
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 (HTC) Historic Town Center by the General Plan, lands 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 (which is 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 Overlay 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 (Property Development Standards). This section of the Development Code is intended to implement the requirements of Government Code §65915, which allow 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 Provisions

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. In residential developments, ten percent of the dwelling units must have been affordable, or a fee paid 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 to 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, the City Council in 2012 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. The City can opt to evaluate the feasibility and appropriateness of reinstating the ordinance at any time.

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 that various housing types permitted within the City’s zoning districts, including uses that were incorporated into the Zoning Ordinance by amendment in 2015.

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
Multi-Family	--	--	C	C	C	--	--	--	--	--	A	--	A
Mobile Homes	A	A	A	A	--	--	--	--	--	--	--	--	--
Mobile Home Park	--	--	--	--	--	C	--	--	--	--	--	--	--
Second Units	A	A	--	--	--	--	--	--	--	--	--	--	--
Live/Work Units	--	--	--	--	--	--	A	--	--	--	A	--	--
Mixed Use	--	--	--	--	--	--	A	--	--	--	A	--	DR
Emergency Shelter	--	--	--	--	--	--	--	--	--	--	--	A	--
Single-Room Occupancy Units	--	--	--	--	--	--	--	--	--	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
Supportive Housing (Apartment Type)	--	--	C	C	C	--	--	--	--	A	A	--	A
Supportive Housing (Residential Care Facility Small Type)	A	A	A	A	--	--	--	--	--	--	--	--	--
Supportive Housing (Residential Care Facility Large Type)	--	--	--	C	C	--	--	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)	--	--	C	C	C	--	--	--	--	A	A	--	A
Transitional Housing (Residential Care Facility Small Type)	A	A	A	A	--	--	--	--	--	--	--	--	--
Transitional Housing (Residential Care Facility Large Type)	--	--	--	C	C	--	--	C	C	--	--	--	--
Accessory Dwelling Unit	A	A	--	--	--	--	--	--	--	--	--	--	--

Notes:

A = Administrative Use Permit Required C = Conditional Use Permit Required DR = Design Review Required

-- = Use Not Allowed

Source: City of Hercules Zoning Ordinance, 2021

Single-Family

Single-family dwellings are permitted with an administrative use permit and Design Review Permit in the RS-E and RS-L zones.

Condominiums and Townhomes

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

Mobile Home Parks and Mobile/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.

Pursuant to State law, a mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located 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, provided that the mobile home has received approval of the Planning Director or Planning Commission and received a Certificate of Compatibility. The City complies with State law by treating mobile/manufactured homes meeting these requirements as regular single-family homes.

Second Dwelling Units (Accessory Dwelling Units)

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, the City amended its Zoning Ordinance to address changes in State housing law affecting local regulation of Accessory Dwelling Units. With the amendment, 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. A "second residential unit" is defined as:

- A dwelling unit in addition to an existing residential unit, that provides complete independent living facilities for one or more persons;
- Includes permanent provisions for sleeping, living, eating, cooking and sanitation;
- Does not exceed 30 percent of the existing living area or 800 square feet, whichever is less.

In Hercules, secondary units are permitted in single-family zones, the RS-E and RS-L zones.

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 to be consistent with the Lanterman Act and other applicable housing laws. 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. The new Residential Use types are permitted either by right with an Administrative Use Permit or by approval of a Conditional Use Permit, and subject to other similarly required processes (such as design review), depending on the use and zone (also see discussion of Transitional/Supportive Housing below).

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 have a minimum of 600 square feet of living area, including bathroom, kitchen, and sleeping area.

Mixed-Use

Mixed-use projects combine both nonresidential and residential uses on the same site. Mixed-use development can help reduce the effects of housing cost burden by increasing density and offering opportunities for reduced vehicular trips by walking, bicycling, or taking public transportation. In Hercules, the IR zone is intended to provide residential space located above workspaces to combine living and work spaces for residents. However, the IR zone only permits live-work units and caretaker and manager housing as residential uses. The PC-R district is also intended to accommodate residential and commercial uses and integrate them within the same structure or site. The PC-R zone provides for upper-floor residential with ground-floor commercial. Residential uses including caretaker, manager, employee housing, daycare, live-work units, multi-family dwellings, townhouses, condominiums, and planned unit development are all permitted with an administrative use permit.

Emergency Shelters

State law 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 statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. The identified zone must have sufficient

capacity to accommodate at least one year-round shelter and accommodate the City’s share of regional unsheltered homeless population. Section 50801(e) of the California Health and Safety Code defines emergency shelters as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or fewer by a homeless person.

Pursuant to State law, the City amended its Zoning Ordinance in February 2015, permitting homeless shelters by right without a discretionary approval process within the Planned Office– Research & Development Zone. Properties in this zone are located in the western portion of the City, along transportation corridors (Freeway 80, John Muir Parkway, and San Pablo Avenue), providing easy access to social and supportive services. WestCAT provides fixed route bus service to this area (Routes 11 and 15, and LYNX that connects between Hercules and San Francisco). Specifically, two vacant sites are located immediately adjacent to bus stops for the two routes and are approximately 3/4–mile from the future Intermodal Transit Center, which will offer Capital Corridor train service as well as local bus and potentially ferry service to San Francisco. The Planned Office–Research & Development zone transitions into the adjacent Planned Commercial– Residential, as well as the New Pacific Properties Specific Plan Area. The commercial and residential uses in these adjacent areas provide an appropriate environment for shelter use in the Planned Office–Research & Development zone.

There are a total of 23 parcels, totaling 128 acres, in the Planned Office–Research & Development Zone with industrial and government uses that have the potential to be successfully repurposed as homeless shelters and housing. Two of the parcels are vacant and make up nearly eight acres of land, which is more than adequate for accommodating the City’s estimated homeless population of 13 persons based on the 2013 Point-in-Time Homeless Count in Contra Costa County.

The City established objective performance standards for regulating emergency shelter use. Pursuant to State law, the City established standards to address the following:

- Maximum number of beds – 30 beds/persons in a facility;
- Proximity to other shelters – not less than 300 feet from property line to property line;
- Length of stay – not more than 180 consecutive days in any 365-day period;
- Waiting area – shall be provided with a minimum of 10 square feet per bed, either within the structure or outside with consideration for shade and rain; and
- Provision of on-site management and security – required at all hours during which the shelter is in operation, with an Operations/Management Plan approved by the Community Development Director.

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.

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 2019 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.

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.

- 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 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. 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. 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 there is no established procedure in place, no specific permits or fees are required for reasonable accommodation requests.

Conclusion

The City of Hercules amended the Zoning Ordinance in February 2015 and June 2016 to address the provision of residential care facilities, transitional housing, supportive housing, and single-room occupancy housing, as well as reasonable accommodation procedures. Table H-5.10 shows the land use regulations for the new Residential Use types. This table also identifies the process by which these uses are permitted. Permit requirements are consistent with those applied to other similar uses in the same zone. The City has no unique policies or conditions that may constrain the development or improvement of housing for persons with disabilities.

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

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 Planning 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.

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 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 maximum 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 as follows:

- The proposed use is consistent with the General Plan;
- The proposed location conforms with 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; and

There are no potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

These findings are reasonable and do not constrain housing development in Hercules.

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 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 higher density would be required. If increased densities are desired, this would be processed with a General Plan/Specific Plan Amendment and zone change, and possibly followed by a CUP. Nonetheless, these identified sites are generally located in areas away from the City's lower-density residential neighborhoods, and therefore compatibility issues should be minimal.

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 take action 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 no potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

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)

All proposals for subdivision or development within zoning districts requiring planned development plans must submit a planned development plan application concurrently with other applications. Parcels over five acres in size or in the Central Hercules Regulating Plan areas are required to go through the Planned Development Plan process. Essentially all development since 2007 has fallen into this category and gone through the PDP process. There are three potential stages in the 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 procedure 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.

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.

Planned Development Permit Approval: 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.

The required findings must be supported by facts and relate to performance and development standards and therefore do not constrain housing development.

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 Planning 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 the City. A primary goal of the City’s 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 include: 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 Planning Director can be appealed to the Planning Commission with 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 ten working days to provide written comments on the proposed plan to the applicant, which the applicant can address in a revised plan. When the Planning Commission 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 in order 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 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 Planned Development Plan, which includes design review.

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.

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. SB 35 will automatically sunset on January 1, 2026.

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 inquires for SB 35 streamlining. To accommodate any future SB 35 applications or inquiries, Program H1 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

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

	Event	Date
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.

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.

Table H-5.11: Planning and Development Fees

Type	Fee	Deposit
Administrative Use Permit	\$437	
Home-Based Occupation Permit	\$273	
Conditional Use Permit	Actual + 20%	\$2,500
Temporary Use Permit	\$437	
Mixed Use (Live-Work)	\$654	
Design Review (Administrative, Single-Family, Addition, Ground Floor)	\$437	
Design Review (Legislative, Single-Family, Addition, not Ground Floor)	Actual + 20%	\$2,500
Design Review (Legislative, Single-Family, New Construction)	Actual + 20%	\$6,000 +

Table H-5.11: Planning and Development Fees

Type	Fee	Deposit
		\$195/unit (multi-family) +\$0.02/sq.ft. (commercial)
Tentative Subdivision Map, Submission	Actual + 20%	\$7,500
Tentative Parcel Map, Submission	Actual + 20%	\$6,500
Zoning Designation Change	Actual + 20%	\$2,500
Zoning Text Amendment	Actual + 20%	\$2,500
Planned Development Plan	Actual + 20%	\$10,000
General Plan Amendment	Actual + 20%	\$10,000
Development Agreement	Actual + 20%	\$10,000
Specific Plan, Original	Actual + 20%	\$10,000
Specific Plan, Amendment	Actual + 20%	\$10,000
Administrative Fees		
Planning Staff Services – above item minimum, or after first 15 minutes at counter	\$103/hr	
Planning Staff Services, Pre-Submittal Review, Deposit Account Setup	Actual + 20%	\$500
Administrative Staff Appeal	\$218	
Appeal Administrative Decision	50% of original fee	
Appeal Planning Commission Decision	25% of original fee	

Source: City of Hercules, Master Fee Schedule, Effective July 1, 2021

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. The City of Hercules's fees are reasonable and not considered a constraint to housing development.

Table H-5.12: Regional Comparison of Planning Fees (2021)

Permit Type	Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
Administrative Use Permit	\$437	\$1,099	--	\$2,112	\$731	\$2,786

Table H-5.12: Regional Comparison of Planning Fees (2021)

Permit Type		Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
Conditional Permit	Use	Actual + 20%	\$1,137- \$4,761	\$525- \$1,750	\$4,500	\$2,679	\$4,737
Design Review		\$437- Actual + 20%	\$853- \$7,643	\$410- \$5,825	\$347-Actual Cost	\$549- \$5,114	\$1,861- \$4,013
Tentative Parcel Map (0-4 lots)		Actual + 20%	\$7,339	\$3,830 + \$240/lot	Actual cost- deposit of \$6,500	\$3,000 (Deposit)	\$6,769
Zoning Designation Change		Actual + 20%	\$19,675	\$5,000 (Deposit)	13,000 (Deposit)	\$6,025	\$8,462
General Plan Amendment		Actual + 20%	\$19,675	\$5,000 (Deposit)	\$13,000 (Deposit)	\$6,000 + \$100/acre	\$11,847
Development Agreement		Actual + 20%	\$44,296	--	--	\$5,000 (Deposit)	\$11,847

Table H-5.13: Typical Residential Impact Fees

	Fees (per unit)
Park and Recreation Facilities	\$1,609
General Public Facilities	\$ 781
Police Facilities	\$1,384
Fire Facilities	\$1,817
Traffic Facilities ¹	\$ 5,640
Sewer Facilities	\$ 4,415
Community Development Tax	\$ 1,500
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 5,882
Public Benefit Fee ²	\$ 4,000
Total Single Family (per unit)	\$ 27,028
Multi Family (Per dwelling unit)	
Park and Recreation Facilities	\$ 975
General Public Facilities	\$ 489
Police Facilities	\$ 864
Fire Facilities	\$ 1,120
Traffic Facilities ¹	\$ 3,191
Sewer Facilities	\$ 4,415
Community Development Tax	\$ 1,500

Table H-5.13: Typical Residential Impact Fees

	Fees (per unit)
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 2,897
Public Benefit Fee ²	\$ 2,350
Total Multi-Family (per unit)	\$17,801

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.

Reduced Traffic Facilities impact fees are negotiated and approved through a Development Agreement by the Office of the City Manager.

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	\$ 5,005	\$ 5,005
School Impact Fee (to School District)	\$4.08 per square foot	

Source: City of Hercules, 2021.

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 \$27,028 in impact fees and a multi-family unit may cost up to \$17,801 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 serve to 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
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 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. 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.

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, existing fills, ground water, seepage and ponding and erosion. In order to mitigate these hazards, the City has

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.

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 wave, 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 city 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. The 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 their energy use and save on their 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 reduced Traffic Facilities Impact Fee for projects that are located within one-half mile from a transit station or mixed-use projects where 50 percent 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.



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 State 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, with the 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 that are anticipated to be complete after June 30, 2023.

Proposed and approved residential development projects credited toward the 2023-2031 include a variety of 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, which provides a high level of opportunity for access to services and transit. Combined, these approved and proposed projects can accommodate 1,145 units (Table H-6.2). However, the City has a remaining 617 RHNA of units to be addressed through ADU projections and site identification for low and moderate income units.

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

Bayfront Phase III

The third phase of this project is located in the TOD Waterfront District of Downtown Hercules. The Hercules Bayfront Master Plan is a multi-phase TOD project spanning over 42 bay adjacent acres. Bayfront Phase III is a family-oriented community being developed in proximity to plans for a new town center, a lively new waterfront, and an exciting new train and ferry terminal.

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 south, San Pablo Avenue to the west, the Victoria by the Bay development to the north, and Interstate 80 to the east. The project will include 598 units (including townhomes, courtyards, and podium housing) despite the challenging topography. The project will also include 4,200 square feet of neighborhood retail.

Sycamore Crossing

Sycamore Crossing is a 12.88-acre (1.77 and 11.11 acre parcels) 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
HERCULES, CALIFORNIA



NEW SYCAMORE CROSSING PLAN

DRAFT T-2.0
06/21/2019

Sycamore Crossing was approved for 120 residential units, with 30 units designated as affordable. The project includes a stormwater treatment area, open space, a community garden and access to Ohlone Creek.

Table H-6.2: Approved and Proposed 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 Phase III	Entitled	0	20	-	367	387
Hill Town	Entitled	-	-	30	568	598
Skelly Drive	Proposed	-	1	1	38	40
Sycamore Crossing	Entitled	-	-	-	120	120
Total		-	21	31	1,093	1,145

Proposed Projects

Skelly Drive

D.R. Horton has proposed 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 includes 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. The developer has completed the required community engagement and has submitted a project application to the City.



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

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, which is graphically represented in Figure H-6.1.

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	335				335
Underutilized Mixed-Use Sites	80	241	131	0	452

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 acres. 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.

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. Current development trends in the Bayfront project, a mixed-use project as will show 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 constrains on the unique parcels. Further, the Bayfront project, as continually focused on maximizing residential development.

- A survey of the vacant and underutilized land reveals that the NTC district has 24.16 acres of vacant and underutilized land that could realistically yield 787 units. This is well below the 1,306-unit capacity planned for the project and allows for opportunity for commercial development. Table H-6.9 summarizes the capacity calculated and affordability assumptions. See Appendix B for more details and the affordability assumptions for each site identified. Site selection in the NTC district is based on both vacant and the underutilized nature of the sites. As, previously mentioned, this area is 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. And, in addition to the vacant site the underutilized sites were chosen because they include parking lots, a small electrical sub-station, and a maintenance storage yard. Other criteria that were considered when selecting and evaluating the NTC district include:
 - Improvement value is less than half of the land value
 - Location is near recent mixed-use development that contains residential units (Bayfront)
 - Expressed interest from the property owner or developers
 - Municipal support for the project
 - EIR demonstrated sufficient capacity for the development including the availability of required infrastructure
 - The proximity to existing and planned transit

Appendix B also provides more detail on the sites in the inventory including the criteria used in identifying underutilized sites.

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	New Town Center	75 du/acre	60 du/acre	6.7	335	Very Low
Total				6.7	335	

Note : 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.

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

General Plan Designation	Zoning	Maximum Density	Assumed Density	Vacant Acres	Potential Dwelling Units	Affordability Level
New Town Center	New Town Center	75 du/acre	30 du/acre	6.24	187	Moderate/ Low/Very Low
New Town Center	New Town Center	75 du/acre	30 du/acre	8.83	265	Moderate/ Low/Very Low
New Town Center	New Town Center	75 du/acre	30 du/acre	2.39	72	Moderate/ Low/Very Low

Note: Potential dwelling units do not reflect 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.

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 pending and approved projects as of spring 2022. 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 projects on large sites, Bayfront Phase 1 and Phase 2 (greater than 0.5 acres) have an average density of 76 du/acre and Phase 3 is approved for 86 du/acre. At this current build-out rate Bayfront will build out at or near 100% of the allowed 40 du/acre on the approximately 40-acre project, which was elevated in the Waterfront District Master Plan allowing enhanced density on specific parcels with a ceiling of 1,392 units in total.

Due to the range in densities, the NTC district has the capacity to accommodate a range of housing types for all income levels. Large sites that are more than 0.5 acres are identified as most appropriate to accommodate lower-income housing. A conservative estimate of 80 percent of the maximum density for large vacant sites most appropriate for lower-income housing, and 40 percent of the 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 a commercial use to facilitate an active pedestrian environment at 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 that 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 no commercial effecting 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.

Of the remaining three proposed or approved projects, two are approved in general Planned Commercial-Residential (PC-R) zones and have included housing of a variety of different types and sizes that 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) near the maximum allowed density. Consequently, these projects were not appropriate as comparable developments for the purposes of determining realistic capacity.

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 that are below the demonstrated trends. As development occurs, the corridors will be re-evaluated and incentives for additional housing opportunities may be identified. Therefore, this 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 increase the buffer by projecting the capacity at less than the maximum allowable. Taking into consideration land use controls and site improvements, 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-6.6: Density of Proposed Projects in Mixed-Use Zones

Project Name	Zoning	Actual Density	Housing Type	# of units	Status	Affordability Level
Bayfront Phase III	New Town Center	86 du/acre	Townhomes/ Apartments	387	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-6.7: Hercules NTC District Sites

NTC District Zone	Zoning	Parcel Size	Large Sites Realistic Capacity	Affordability Level	Total Sites Realistic Capacity Affordability Level
Parcel 1 (Loop)	NTC	6.7	60 du/acre	Low	335
Market Town	NTC	6.24	30 du/acre	Low/Moderate	187
Cinema Town	NTC	8.83	30 du/acre	Low/Moderate	265
Transit Town	NTC	2.39	30 du/acre	Low/Moderate	72

Note: The number of potential dwelling units for Parcel 1 (Loop), vacant mixed-use, has been reduced to 80 percent of the maximum density to reflect the possibility of commercial development or individual site constraints on the parcel. The number of potential dwelling units for the remained of the parcels, underutilized mixed-use, has been reduced to 80 percent of the maximum density to reflect the possibility of commercial development or individual site constraints on the parcel. These adjustments have been developed utilizing HCD guidance on realistic capacity.

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, there are no sites that are less than one-half acre in size.

AB 1397 also adds specific criteria for assessment of the realistic availability of non-vacant sites during the planning period. 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 for additional residential use on the site. Due to the built-out nature of Hercules, most sites have existing uses. 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 that contain uses of local importance are not included, and clear criteria were used to evaluate all sites within Hercules, as described above.

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.

Certain sites were identified in previous Housing Elements within the area currently addressed by the Hilltown residential project. However, per HCD guidance, this site is not subject to AB 1397 because it is designated as a vacant site that was only utilized in the prior cycle. Further, the project is now entitled.

Non-vacant sites identified in the previous Housing Element and vacant sites identified in the previous two Housing Elements but credited toward the moderate-or above moderate-income RHNA in the current Housing Element are not subject to the provisions of AB 1397 since they are not intended to meet the lower-income RHNA.

No Net Loss Provision

Government Code Section 65863 stipulates that a jurisdiction must ensure that 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 H3-7 is included in the Housing Element to set up a process for compliance.

Comparison of Sites Inventory and RHNA

Combined, the opportunity sites identified have the potential to accommodate 2,004 residential units. As Table H-6.8 indicates, these sites and the densities allowed will provide opportunities to achieve remaining RHNA goals for all income categories as well as provide a surplus of 1,009 units, which help support no net loss provisions consistent with State law.

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 occur at an increasing rate. If the trend continues, the City can anticipate increased recycling of land, particularly in higher-density areas where economies of scale can be realized.

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 that have been shown by research to support positive economic, educational, and health outcomes for low-income families.

Table H-6.2 shows the TCAC opportunity areas in Hercules, ranging from low to high resources, with a majority 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.

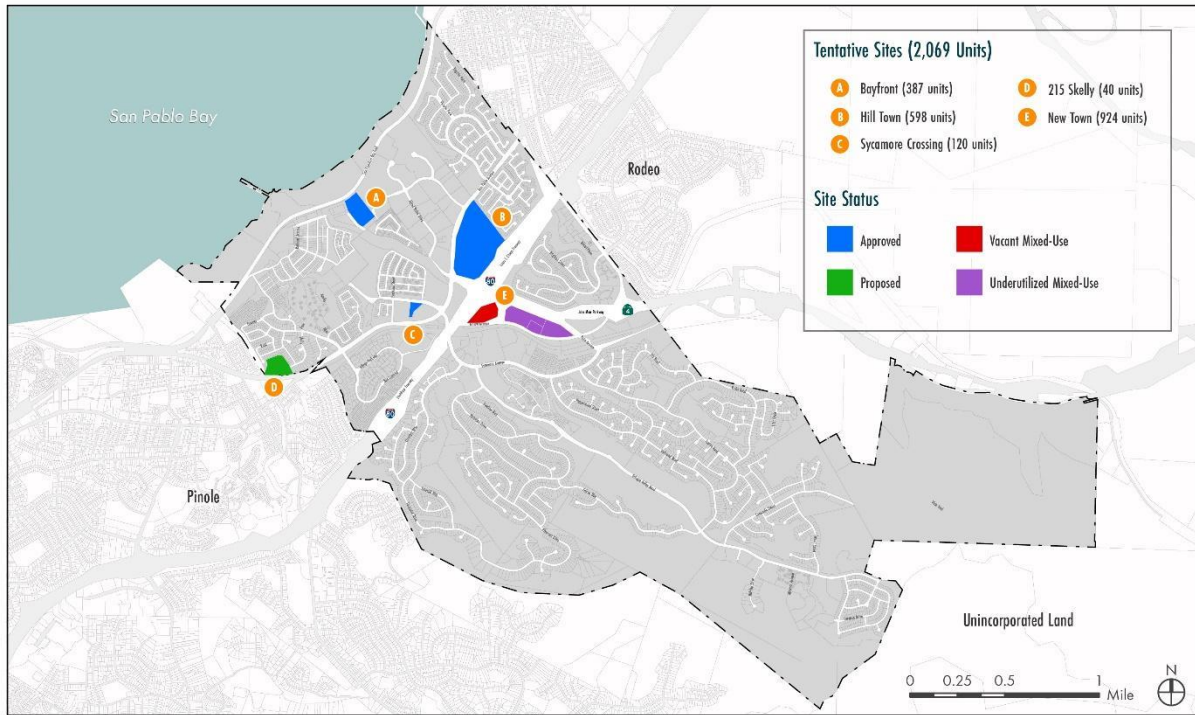
The distribution of identified sites improves fair housing and equal opportunity conditions in Hercules because sites are all distributed in moderate resources areas. This is positive, considering that these represent locations where new higher-density housing can be provided and residents will have 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.

Table H-6.8: Comparison of Sites, Pipeline Projects, and RNHA

Project	Extremely/ Very Low- Income (0-50% AMI)	Low-Income (50-80% AMI)	Moderate- Income (80- 120% AMI)	Above Moderate- Income (+120%)	Total
2023 – 2031 RHNA	344	198	126	327	995
Approved and Proposed Projects	-	20	31	1,094	1,145
Vacant Mixed-Use Sites	402	-	-	-	402
Underutilized Mixed-Use Sites	76	228	218		522
Total	478	248	249	1,094	2,069
Surplus RHNA Sites	133	51	123	767	1,074

Figure H-6.1: Hercules Sites Inventory



City of Hercules Housing Element Sites - May 2022



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. 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.

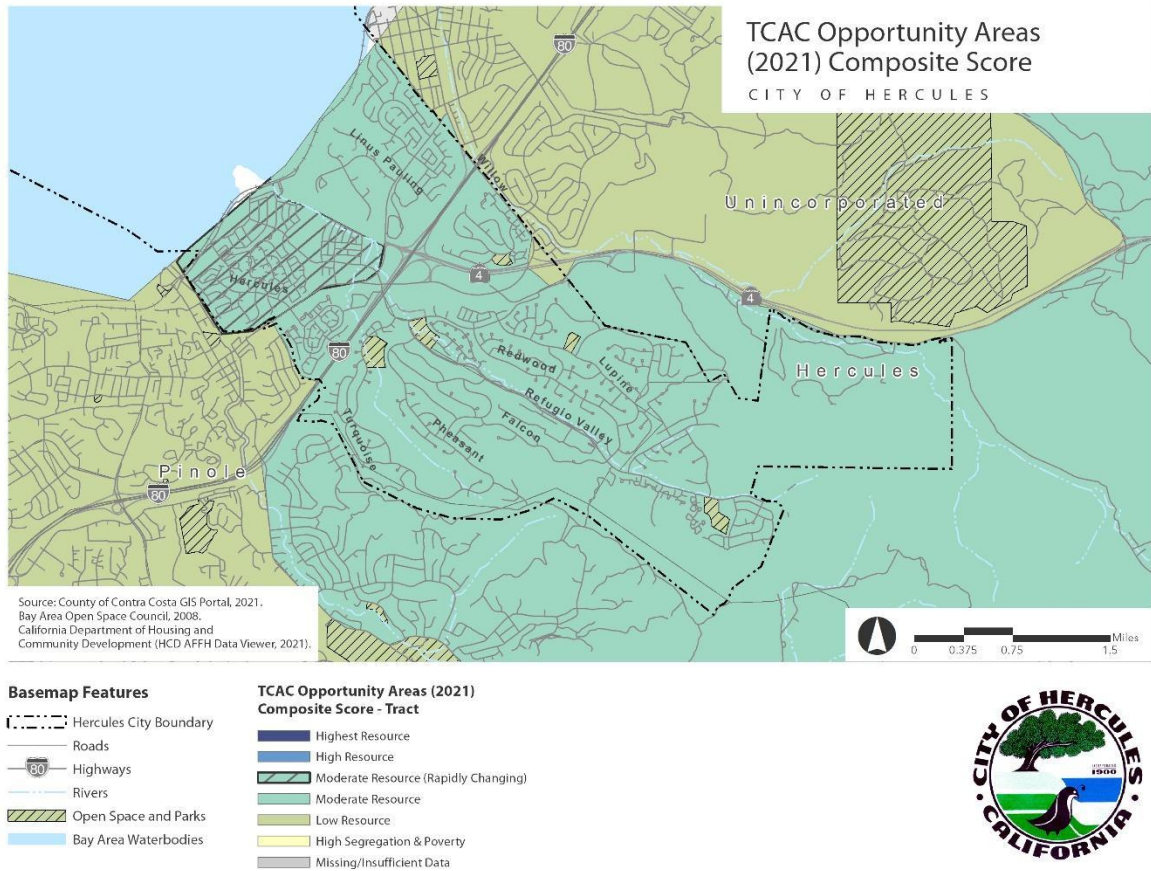


Figure H-6.2 TCAC Opportunity Areas (2021) Composite Score

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.



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 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 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	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.	Ongoing	Obtain hard copy materials from Contra Costa Housing Authority
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	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		opportunities. Staff are also on the HCD and HUD email list for notification of upcoming grant opportunities.		
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 will pursue funding opportunities	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 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.	Ongoing	Carry forward as is
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	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		the New Town Center as well as the Waterfront/Bayfront and Hilltown areas.		
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 and accessing incentives and waivers. Staff works with developers that seek guidance on the application of the local and state density bonus law.	Ongoing	Carry forward as is
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.	Ongoing	Carry forward as is

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>	<p>In past years the City has had a small group of volunteers in the Police Department that performed 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.</p> <p>For FY 21/22, City council approved \$50,000 funding for additional code enforcement, contracted with CSG, to maintain neighborhood unity.</p>	Ongoing	Carry forward as is
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.	Ongoing	Carry forward as is
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	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		link to the Housing Authority's web site and its online database of currently available housing.		
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.	Ongoing	Carry forward as is
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

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-	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		<p>income affordable multi-family units.</p> <p>In 2019, Muir Pointe (formerly Parcel C) continued construction of 144-unit market rate single-family detached subdivision.</p>		
3.a	<p><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.</p>	<p>The residential sites inventory was updated in 2015 with the update of the 2015-2023 Housing Element.</p> <p>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 404-020-095-0) from "General Commercial" to "Planned Commercial-Residential") to allow 120 multi-family residential units as part of the City- approved Sycamore Crossing project.</p>	Ongoing	Carry forward as is
3.a	<p><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</p>	<p>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</p>	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		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.		

Goal 4: Mitigate any potential governmental constrains 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 2021, the City adopted a new accessory dwelling unit ordinance to ensure consistency 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	Ongoing	Carry forward as is

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	Carry forward as is
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, Community Centers, and Senior Center.	The City website displays links for housing and homeless services offered through Contra Costa County. These programs include support for temporary 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.	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
5.b	<u>Reasonable Accommodation.</u> Advertise the program through City website and provide brochure at public counters	The City's web site 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	Carry forward as is
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 Division 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 Accommodation Ordinance to remove the primary residence requirement, thereby allowing the application of reasonable accommodation to all dwellings, including secondary homes	The City Council on June 28, 2016, adopted Ordinance 496, approving Zone 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.	Ongoing	Carry forward as is

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.	<p>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.</p> <p>In 2020, the City approved entitlements for the Hillt own project, comprising 598 multi-family units and 4,000 square feet of retail within 1/2-mile of the existing bus transit center and less than one mile from the future Regional Intermodal Transportation Center.</p> <p>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</p>	Ongoing	Carry forward as is

Program	Program Title	Achievements/Results	Evaluation	Recommendation
		Corridor Train Station, and WestCAT bus line		
6.a	<p><u>Energy Conservation.</u> Encourage developers to exceed the California Green Building Code requirements in incorporating energy conservation features and techniques</p>	<p>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.</p> <p>City shares information on Energy Upgrade California and BayREN Home + energy efficiency program for homeowners and small and medium businesses through its website.</p> <p>Hercules Municipal Utility provides financial incentives for its residential members to increase the energy 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.</p>	Ongoing	Carry forward as is

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 of Hercules 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 (Hilltown) 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
At-Risk Housing Units to Preserve						
Goal			X	--	--	X
Progress			X	--	--	X

Source: City of Hercules APRs 2016-2020