



CITY OF PIEDMONT
2015-2023
HOUSING ELEMENT

ADOPTED
DECEMBER 1, 2014

Acknowledgments

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1. Introduction

"The Congress of the United States has established as a national goal the provision of a decent home and a suitable living environment for every American family and the Legislature finds and declares that the attainment of this goal is a priority of the highest order. The national housing goal, as it applies to California, is deserving of adoption by the Legislature, with the accompanying commitment to guide, encourage, and direct where possible, the efforts of the private and public sectors of the economy to cooperate and participate in the early attainment of a decent home and a satisfying environment for every Californian."

California Health and Safety Code Section 50002

PURPOSE

The purpose of the Housing Element is to ensure that an adequate supply of housing is provided for current and future residents of Piedmont. The Element also seeks to conserve the City's housing stock through programs that assist Piedmont residents with home improvement and conservation. The Element is targeted toward low and moderate income Piedmont households and households with special needs, including seniors and persons with disabilities. Its scope is comprehensive, however, addressing the State Legislature's mandate to provide a decent, affordable living environment for every Californian.

The Housing Element is part of the Piedmont General Plan and its preparation is required by the State of California. In fact, the Element is the only part of the General Plan that is subject to an official State certification process. A finding of compliance is important to ensure that the City remains eligible for state and federal funds such as Community Development Block Grants.

In practical terms, the Housing Element provides the City with an opportunity to assess its housing needs and develop policies and actions that effectively respond to these needs. The demand for affordable housing has been an issue of great concern to Bay Area residents for many years. It affects older Piedmont residents on fixed incomes as well as young persons who may wish to buy or rent a home in the community. It affects teachers in our schools, employees in our local businesses, and those facing the loss of a job or a change in life circumstances. Ultimately, the supply and cost of housing affects the entire Bay Area economy and the quality of life in the region.



The Government Code requires the Housing Element to evaluate the current housing market and identify programs specifically tailored to local housing needs.

LEGAL BASIS FOR THE ELEMENT

This Housing Element has been structured to meet the requirements of the California Government Code. Article 10.6, Section 65583 of the Government Code provides specific guidelines for the topics to be covered and analyses to be performed. The 2015 Piedmont Housing Element has been formatted so that relevant sections of the Government Code appear in margin sidebars throughout the document. Broadly speaking, the Government Code requires the Element to evaluate the current housing market in the city and identify programs specifically tailored to local housing needs. The document must also evaluate the past Housing Element and consider its successes and shortcomings.

Consistency With Other Elements of the General Plan

The other Elements of the Piedmont General Plan are Land Use; Transportation; Natural Resources and Sustainability; Environmental Hazards; Parks, Recreation and Open Space; Design and Preservation; and Community Services and Facilities. These Elements were adopted in April 2009. The prior Housing Element was adopted in June 2011, but most work on the document took place in 2009 and early 2010. This allowed the General Plan update and the Housing Element to be closely synchronized.

State law requires that policies in the Housing Element do not conflict with policies in the other elements of the General Plan. Because the Housing Element was initially prepared as part of a continuing process that included these other elements, there is a high level of integration between the documents and they are fully consistent. The Housing Element helps advance the City's land use policies, requires no changes to the City's General Plan Map, and reinforces and affirms all other policies in the General Plan.¹

Although the Housing Element is part of the General Plan, it stands on its own as a separate document because of the State requirements for data and analysis. These requirements substantially increase the length of the Element relative to the other chapters of the General Plan. An executive summary of this Element, including the goals, objectives, policies, and actions, is included as Chapter 10 of the main General Plan volume.

Adoption of the 2015-2023 Piedmont Housing Element is also subject to environmental review under the California Environmental Quality Act (CEQA). A CEQA Initial Study was performed as part of this process and it

¹ Government Code Section 65302 also requires amendment of the Safety and Conservation Elements of the General Plan to include an analysis of flood hazard policies relative to housing. In Piedmont's case: (a) the General Plan was adopted after this rule became effective (Jan 1, 2009) and includes the requisite analysis and policies, and (b) no portion of Piedmont is within the 100-year flood plain and consequently no housing sites were affected by flood hazard information.

INTRODUCTION

was determined that there would be no significant environmental impacts as a result of adopting the Element.

Regional Housing Needs Allocation Process

The State of California has established a process to determine each community's "fair share" of the region's future housing needs. In the Bay Area, this process is managed by the Association of Bay Area Governments (ABAG). ABAG represents 101 cities and nine Bay Area counties with a combined population of 7.4 million residents. In 2012, the State determined that 187,990 new housing units would be needed between 2014 and 2022 to meet the Bay Area's housing demand. During 2013, each jurisdiction in the region was assigned a share of these units by ABAG. This assignment was based on a formula that considered projected household growth, job growth, land supply, infrastructure and environmental constraints, real estate market conditions, and the availability of public transit. Piedmont's assignment for the 2014-2022 period was 60 new housing units. Although the assignment covers 2014-2022, the State has identified a planning period extending from January 31, 2015 through January 31, 2023 to meet this demand.

Under State law, each jurisdiction must use its Housing Element to show that there are sufficient opportunities to accommodate their assignment within the community. The RHNA process does not require the City to actually *build* the housing units—rather, it requires that the City create the *opportunity* for the private and non-profit sectors to build this quantity of housing. An important part of the Housing Element is demonstrating that the City's zoning codes, fees, and other regulations do not stand in the way of meeting its assignments.

The RHNA assignment for each city is further broken down by income type. In other words, the 60 units assigned to Piedmont include a specific number of units that should be affordable to very low, low, moderate, and above moderate income households. ABAG has structured the allocation of units by income to more evenly balance lower income housing across the region. This means that more affluent communities get larger percentages of lower income units in their assignments. In Piedmont's case, the assignment includes 24 very low, 14 low, 15 moderate, and 7 above moderate income units. The definition of these income categories and the implications of this assignment are described at length in Chapter 3 of the Housing Element.

PUBLIC PARTICIPATION

In accordance with the Government Code, the City of Piedmont solicited public input from all economic segments of the community throughout preparation of the Housing Element. The Planning Commission was the primary conduit for public comment. An introductory study session took place in October 2013. Subsequent study sessions took place in January, February, April, and May, 2014, with each session focusing on a different chapter of the Element. A study session with the Piedmont City Council was held in May 2014.

Housing Element study sessions were publicized through community newspapers, posting of meeting notices at City Hall and on the City's website, and e-mails to an "interested parties" mailing list that was maintained and expanded throughout the process. The interested parties list included roughly 100 names, including several local architects, preservation advocates, the Housing Consortium of the East Bay (a housing non-profit representing the East Bay region), second unit owners, the Piedmont Civic Association, and the local media. The City also reached out to representatives of the City's three churches and one synagogue to encourage their involvement. Meetings were televised on local access cable (KCOM), potentially reaching most Piedmont households. Meetings could also be viewed on-line via streaming video, both in real-time and on-demand.

Piedmont residents and other interested parties were invited to attend each Planning Commission work session, and were provided with opportunities to review and comment on each working draft chapter of the element as it was completed. Working drafts were posted on the City's website throughout 2014. The City's email notification list included Piedmont residents, regional housing advocates, social welfare organizations, and local non-profits, as well as members of the City Council.

On June 26, the City hosted a "Town Hall Meeting" on the Housing Element. The meeting was widely publicized, with feature articles in both the Piedmont Post and the Piedmonter (see Appendix). The City also mailed letters to all addresses with a registered second unit, inviting both owners and tenants to the meeting. In addition, the City mailed letters to each house of worship in Piedmont, and encouraged members of the faith community to attend. Notice of the meeting also took place via email and the posting of a meeting announcement at City Hall. The City's website was revised so that an announcement of the meeting appeared as the top item on the home page for a period of about 10 days.

The well-attended meeting included a presentation on the Housing Element, housing needs, and existing policies and programs, followed by a facilitated discussion.

Streamlining the Update

To expedite review and processing, the State Department of Housing and Community Development (HCD) established "streamlining" provisions for the 2015-2023 Housing Element Update. These provisions recognize that much of the information in the Housing Element has not changed since the last Element was adopted (in Piedmont's case, just 3 years ago).

Cities eligible for streamlined review must have a certified Housing Element and meet specific criteria related to state housing law. These include adoption of reasonable accommodation procedures for disabled persons, definitions of transitional and supportive housing which comply with state law, compliance with SB 2, adoption of density bonus provisions that comply with state law, and completion of any rezoning needed to meet regional housing needs. Piedmont met all criteria at the time this Element was drafted.

Streamlining required that the City submit a "clean" copy of the Housing Element and a "redlined" copy indicating the changes (additions, deletions) to the existing Element. A streamlining "template" also was completed to indicate where changes to the 2011 document were made. The City also provided a "completeness checklist" to facilitate HCD review.

Public participation also was encouraged during the "pre-adoption process" (prior to submittal of a draft to HCD) and again during the adoption process itself. The "pre-adoption" process included a Planning Commission hearing and a City Council hearing held in July 2014, before the Working Draft Element was submitted to HCD. The "adoption" process took place after comments were received from HCD and the document was revised in response. A Draft Housing Element and Initial Study/Negative Declaration were reviewed by the Planning Commission and City Council prior to adoption, and an opportunity for public comment was provided. All of these hearings were publicly noticed, with emails sent to the master invite list. In addition, the Draft Element was made available for public comment on the city's website for several months prior to its adoption, and a data base of public comments was maintained.

The City also created a website specifically for the Housing Element. Information on the project was posted, including frequently asked questions, links to all staff reports and presentations, and copies of draft documents. A "contact" link was provided to encourage residents to send in questions, ideas, or comments to City staff.

The City has incorporated community feedback in this Element by proposing revisions to the second unit program, updating the Residential Design Guidelines, and committing to a continued dialogue about strategies for encouraging second unit occupancy. The Element also reflects extensive input from the Planning Commission, who reviewed and commented on its policies and programs in their work sessions.

ORGANIZATION OF THE ELEMENT

This Housing Element has been organized into seven chapters, as follows:

- Chapter 1, **Introduction**, provides an overview of the Element.
- Chapter 2, **Evaluation of the 2011 Housing Element**, describes the factors which influence the Piedmont housing market and presents an evaluation of the 2011 Element.
- Chapter 3, **Demographics and Housing Needs**, includes an analysis of Piedmont's population and housing characteristics and projections of future housing needs.
- Chapter 4, **Analysis of Housing Capacity**, identifies the potential sites in Piedmont where new housing may be built and discusses opportunities for second units.
- Chapter 5, **Constraints to Housing Production**, describes the governmental and non-governmental factors that may inhibit housing construction and conservation in Piedmont.
- Chapter 6, **Goals, Policies, and Actions**, presents quantified targets for housing conservation and production, as well as policies to guide day-to-day decisions pertaining to housing.
- Chapter 7, **Five-Year Action Program**, summarizes 2015-2023 housing programs and establishes a timeline and responsible party for implementing each action.

2. Evaluation of the 2007-2014 Housing Element

The Housing Element shall evaluate ...

“The effectiveness of the (prior) housing element in attaining the community’s housing goals and objectives” and “the progress of the city or county in implementation of the housing element.”

Government Code Sec. 65588 (a)(2) and (3):

INTRODUCTION

This Chapter provides the context for the Housing Element and describes the factors that influence housing supply and demand in Piedmont. Its focus is on housing production and housing conservation in Piedmont between 2007 and 2014. The Chapter includes a series of tables which evaluate the programs contained in the 2011 Housing Element and document the progress that has been made in their implementation and their continued relevance in 2015-2023. This review forms the basis for restructuring the 2015 Element to better meet future housing challenges.

CONTEXT

Location

The City of Piedmont is an older, well-established community located in Alameda County, approximately 10 miles east of San Francisco. As illustrated in Figure 2-1, the City is completely encircled by the City of Oakland and has no opportunities for annexation. This has been the case since 1909, when Oakland annexed Piedmont’s north and east perimeter. Piedmont’s “landlocked” setting has influenced its historic development patterns and significantly affects its potential for new housing and employment today. The City encompasses 1.7 square miles—virtually all of it fully developed.

Piedmont is regarded within the Bay Area as a desirable residential community. The City’s proximity to the region’s major employment centers, coupled with its excellent schools, low crime rate, high quality housing stock, gracious architectural character, and well maintained parks have contributed to this image. More than 90 % of the City’s land area is developed with housing and 9 % consists of schools, parks, and churches. Piedmont has less than four acres of commercial land, consisting mostly of offices and small businesses. The City has no industrial land.

EVALUATION OF THE 2007-2014 HOUSING ELEMENT

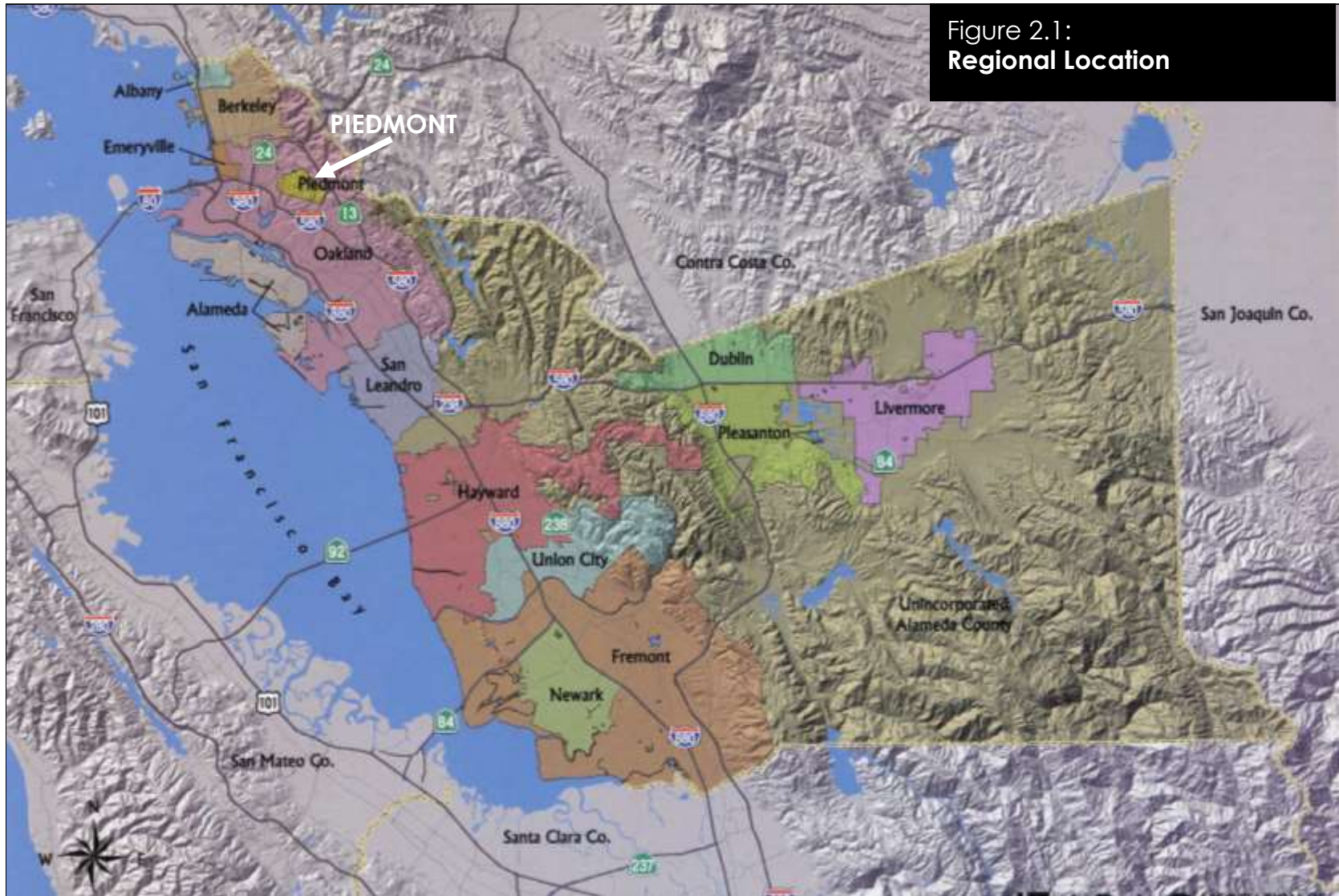


Figure 2.1:
Regional Location

Map Source: ABAG, 2009

For the past three decades, the City has had a highly effective design review and planning program. This program has enabled the City to retain the scale of its neighborhoods and preserve many of its smaller homes, while still providing homeowners with an opportunity to adapt their properties to meet contemporary needs.

Market Characteristics

Piedmont's housing market reflects the fact that the City has been built out for over 50 years. Real estate transactions are dominated by the sale of high-end single family homes built before 1960. New home construction since 1980 has averaged just one to two units a year.

Many persons purchasing Piedmont homes wish to update or expand their homes to contemporary standards. For the past three decades, the City has had a highly effective design review and planning program to guide this process. This program has enabled the City to retain the scale of its neighborhoods and preserve many of its smaller homes, while still providing homeowners with an opportunity to adapt their properties to meet contemporary needs.

Piedmont has a very small supply of rental housing, consisting of approximately 50 conventional apartments, about 120 second units (or "in-law" apartments), and 250 to 300 private homes that are rented out.¹ In addition, some of the City's private homes have on-site living quarters for household employees.

At the present time, there are fewer than 60 vacant lots in the city. These lots are scattered throughout Piedmont and comprise a combined total of about 12 acres of land. The number of lots that are actually buildable is much smaller. Many of Piedmont's vacant lots are constrained by steep slopes or inadequate street frontage, and many are owned by adjacent property owners and are in use as yards or gardens. During the next decade it is likely that some of these lots will be developed. Given the high cost of land, expense of development, and character of the surrounding neighborhoods, these are likely to be expensive custom homes. Opportunities for affordable housing on such sites are extremely limited.

Piedmont has almost no land suitable for conventional redevelopment, nor does it have public land that might be made available for future housing. The City's commercial acreage is fully developed and supports about two dozen active businesses and ancillary storage uses. The replacement of existing single family homes with multi-family development is not considered feasible, due to the excellent condition of the City's housing stock and the potential for displacement of existing Piedmont residents.

¹ The 2010 Census reported 443 rental units in the City. The estimate of 250 to 300 private homes has been derived by subtracting the number of apartments and second units from this number. Because some property owners may not report rental income to the City, and because not all second units are occupied, the exact number of rented single family homes is not known.

Given the lack of vacant and redevelopable land in the City, Piedmont has historically explored other ways to meet future affordable housing needs. Since the 1990s, the City has found that the most effective approach is to actively encourage the production of second units.

The City has had a multi-family zoning district in the Linda Avenue/Oakland Avenue for many decades, but there has been very little private redevelopment in this area due to the high quality and value of the existing housing. Additionally, the City Charter requires a citywide election for the rezoning of any parcel of land to a use other than single family residential, making “upzoning” (e.g., zoning to allow higher densities) unlikely.

Given the lack of vacant and redevelopable land in the City, Piedmont has historically explored other ways to meet future affordable housing needs. Since the 1990s, the City has found that the most effective approach is to actively encourage the production of second units.

The Role of Second Units in Piedmont’s Affordable Housing Efforts

A second unit is a dwelling unit that is attached or detached from a larger dwelling unit on the same lot and that can be used for habitation. Additional information on the physical characteristics of second units is contained in the text box on the following page.

The City of Piedmont has a long tradition of regulating second unit housing. Many of these units were initially created as living quarters for domestic employees. Today, second units in Piedmont provide housing for professionals, seniors, caregivers, child care employees, relatives, and young adults entering the housing market, among others. In some cases, elderly Piedmont homeowners have moved into second units on their own properties in order to retain ownership and have a source of retirement income. Given the single family character of the city and the absence of land available for new development, second units are the most practical and prevalent form of affordable housing in the city today.

Prior to 2003, the City had a process wherein second units were permitted in residential zoning districts with a conditional use permit (CUP). The CUP requirement included a public hearing before the Planning Commission, which provided an opportunity for public input and establishment of conditions of approval. Several different types of second unit permits were established by the City in the 1990s, reflecting the different ways these units were initially developed or approved.

With the adoption of AB 1866 by the State legislature in 2002, cities in California were required to allow second units “ministerially” (i.e., without a conditional use permit) where the units complied with State standards relating to parking, square footage, and other factors. The City of Piedmont convened a Task Force in 2003 to develop a compliance strategy for AB 1866. The strategy led to a new second unit ordinance, along with creation of a new category of second units which could be rent-restricted to low and very low income households. Second unit standards were substantially revised in 2012, with new incentives added to make them affordable (see Chapter 5).

Table 2-1 defines the different types of second units that exist in Piedmont today. These units appear throughout the City in many different configurations. They include basement and attic units, garage apartments, detached cottages, and more. Some are over 80 years old, while others have been built within the past five years. Provisions of the City’s second unit ordinance are discussed in Chapter 5 of the Housing Element.

What’s a “Second Unit?”

Second units are an essential part of Piedmont’s affordable housing stock. As Table 2-1 notes, there are many different types of second units in Piedmont. These units share the following physical characteristics:

- A separate entrance
- A private bathroom, containing a sink, toilet, and shower or bath
- Basic cooking facilities, including a sink independent of the bathroom sink
- A sleeping area (not necessarily a separate room)
- A permanent heating system
- Ceiling heights of at least 7’6” in habitable rooms and 7’0” in hallways and bathrooms in new construction
- At least one operable window measuring 24” x 20” or larger, the bottom of which is no more than 44” above the floor
- The space could potentially be used in a manner that is private and separate from the primary residence on the property
- The space is less than 700 square feet, unless it is rented to a low or very low income household or is classified as an “exempt” unit, in which case larger units are permitted (see Chapter 5 of the Housing Element for additional information)

A second unit may be attached to the main house, or it may be an independent structure on the property. It can be a studio (e.g., a single room with a private bath) or it may contain one or more bedrooms. Most Piedmont homeowners with spaces meeting the above physical criteria are not actively using these spaces as rental units. Common uses include housing for domestic employees, home offices, guest quarters, and sleeping quarters for family members.

EVALUATION OF THE 2007-2014 HOUSING ELEMENT

Table 2-1: Types of Second Units in Piedmont		
Type	Characteristics	Number of Units
Approved Second Unit	This term includes several of the categories listed below (CUP, Exempt, Government Code, and Rent-restricted), as well as any other second unit approved since 2003.	116 (includes some of the categories below)
CUP Second Unit	Units that were created in accordance with the Piedmont Municipal Code <u>before</u> July 1, 2003. These units were approved subject to certain conditions pertaining to parking, unit size, design, and other attributes.	14
Exempt Second Unit	Units that have been formally verified as having existed as separate living quarters in 1930, the year the Piedmont Zoning Ordinance was adopted. These units have been granted amnesty under Chapter 17D of the Piedmont Municipal Code and may be used as rentals without conditions.	34
Government Code Second Unit	The GCCUP units were created through a special City program in 1994 which provided expedited approval for property owners wishing to create second units.	32
Rent-Restricted Second Unit	These include second units approved under a special permit which requires occupancy by a low or very low income household, with rents capped at the affordable rent level for these income groups defined by HUD. (See Chapter 5 for additional information)	15 <i>(excludes units approved but not yet built)</i>
Temporary Second Unit	TUP units were initially approved under Piedmont's 1987 second unit ordinance and were to be phased out by 2002 following a 15-year amortization period. Most of these units did not meet the parking requirements of the City's previous second unit ordinance and some did not meet building code standards. The City has allowed continued occupancy of TUPs in conformance with its 2002 Housing Element.	7
Other Market Rate Legal Second Units	Units that were created after July 1, 2003, which do not have rent restrictions. These include units that were approved ministerially (e.g., units meeting all applicable planning and design criteria) and units requiring Variance approval.	14 <i>(excludes units approved but not yet built)</i>
Unintended Second Unit	A second unit that is <u>not</u> used in a manner that is private and separate from the main residence on the property. Unintended units include rent-free au pair and domestic employee quarters, as well as guest cottages or portions of private residences with separate entrances, kitchens, and bathrooms.	134+
Illegal Second Unit	Any unit that is being used in a manner that is private and separate from the main residence on the property, without a permit or determination of exemption.	NA

Source: City of Piedmont, 2014

During the prior two Housing Element periods (1999-2006 and 2007-2014), second units played a crucial role in meeting local housing needs. Between 1999 and 2006, 10 market rate second units were added. These units were generally rented at rates that were affordable to moderate income households, serving a segment of the city's population that has limited housing options within Piedmont. Between 2007 and 2014, the City has actually approved more second units than primary units, indicating their continued importance in the City's housing market. A total of 31 second units were approved during this period, including 17 with rent restrictions and occupancy limitations which ensure they are used for low and very low income households at affordable rents.

Looking ahead to 2015-2022, second units will continue to be the most viable and effective way to meet Piedmont's Regional Housing Needs Allocation for low to moderate households. Many Piedmont homes are large and could potentially support second units within their existing footprints. There are also significant numbers of Piedmont seniors and empty nesters who might find the concept of a second unit to be attractive. Moreover, given the high cost of market rate housing in the city and region, second units can provide a supplemental income source for Piedmont homeowners and make purchasing a home more affordable.

HOUSING PRODUCTION DURING THE 2007-2014 PLANNING PERIOD

The 2011 Housing Element was prepared to cover the period 2007-2014. The ABAG Regional Housing Needs Allocation (RHNA) for Piedmont for that period was 40 units, including:

- 13 very low income units
- 10 low income units
- 11 moderate income units
- 6 above moderate income units

Between January 1, 2007 and June 2014, there were 31 second units approved (including 16 rent-restricted units and 15 market rate units).² Of this total, 22 units have been constructed and nine have not yet pulled permits (including two recently approved in June of 2014). Of the 22 units constructed, 13 are rent restricted to very low income households and one is

² The previous planning period runs through January 31, 2015. June 2014 is cited here because the Housing Element was drafted in early 2014, before the period had ended.

rent restricted to a low income household. In addition, one new market rate unit was verified as having rents meeting low income criteria.

There were six new single family homes approved during this period, all serving above moderate income households. However, as of June 2014, only one of these homes has actually been constructed (155 Maxwellton). In addition, seven market-rate townhomes have been approved at 408 Linda Avenue, bringing the total of approved above moderate income units to 13.

Thus, *actual net* production between 2007 and June 2014 was:

- 13 very low income units (rent-restricted second unit)
- 2 low income units (one rent-restricted, one market rate)
- 7 moderate income units (market rate second units)
- 1 above moderate income unit (new homes)

It is significant that second units represented 96 percent of the net gain in housing stock in Piedmont during 2007-2013. It is also significant that 64 percent of the units added to Piedmont's housing stock during 2007-2014 are deed-restricted for very low income households.

During the 2007-2014 period, the City exceeded its RHNA in terms of total number of units approved (44 vs 40). The City also exceeded the RHNA for very low income housing units approved (14 vs 13) and matched the RHNA in terms of very low income housing units actually constructed (13). Piedmont's best performance in terms of actual housing units added was in the very low income category.

The City also exceeded the RHNA for moderate income housing units approved (14 vs 11) and for above moderate income housing units approved (13 vs 6). However, in both of these categories, the number of units actually built was below the RHNA.

The production rates for very low income units indicate that the City should be able to continue to rely on second units for the next (2015-2023) planning period. However, an increase in annual production will be needed to meet the increase in the RHNA for low and very low income households.

The City of Piedmont also actively encouraged the conservation and maintenance of the existing housing stock during the 2007-2014 period. Between July 1, 2011 and March 18, 2014 alone, there were 3,777 building permits issued in the city—which is approximately the number of housing units in Piedmont. Design review and city planning criteria were revised several times during this period to expedite permit processing and facilitate home rehabilitation projects.

It is significant that second units represented 96 percent of the net gain in housing stock in Piedmont during 2007-2013. It is also significant that 64 percent of the units added to Piedmont's housing stock during 2007-2014 are deed restricted for very low income households.

REVIEW OF 2007-2014 OBJECTIVES POLICIES AND ACTIONS

The following section of the Housing Element is specifically required by the Government Code. The goals, objectives, policies, and actions contained in the 2007-2014 Element are individually assessed and reviewed. The relevance of each policy or action to current housing conditions in Piedmont is noted. Where appropriate, changes to be reflected in the new Housing Element also are noted.

To facilitate the evaluation, the information is presented using a series of tables. The statement from the previous Housing Element appears in the first column (abridged in some cases and without the narrative text that appeared in the actual document), and the evaluation is in the second column.

Two particularly notable milestones were achieved in the 2007-2014 period.

The first was a rewrite of the City's second unit standards in 2011-2012. The rewrite clarified existing requirements, created more incentives for second unit production, and created a new category of rent-restricted units for extremely low income households (30% or less of areawide median). All of these actions were specifically called for by the 2011 Housing Element.

The second was a series of amendments to Chapter 17 of the Municipal Code. These included allowing emergency shelters as a permitted use in the Public Facilities zone, clarifying requirements for renting of rooms in Piedmont homes, adding reasonable accommodations language to the Code, and reducing the parking requirements to one space per unit (from two) for units less than 700 square feet in the multi-family zone. The amendments also allow mixed use projects (multi-family over commercial) in the commercial zone, allow structure coverage of 50% for two-story structures in this zone (rather than 25%), and establish a minimum density requirement of 12 units per acre in Zones C and D. The amendments also allow smaller lots (8,000 square feet) and street frontage (60') in Zone A where the prevailing lot size within 500 feet is less than 8,000 square feet. All of the above changes were specifically called for by the 2011 Housing Element.

The City also implemented many of its housing programs on an on-going basis, including promotion of greener buildings and solar panels (to reduce energy costs), support for various County programs assisting very low and extremely low income households, and continued public outreach and website improvements on the City's planning and building processes. The

EVALUATION OF THE 2007-2014 HOUSING ELEMENT

City has continued to enforce Title 24, inform residents of energy assistance programs, provide fair housing referrals on discrimination complaints, and maintain competitive fees which do not unfairly burden applicants. Piedmont also completed an evaluation of the City Charter and concluded that the Charter is not constraining housing production or multi-family development opportunities.

Areas where the City fell short of its 2011 objectives include the updating of the Piedmont Residential Design Guidelines. Because of limited staff resources, the abbreviated timeframe of the Housing Element (e.g, three years instead of eight years), and the importance of implementing the zoning changes (to remain compliant with Housing Element law), it was not possible to update the Design Guidelines during the planning period. This remains a priority action for the next period. Other Housing Element programs, such as the disbursement of CDBG funds to lower-income Piedmont households seeking to retrofit or repair their homes, continued through the period—but were curtailed due to a lack of funding from the County, state, and federal governments.

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.2: Evaluation of 2007-2014 Housing Element Goal 1	
Statement	Evaluation
Goal 1: Provide a range of new housing options in Piedmont to meet the needs of all household types in the community.	Still valid—carry forward
<p><i>Quantified Objectives:</i></p> <p>1) Facilitate the production of at least 10 new single family homes (suitable for above moderate income households) by 2014.</p> <p>2) Develop 7 to 9 units of multi-family housing on the former PG&E site by 2014.</p> <p>3) Approve at least 13 new market rate second units between 2010 and 2014, with the expectation that 9 of these units will serve moderate income households and 4 will serve low income households, based on prevailing market rents.</p>	<p>1) Partially achieved. Six homes were approved between 2007 and 2014, but only one home has been built. The poor economy hampered production for much of the period.</p> <p>2) Partially achieved. Seven units have been approved and entitled, but construction has not yet started.</p> <p>3) Almost achieved. Twelve market rate units were approved between 2010 and June 2014 (with 7 months left in the period). Rents are generally in the moderate range, although a few units may meet “low” income thresholds.</p>
Policy 1.1: Provide an adequate number of sites for the development of housing consistent with ABAG’s recommendations.	Carry forward
Policy 1.2: Continue to maintain planning, zoning and building regulations that accommodate the development of housing for all income levels.	Carry forward
Policy 1.3: Continue to allow residential uses in all of Piedmont’s zoning districts.	Carry forward
Policy 1.4: Participate in those state and federal housing assistance programs that are most appropriate to Piedmont’s character and that recognize the nature of affordable housing opportunities in the City.	Carry forward
Policy 1.5: Continue to allow second units (in-law apartments) in all residential zones within the City, subject to dimensional and size requirements, parking standards, and an owner-occupancy requirement for either the primary or the secondary unit. Local standards for second units may address neighborhood compatibility, public safety, and other issues but should not be so onerous as to preclude the development of additional units.	Carry forward

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.2, continued

Statement	Evaluation
<p>Policy 1.6: Strongly encourage the inclusion of second units when new homes are built and when existing homes are remodeled or expanded.</p>	<p>Carry forward</p>
<p>Policy 1.7: Ensure that local zoning regulations accommodate multi-family residential uses on commercial properties in the City, including the addition of apartments to existing commercial buildings.</p>	<p>Carry forward</p>
<p>Policy 1.8: As required by state law, allow mobile and manufactured housing on all lots in the city, subject to design standards which ensure that such housing is compatible in character with the community.</p>	<p>Carry forward</p>
<p>Policy 1.9: Discourage lot mergers, lot line adjustments, and other changes to legally conforming parcels which would reduce the number of buildable lots in the City.</p>	<p>Carry forward; the City has been doing this in practice.</p>
<p>Policy 1.10: Coordinate local affordable housing efforts with the California Department of Housing and Community Development, the County of Alameda, and adjacent cities. Where City-sponsored housing programs are infeasible due to limited local resources, explore the feasibility of participating in programs initiated by other jurisdictions.</p>	<p>Carry forward</p>
<p>Program 1.A: Vacant Land Inventory <i>Prepare a regular update of the City's vacant land inventory, indicating the status and availability of each site in Table 4-1 for potential development.</i></p>	<p>ONGOING. This is done as needed. Since only one vacant lot has been developed since 2010 and no homes have been removed, the list stays fairly constant from year to year.</p>
<p>Program 1.B: Redevelopment of the PG&E site <i>Support the redevelopment of the PG&E site on Linda Avenue with multi-family housing.</i></p>	<p>ACHIEVED. The site was entitled for seven townhomes (at a density of 20 units/ acre) on September 6, 2011. Building permits were issued at the end of 2013. All units will be market-rate.</p>
<p>Program 1.C: Market Rate Second Units <i>Maintain zoning regulations that support the development of market rate second units in Piedmont neighborhoods.</i></p>	<p>ONGOING. Amendments to the City's second unit regulations to facilitate additional production were approved on May 2012. The City continues to promote market-rate units as well as affordable units.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.2, continued

Statement	Evaluation
<p>Program 1.D: Data on Second Unit Rents <i>Use sources such as business tax records, reviews of locally advertised rentals, and direct surveys to track the rents being charged for local second units, and gather other relevant data on second unit occupancy and use.</i></p>	<p>ONGOING. The City conducts an annual review of its business tax records to estimate the number of second units being rented and the rents being charged. A summary of the data was compiled in 2011 and again in 2013. A survey was also mailed to all registered second unit owners as part of the 2014 Housing Element update.</p>
<p>Program 1.E: Allowances for Housing in the Commercial Zone <i>Amend the Piedmont Zoning Ordinance (Chapter 17 of the Municipal Code) to add multiple family housing and mixed use development (e.g., structures combining housing and commercial uses) to the list of conditionally permitted uses in the Commercial Zone (Zone D).</i></p>	<p>ACHIEVED. Chapter 17 of the Municipal Code has been amended to allow mixed use (housing and commercial) as a conditional use in the Commercial Zone (Zone D). The amendment became effective on 1/1/14.</p>
<p>Program 1.F: Modifications to Lot Size Requirements <i>Establish exceptions to Piedmont's lot size and frontage requirements to allow the creation of a limited number of additional lots in the city.</i></p>	<p>ACHIEVED. Chapter 17 of the Municipal Code was amended to <u>reduce the minimum lot size</u> from 10,000 SF (with 90' of frontage) to 8,000 SF (with 60' of frontage), where the prevailing lot size within 500' is less than 8,000 SF. This action has been in the Housing Element since 2002. The amendment became effective on 1/1/14.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.2, continued

Statement	Evaluation
<p>Program 1.G: Facilitating Multi-Family Development <i>Develop incentives which would facilitate multi-family development on land zoned for multi-family or commercial uses in Piedmont, including modifications to lot coverage requirements for multi-family uses in Zones C and D, and modifications to permitted and conditionally permitted use requirements for Zones C and D. The City will also consider potential ways to streamline environmental review in the event future multi-family uses are proposed in these areas. These changes should be implemented within 24 months after the Housing Element is found to be compliant with the State Government Code by the State Department of Housing and Community Development.</i></p> <p><i>This should include the following specific zoning changes:</i></p> <ul style="list-style-type: none"> <i>(a) Raising the maximum lot coverage allowed for two-story buildings in Zone D for projects which include housing.</i> <i>(b) Raising the lot coverage allowed for multi-family buildings in Zone C to include all multi-family projects and not just affordable projects.</i> <i>(c) Adopt a minimum density standard of 12 units per acre in Zones C and D.</i> 	<p>ACHIEVED. The ordinance amendments were brought forward to the Planning Commission within 24 months of the compliance determination, as described. They became effective on 1/1/14. The amendments include: (a) raising the lot coverage for 2-story mixed use buildings in Zone D from 25% to 50% for mixed use projects; (b) raising the lot coverage in Zone C from 40% to 50% for multi-family development, regardless of affordability; (c) a minimum density of 12 units/acre for multi-family in Zone C and mixed use in Zone D.</p> <p>The City should still consider adopting a formal fee reduction policy for multi-family projects that include affordable units, and consider ways to streamline environmental review for affordable units.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.3: Evaluation of 2007-2014 Housing Element Goal 2	
Statement	Evaluation
Goal 2: Promote the conservation and maintenance of Piedmont's housing stock.	Still valid—carry forward
<p>Quantified Objectives for Goal 2:</p> <p>(1) <i>Preserve 100 % of the existing multi-family rental units in the City through 2014.</i></p> <p>(2) <i>Preserve 100 % of the existing housing in the Commercial zoning district through 2014.</i></p> <p>(3) <i>Assist in the remodeling of at least 10 Piedmont homes between 2010 and 2014 using CDBG funding for lower income households. At least 5 of these households should be senior-occupied.</i></p>	<p>(1) Achieved</p> <p>(2) Achieved</p> <p>(3) The number of units has averaged less than one per year, which is below the target.</p> <p>These objectives remain valid, and should be extended through 2023. Objective 3 should be updated based on the new time period and the limited availability of funds.</p>
Policy 2.1: Strongly encourage private property owner reinvestment in the City's housing stock.	Carry forward
Policy 2.2: Support housing stock maintenance through government funding such as Community Development Block Grants when private funding is not available.	Carry forward
Policy 2.3: Encourage the preservation of Piedmont's existing stock of small homes and historic homes.	Carry forward
Policy 2.4: Enforce local building codes to ensure that housing is safe and sanitary, and to protect the character of Piedmont neighborhoods. Promptly investigate all reports of nuisances and require the abatement of such situations as needed.	Carry forward
Policy 2.5: Allow the use of original materials and methods of construction when alterations to homes are proposed, unless a health or safety hazard would occur.	Carry forward
Policy 2.6: Preserve existing multi-family rental housing, including non-conforming multi-family units in the single family zone.	Carry forward. In 2012, a 4-unit apartment building in the multi-family zone was sold, and several prospective buyers contacted the city about combining the units into a single family home or 2 units. Staff strongly discouraged the request, citing this policy. The structure remains 4 units.

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.3, continued

Statement	Evaluation
<p>Policy 2.7: Continue to encourage Piedmont residents to maintain home offices as a means of making housing more affordable for persons who would otherwise need to rent office space outside the home.</p>	<p>Carry forward</p>
<p>Program 2.A: CDBG Funding <i>Apply for Community Development Block Grant (CDBG) funds for housing maintenance, and establish a process for informing the public that such funds are available.</i></p>	<p>ONGOING. It should be clarified that the grants are administered by Alameda County HCD. Carry forward.</p>
<p>Program 2.B: Preservation of Small Homes <i>Maintain zoning and design review regulations that protect the existing supply of small (less than 1,800 square feet) homes in Piedmont. Explore other incentives to protect small homes, including design awards for exemplary small home improvement projects.</i></p>	<p>ACHIEVED. The City added 17.22.4(b) to the Municipal Code to explicitly indicate its intent to preserve the supply of homes that are 1,800 SF or less. However, the program remains relevant and should continue. The City provides awards for such categories as "best expansion within building envelope" and "best green remodel." Categories for second units and small homes continue to be relevant.</p>
<p>Program 2.C: Use of Original Materials and Construction Methods <i>Maintain Planning and Building standards which allow the use of original materials and construction methods in home remodeling.</i></p>	<p>ONGOING. Remains relevant. The link to green/ sustainable development and Climate Action Plan objectives should be acknowledged.</p>
<p>Program 2.D: Condominium Conversions <i>Maintain the existing requirement that the removal of any multi-family rental apartment must be matched by the creation of a new rental apartment elsewhere in the city.</i></p>	<p>ONGOING. Continues to be relevant.</p>
<p>Program 2.E: Streamlining Design Review <i>Conduct a Planning Commission Study Session to identify steps that might be taken to expedite and improve the design review process.</i></p>	<p>ACHIEVED. First of multiple study sessions was held on November 8, 2010. Further sessions will be held as part of the Design Guidelines update.</p>
<p>Program 2.F: Update of Design Guidelines <i>Update the 1988 City of Piedmont Residential Design Guidelines, consistent with Action 28.E of the Piedmont General Plan.</i></p>	<p>NOT ACHIEVED. Progress stalled by budget and funding limitations. This will be a priority action during the next planning period.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.4: Evaluation of 2007-2014 Housing Element Goal 3	
Statement	Evaluation
<p>Goal 3: Create additional housing opportunities for moderate, low, and very low income Piedmont residents.</p>	<p>Still valid. Carry forward.</p>
<p>Quantified Objectives for Goal 3:</p> <p><i>(1) Create at least 9 second units that are rent restricted to very low income households between 2010 and 2014.</i></p> <p><i>(2) Create at least 4 units that are rent restricted to low income households between 2010 and 2014.</i></p>	<p>(1) Achieved. Since 2010, units restricted to very low income households were approved and built at 30 Echo, 162 Estates, 172 Estates, 325 Howard, 249 Scenic, 290 Scenic, 76 Seaview, 206 Sunnyside, and 358 Wildwood. Another VLI unit at 226 Park View has not yet been built.</p> <p>(2) Partially Achieved. One low income unit was built at 38 Dudley and one was approved (but not yet built) at 190 Sandringham. Another new unit (322 Howard) has been verified as renting at rates meeting low income criteria. It is also possible some of the other market rate units are renting at rates affordable to low income households.</p> <p>The objectives should be updated for the next planning period, reflecting the new RHNA.</p>
<p>Policy 3.1: Continue incentive-based programs such as reduced parking requirements and more lenient floor area standards to encourage the creation of rent-restricted second units for low and very low income households.</p>	<p>Carry forward. Section 17.40.7(b) has been added to Zoning Code to encourage second units associated with a new house by waiving the second unit square footage in the floor area ratio calculation</p>
<p>Policy 3.2: Encourage property owners with registered second units to actively use these units as rental housing rather than leaving them vacant or using them for other purposes.</p>	<p>Carry forward. New programs should be considered to implement this policy.</p>
<p>Policy 3.3: Encourage property owners with "unintended second units" to apply for City approval to use these units as rental housing. "Unintended" second units include spaces in Piedmont homes (including accessory structures) with second kitchens, bathrooms, and independent entrances that are not currently used as apartments.</p>	<p>Carry forward. This is being implemented on an ongoing basis.</p>
<p>Policy 3.4: Maintain building code regulations which ensure the health and safety of second unit occupants and the occupants of the adjacent primary residence.</p>	<p>Carry forward</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.4, continued

Statement	Evaluation
<p>Policy 3.5: Consistent with State law, allow density bonuses (such as allowances for additional square footage or lot coverage) for multi-family projects which incorporate affordable or special needs housing units.</p>	<p>Carry forward. Should clarify "special needs" primary refers to seniors.</p>
<p>Policy 3.6: Continue to allow the renting of rooms in private homes to provide housing opportunities for single people. Recognize the potential for rented rooms to meet the housing needs of single low income and very low income Piedmont residents.</p>	<p>Carry forward. Add "extremely low income."</p>
<p>Policy 3.7: Work with housing advocates, non-profits, community groups, nearby cities, the real estate industry, and appropriate regional agencies to address affordable housing issues in the San Francisco Bay Area. Although Piedmont is fully developed, meeting regional housing needs is an issue of crucial importance to its residents and to the future quality of life in the city.</p>	<p>Carry forward</p>
<p>Program 3.A: Second Unit Ordinance Assessment and Revisions <i>Complete a 5-year assessment of the Piedmont Second Unit Ordinance, with a focus on the incentives that are being used to promote rent-restricted units and the steps that can be taken to increase second unit production and occupancy rates. Among the specific topics to be addressed by the evaluation are:</i></p> <p>a) <i>Additional tools to incentivize the use of existing legal second units as rentals (including extension of the first year business tax abatement for rent restricted units).</i></p> <p>b) <i>Additional tools to encourage the conversion of "unintended" second units to active rental units. One possible incentive would be reductions of planning and building fees if the units are rent-restricted.</i></p> <p>c) <i>Additional incentives for low and moderate income units, since all of the units created under the program thusfar have been for very low income households. This could include reducing the off-street parking requirement to one space for a two-bedroom low income second unit, provided that adequate on-street parking exists.</i></p> <p>d) <i>Additional steps to "match" rent-restricted second units with local employees, particularly low and very low income City and School District employees.</i></p>	<p>ACHIEVED. A comprehensive rewrite of the second unit regulations was completed, with revisions going into effect in May 2012. The Planning Commission held four public hearings on the revisions and the City Council held two hearings (plus a second reading of the ordinance) before adopting the changes. Numerous public comments were received, and the Ordinance reflects community input. Among the <u>new</u> tools used to incentivize and promote second units, and increase their affordability, are:</p> <ul style="list-style-type: none"> • Adding a definition of "extremely low income" to the Code, and creating special incentives to create units affordable to such households. • Modifications that make it easier for property owners who believe their second units are "exempt" (e.g., they existed before 1930) to receive approval to use those units, regardless of their size. Whereas previous approval of exempt units required extensive "proof" that the units pre-dated 1930, including affidavits from neighbors, the new Code does not.

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.4, continued

Statement	Evaluation
<p>Program 3.A: Second Unit Ordinance Assessment and Revisions (CONTINUED)</p> <p>e) Clarification of the 10-year affordability term for rent-restricted units, including what happens at the end of the 10-year period.</p> <p>f) The effectiveness of size requirements as an incentive for creating low and very low units.</p> <p>g) Parking requirements for low income units, including possibly allowing tandem and/or uncovered spaces.</p> <p>h) Design requirements, including considering waiving the requirement that there may be no direct access between the primary unit and the rent-restricted second unit.</p> <p>i) Allowing administrative extensions of Planning Commission approvals of rent-restricted second units if the applicant does not pull a building permit in the first year, rather than requiring a new Commission hearing.</p>	<ul style="list-style-type: none"> • More flexibility for residences with non-conforming parking, including elimination of the Variance requirement for properties which have the required number of parking spaces, but do not meet the dimensional standards for those spaces (this primarily benefits applicants for market-rate units). • Allowing the rent restrictions on low/very income units to expire automatically after a 10-year term (creating an incentive for applicants to participate in the program). • Eliminating the waiver of the rental tax waiver. Based on program results after 5 year, staff does not believe that this waiver (roughly \$200) has created a substantial incentive—and it has led to confusion among applicants. • Exempting second unit floor area (up to 700 square feet or 10% of the total residence) from the Floor Area Ratio calculation for new residences. • Increasing parking incentives to encourage “Low” Income units (since most units have served “Very Low” Income households). <p>Looking to the future, the City may not need to create additional incentives for “Low” Income units, if it continues to produce “Very Low” income units at the rate it has in the past. A surplus of “Very Low” Income units would serve “Low” Income residents by default. Moreover, smaller market rate units are already serving “low” income households, even without affordability restrictions.</p> <p>Revisions to the second unit standards are discussed in greater detail in Chapter 5. Some of the objectives listed in the 2011 Element remain to be achieved, including discouraging the loss of units upon expiration of the 10-year term. Matching employees to housing opportunities has not occurred but continues to be a valid objective. Allowing administrative extensions (Clause (i)) also remains valid and should be carried forward.</p> <p>The City determined that Clause (h) in this program was not viable, and would encourage the development of second units as offices, guest rooms, or space for extended families—rather than affordable rentals. It should not be carried forward.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.4, continued

Statement	Evaluation
<p>Program 3.B: Affordable Second Unit Public Information Campaign</p> <p><i>Initiate a public information and education campaign about second units, including definitions, regulations for their use, opportunities for their construction, and the various incentives offered by the City to create rent-restricted units. This would include a dedicated page on the City's website about second units, along with print media (FAQs, etc), press releases, and a letter to the owners of unintended second units (or known "illegal" units) informing them of the opportunity to apply for a market rate or rent restricted second unit.</i></p>	<p>ONGOING. The City continues to provide information on second units to the public. The Code revisions that were approved in 2011-2012 were covered extensively by the local media, and served to educate the public on the rules for second units and the benefits they provide. The City began publicizing the new rules immediately after they were adopted. Looking to 2015-2023, additional efforts should be made to develop web-based information. This should include a City webpage on second units. It could also include instructional webinars, YouTube videos, etc. Continued outreach to the owners of legal units and unintended units also should be a priority, in order to gauge the success of programs and encourage second units to be rented.</p>
<p>Program 3C: Monitoring Affordable Second Unit Opportunities</p> <p><i>Monitor the supply of unintended second units, illegal or suspected second units, and vacant second units. A confidential data base listing the addresses of such units shall be maintained for administrative purposes. Recognize the potential for such properties to help meet the City's affordable housing needs, and take proactive steps to realize this potential in the coming years. This includes an ongoing effort to expand the data base of unintended and/or illegal units as future planning and building permit applications are reviewed.</i></p>	<p>ONGOING. The City implements this program on an on-going basis, and continues to review all planning and building proposals to determine the presence of "unintended" units on Piedmont properties. Additional outreach to the owners of such properties should continue in the future.</p>
<p>Program 3D: Monitoring Additional Second Unit Development Opportunities</p> <p><i>Monitor potential opportunities for second units within new homes and on existing homes located on larger lots that are conducive to second unit creation, especially on vacant lots, lots in the estate zone, and other lots larger than 20,000 SF.</i></p>	<p>ONGOING. As noted above, in 2012 the City approved a floor area "bonus" for new homes that include a second unit. The City will continue to apprise property owners, architects, and home builders of this bonus and encourage its use by applicants.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.5: Evaluation of 2007-2014 Housing Element Goal 4	
Statement	Evaluation
Goal 4: Minimize constraints to the development of additional housing without compromising the high quality of Piedmont's neighborhoods.	Still valid. Carry forward.
<p><i>Quantified Objectives for Goal 4:</i></p> <p><i>(1) Process 80 % of all complete applications for planning and building permits within 30 days after they are received, instead of the 60 days allowed by the Permit Streamlining Act.</i></p>	This is not monitored in a way that facilitates easy reporting, but the target is generally achieved. In practice, the City aspires to complete 100% of applications as quickly as possible.
Policy 4.1: Encourage public understanding of the planning and building processes in Piedmont to facilitate permit processing and reduce project costs and delays.	Carry forward
Policy 4.2: Ensure that planning and building standards, development review procedures, and fees do not form a constraint to the development, conservation, and rehabilitation of housing, or add unnecessarily to the cost of building or improving housing.	Carry forward
Policy 4.3: Promote the expeditious processing and approval of residential projects that are consistent with the General Plan, Zoning Ordinance, and Design Review Guidelines.	Carry forward
Policy 4.4: Periodically update codes and standards for residential development to reflect changes in state and federal law, new technology, and market trends.	Carry forward
Policy 4.5: Allow certain development standards to be relaxed to accommodate affordable housing, where there is no threat the health, safety, and welfare of the City or potential for adverse impacts on the surrounding neighborhood.	Carry forward
Policy 4.6: Designate the City Planner as the City's Housing Coordinator.	Carry forward
Policy 4.7: Support the regular maintenance of infrastructure, including water, sewer, drainage, streets, and sidewalks, so that these facilities are available when new housing is proposed.	Carry forward
Policy 4.8: Participate in appropriate County programs which address financial constraints for first time homebuyers, including downpayment assistance, silent second mortgages, Mortgage Credit Certificates, and Mortgage Revenue Bonds.	Carry forward, although County programs have been sharply curtailed.

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.5, continued

Statement	Evaluation
<p>Program 4.A: Media Strategy <i>Prepare printed brochures and web-based materials which inform residents about the planning and building processes in Piedmont.</i></p>	<p>ONGOING. Program should be updated to reflect the phase-out of printed brochures in favor of on-line materials. City regularly updates and improves its website to describe current requirements and respond to “FAQs”.</p>
<p>Program 4.B: Home Improvement Seminars <i>Conduct City-sponsored meetings, programs, and seminars which inform residents on home improvement and maintenance practices (energy conservation, solar, bay-friendly landscaping, window replacement, etc.) in Piedmont. Such seminars could be aired on KCOM (local access cable) to reach as broad an audience as possible.</i></p>	<p>NOT ACHIEVED. No seminars have been held since 2010 due to lack of funding and staff resources. However, seminars took place prior to 2010 and may be held in the future, so this program should be carried forward.</p>
<p>Program 4.C: Building Code Updates and Ongoing Enforcement <i>Continue to implement the California Building Code of Regulations, as locally amended. Update or amend the codes as state requirements change, and as conditions in Piedmont warrant.</i></p>	<p>ONGOING. This action is implemented on an ongoing basis and continues to be relevant.</p>
<p>Program 4.D: Fee Review <i>Review all planning and building fees to be sure that they cover required costs but are not more than is necessary to provide the required City services.</i></p>	<p>ONGOING. Carry forward. The City has not raised its fees since adoption of the last Housing Element, despite the recent increase in property values.</p>
<p>Program 4.E: Temporary Staff Additions <i>Add contract staff as needed to ensure prompt processing of all applications.</i></p>	<p>ONGOING. Carry forward. Ongoing action—continues to be relevant.</p>
<p>Program 4.F: Capital Improvement Plan Updates <i>Annually update the Capital Improvements Plan to ensure that municipal systems are kept in good condition.</i></p>	<p>ONGOING. Carry forward. Ongoing action—continues to be relevant. The City has a CIP committee that advises on priority projects.</p>
<p>Program 4.G: Amendment to Parking Standards in Zones B, C, and D <i>Amend Chapter 17 of the Municipal Code to require one (rather than two) off-street parking spaces per housing unit for units smaller than 700 square feet in all zones of the City, rather than just Zones A and E.</i></p>	<p>ACHIEVED. This amendment has been adopted. One space per unit is now required for units smaller than 700 SF in Zones C and D (e.g., the commercial/mixed use and multi-family zones). Two spaces were required previously.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.5, continued

Statement	Evaluation
<p>Program 4.H: Bonding Requirements <i>Explore programs to reduce the financial burden to prospective homeowners associated with bonding requirements.</i></p>	<p>ACHIEVED. Since 2010, the City has implemented changes to bonding requirements for new homes which make it less burdensome for builders/contractors. This program had applied to new homes only, which are relatively rare in Piedmont.</p>
<p>Program 4.I: Monitoring the Effects of the City Charter <i>Piedmont's rent-restricted second unit program has been successful in accommodating and achieving the City's share of the regional housing need, including producing housing for very low income households. However, the Charter requires a citywide vote for zoning map changes, which constrains the development of a variety of housing types, particularly high-density multi-family housing. To address this constraint, the City has added Programs 1.E (allowing multi-family density housing and mixed use in the commercial zone) and 1.G (creating new incentives for multi-family uses). Program 4.I supplements these two programs to ensure their effectiveness by monitoring and annually evaluating and reporting on the effects of the City Charter on: (a) the cost and supply of housing, particularly multifamily housing and (b) the effectiveness of City strategies to mitigate related impacts such as allowing multifamily uses in Zone D (Program 1.E) and incentives for multifamily uses in Zones C and D (Program 1.G). Based on the outcome of the evaluation, the City will adopt strategies to address and mitigate identified constraints.</i></p>	<p>ACHIEVED. The City prepared its last annual report in 2012, and included a dedicated section in the report on the effects of the City Charter on housing. This section concludes that there has been no impact, using the metrics laid out in the 2011 Housing Element. The highest and best use of land in Piedmont continues to be single family detached housing. Since adoption of the 2011 Element, none of the single family residences in the City's multi-family zone have requested to become multi-family properties, and there has been no interest in assembling sites for multi-family use. Moreover, an institutional use that was located in two adjacent single family homes recently left the city—following the advice of local realtors, both sites were converted back to single family homes. With the cost of a 3-bedroom home now exceeding \$1.5 million and almost no vacant land in the city, it is the cost of real estate rather than the City Charter that is constraining affordable housing production.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.6: Evaluation of 2002 Housing Element Goal 5	
Statement	Evaluation
<p>Goal 5: Provide adequate housing opportunities for Piedmonters with special needs, particularly seniors and the disabled.</p>	<p>Still valid. Carry forward.</p>
<p><i>Quantified Objectives for Goal 5:</i></p> <p>(1) Assist at least 5 senior Piedmont households in obtaining CDBG funding for home rehabilitation projects between 2010 and 2014.</p> <p>(2) Facilitate the retrofitting of at least 10 Piedmont homes to enable senior residents to "age in place" rather than relocating out of the community between 2010 and 2014.</p>	<p>(1) The City has not tracked whether the households receiving CDBG funds were senior-headed. However, less than five grants/ loans were awarded in 2000-2014.</p> <p>(2) The City believes the number of homes retrofitted for seniors aging in place exceeded the 10 unit target. However, permits are not specifically tracked using this criteria. It is also difficult to distinguish projects solely intended for aging in place, vs remodels which included age-in-place elements (e.g., a full bathroom remodel that includes grab bars)</p>
<p>Policy 5.1: Ensure that planning and building regulations accommodate the retrofitting of homes to meet the needs of aging or disabled residents.</p>	<p>Carry forward</p>
<p>Policy 5.2: Encourage second units and shared housing as strategies to help seniors age in place. Second units and shared housing can provide sources of additional income for senior homeowners and housing resources for seniors seeking to downsize but remain in Piedmont.</p>	<p>Carry forward. As noted below, new Section 17.39 was added to Zoning Code to encourage and permit renting of rooms in single family residences</p>
<p>Policy 5.3: Provide reasonable accommodation for people with disabilities in the City's rules, policies, practices and procedures related to zoning, permit processing and building codes.</p>	<p>Carry forward</p>
<p>Policy 5.4: Strive to meet the needs of extremely low income Piedmont residents, especially single parents, seniors on fixed incomes, and persons in financial crisis or at risk of losing their homes.</p>	<p>Carry forward. Potentially add students to this list.</p>
<p>Policy 5.5: Actively cooperate with and participate in regional discussions and programs addressing homelessness and the need for emergency shelter and supportive housing in the East Bay.</p>	<p>Carry forward</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.6, continued

Statement	Evaluation
<p>Policy 5.6: Support state, regional, and countywide initiatives to reduce the risk of foreclosure and to assist those facing foreclosure.</p>	<p>Carry forward. Although this is less of an issue now than it was in 2010, it remains appropriate.</p>
<p>Program 5.A: Shared Housing <i>Consider participating in ECHO Housing's shared housing program as a way to improve housing opportunities for lower income seniors and extremely low income households.</i></p>	<p>PARTIALLY ACHIEVED. Although this program was not accomplished due to lack of staff resources, the City facilitated shared housing by clarifying its rules on the renting of rooms in Piedmont homes. This program remains relevant and should be carried forward. Additional programs on shared housing could be included in the revised Element.</p>
<p>Program 5.B: Allowances for Temporary Home Improvements <i>Allow Planning and Building Code exceptions for certain temporary home improvements which help Piedmont seniors remain in their homes as their physical capabilities change. For example, the City could permit the addition of a first floor bedroom without conforming parking for a nurse or live in aid (with the condition that it be removed when occupancy of the home changes).</i></p>	<p>ONGOING. Program implemented on an on-going basis. Since 2010, three requests for "temporary" improvements were received and approved and three requests for "permanent" disabled accessibility improvements were received and approved. Carry forward.</p>
<p>Program 5.C: Assistance to Nonprofit Developers <i>Provide assistance to nonprofit entities interested in developing housing for low and moderate income Piedmont residents, including the elderly and others with special needs. This will be implemented on an ongoing basis, with the City providing technical assistance, regulator concessions and incentives, and co-sponsorship of applications as opportunities arise.</i></p>	<p>ONGOING. Carry forward. Minimal activity in 2010-2014, given the lack of large sites, limited transit, and the high cost of land. The City remains open to non-profit proposals and should retain this action in the updated Element.</p>
<p>Program 5.D: Accommodations for Disabled Persons <i>Develop printed and web-based information which describe the procedures for making a Piedmont home "barrier free." This information would explain the process to retrofit a home, the range of features that might be incorporated, the process for applying for permits, etc.</i></p>	<p>NOT ACHIEVED. Not achieved due to lack of staff. Carry forward and modify to reference hyperlinks to other (non-City) websites where this information already exists, rather than creating a City web page for this purpose.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.6, continued

Statement	Evaluation
<p>Program 5.E: Zoning Amendment for Emergency Shelter Amend the Piedmont Zoning Ordinance to identify emergency shelters and transitional housing as permitted uses in Zone B, the Public Facilities Zone. Pursuant to Chapter 633, Statutes of 2007 (SB2), the revised zoning text will stipulate that transitional and supportive housing will be considered a residential use subject only to the same permitting processes as other housing in the subject zone without undue special regulatory requirements.</p>	<p>ACHIEVED. The amendments were approved by the City Council in 2013 and became effective on January 1, 2014. Emergency shelter is now permitted by right in Zone B.</p>
<p>Program 5.F: Housing Support for Families in Crisis Support public and non-profit agencies in Alameda County which provide food and shelter for families in crisis.</p>	<p>ONGOING. Ongoing action, carry forward.</p>
<p>Program 5.G: EveryOne Home Participate in the Alameda County EveryOne Home Program, a Countywide planning effort to increase housing opportunities for extremely low income and disabled persons and strengthen the services the County provides to the homeless.</p>	<p>ONGOING. Still relevant. The City provided funding to County agencies for this program throughout the planning period. Carry forward.</p>
<p>Program 5.H: Faith Community Participation Work with the local faith community to serve residents in need within Piedmont and the greater East Bay, and to identify potential partners for meeting local extremely low income housing needs.</p>	<p>ONGOING. Implemented on an-going basis. Local houses of worship continue to provide volunteer-run services (food drives, etc.) for lower income persons. Remains relevant.</p>
<p>Program 5.I: Second Units for Extremely Low Income Households Maintain an inventory of second units that are available at rents that are affordable to extremely low income households. Explore ways to expand this inventory and encourage the development of additional extremely low income second units through the City's affordable second unit program and other means (shared housing, etc.). Efforts could include a permanent waiver of the business license tax for extremely low income second units (rather than a one-year waiver), fee reductions or other incentives, and increasing public awareness of the rules for renting a room in a Piedmont house.</p>	<p>ACHIEVED. The City amended its second unit regulations in 2012 to establish a new category of units that are rent-restricted to extremely low income (ELI) households at rents meeting HUD affordability criteria. Homes which could not otherwise support a second unit (e.g., lacking the ability to provide off-street parking) may add a unit with no parking, provided it is less than 300 SF and rented to an ELI household. As noted below, the City also clarified its rules for renting rooms.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.6, continued

Statement	Evaluation
<p>Program 5.J: Housing for Extremely Low Income Families <i>Develop incentives to meet the needs of Piedmont's extremely low income households potentially including modified development standards for new multi-family buildings that include units for extremely low income families. These incentives could include allowances for higher lot coverage and floor area ratios in Zone C for buildings that dedicate one or more units for extremely low income families.</i></p>	<p>ONGOING. While the City does not permit rooming or boarding houses, it has a history of allowing Piedmonters to rent rooms in their house. Prior to 2012, this allowance was not specifically referenced in the Municipal Code, leading to ambiguity in the rules and lack of awareness as to the opportunity. In 2012, Code language was adopted to explicitly allow room rentals in Piedmont homes. Rented rooms are specifically listed in the Zoning Ordinance as a "permitted use" in all zones in the city, with the provision that occupancy is limited to a single lease. There may be multiple individuals covered by that lease, however, so an extremely low income family of several individuals (and occupying several rooms) may be included.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.7: Evaluation of 2002 Housing Element Goal 6	
Statement	Evaluation
Goal 6: Encourage greener construction to reduce household utility costs and create healthier living environments.	Still valid. Carry forward.
<p>Quantified Objectives for Goal 6:</p> <p>(1) Issue building permits to retrofit at least 20 homes with energy-saving devices, such as new windows, furnaces, insulation, and appliances between 2010 and 2014.</p> <p>(2) Approve at least 25 applications for alternative energy sources, including solar panels, in Piedmont residences between 2010 and 2014.</p> <p>(3) Achieve 100 % compliance with Title 24 energy efficiency requirements.</p>	<p>(1) Achieved. Between 2011 and January 2014, 27 Piedmont households have participated in Energy Upgrade California, a home energy efficiency retrofit program. In addition, the City has issued permits for 400 new furnaces since 2010; presumably most were more energy-efficient than the furnaces they replaced.</p> <p>(2) Achieved. Approximately 95 permits for solar energy systems have been issued since 2010.</p> <p>(3) Achieved. This is part of the City's standard operating procedure for plan checking.</p>
Policy 6.1: Require all new housing to be designed to encourage energy efficiency. Building design and construction methods should promote and support energy conservation.	Carry forward
Policy 6.2: Encourage major additions and remodeling projects to use windows, building materials, ventilation systems, and appliances which reduce home heating and cooling costs and conserve energy resources.	Carry forward
Policy 6.3: Encourage weatherization of existing homes to reduce heating and cooling costs and lower home energy bills.	Carry forward
Policy 6.4: Maintain development regulations which accommodate the installation of solar panels and other devices which result in lower energy costs for homeowners and renters.	Carry forward. This is also highlighted in the Piedmont General Plan and the Piedmont Climate Action Plan.
Policy 6.5: Support the use of federal, state, county, and utility-sponsored programs which provide financial assistance or incentives for energy retrofits.	Carry forward.

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.7, continued

Statement	Evaluation
<p>Policy 6.6: Recognize the link between housing and climate change in the City's decision-making process. Specifically, the City should strive to create additional local housing opportunities for persons employed within Piedmont in order to reduce commuting and associated greenhouse gas emissions. A particular emphasis should be placed on housing for municipal and school district employees, since these are the largest employers in the city.</p>	<p>Carry forward. This policy is consistent with SB 375 and AB 32 and reflects Piedmont's unique context.</p>
<p>Policy 6.7: Encourage drought-tolerant and bay friendly landscaping as a way to conserve water, reduce greenhouse gas emissions associated with water transportation, and reduce homeowner water bills, thereby freeing up more income for other purposes.</p>	<p>Carry forward. This policy is supported by a new Bay Friendly Landscape category award in the annual Design Awards program</p>
<p>Program 6.A: Title 24 <i>Continue to enforce Title 24 requirements for energy conservation.</i></p>	<p>ONGOING. Implemented continuously. Carry forward. Reference emerging code standards.</p>
<p>Program 6.B: Green Housing <i>Explore ways to encourage and incentivize greener residential construction. This could include use of the Build-It-Green checklist and provisions to allow gray water recycling.</i></p>	<p>ONGOING. Implemented continuously in response to state building codes. The City has not yet changed its code to require the "Build it Green" checklist, but does permit graywater systems under the Building Code. Several homes have been rehabbed with state of the art "green" construction since 2010. This policy is also supported by a new Green Design award category in the annual Design Awards program Action should be carried forward.</p>
<p>Program 6.C: Renewable Energy Funding Assistance <i>Participate in the California FIRST Program, a countywide program which enables homeowners to finance renewable energy and energy efficiency improvements on their property.</i></p>	<p>ONGOING but should revise. New Property Assessed Clean Energy ("PACE") Program will be launched in Summer 2014.</p>
<p>Program 6.C: Financial Assistance <i>Promote the use of programs which reduce residential energy costs. These include energy audits, rebates, LIHEAP, REACH, CARE, Energy Upgrade California, etc.</i></p>	<p>ONGOING. Carry forward. Update as necessary.</p>

EVALUATION OF THE 2007 - 2014 HOUSING ELEMENT

Table 2.8: Evaluation of 2002 Housing Element Goal 7	
Statement	Evaluation
Goal 7: Ensure that all persons have equal access to housing opportunities in Piedmont.	Still relevant. Carry forward.
<p><i>Quantified Objectives for Goal 7:</i></p> <p>(1) Follow-up on 100 % of all complaints received relating to fair housing.</p> <p>(2) Approve 100 % of all housing development projects that meet the requirements of the City Code without regard for the personal characteristics of the applicant or occupants.</p>	<p>(1) Achieved. No complaints were received. Continues to be a relevant objective.</p> <p>(2) Achieved. Continues to be a relevant objective.</p>
Policy 7.1: Promote the development of housing for all persons regardless of race, religion, ethnic background or other arbitrary factor.	Carry forward
Policy 7.2: Support and participate in Alameda County programs which ensure that all persons have equal access to housing.	Carry forward
Policy 7.3: Implement and enforce relevant State and Federal Fair Housing laws.	Carry forward
Policy 7.4: Promote public education and awareness of fair housing requirements, and reduce public misconceptions about low income housing.	Carry forward
<p>Program 7.A: Public Information</p> <p><i>Make (multi-lingual) brochures and notices on equal housing laws available at City Hall.</i></p>	ONGOING. Implemented on an ongoing basis. Should update to reflect shift toward web-based information, and links to other resources (ECHO, etc.).
<p>Program 7.B: Fair Housing Referrals</p> <p><i>Continue the City's referral arrangement with ECHO Housing on fair housing issues and discrimination complaints.</i></p>	ONGOING. The City has a current housing services contract with ECHO (via Alameda County HCD) and renews that contract regularly.

3. Demographics and Housing Needs

This chapter of the Housing Element profiles demographic and housing conditions in Piedmont in order to assess the City’s future housing needs. Pursuant to State Government Code requirements, data on population, household characteristics, income and employment, special needs groups, housing stock characteristics, building condition, and housing value is presented.

This document was prepared in 2014 and relies on the most current available data sources. In some cases, these sources are several years old. However, given Piedmont’s stable, built out character and the slow rate of development in the city, the data provides a fairly accurate portrait of demographics and housing needs. Primary data sources include the decennial census of 2010, with comparisons provided to the 2000 Census. Data from the American Community Survey (ACS) also is used. The ACS estimates demographic conditions over a five-year period (in this case, 2008 to 2012) using sample data and a computer model which considers the 2010 Census and other demographic variables. Other important data sources used in the Housing Element include the City of Piedmont, the Association of Bay Area Governments (ABAG), the State Department of Finance, and various real estate statistical websites.

Following the demographic and housing analysis, this Chapter provides an assessment of housing needs in Piedmont for the 2015-2022 period. This assessment reflects the regional “fair share” allocation assigned to the City by ABAG, along with general observations about housing needs and opportunities.

Government Code Sec. 65583 (a)(1):
The Housing Element shall contain an... “An analysis of population and employment trends...”

POPULATION TRENDS

The City of Piedmont was incorporated in 1907. At the time, the population was a little more than 100 families. By 1910, Piedmont’s population had grown to 1,719. The rapid increase continued through 1930 when the population reached 9,333. Population growth slowed considerably after 1930 as the supply of vacant land in the City dwindled.

Between 1930 and 1960, the City’s population increased by another 20%, peaking at 11,117 in 1960. Between 1960 and 1980, Piedmont’s population declined by almost 6% as households became smaller and the pace of new construction slowed. Population increased by 4% during the 1980s and 1990s, largely due to increases in household size. The 2000 Census reported the City’s population at 10,952. In 2010, the population was 10,687, a decrease of about 3% from 2000.

Annual estimates since 2010 are provided by the California Department of Finance (DOF) based on housing construction data and estimates of household size. DOF estimated Piedmont’s population on January 1, 2013 at 10,889, an increase of about 200 residents in the last three years. Most of this increase is due to changes in household size and declining vacancy rates rather than new housing construction.

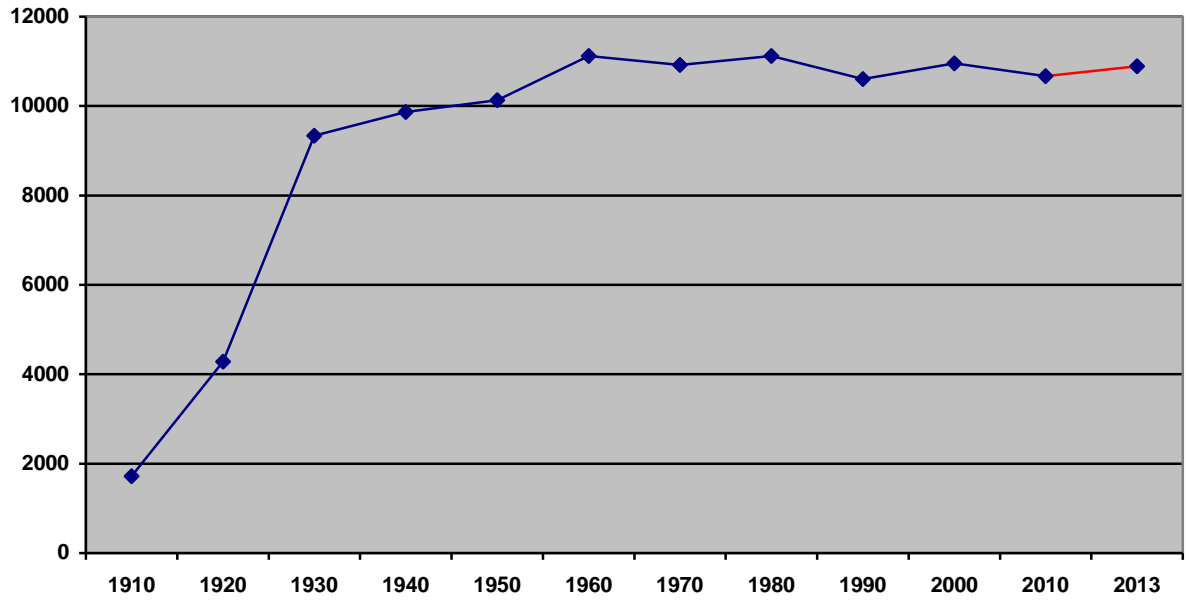
Table 3.1 and Chart 3.1 illustrate population trends in the City.

Table 3.1: City of Piedmont Population, 1910-2013			
Year	Population	Net Change	Percentage Change
1910	1,719	-	-
1920	4,282	2,563	149.1%
1930	9,333	5,051	118.0%
1940	9,866	533	5.7%
1950	10,132	266	2.7%
1960	11,117	985	9.7%
1970	10,917	-200	-1.8%
1980	10,498	-419	-3.8%
1990	10,602	104	1.0%
2000	10,952	350	3.3%
2010	10,667	-285	-2.6%
2013	10,889	222	2.1%

Source: US Census of Population (1910-2010), State Dept. of Finance, 2013

DEMOGRAPHICS AND HOUSING NEEDS

Chart 3.1: City of Piedmont Population, 1910-2013



Source: US Census of Population, State Dept of Finance

The Housing Element shall contain... “An analysis and documentation of household characteristics, including level of payment compared to ability to pay, household characteristics, including overcrowding, and housing stock condition.”

Government Code Sec. 65583 (a)(2):

HOUSEHOLD CHARACTERISTICS

The 2010 Census reported that 10,664 of Piedmont’s 10,667 residents lived in “households.” The remaining three residents were reported as living in “group quarters.” The 2010 Census counted 3,801 households in Piedmont, which is almost identical to the 2000 Census figure. The 2013 California Department of Finance (DOF) estimates that there are now 3,812 households in the city, an increase of 11 households in three years. Group quarters population remains three persons.

Household Size

Table 3.2 tracks the number of households between 1940 and 2013. Although population was relatively stable during this time period, increasing just 10%, the number of households increased by 43%. As Table 3.2 indicates, average household size declined substantially between 1940 and 1980. In 1940, on average there were 3.70 residents per Piedmont household. By 1980, that figure had dropped to 2.79.

Average household size increased between 1980 and 2000 but has declined slightly in the last 13 years. The 2000 Census reported an average household size of 2.88. This dropped to 2.81 in 2010 and is currently estimated (by DOF) at 2.86. Average household size in Piedmont has consistently been slightly larger than the County as a whole, a reflection of the City’s mostly single family housing stock. The estimates for Alameda County as a whole were 2.70 in 2010 and 2.75 in 2013.

DEMOGRAPHICS AND HOUSING NEEDS

Table 3.2: Total Households and Household Size in Piedmont, 1940-2013		
Year	Households	Average Household Size
1940	2,666	3.70
1950	3,079	3.29
1960	3,495	3.18
1970	3,556	3.07
1980	3,762	2.79
1990	3,733	2.82
2000	3,804	2.88
2010	3,801	2.81
2013	3,812	2.86

Source: US Census of Population (1910-2010), State Dept. of Finance (2013)

Types of Households

The Census classifies households as either “family” or “non-family.” The Census defines a “family” as “a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.” “Non-family” households include persons living alone and unrelated individuals sharing a home, with no children present.

The 2010 Census reported that 82% of all Piedmont households (3,117 households) were “families”, while 18% (684 households) were “non-families.” The percentage of “families” is substantially higher than in Alameda County as a whole, where the figure is about 65%.

Chart 3.2 provides additional detail on the types of households in Piedmont. In 2010, some 1,342 households—or about 35% of the City’s total—consisted of married couples with children under 18. About 4% of the City’s households consisted of single mothers with children under 18 at home and 2% consisted of single fathers with children under 18 at home. The “non-family” households in the City include 578 persons living alone and 106 households comprised of unrelated individuals (including domestic partnerships).

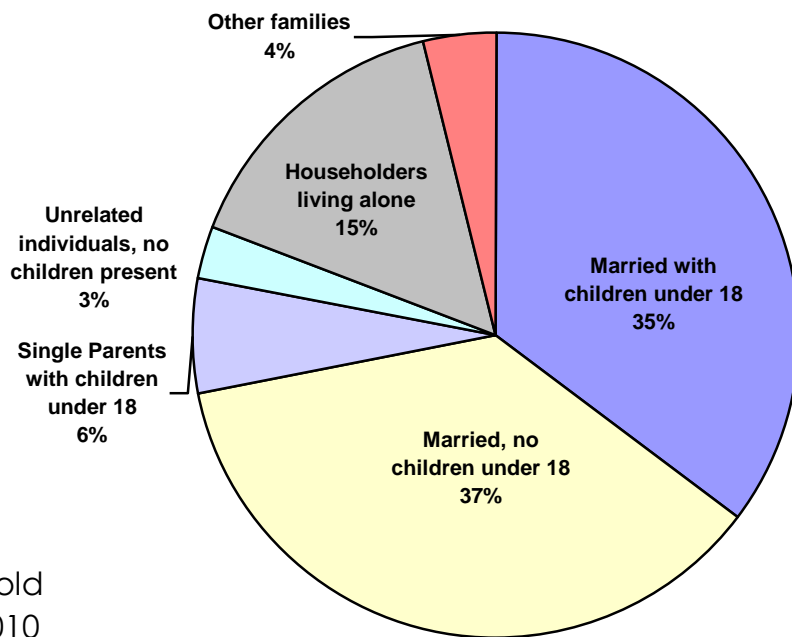


Chart 3.2:
Piedmont Household
Characteristics, 2010

Source: Census 2010

Projections for the future indicate a rapid increase in the over-65 population during the next two decades. This cohort represented 11 percent of the Bay Area's population in 2000. It is projected to be 25 percent of the population by 2035.

Age

Piedmont has the highest median age of any city in Alameda County. In 2010, the Census reported the median age at 46.2, compared to a County median of 36.6. The median age has increased since 1990, when it was 41.6 and 2000, when it was 43.7.

Piedmont's high median age is primarily due to a large concentration of "baby boomer" households in the City. The 55 to 64 age group increased from 1,243 to 1,981 (59%) residents during 2000-2010 and now represents roughly one in five Piedmonters.

Table 3.3 compares the age distribution of Piedmont residents in 1990, 2000, and 2010. Chart 3.3 illustrates the Year 2010 age distribution. The City has a disproportionately small number of persons in the 20-44 age cohort. Population in this age group declined significantly between 1990 and 2010. Whereas persons in this age group represent 37% of Alameda County's population, they represent just 18% of the population in Piedmont. This is indicative of the relatively high cost of housing in Piedmont and the limited supply of rental units.

Piedmont also has a higher percentage of children than the County as a whole, and a substantially higher percentage of persons over 65. However, the number of children in the City declined by 9% between 2000 and 2010. The number of seniors increased by 11%. The number of Piedmont residents aged 45 to 54 declined by over 500 during 2000-2010, a drop of nearly 22%.

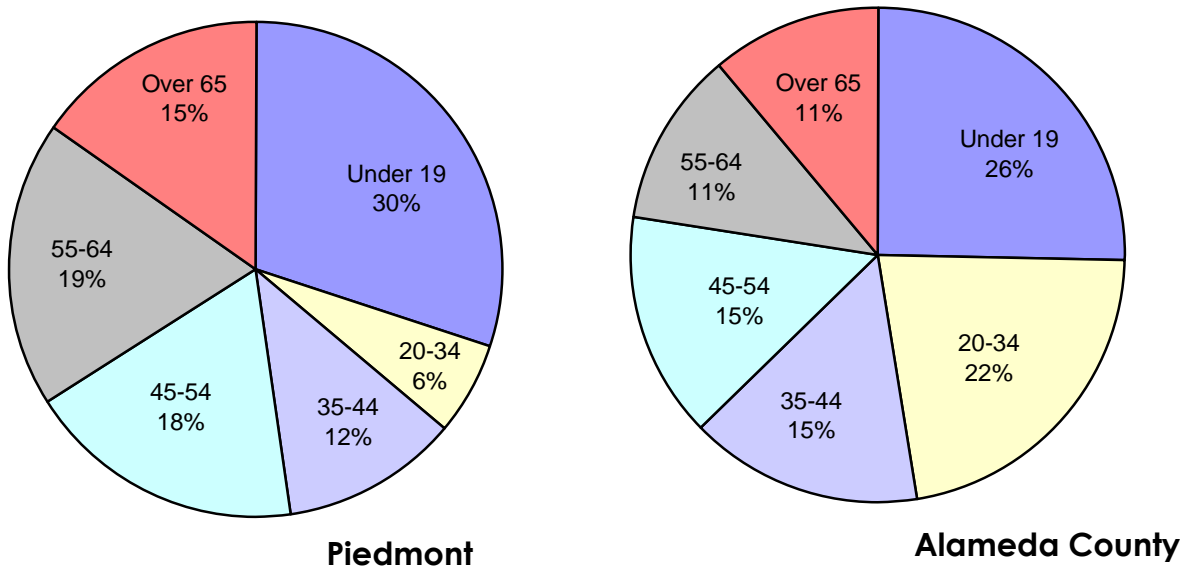
Projections for the future indicate a rapid increase in the over-65 population during the next two decades. This cohort represented 11% of the Bay Area's population in 2000. It is projected to be 25% of the population by 2035. In Piedmont, the large cohort of residents in the 55-64 age group will reach retirement age in the next ten years. Although some of these residents may leave Piedmont in their later years seeking smaller homes or more accessible services, some will stay in the community. The City has historically had a large population of seniors "aging in place" and will continue to do so in the future.

DEMOGRAPHICS AND HOUSING NEEDS

Table 3.3: Comparison of 1990, 2000, and 2010 Age Distribution in Piedmont					
Age Cohort	1990	2000	1990-2000 Percentage change	2010	2000-2010 Percentage change
0-9	1,656	1,463	-12%	1,389	-5.1%
10-19	1,368	2,055	+50%	1,809	-12.0%
20-34	1,192	731	-34%	666	-8.9%
35-44	2,061	1,502	-27%	1,242	-17.3%
45-54	1,676	2,477	+48%	1,941	-21.6%
55-64	1,102	1,243	+13%	1,981	+59.3%
65-74	884	759	-14%	921	+21.3%
75-84	538	526	-2%	502	-4.6%
85 or over	125	196	+57%	216	+10.2%

Source: 2000 Census

Chart 3.3: Age Distribution of Residents in Piedmont and Alameda County, 2010



Source: Census 2010

Length of Residency

Length of residency data provides some indication of the stability of a community. The 2013 American Community Survey data for Piedmont indicated that 2,114 of the City's households (58%) had lived in their place of residence for 12 or more years. This compares to a countywide average of 32%. Only 5% of Piedmonters had moved into their residence in 2010 or later, compared to 12% countywide.

As one would expect, the turnover rate was much higher for renters than for owners. About 15% of Piedmont's renters had been in their place of residence for two years or less and only 5% had lived in their homes since before 2000.

Tenure

Tenure refers to the ownership status of housing (e.g., rental vs. owner). Piedmont has had the highest percentage of owner-occupied housing in Alameda County for many years. In 2000, 89.4% of the City's dwelling units were occupied by owners and just 9.2% were occupied by renters (the remaining 1.4% were vacant). By 2010, the ownership rate had dropped to 85.6%, the rental rate increased to 11.3%, and the vacancy rate increased to 3.1%. The percentage of units that are rented was virtually the same in 1990 and 2000 (approximately 356) but increased by 25% to 443 units in 2010.

While there was some increase in rental stock due to the creation of second units, a majority of the increase is likely due to owners choosing to rent out their homes rather than selling them during the 2007-2010 market downturn. Prices in Piedmont declined slightly during this period, and those relocating out of the City may have postponed the sale of their homes until the market recovered. The 2013 American Community Survey indicated that approximately 70% of the rentals in the City are single family homes rather than apartments.

Linguistic Isolation

The 2000 Census reported that 82% of Piedmont's residents spoke "English only," while 18% spoke other languages at home. These numbers have not changed significantly in the last 13 years. The 2013 American Community Survey indicates that 83% of Piedmont residents speak English at home and 17%

DEMOGRAPHICS AND HOUSING NEEDS

speak another language at home. As of 2013, 14% of the City's residents were born overseas.

Of those speaking another language, 63% were also fluent in English while 37% (about 650 people) spoke English "less than very well." The principal other languages spoken in Piedmont homes were Chinese (852 persons), Spanish (225 persons), Korean (166 persons), and Japanese (130 persons). Among those who spoke English "less than very well," 60% (388 persons) spoke Chinese, 10% spoke Spanish, and about 5% each spoke Korean and Japanese. Other languages spoken in the City included Portuguese, Hindi, Urdu, Persian, Thai, Russian, and Vietnamese.

The percentage of non-English speaking residents is much lower in Piedmont than in surrounding communities and in the County and state as a whole. Approximately 86% of Piedmont residents were born in the United States— 56% of the city's residents are native Californians.

INCOME AND EMPLOYMENT

Piedmont is an affluent community, with a median household income that is substantially higher than the County as a whole. In 2000, the US Census reported that the median household income in the City was \$134,270. This was 140% higher than the Year 2000 income for Alameda County. In 2013, the American Community Survey reported the median household income in Piedmont was \$206,392.

Approximately 79% of the City's households had annual incomes of over \$100,000 in 2013. This compared to 36% in the County as a whole. The median income for families (excluding single persons and unrelated individuals living together) was even higher, with 91% of all Piedmont families earning more than \$100,000 a year.

The highest income earning cohort in the city was the 45 to 64 age group, with a median household income of \$236,800. The 25 to 44 age group had a median income of \$207,200. Households over 65 had a significantly lower median income of \$108,400.

Despite the relative affluence of Piedmont residents, there are households in the City earning substantially less than the City-

DEMOGRAPHICS AND HOUSING NEEDS

wide median. The 2013 American Community Survey reported that 190 Piedmont residents (1.8% of the City's population) were below the United States poverty level. However, ACS data indicates a different profile for persons below the poverty line than in the County as a whole. The ACS reported no children below the poverty line, and only 7 seniors. More than three-quarters of Piedmont residents below the poverty line were female. Among adults over 25 living below poverty, nearly 60% had a college degree. It is important to keep in mind that the ACS poverty data is based on annual income, rather than net wealth, so the results may not provide an accurate metric for evaluating local housing needs.

Other indicators of income are available from the American Community Survey. In 2013, there were 15 households with Supplemental Security Income (SSI), and 874 households receiving Social Security Income. The ACS indicated there were no residents receiving food stamps or public assistance.

The 2013 ACS further estimated that there were 370 Piedmont households (about 10% of the City's total) with incomes below \$65,000 a year. This was the approximate threshold for the HUD definition of "low income" in 2013. About 56% of these households are headed by senior citizens. In fact, the Census indicated that 81% of Piedmont households with incomes of \$35,000 or less were headed by seniors (78 out of 96 households).

Most state and federal housing programs are benchmarked to specific income thresholds. These thresholds are updated annually by the State of California, in accordance with procedures established by the U.S. Department of Housing and Urban Development (HUD). They vary depending on the number of persons per household, since different sized households have different spending needs. HUD uses the following categories:

- "Extremely Low Income" households earn less than 30% of the areawide median.
- "Very Low Income" households earn less than 50% of the areawide median.
- "Low Income" households earn between 50 and 80% of the areawide median (some housing programs use 60% as the threshold)
- "Moderate Income" households earn between 80 and 120% of the areawide median.
- "Above Moderate Income" households earn more than 120% of the areawide median.

DEMOGRAPHICS AND HOUSING NEEDS

Table 3.4: HUD Annual Income Limits for Alameda County, 2014								
Income Category	Number of Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low	<\$19,350	<\$22,100	<\$24,850	\$27,600	\$29,850	\$32,050	\$34,250	\$36,450
Very Low	<\$32,200	<\$36,800	<\$41,400	<\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Low	<\$32,201-\$47,350	\$36,801-\$54,100	\$41,401-\$60,850	\$46,001-\$67,600	\$49,701-\$73,050	\$53,401-\$78,450	\$57,051-\$83,850	\$60,751-\$89,250
Moderate	\$47,351-\$74,300	\$54,101-\$84,900	\$60,851-\$95,500	\$67,601-\$106,200	\$73,051-\$114,700	\$78,451-\$123,200	\$83,851-\$131,600	\$89,251-\$140,100
Above Moderate	\$74,300	>\$84,900	>\$95,500	>\$106,200	>\$114,700	>\$123,200	>\$131,600	>\$140,100

Source: US Department of Housing and Community Development, 2013

Table 3.4 shows the income ranges for Alameda County effective in 2014. A family of four earning less than \$67,600 a year would be considered “low income.” A family of four earning less than \$46,000 a year would be considered “very low income.”

Ability to Pay

Among the data collected by the Census is the percentage of household income that is spent on housing costs, including utilities. A household that spends more than 30% of its gross income on housing is said to be “overpaying.” The 30% threshold is used as the basis for a number of federal housing assistance programs. Households spending more than 50% of their gross income on housing are said to be “severely overpaying.”

Overpayment data for 2008-2012 is shown in Table 3.5. During that time, some 31% of all owner-occupied Piedmont households paid more than 30% of their income on housing (the corresponding figure for Alameda County was 47%). These statistics have inched up slightly in the last 20 years; 1990 data

DEMOGRAPHICS AND HOUSING NEEDS

indicates a homeowner overpayment rate of 28%, while 2000 Census data indicates a rate of 29%.

Among Piedmont renters, only 20% paid more than 30% of their income on housing during 2008-2012 (American Community Survey, 2013). The figures are down substantially from 2000, when 36% of the City's renter households paid more than 30% of their incomes on rent. According to the 2013 American Community Survey (ACS), most Piedmont renters pay 20 to 29 percent of their incomes on housing. The trend in Piedmont is the reverse of the trend in the rest of the Bay Area, where a growing number of renters are overpaying. The data for Piedmont reflects the relatively high incomes of Piedmont renters relative to renters in other parts of the Bay Area.

The 2013 ACS reported that 81% of all Piedmont homeowners with a mortgage had housing costs exceeding \$3,000 a month. Homeowners with mortgages were the group most likely to be "overpaying" for housing during 2008-2012. The 2013 ACS indicated the median mortgage payment in the City exceeded \$4,000 a month, which is above the top interval recorded by the Census. Approximately 38% of homeowners with mortgages spent more than 30% of their incomes on housing (including 14% --or about 360 households-- spending more than 50% of their incomes on housing).

Not surprisingly, the incidence of overpayment is highest among homeowners earning less than \$75,000 a year. This income group represents just 7.6% of all Piedmont homeowners with mortgages (or about 185 households), with 93% spending more than 30% of their annual incomes on housing.

The 2013 ACS reports that 27% of all Piedmont homeowners had no mortgages and owned their homes outright. Homeowners with no mortgage still had monthly housing costs which exceeded \$1,000 a month, attributable to property taxes, homeowners insurance, utility bills, and similar expenses. However, the incidence of overpayment was low among homeowners with no mortgages. Just 11% of these owners spent more than 30% of their incomes on housing. Approximately 76% of Piedmont homeowners without mortgages reported incomes of over \$75,000 a year and 51% reported annual incomes over \$150,000.

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Table 3.5: Percentage of Income Spent on Housing By Piedmont Households, 2013								
Percentage of Income Spent on Housing	ALL HOUSEHOLDS				HOUSEHOLDS WITH INCOMES UNDER \$50,000			
	Owners	Percent of Total	Renters	Percent of Total	Owners	Percent of Total	Renters	Percent of Total
Less than 20%	1,571	47.1	92	31.8	16	8.7	0	0
20-29%	720	21.6	237	47.4	26	14.1	0	
30% or more	1,026	30.8	60	20.8	142	77.2	24	100.0
Not calculated	18	0.5	0	0	0	0	0	0
TOTAL	3,335	100.0	289	100.0	184	100.0	24	100.0

Source: American Community Survey, 2013

As noted above, most renters in Piedmont have incomes exceeding \$75,000 and pay less than 30% of their incomes on rent. However, the ACS indicates that there are 24 renter households with incomes of less than \$50,000 a year, and all of these households are paying more than 30% of their incomes on rent. Among the 69 renters in the \$50-75,000 income bracket, about 26% are estimated to be paying 30% or more of their incomes on rent

Employment

Employment in a community can affect the demand for housing and can influence the type of housing that is needed. This is less true in Piedmont than in larger communities because of the small, residential character of the City and the limited number of local jobs. Piedmont has never been a major employment center. In fact, the City has the smallest ratio of jobs to housing in Alameda County. Whereas the nine-county Bay Area as a whole has about 1.5 jobs for every household, in Piedmont, there are more than two households for every job.

Excluding persons working at home, about half of the persons working in Piedmont are employed by the City or the School District. These workers include teachers, janitors, maintenance workers, secretaries, clerks, professional staff, and many others with incomes that are not sufficient to cover the cost of a Piedmont home.

In 2010, the Association of Bay Area Governments indicated that there were an estimated 1,930 jobs in Piedmont. These were primarily associated with local government, service businesses, and persons working at home. The largest employers in the city are the Piedmont Unified School District, with some 350 full- and part-time employees, and the City of Piedmont, with about 150 full- and part-time employees. Other employers include five churches (and two affiliated parochial schools), three banks, a real estate office, a hardware store, a small grocery store, several medical and dental offices, and several small retail and service businesses on Grand Avenue.

The 2013 American Community Survey indicates that about 500 Piedmont residents—or roughly 10% of the City’s employed residents-- work from home. On any given day, there are also non-Piedmont based workers in the city, including construction crews, gardeners and landscapers, delivery drivers, domestic workers, and home child care providers. Collectively, persons working from home and persons providing services at individual residences make up about half of the jobs in the City.

The Census does not provide data on the income characteristics of persons who work in Piedmont but live in other communities. Excluding persons working at home, about half of the persons working in Piedmont are employed by the City or the School District. These workers include teachers, janitors, maintenance workers, secretaries, clerks, professional staff, and many others with incomes that are not sufficient to cover the cost of a Piedmont home.

The employment characteristics of Piedmont residents also may influence housing demand. In 2013, about two-thirds of all Piedmont residents over 16 (5,300 residents) were in the labor force. Only about 14% of these residents worked within the City of Piedmont (mostly from their homes). Nearby employment centers include Berkeley, Downtown Oakland, and Downtown San Francisco, while Silicon Valley is about an hour away.

In November 2013, the California Employment Development Department reported that 200 Piedmont residents were unemployed, a rate of 3.5%. Piedmont’s unemployment rate was significantly lower than that for Alameda County, which was 6.8% in November 2013. Unemployment rates have been declining since 2010, when they were 5.9% for the City of Piedmont and 11.3% for Alameda County.

**The Housing Element shall contain an...
“Analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of household, and families and persons in need of emergency shelter.”**

Government Code Sec. 65583 (a)(6):

The 2013 American Community Survey (ACS) indicates that 28% of all working Piedmont residents hold jobs in professional, scientific, management, and administrative services. About 26% are in educational and health care occupations. About 10% are in finance, insurance, and real estate. Only 8% are in retail trade, 2% are in wholesale trade, and 4% are in manufacturing, considerably lower percentages than for the region as a whole.

The 2013 ACS further reported that 71% of Piedmont’s working residents were private wage and salary employees, while 14% were self-employed in their own unincorporated businesses. Some 14% of the City’s working residents were employed by federal, state, or local governments.

Many Piedmont households, including those with children, have both parents in the work force. In 2013, approximately 66% of the married couple households with children had two working parents. This suggests a potentially large population of “latch key” children and a strong demand for after school child care and related services.

SPECIAL HOUSING NEEDS

Several types of households have been identified by the State of California as having special housing needs. Such households may have a harder time than most finding suitable housing within the community. Special needs populations include seniors, persons with disabilities, large low-income families, single mothers, farmworkers, extremely low income households, and the homeless. The Census provides some indication of the presence of such groups within Piedmont. Data cited below is taken from the 2010 Census, the 2013 American Community Survey (for 2008-2012), and other sources including local social service providers.

Seniors

As mentioned earlier in this Chapter, about 15% of the City's residents are 65 or older. The 2013 American Community Survey indicates that most Piedmont seniors were well established financially, with 69% reporting annual incomes of over \$75,000. However, 5% of the City's senior households reported an annual income of less than \$25,000 and 10% had incomes between \$25,000 and \$50,000. Some of these residents may find it difficult to make monthly mortgage (or rent) payments on fixed or limited incomes. Others may find the day-to-day costs of home maintenance and improvement to be prohibitively expensive.

A disproportionately large number of Piedmont's seniors live alone and are owner occupants. Although seniors only comprise 14% of the City's residents, they own 30% of the City's single family homes. The 2010 Census indicated that there were 318 seniors living alone in owner-occupied Piedmont homes. Most of these residents were over 75.

Even Piedmont seniors who are well positioned financially may have special housing needs. Many Piedmont homes are not designed to meet the needs of mobility-impaired residents, with living spaces on multiple levels and bathrooms and kitchens that are not wheelchair accessible. The City has established special permitting and design review rules to facilitate "aging in place" and has worked with many senior residents to retrofit their homes.

There are limited options for Piedmont seniors seeking to "downsize" or move into smaller units without moving out of the City. The City's second unit program provides an important resource. It provides senior homeowners with the potential for additional income, and the chance to relocate from the main house to the smaller (and usually one-story) unit without giving up their home. It also provides the opportunity for an on-site caregiver or tenant who can assist with home maintenance and household chores. Other options (such as shared housing for single seniors, or new units designed to meet the needs of seniors) could be explored in the future.

Persons with Disabilities

Although the 2010 Census does not provide data on disability status for Piedmont, the American Community Survey (ACS) provides a profile based on a sample of the population. The 2013 ACS indicates that there are 600 Piedmont residents, or 5.6% of the population, with a disability. Almost half of these residents are over 65. Roughly 2.9% of the adult population indicated a cognitive disability, while 2.1% indicated a “sensory” (hearing or sight) disability, and 2.1% indicated an ambulatory (movement-related) disability. Among residents over 65, roughly 9% had an independent living disability—some of these households require assistance in their day to day activities.

California Senate Bill 520 (SB 520), passed in October 2001, requires local housing elements to evaluate constraints for persons with disabilities and develop programs which accommodate the housing needs of the disabled. The City of Piedmont has taken a number of proactive steps to remove barriers to mobility in the community. These include implementation of ADA (Americans With Disabilities Act), improvements to most municipal facilities (including City Hall), and the design of all new public buildings (including schools) to be ADA-compliant.

As a small community, Piedmont’s planning and building functions are personalized and customer-focused. Requests to modify homes to meet the needs of disabled residents are handled on a case by case basis, with staff working closely with applicants to accommodate their needs. The City routinely issues building permits for wheelchair ramps, wheelchair lifts, elevators, and bathroom grab bars. There are no restrictions on lowered countertops, widened doorways, adjustable showerheads, or other adaptations which meet the needs of those with mobility limitations. The City has relaxed design review requirements for exterior wheelchair ramps. The City Council has the authority and discretion to grant fee waivers for such improvements.

There are no requirements in the Piedmont Zoning Ordinance which conflict with the ADA, nor has the City adopted any amendments to the Building Code which conflict with the ADA. The City fully enforces State Title 24 provisions, which ensure access for persons with disabilities. It also has adopted reasonable accommodations provisions for persons with disabilities in the Municipal Code.

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As required by the Fair Housing Act, group homes of 6 persons or less are permitted in the City's residential districts. The City's Zoning Ordinance does not specifically address the siting of such homes, and no local standards or restrictions have been developed. There are no standards limiting the number of unrelated adults in a home, and there are no minimum separation requirements for group homes. Group homes and other forms of supportive housing are treated the same as other residential uses of the same type in the same zone, as required by state law.

The City is also fully compliant with state laws regulating the definition of "family." Chapter 17 of the Municipal Code defines a family as "an interactive group of persons jointly occupying a single dwelling unit including the joint use of and responsibility for common areas, sharing household activities and responsibilities such as meals, chores, household maintenance and expenses." There are no requirements for occupants to be related nor are any there limits on family size.

Developmental Disabilities

In 2010, the California legislature adopted SB 812, requiring local housing elements to include an evaluation of the needs of persons with developmental disabilities. Developmental disabilities occur before an individual reaches 18 years of age and typically constitute a lifetime handicap. They include mental retardation, cerebral palsy, autism, and epilepsy, among others.

Services to persons with developmental disabilities are coordinated by a network of "regional centers" around California. The Regional Center of the East Bay (RCEB) served 16,000 persons in the East Bay area during 2012. Approximately 55% of their clients were under age 21 and approximately 73% lived with a parent or guardian. According to the RCEB, there are 26 Piedmont residents who are considered eligible clients for RCEB services. Of this number, 11 are age 14 or under, 12 are 15-22, and 3 are 23-54.¹ Since participation is voluntary, there may be other disabled individuals living in Piedmont who are not eligible or who are eligible but choose not to participate. Housing Consortium of the East Bay estimates that there are 58 persons in Piedmont with developmental disabilities, 50 of whom are 22 or younger.

¹ Source: Correspondence from Ronke Sidopo, Regional Center for the East Bay, received 7/30/14

Based on information provided by the Regional Center, it is likely that a majority of the persons served by RCEB in Piedmont live with a parent or guardian. Supportive housing and group living opportunities for persons with developmental disabilities can be an important resource for those individuals who can transition from the home of a parent or guardian to independent living. The City supports and encourages such housing, and accommodates it through zoning and other sections of the Municipal Code.

Large Low Income Families

Large families are defined by the U.S. Census as having five persons or more. In Alameda County, such families would have met the definition of “low income” if their total household income for the year 2013 was less than \$73,050.

In 2000, there were 420 large family households in Piedmont. By 2010, this figure was 399 and represented 10.5% of the City’s total households. Of these households, 310 had five members, 70 had six members, and 19 had seven or more members. Among the 399 large households, 47 (12%) were renters and the remainder were owners.

Most large families in Piedmont have high incomes. The American Community Survey indicates the median household income for Piedmont households with over five members is over \$250,000. Anecdotal evidence suggests that large families may buy or rent in Piedmont in part to gain access to high-quality public schools and other community amenities. Piedmont’s supply of homes with five or more bedrooms is also attractive to large families with high incomes.

Single-Parent Households

Single parent households may have a difficult time finding suitable housing in the Bay Area due to child care costs and responsibilities, and limited income-earning potential (e.g., only one parent working). The 2010 Census reported 227 single parent households in Piedmont with children under 18 living at home, including 155 female-headed households and 72 male-headed households.

The 2013 American Community Survey indicated that single parents in Piedmont had household incomes that were significantly lower than other families. For example, the median income for female-headed households with children

under 18 and no husband present was \$85,300. This compared to a median of over \$250,000 for households with a husband, wife, and children under 18.

Farmworkers

The City of Piedmont is entirely urbanized and is not proximate to agricultural land. No farmworkers are known to live in the City. City provisions for employee housing are addressed in Chapter 5.

Extremely Low Income Households

In 2006, the legislature passed Assembly Bill 2634 (AB 2634) requiring Housing Elements to include an evaluation of the housing needs of extremely low income (ELI) households. ELI households are a subset of “very low income” households and are defined as earning less than 30 percent of the areawide median income. The thresholds for ELI vary based on household size. In Piedmont (and the remainder of Alameda and Contra Costa counties), the following thresholds apply as of January 1, 2014:

<u>Persons in Household</u>	<u>Extremely Low Income</u>
1	\$19,350 or less
2	\$22,100 or less
3	\$24,850 or less
4	\$27,600 or less

A family of four earning less than \$27,600 would be considered extremely low income. A one-person household working full time at the California minimum wage of \$8.00 an hour (\$16,640/year) also would be considered extremely low income. There is no market-rate housing available to these households in the Bay Area advertised at an affordable price.

Table 3.6 provides an estimate of the number of ELI households in Piedmont today. According to the 2013 American Community Survey (ACS), only 1.9% of the City’s households earn less than \$27,600 a year. Most of these households are headed by senior citizens. The ACS also reports that all nine households in Piedmont headed by persons under 25 have incomes less than \$27,600. Based on anecdotal evidence, it is surmised that these households are college students or adult children of Piedmont families, living in separate quarters at the homes of parents or other relatives (e.g., in in-law units).

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The City recently amended its Municipal Code to formally allow the renting of bedrooms to individual tenants. City regulations on renting rooms were ambiguous before, with some assuming that such homes would be considered “boarding houses” under the Code. The recent changes provide an important resource for extremely low income households, including those seeking a place to live and those already living in the City needing supplemental income.

Table 3.6: Households Earning \$27,600 or less, by Age Cohort			
	Household Income Under \$27,600	All Households in Age Group	% of all households in age group earning under \$27,600
Under 25	9	9	100.0%
25-44	0	652	0%
45-64	9	2,130	0.4%
65+	53	862	6.1%
TOTAL	71	3,653	1.9%

Source: US Census, American Community Survey, 2008-2012, Table B19037, Age of Householder by Household Income in the past 12 months (in 2012 inflation-adjusted dollars (Figures interpolated for \$25,000-29,999 interval to align with Extremely Low Income threshold of \$27,600))

Although the ACS is based on sample data and has a relatively high margin of error, it appears that the number of ELI households in the City has declined dramatically since the 2000 Census. At that time, there were 263 ELI households in Piedmont, including 116 senior (over 65) households with annual incomes of less than \$20,000 and 147 adult (age 25-64) households with annual incomes of less than \$25,000. In 2000, this represented 6.9% of all households in the city—roughly four times more than the percentage today. Based on ACS data, most ELI households in Piedmont are homeowners (or do not pay for their own housing), rather than renters. In fact, the ACS reports that there are no renters in Piedmont with incomes less than \$25,000.

The 2013 ACS indicated that there were 21 senior households with incomes of less than \$15,000 and 26 senior households with incomes of \$15,000 to \$25,000 in Piedmont. The City may include extremely low income households with children, although such households represent a very small percentage of the total. The ACS identifies only nine adult (25 to 64) households with annual incomes of less than \$25,000 a year, which is less than four-tenths of one percent of the total households in this age cohort. Some of these households may be in the special needs categories described above, including persons with disabilities. While some of the City's extremely low income households may receive various forms of public assistance, they may still struggle to cover their housing costs, face hunger or medical problems, and are at risk of becoming homeless. There are currently no housing units in Piedmont specifically earmarked for extremely low income households.

Homeless Persons

A homeless person is defined as someone who lacks a permanent, regular, and adequate residence. The homeless include persons living on the street, in parks, in cars, in emergency shelters, and in encampments. Various factors contribute to homelessness, including unemployment, a lack of affordable housing, health problems, and reductions in mental and social service programs. Homeless persons typically require supportive services to deal with the immediate causes of homelessness, which may include job loss, substance abuse, eviction, domestic violence, family break-up, and medical problems.

Despite the absence of a visible homeless population, Piedmont is located in a dense urban area where homelessness is recognized to be a significant issue. Additionally, there may be residents "at risk" of homelessness in the city, including persons facing future eviction, foreclosure, or loss of income. Other Piedmont residents may be staying with family and friends because they have no place else to go.

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Alameda County conducts a bi-annual Homeless Count Survey, consistent with federal (HUD) requirements. The County also maintains a Homeless Management Information Systems (HMIS) data base, which estimates the total homeless population in the County and disaggregates these estimates to the cities through field counts and interviews. The most recent published information is from 2013.² Countywide, there were 4,264 homeless residents in 2013, which was a 2% increase from 2011 but an 11% decrease from 2007.

The 2013 HMIS survey counted seven homeless persons in Piedmont on January 30, 2013. Two were female and five were male. Six were between the ages of 41 and 60 and one was 25-40. Two indicated it was their first episode of homelessness, two indicated they had been homeless 2-4 times, and three were noted as chronically homeless. All seven indicated they were unemployed; five indicated long-term disability, including three with mental health conditions.

Anecdotal data, including interviews with the City's Police and Fire Chiefs, and the Directors of Public Works and Parks, confirms that there are fewer than 10 transient persons in Piedmont. This is not to discount the need for proactive solutions, but rather an observation that homelessness in Piedmont may take on different dimensions than in Oakland or Berkeley. The City does not have a visible street population or residents living in parks or commercial districts. Because Piedmont is encircled by Oakland, which has the highest homeless population in the County, there are transient residents present. Homelessness is a regional issue that does not recognize city boundaries.

The regional nature of homelessness means that each community in the County is obligated to help develop solutions. There are a number of resources that Piedmont can draw upon, including an extensive network of charitable and community service organizations. The City is also home to three churches and a synagogue, potential partners in efforts to assist persons in need. In 2004, the City amended its zoning code to allow emergency shelters in the Public Facilities Zoning District (Zone B) with a conditional use permit (CUP). In 2013, the zoning code was further amended to remove the CUP requirement. Emergency shelter is now permitted by right in Zone B.

² *Housing Element Data for City of Piedmont. Published by Alameda County HCD in 2014 based on 2013 Homeless Management Information System report on the 2013 bi-annual homeless count.*

Additionally, the City participates in the Alameda County EveryOne Home Program. EveryOne Home was adopted in 2006 as a 15-year Plan to end chronic homelessness in Alameda County through multi-jurisdictional solutions. The Plan seeks to provide supportive housing units for 15,000 homeless households by 2020, and seeks to improve the safety net for those at risk of becoming homeless. The Plan includes provisions for better integration of homeless services with other services such as mental health, HIV/AIDS care, and acute medical services. The Piedmont City Council adopted the EveryOne Home Plan as official City policy in October 2009 and continues to provide annual financial support to the program.

HOUSING CHARACTERISTICS

Number of Units

The 2000 Census reported that Piedmont had 3,859 housing units. In 2010, the Census reported 3,924 units, an increase of 65 units. Most of the increase is attributed to better accounting of second units in the City, as well as the production of new second units between 2000 and 2010. The net increase in single family homes (excluding teardown and replacements) during this period is estimated to be about ten units.

Intercensal housing unit estimates are prepared by the California Department of Finance (DOF) based on certificate of occupancy data reported by cities and counties. DOF indicates that there were 3,935 units in Piedmont in 2013, a net increase of 11 units since 2010. According to the DOF, seven of these units were single family homes and four were in a “2-4 unit” building (presumably second units). Since City records do not indicate a net addition of seven new single family homes since 2010, it is presumed that some of these also reflect second units (tallied as single family homes by the state).

Table 3.7 provides U.S. Census and DOF data on housing units from 1940 to 2013. The data parallels the household data presented in Table 3.2. The Table reflects the fact that almost all of the City’s vacant land was developed by 1980, resulting in a very slow growth rate during the last 30 years. As noted above, the jump in units between 2000 and 2010 is largely due to second unit production and better accounting of existing second units.

Table 3.7: Number of Housing Units in Piedmont, 1940-2013

Year	Housing Units	Percentage Change
1940	2,815	--
1950	3,142	11.6
1960	3,649	16.1
1970	3,624	-0.7
1980	3,837	5.9
1990	3,848	0.3
2000	3,859	0.3
2010	3,924	1.7
2013	3,935	0.3

Source: US Census of Population (1940-2010), Department of Finance (2013)

Vacancy Characteristics

At the time of the 2000 Census, 55 of Piedmont’s dwelling units were vacant. This equates to an overall vacancy rate of just 1.4%, which was significantly lower than the countywide vacancy rate of 3.1%. Vacancy rates increased following the real estate downturn in 2008-2010. By 2010, 123 units were vacant, equivalent to a 3.1% vacancy rate. Countywide, the vacancy rate in 2010 was 6.4%.

Not all of the City’s vacant units are available for rent or sale. The 2010 Census indicated that Piedmont’s vacancies included 17 units that were used for seasonal, recreational, or occasional use, while 58 units were vacant and not on the market. The Census further indicated that the vacancy rate for rental units (including both apartments and houses) was 3.7%, while the vacancy rate for owner-occupied (e.g., for sale) units was 0.4%.

Table 3.8 compares the 2010 vacancy rate with the rates reported by previous censuses. Vacancies in Piedmont have historically been very low, averaging about 2% over the last 30 years. With the recovery of the housing market since 2010, it is likely that the rate has declined in the last three years and is now closer to the Year 2000 rate of 1.4%.

**Table 3.8:
Vacancy Characteristics in Piedmont, 1940-2010**

Year	Number of Vacant Units	Vacancy Rate
1940	149	5.3%
1950	63	2.0%
1960	154	4.2%
1970	68	1.8%
1980	75	1.9%
1990	93	2.4%
2000	55	1.4%
2010	123	3.1%

Source: US Census of Population (1940-2010);

Structure Type

Piedmont’s housing stock is dominated by single family residences. Table 3.9 provides a breakdown of the types of residential structures in the City, based on California Department of Finance (DOF) data from January 2014.

The data in Table 3.9 does not align with the City’s own records of structure type, which indicate that there are no buildings with more than nine units in Piedmont, and 35 units in buildings with 5-9 units. The City’s records, which are based on parcel level data, also indicate that there are only 36 units in duplex, tri-plex, or four-plex buildings in Piedmont and not 95 units as indicated by the State (and the US Census). Based on the City’s detailed parcel-based records, Piedmont’s housing stock includes two buildings with nine units each, two buildings with six units each, one building with five units, four buildings with four units each, and five buildings with three units each, for a total of 66 multi-family units. As noted earlier, some of the 95 units shown on the third row of Table 3.9 may be single family homes with second units. In addition, the City has no single family attached homes (e.g., townhouses), suggesting that all 48 units listed on Row 2 of the table are homes with second units.

**Table 3.9:
Composition of Piedmont’s Housing Stock, 2014**

Unit Type	Number of Units	Percentage of Total
Single Family Detached (*)	3,715	94.5
Single Family Attached (*)	48	1.2
2-4 Unit Structures (*)	95	2.3
Structures of 5 Units of More	79	2.0
Mobile Homes	0	0.0
TOTAL	3,937	100.0

Source: California Department of Finance, 2014

Notes: (*) May include homes with second units

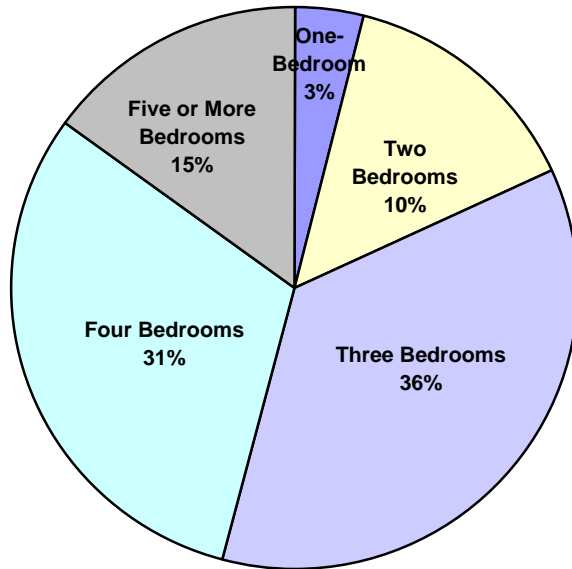
Based on Piedmont’s own records, approximately 98% of the developed residential properties in the city contain single family detached homes. Approximately 3% of these properties include legal second units. The remaining developed residential properties consist of small 5-10 unit apartment buildings and 2-4 plexes, typically built before 1960. All multiple dwelling units in Piedmont are rental apartments; the City has no condominiums.

Number of Rooms

Piedmont homes tend to be larger than homes in nearby communities. The 2013 American Community Survey reported that the median number of rooms in Piedmont’s residences was 7.7. Over 1,400 homes in the City (36% of the total) had more than nine rooms. In Alameda County as a whole, the median number of rooms per home was 5.0 and only 6.1% of the homes had more than nine rooms.

Chart 3.4 illustrates the composition of Piedmont’s homes by number of bedrooms as of 2013. The table excludes 12 units noted as having “zero” bedrooms (e.g., studio second units). The 2013 ACS indicated that 87% of the City’s dwelling units had three bedrooms or more. Only 3% of the City’s units were identified as one-bedroom dwellings. Most of these were rental apartments and second units.

Chart 3.4: Composition of Piedmont's Housing Stock by Number of Bedrooms, 2013 (*)



Source: American Community Survey, 2013

Overcrowding

The U.S. Census defines an “overcrowded” housing unit as one with more than one person per room. Given the relatively large size of Piedmont residences, there are very few homes in the City which meet this definition. The 2000 Census identified only 12 overcrowded units in Piedmont, representing less than 0.3% of the City’s housing stock. The 2013 ACS indicates there are no housing units in the city with more than 1.0 persons per household today, indicating there are no overcrowded units.

About 70 % of Piedmont’s housing stock was built before 1940, a higher percentage of “pre-war” housing than any other city in the Bay Area.

HOUSING CONDITION

Piedmont’s housing is in excellent condition. The City has historically had very high levels of reinvestment and home improvement. Although there have been only seven new homes completed since 2000 (excluding teardowns and replacements), there were over 16,400 building permits issued. Table 3.10 indicates the number of building permits and City Planning applications (e.g., for variances, design review, etc.) issued each year since 2000. As the Table indicates, a high level of permit activity was sustained throughout the period.

About 70% of Piedmont’s housing stock was built before 1940, a higher percentage of “pre-war” housing than any other city in the Bay Area. The percentage of pre-war housing is often used as an indicator of the need for housing rehabilitation. However, most pre-war Piedmont homes have been updated and many have been expanded. Fewer than five units in the city are believed to be in poor condition. This was the case at the end of the last planning period (1999-2006) and it continues to be the case at the end of the 2007-2014 planning period.

Table 3.10: Building and Planning Applications, 2000 - 2012

Year	Building Permit Applications	City Planning Applications
2000	1,103	367
2001	1,050	405
2002	1,210	428
2003	1,154	509
2004	1,310	563
2005	1,192	417
2006	1,145	432
2007	1,246	480
2008	980	356
2009	989	330
2010	1,046	356
2011	1,277	401
2012	1,349	368
2013	1,404	386

Source: City of Piedmont, 2013

HOUSING VALUE

Housing in Piedmont is expensive. The 2000 Census reported the median value of a Piedmont home as almost \$800,000. Real estate prices in Piedmont appreciated rapidly after 2000, with the median asking price for a new home peaking at over \$1.5 million in November 2005. Like the rest of the Bay Area, Piedmont's home prices fell during 2006-2009, but the decline was not as steep as in the county or region as a whole. The real estate website Zillow.com reports that the median home price in Piedmont "bottomed" out at \$1.1 million in 2011-2012. Prices have risen rapidly since Spring 2012. The median was \$1,565,000 in September 2013, which was a 16% increase over September 2012. By May, 2014, Zillow.com reported a further increase to \$1,750,300, an 11.8% increase in just 8 months.

A November 2013 review of various industry sources (realtor.com, Zillow, and redfin) indicated that inventory in Piedmont is very limited. Only nine homes in the city were listed for sale, with a median price of \$1.7 million.

Assuming a 20% downpayment, a 5% interest rate, and a 30-year fixed rate mortgage, the monthly principal and interest payment on a \$1,565,000 Piedmont home would be \$6,721. Adding property taxes, homeowners insurance, and utility expenses would push monthly housing costs to over \$8,500. Assuming housing costs represent no more than 30% of household income, a family would need to earn \$340,000 a year to afford such a residence. Although this may be within the reach of some Piedmont households, many longtime Piedmont residents could not afford the very homes they live in if they had to purchase them again today.

The City is particularly unaffordable for first-time buyers, including residents who rent Piedmont apartments or young Piedmont adults who wish to stay in the community after leaving their parents' homes. Given the high housing costs, the City generally attracts residents with equity from previous residences. Many Piedmont buyers are rolling over the proceeds from the sale of former homes, resulting in high down payments and more manageable monthly costs.

The Housing Element shall contain an... “analysis of opportunities for energy conservation with respect to residential development.”

Government Code Sec. 65583 (a)(7)

Piedmont rents are also significantly higher than regional averages. This is partially because a majority of the City’s rental properties are single family homes, rather than apartments. The 2013 ACS reported a median rent of \$1,824 in the City, compared to an Alameda County median of \$1,265.

Rents have risen rapidly in the last two years, while inventory has declined. The prior Housing Element noted 24 Piedmont properties for rent based on a review of “craigslist” ads in August 2009. A similar search in December 2013 showed only four properties for rent. This included indicated two one-bedroom apartments, renting for \$2,700 and \$2,495, and two homes, renting for \$6,500 and \$4,250. An updated search in June 2014 indicated seven advertised rentals, all single family homes. The monthly rent range was \$4,100 to \$7,500, with a median of \$6,000.

FORECLOSURES

The number of foreclosures in the United States tripled between the first quarter of 2007 and the second quarter of 2008 as home prices fell, unemployment rose, and a growing number of sub-prime loans and adjustable rate mortgages were made to higher risk borrowers. While foreclosures have declined with the economic recovery and rise in real estate prices, the high cost of housing in Piedmont means that foreclosure is still a risk for some households. As of December 2013, the foreclosureradar.com website lists seven properties in “pre-foreclosure” and two slated for auction. Foreclosure rates in Piedmont were very low relative to other East Bay cities during the foreclosure “crisis” of 2007-2011.

HOUSING AND ENERGY COSTS

One way to make housing more affordable is to reduce the percentage of household income spent on natural gas and electricity. Energy costs may be a significant part of the household budget for low and moderate income families. Reducing home energy costs and switching to more sustainable energy sources is also an important goal of Piedmont’s Climate Action Plan, (CAP) adopted in 2010. The CAP includes a number of programs promoting solar energy, conservation, energy efficiency, and weatherization in Piedmont homes.

DEMOGRAPHICS AND HOUSING NEEDS

Piedmont presently enforces the California Energy Commission's Title 24 standards for wall and ceiling insulation, thermal mass, and window to floor area ratios (to reduce heat loss). A report indicating conformance with the energy standards is usually performed by an energy consultant following methods approved by the State. These requirements only apply to new construction and major remodeling. Other homeowners can realize significant cost savings through weatherization, the use of energy-efficient appliances, and the installation of solar heating systems and alternative energy-generation systems.

PG&E offers a number of programs to assist low income households with their energy costs. These include CARE (California Alternate Rates for Energy), which provides a 20 percent gas and electric bill discount for qualifying low income households; FERA (Family Electric Rate Assistance), which offers a 131-200 percent reduction on electric rates; a Medical Baseline Allowance for persons with high medically-related electric bills; an Energy Partners Program offering free weatherization, and the REACH (Relief for Energy Assistance for Community Help) program for low income owners who cannot pay their bill due to sudden financial hardship. PG&E also offers conservation measures that are not income-based, such as tax incentives for alternative energy use, free energy audits, and rebates for old appliances.

Piedmont is also a participant in East Bay Energy Watch, a collaboration between PG&E and local governments, non-profits, and for-profit energy service providers in the East Bay. The program aims to increase awareness of energy efficiency and its benefits while delivering high quality retrofit services and technical assistance. It provides free energy assessments and solar energy assessments (SmartSolar), with the intent of helping residents lower their energy bills and make their homes more energy efficient.

The City also participates in the Energy Upgrade California program, which includes rebates of up to \$4,000 from PG&E and other utilities for energy efficiency retrofits. For a limited period, Piedmont allocated grants from the US EPA to subsidize refunds for property owners participating in this program. The program also offers Piedmont residents Home Energy Analyzer, an on-line home energy management tool.

**The Housing Element shall contain...
“...documentation of projections and a quantification of the locality’s existing and projected housing needs for all income levels. These existing and projected needs shall include the locality’s share of the regional housing need....”**

Government Code Sec. 65583 (a)(1)

Piedmont has also co-sponsored local energy forums and provided residents with opportunities to learn how to make their homes more energy efficient. Piedmont’s schools participated in the “Energize for the Prize” initiative in 2011-13, educating students and their parents about conservation opportunities. In addition, the City joined the California Statewide Communities Development Authority (CSCDA), a joint powers authority designed to help owners finance energy upgrades by placing the expense on property tax bills, thereby allowing a longer pay off period.

HOUSING NEEDS

Population and Employment Projections

The Association of Bay Area Governments (ABAG) indicates an extremely slow rate of growth in Piedmont during the coming decade, reflecting the fact that the City is fully developed and has almost no vacant land. In 2013, ABAG adopted Plan Bay Area, a regional policy document intended to guide land use, transportation, and housing decisions. Plan Bay Area is based on population, housing unit, and employment projections for each jurisdiction in the nine county area.

The ABAG forecasts indicate the addition of 90 housing units in Piedmont between 2010 and 2040, or about 3 housing units a year. Because the City is fully built out, it is expected that most of this growth will consist of second units. The ABAG forecasts indicate an increase of 480 jobs in the City between 2010 and 2040, which is a 25% growth rate over the 30-year period. Since the City has no available commercial land and is fully built out, it is presumed that this growth represents an increase in self-employment and persons working from home. Given technological changes of the last decade and the trend toward telecommuting and home offices, it is expected that a growing number of Piedmonters may work from their homes in the future. Since the self-employed and telecommuting population already has housing, employment growth in Piedmont creates a different dynamic than in other cities. It reduces pressure on the regional housing market, rather than increasing it.

Regional Housing Needs Allocation

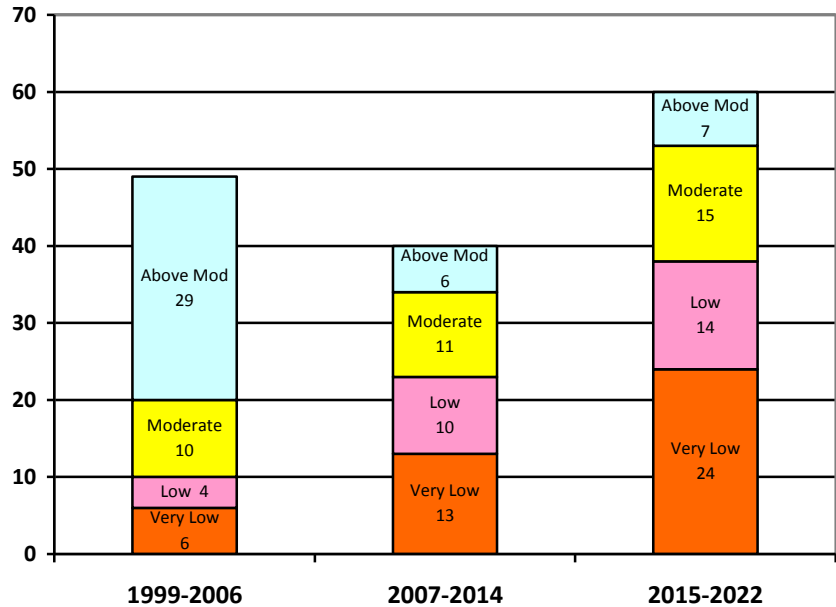
As mentioned in Chapter 1, the Government Code requires each community in the region to provide for its “fair share” of the region’s housing needs. The “fair share” determinations are made approximately every seven years by ABAG. In July 2013, the ABAG Executive Board adopted the final fair share allocations for Bay Area cities and counties for the period January 31, 2015– January 31, 2023. The total allocation for the nine Bay Area counties was 187,990 units. The Alameda County allocation was 44,036, which was very close to the allocation of 44,937 units for the prior eight year period (2007-2014).

Piedmont’s allocation was 60 units, or less than 0.2% of the County total. It is worth noting that Piedmont’s RHNA allocation for 2015-2022 is 50% greater than the allocation for 2007-2014. The City’s allocation also represents two-thirds of the 90 new housing units forecast for Piedmont by ABAG for the 30-year period between 2010 and 2040. ABAG’s expectation is that the City will provide more capacity for housing than its projected growth rate during the next eight years, thereby providing market flexibility and multiple options for housing construction.

The fair share allocations for each City and County have been stratified by income group. The ABAG methodology includes weighting factors intended to reduce income disparities between Bay Area cities. Thus, more affluent cities receive larger allocations of low and very low income units. Table 3.11 indicates the distribution for Piedmont. The City’s assignment includes 24 very low income units, 14 low income units, 15 moderate income units, and 7 above moderate income units.

Chart 3.5 compares the RHNA allocation for 2015-2022 with the allocations for the previous two cycles (referred to as Cycles 3 and 4). Piedmont’s current RHNA is not only higher than it has been in the prior cycles, the number of low and very low income units in the allocation has increased by 280% since 1999-2006. Given that the City is fully built out, it must seek new and creative ways to meet its fair share allocation.

Chart 3.5: Comparison of RHNA for Piedmont in Cycles 3, 4, and 5



Source: ABAG, 2001, 2008, 2013

The RHNA does not include an explicit allocation of “extremely low income” (ELI) households, which are a subset of “very low income” (VLI) households. However, the Government Code requires cities to set numeric objectives for projected ELI needs as well as VLI needs. Piedmont has determined its ELI need based on the existing proportion of ELI households to VLI households in the City. The data source is the 2013 American Community Survey, which estimates conditions in 2008-2012. During this period, there were 71 Piedmont households with incomes below \$27,600 and 227 Piedmont households with incomes below \$46,000. These income thresholds roughly correspond to the upper limits of extremely low and very low income households using the HUD 2014 income limits for a household of four.

The Housing Element shall contain an... “Analysis of existing housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions.”

Government Code Sec. 65583 (a)(8):

Thus, about 31% of the city’s very low income population would also meet the definition of “extremely low income.” Applied to the forecast need for 23 “very low income units,” the City has determined that 7 of these units should serve households with 30% or less of the area median income (e.g., extremely low income households), while 16 of the units should serve households with incomes between 30-50% of the area median income (e.g., very low income). Strategies to meet the ELI need should recognize the demographics of Piedmont’s extremely low income households, 75% of whom are over 65. Solutions such as shared housing and rent-restricted second units should continue to be promoted.

Protection of “At Risk” Units

The Government Code requires each Housing Element to assess the potential impact of expiring public subsidies on lower income units. Thousands of publicly assisted units in California are eligible to change from low income to market rate housing during the next decade due to the termination of various government subsidy programs.

Government Code requirements for the assessment of “at risk” housing units are aimed at privately-owned, federally assisted multi-family projects and additional projects developed with tax credit and mortgage revenue bonds. Piedmont has no such projects within its City limits. The City did not have a redevelopment agency prior to their dissolution by the state in 2012, nor does it have an inclusionary housing program. At present, there are no “at risk” units in the City.

While the City does not have traditional “subsidized” housing, it does have a small inventory of *second units* which are rented at affordable rates and which are subject to deed restrictions limiting occupancy to low or very low income tenants. These units were created voluntarily by property owners pursuant to Piedmont’s affordable second unit program, which was established by ordinance in 2004. The affordability limits become eligible for termination after the 10-year contract period ends.

The first of the rent restricted units will be eligible for termination in 2017. In all, there are 13 units with affordability limits that will expire between 2017 and 2022. This Housing Element includes a program to reduce the loss of units at the end of the contract period, thereby minimizing the risk of displacement and the loss of affordability.

DEMOGRAPHICS AND HOUSING NEEDS

4. Analysis of Housing Capacity

**The Housing Element shall contain...
“An inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public services and facilities to these sites.”**

Government Code Sec. 65583 (a)(3):

State law requires each city and county to include an inventory of potential housing sites in their housing elements. The inventory must demonstrate that the community can meet its fair share of the region’s housing needs, as defined by the local Council of Governments (ABAG). As noted in previous chapters of this Element, Piedmont’s fair share during the 2015-2023 period is 60 units.

Demonstrating land capacity for 60 new units is only part of the equation, however. Like all cities, Piedmont must also show that this land is capable of supporting housing demand for *all* economic segments of the community. This means that opportunities to add affordable units such as in-law apartments and lower-cost rentals must be provided in addition to opportunities for single family homes.

In 2004, the State passed Assembly Bill 2348 to clarify the requirements of the Housing Element sites analysis. Cities can demonstrate that they have an adequate land supply to meet their affordable housing needs through several methods. They may cite recent data on housing production showing that affordable units have been created and are financially feasible. They can show that subsidies which contribute to the affordability of units are available and work effectively. They may also zone land for multi-family development, since such development is usually more affordable (or easier to make affordable) than single family development. AB 2348 indicates that in communities such as Piedmont, housing is more likely to be affordable on land that is zoned for at least 20 units per acre. That is referred to as the “default density” for sites deemed to be viable for affordable housing.

The analysis in this chapter evaluates housing opportunities in seven major categories: (a) approved projects; (b) vacant land, (c) lot split potential; (d) underutilized multi-family properties; (e) underutilized commercial properties; (f) public land; and (g) second units.

APPROVED PROJECTS

The first category of housing opportunities is associated with projects that are approved but not yet built. This includes a 7-unit townhome development at 408 Linda Avenue, and one new single family home on a currently vacant parcel.¹ All of these units would meet the “above moderate” income criteria, essentially satisfying Piedmont’s share of the RHNA for this income group for the entire planning period.

Because the RHNA period begins on January 1, 2014 (even though the “planning period” does not begin until January 31, 2015), the City is also allowed to count units approved after January 1, 2014 toward the RHNA. Between January 1 and June 30, four market-rate second units were approved. These are all presumed to meet “moderate” income criteria, based on prevailing rents for second units.

Table 4-1 summarizes approved projects which may be “credited” against the RHNA.

Table 4-1: Approved Projects Not Yet Built, as of 6/30/14							
Location (*)	Lot Size (sq. feet)	General Plan Designation	Comments	Income Group Served			
				Very Low	Low	Mod	Above Mod
53 Cambrian	10,200	LDR	Home approved on vacant lot but not yet built				1
137 Greenbank	N/A	LDR	Market-rate second unit approved in 2014			1	
331 Hillside	N/A	LDR	Market-rate second unit approved in 2014			1	
408 Linda	15,375	MDR	7-unit townhome project on former PG&E substation, building permits issued 12/31/13. Construction not yet started.				7
288 St. James	12,686	LDR	Market-rate second unit approved in 2014			1	
1835 Trestle Glen	N/A	LDR	Market-rate second unit approved in 2014			1	
Total				0	0	4	8

Source: Barry Miller Consulting, 2014

¹ There were three other single family homes approved on vacant lots in 2007-2014, but the entitlements for these homes have expired. Thus, these parcels are counted as “vacant” lots in Table 4-2 rather than approved projects.

SITES FOR NEW HOUSING

Vacant Lots

Table 4-2 presents a list of vacant residentially zoned lots in Piedmont. These sites are also identified on Figure 4-1. There are 47 vacant lots in Zone “A”; 46 of these have the capacity to support one single family home (plus second unit) each, and one may have sufficient lot area to be subdivided. The subdividable site is a 60,432 square foot parcel (three potential lots).²

As indicated in Table 4-1, there are also 11 vacant lots in Zone “E”; 10 have the capacity to support a single family home (plus second unit) and one has sufficient lot area (although inadequate street frontage) to be subdivided into two lots. If the vacant land supply were to fully develop, 61 new homes and 61 second units could be produced, or a total of 122 new dwelling units.

The actual development potential of the City’s vacant land supply is smaller than 122 units, however. Twelve of the 58 lots listed in Table 4-1 are landlocked and have no street access. They would require a driveway easement across an adjoining property or a lot line adjustment to create a “flag lot” before they could be developed. These lots would also require water and sewer lateral extensions from the nearest street. The remaining 46 lots have water, sewer, storm drainage, and electrical service available at the curb.

About two-thirds of the lots listed in Table 4-1 are owned by adjacent property owners and are effectively “double lots” (or in a few cases, triple lots). In other words, a primary residence sits on an adjacent lot while the subject lot is vacant. In such cases, the “vacant” lot may be partially improved with lawns, gardens, trellises and pergolas, swimming pools, and other features that make it functionally integrated with the primary lot.

Other lots in Table 4-1 have constraints that have precluded their development to date. These include very steep topography, awkward or irregular configurations, and small size.

² Theoretically, this site could support 6 units, but site geography, access, and topography make such a yield very unlikely.

ANALYSIS OF HOUSING CAPACITY

Table 4-2: Inventory of Vacant Lots in Piedmont, p 1			
Location (*)	Lot Size (sq. feet)	General Plan Designation	Comments
ZONE A (Single Family, 10,000 SF minimum lot size)			
Behind 162 Estates	19,860	LDR	Owned by adjacent home
Behind 170 Estates	16,212	LDR	Owned by adjacent home
Behind 172 Estates	15,932	LDR	Owned by adjacent home
Adjoins 6861 Estates	11,100	LDR	Owned by adjacent home
139 Lexford	12,855	LDR	Entitlements for single family home have expired.
Adjoins 145 Lexford	14,135	LDR	Owned by adjacent home
Adj. 430 Hampton	8,814	LDR	Owned by adjacent home
"490" Hampton	8,841	LDR	Owned by adjacent home
248 St. James	6,032	LDR	Owned by adjacent home
164 St James	9,225	LDR	Owned by adjacent home
"1726" Trestle Glen	6,190	LDR	Owned by adjacent home
Behind 70, 80, 90 LaSalle	60,432	LDR	Landlocked—could be subdivided. Owned by 280 Indian.
"100" LaSalle	9,857	LDR	Owned by 280 Indian
"110" LaSalle	12,243	LDR	Owned by 280 Indian
"282" Indian, front	11,605	LDR	Owned by 280 Indian
"282" Indian, back	13,961	LDR	Landlocked, Owned by 280 Indian
"255" Sea View	10,385	LDR	
Adj. 111 Woodland	8,665	LDR	Owned by adjacent home
90 Florada	13,710	LDR	Home was approved here but not built
Adjoins 85 Wildwood Gardens	13,787	LDR	Owned by adjacent home
"1069" Winsor	8,081	LDR	Owned by adjacent home
Adjoins 382 Wildwood	11,640	LDR	Owned by adjacent home
14 Littlewood	36,370	LDR	Entitlements for single family home have expired.
"195" Oak Road	13,487	LDR	Permit for new home expired
Adjoins 10 Requa	11,129	LDR	Owned by adjacent home
Adjoins 152 Hazel	9,266	LDR	Owned by adjacent home
Adj. 105 Sheridan	4,745	LDR	Owned by adjacent home
90 Calvert Ct.	14,375	LDR	Owned by adjacent home
415 Pacific	14,400	LDR	Recent lot split
"532" Blair	5,590	LDR	Owned by adjacent home

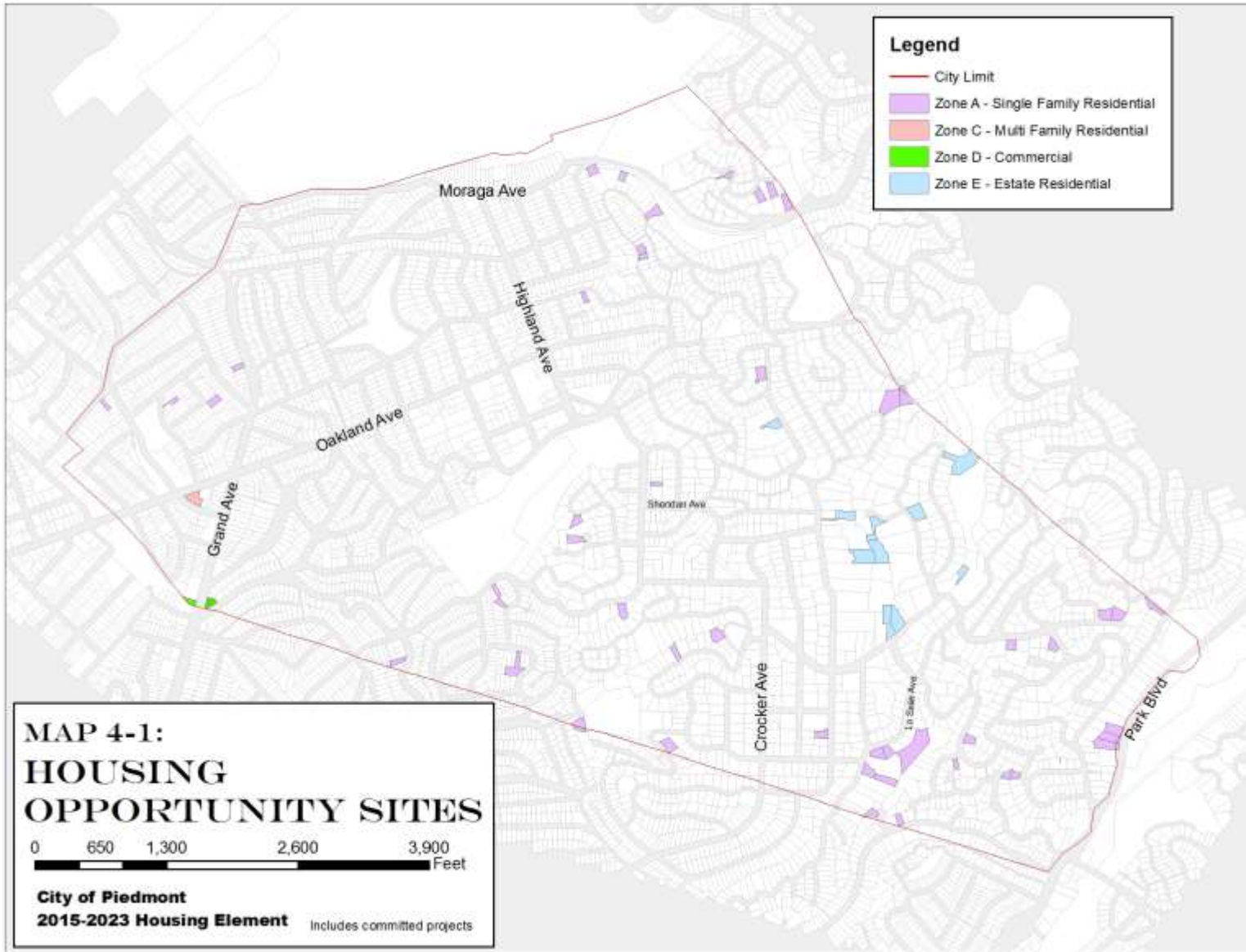
Note: LDR = Low Density Residential

ANALYSIS OF HOUSING CAPACITY

Table 4-2: Inventory of Vacant Lots in Piedmont, p 2			
Location (*)	Lot Size (sq. feet)	General Plan Designation	Comments
ZONE A (Continued)			
"310" Wildwood	5,833	LDR	Owned by EBMUD
"33" Prospect	6,336	LDR	Owned by EBMUD
"1100" Harvard	18,858	LDR	Owned by EBMUD
Adjoins 150 Scenic	4,130	LDR	Owned by adjacent home
Adjoins 150 Scenic	6,962	LDR	Owned by adjacent home
"279" Scenic	12,773	LDR	Application submitted but home never built
Below 255 Scenic	6,495	LDR	Owned by adjacent home-landlocked
Adjoins 16 Nellie	11,590	LDR	Owned by adjacent home
1 Maxwellton	11,497	LDR	Fronts on Moraga Ave
Adj 50 Maxwellton	5,627	LDR	Odd-shape
Adj 81 Maxwellton	9,810	LDR	Owned by adjacent home
1635 Grand	5,793	LDR	
Adjoins 434 Pala	9,037	LDR	Owned by adjacent home-difficult access
"208" Howard	4,871	LDR	Flag lot
Adj 860 Kingston	5,092	LDR	Owned by adjacent home
Adjoins 22 Nace	9,025	LDR	Owned by adjacent home, difficult access
22 Valant	8,800	LDR	Entitlements for single family home have expired
ZONE E (Estate 20000 SF minimum lot size)			
"18" Glen Alpine	20,293	Estate Res	Rear of 17 Sotelo (pool)
"5" Indian Gulch	11,205	Estate Res	Access to 21 Glen Alpine
Behind 2 Sotelo	9,937	Estate Res	Landlocked; owned by adjacent home
24 Sea View	17,069	Estate Res	Flag lot, contains tennis cts Owned by adjacent home
Access to 70 Sotelo	45,978	Estate Res	Separate lot in Oakland contains residence
Behind 21 Glen Alpine	5,680	Estate Res	Owned by adjacent home
Behind 74 Sea View	32,610	Estate Res	Owned by adjacent home
Behind 15 Glen Alpine	30,935	Estate Res	Landlocked, owned by adjacent home
1 Hampton Court	21,445	Estate Res	Owned by adjacent home
3 Hampton Court	22,685	Estate Res	Owned by adjacent home
Adjoins 47 Bellevue	11,308	Estate Res	Owned by adjacent home

*Note: LDR = Low Density Residential, MDR= Medium Density Residential
Source: City of Piedmont, Barry Miller Consulting, 2014*

ANALYSIS OF HOUSING CAPACITY



ANALYSIS OF HOUSING CAPACITY

Once these factors are considered, the number of unconstrained developable vacant lots is closer to 20 or 25. This is the number of lots that have adequate road and utility access, are not encumbered by existing structures or landscape improvements, and have sufficient depth and width to support a new home. Although each new home could theoretically include a second unit, based on recent development practice it is more likely that only 10 to 20 percent of the new homes actually will.³ Thus, the realistic yield on these lots is estimated at between 25 and 30 units (including second units).

Given the cost of developing individual single family lots in Piedmont, these sites are not viable locations for affordable housing projects. However, the city strongly encourages the inclusion of second units in new residences, creating an opportunity for moderate, low, and very low income units whenever a new home is constructed

Lot Split Potential

New residential development may also occur through lot splits. The City presently requires 10,000 square feet (SF) per lot in the Single Family Residential Zone (Zone A) and 20,000 square feet (SF) per lot in the Estate Zone (Zone E). As a result of a program in the 2011 Housing Element, an exception to the Zone A minimum lot size requirement was created. If the prevailing lot size within a 500 foot radius is less than 8,000 square feet, then new lots as small as 8,000 square feet may be created.

In theory, a lot which is twice the minimum could be divided to create two parcels. In practice, lot splits would be most feasible for properties with more than 180 feet of street frontage (enabling both lots to have at least 90 feet of frontage, which is the City standard). Lot splits would also be more feasible on properties where the existing residence sits to one side of the property rather than in the center, and on lots which are relatively flat.

³ The assumption that 10-20 percent of future new homes might contain a second unit is based on actual production during the last two Housing Element periods. Excluding "teardowns," seven new market-rate homes were built between 1999 and 2014 and one of these homes included a second unit (1/7 = 14%).

There are currently 129 developed lots in Zone A with more than 20,000 square feet and 17 developed lots in Zone E which exceed 40,000 square feet. Of this total, at least ten lots have been identified as having the practical potential to be divided into two lots, each with sufficient street frontage. There are approximately 120 developed lots between 16,000 and 20,000 square feet in the City. A few are located in areas where the prevailing lot size is less than 8,000 square feet. Thus, these lots could potentially be divided under the new zoning provision adopted in 2013. However, the position of the house in the center of the lot would make lot splits difficult in most instances.

Again, second units would also be possible on developed lots with “split” potential if new homes were added on the new parcels. Additional lots could be created if lot frontage variances were more liberally granted, or if the city permitted new “flag lots” (e.g., rear yard lots with panhandles extending to the street).

The City has not identified potential “split” lots in its Housing Opportunity Site data base, but acknowledges that such lots exist and could supplement those that have been quantified in Table 4-2.

Underutilized Multi-Family Zoned Properties

Piedmont’s multi-family zone (Zone C) encompasses 27 parcels, most of which are located in a contiguous area along Linda Avenue between Grand Avenue and Oakland Avenue. Zone C also includes a handful of individual scattered sites around the city developed with small 2-9 unit buildings during the early 20th Century. Zoning in this district permits 22 units per acre, which meets state “default density” standards for sites that could potentially support housing affordable to low and very low income households.

Not all of the sites in Zone C are developed with apartment buildings. Some of the sites in the Linda Avenue area are developed with single family homes and a few were initially built as single family homes but have been divided into two and three unit structures. Replacement of the single family homes with multi-unit buildings is allowed by zoning, but is unlikely given the small size of the properties and good condition of the housing. Because the sites are in multiple ownership, and because the City does not have a redevelopment agency to facilitate land assembly, the aggregation of small parcels to create large redevelopment sites is not feasible. Moreover, these properties already contain some of Piedmont’s most affordable units. Their redevelopment could conceivably decrease—rather than increase—overall affordability, since new units would likely rent (or sell) for more than the existing older units.

To confirm that these sites are unlikely to redevelop with apartments, the City undertook an analysis of assessed property values in Zone C. Of the 27 parcels, there were five where the assessed value of the land was higher than the assessed value of the improvements on the property. The ratio of improvement to land values is often used as a metric for determining a property's redevelopment potential. Of the five parcels, three were already developed as multi-family properties and two were single family homes (113 Sunnyside and 415 Linda). Both of the single family homes are on lots that are smaller than 4,000 square feet and could only support a single unit in any case. Thus, there is very little chance they would be reused. A visual inspection of properties in Zone C likewise indicates low potential for redevelopment.

Zone C includes the site of a vacant PG&E substation building at 408 Linda Avenue. As noted in the earlier section on "Approved Projects," this 15,375 square foot site has been approved for development with seven market-rate townhomes.

Underutilized Commercial Properties

Piedmont's commercial zoning district (Zone D) includes 18 parcels which total approximately 3.3 acres. All parcels are currently developed. Six parcels totaling one acre are located in the Civic Center area; the remaining 12 parcels are located on Grand Avenue. Of the 12 parcels, 11 are located on the west side of the Avenue and one is located on the east side.

In June 2014, the City conducted an inventory of its commercial properties to determine which, if any, had the potential for redevelopment with housing. Again, an evaluation of assessed land value and assessed improvement value was conducted. Nine of the 18 parcels had assessed land values that exceeded their assessed improvement values. Of these, one was a 3,300 square foot portion of a parking lot (the only parking available for Mulberry's Market) and another was a 1,600 square foot landscaped plaza adjacent to the Wells Fargo Bank in Central Piedmont. Neither of these are viable development sites.

The assessed value of the land at the Ace Hardware store at 1221 Grand Avenue is just slightly higher than the value of the improvements on that site. The parcel is nearly 30,000 square feet and could support 15 units above ground floor commercial uses under current zoning. However, this is the largest commercial property in the city and an important source of sales tax revenue. Its redevelopment as a mixed use project combining ground floor retail and upper story housing could potentially occur in the future, but there are no plans for such reuse at this time. The building is in active use and is a viable retail business.

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To the immediate south of 1221 Grand Avenue, a small building at 1201 Grand Avenue straddling the Oakland/Piedmont city limit line has an improvement value that is roughly one half its land value. This property contains a small one-story 1920s-era storefront building. Although the interior space is being used for storage for the adjacent hardware store, the property could potentially support a second story addition with two multi-family units. Parking is extremely limited, however, and could not be provided on-site. However, a precedent for such development exists on a similar parcel on the other side of the hardware store where a ground floor specialty store faces Grand Avenue and two apartments are located above and behind. This development took place during the 1990s.

Two of the potentially underutilized parcels contain gasoline stations. One is located in the Civic Center area (340 Highland) and the other is located on the east side of Grand Avenue (29 Wildwood) just north of the Oakland border. Both stations are in active use. A review of the State Department of Toxic Substances Control (DTSC) “Envirostor” data base was conducted to determine the potential for contamination at these sites. The Shell station at 29 Wildwood completed its leaking underground storage tank remediation in August 2010 and the DTSC case for this site is closed. The Valero/ Chevron station still has an open DTSC file, but is eligible for closure.

The potential for four housing units has been assumed on the 29 Wildwood site. The property owner has already expressed interest in alternate uses for the site and the possibility of a mixed use project with housing on the upper floor(s) has been raised at Planning Commission meetings. The units could potentially be affordable and could potentially serve a special needs group, such as seniors or persons with disabilities. The site is located on a major transit line and is one block from a large supermarket in Oakland and numerous other services. The gas station at 340 Highland is not being counted at this time but could be considered in the future.

The remaining three properties where land values exceed improvement values are single family homes on Grand Avenue. In fact, there are five single family homes on the block between Ace Hardware and Sunnyside Avenue. Under existing zoning, all of these homes could legally be converted to commercial structures or structures with ground-level commercial uses and one or two apartments above (or to the rear of the structure). Such an outcome is unlikely, however. Four of the homes are owner-occupied and all five are in excellent condition. No additional multi-family units have been assumed in the inventory below.

Table 4-3 summarizes housing opportunities in the commercial zone.

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Table 4-3: Housing Opportunities in Zone D				
Location (*)	Lot Size (sq. feet)	General Plan Designation	Potential Units	Comments
29 Wildwood Av (Shell)	8,300	Mixed Use	4	Land value is four times greater than improvement value. Owner has expressed interest in reusing property.
1201 Grand Av	3,800	Mixed Use	2	Retail storefront used as storage for adjacent hardware store. Potential for 2 units above/behind.
TOTAL			6	Units meet "default" density standard set by AB 2348.

Based on the analysis conducted as part of the 2015-2023 Housing Element, rezoning of parcels from Zone A (e.g., the single family zone) to Zones C or D would be unlikely to generate additional housing. As noted earlier, there are very few vacant parcels in Zone A, and those that do exist are scattered individual infill lots on residential streets. On the developed parcels in Zone A, the value of improvements on almost all sites far exceeds the value of the land, creating little incentive for redevelopment. The "highest and best use" of Zone A properties is single family housing, and the use of such sites for multi-family housing would not be economically productive or practical. This is further evidenced by the fact that the single family homes that do exist in Zones C and D have not "turned over" to multi-family uses, despite being zoned in that manner for more than 75 years.

Public Land

There are no public sites in Piedmont available for future development. The City does own 2.14 acres on Maxwellton Road adjacent to Mountain View Cemetery which was identified as a potential housing site in the 1992 Housing Element, but this land is no longer considered a viable development site. A proposal for 18 units of market-rate senior housing was considered on this site in the mid-1990s but was dropped because of community opposition. Extensive hillside grading would have been required and the visual and environmental impacts of the project would have been significant.

Considering the lack of underutilized commercial land and vacant multi-family sites, the greatest potential for affordable housing in Piedmont is in second units.

The East Bay Municipal Utility District operates an 8.3-acre covered reservoir on the Oakland-Piedmont border. The reservoir has been empty for several years as part of EBMUD's seismic upgrade program. EBMUD has indicated that a portion of the property may become available for reuse in the coming years, creating the opportunity for a land use change. The site is currently designated as open space in the General Plan. It is possible that EBMUD could pursue a General Plan Amendment to consider a limited amount of housing; however, these would probably be single family homes and would not help City meet its RHNA for very low and low income households. Thus, the potential for this site has not been quantified.

Similarly, housing opportunities are not anticipated in the Piedmont Civic Center area between 2015 and 2023. The City conducted a master planning exercise for this four-block area in 2007-2008. . The uses considered included recreation, civic offices, reconfigured streets and parking areas, and opportunities for a very limited number of commercial activities. Housing has not been considered, given the area's small size and the competing demand for other uses.

All other public sites in Piedmont are in active use as City parks, public buildings or maintenance facilities, schools, or utilities. The City presently falls short of accepted parkland standards and is unlikely to convert parkland to housing in the future.⁴ Similarly, the 6.3 acre part of Mountain View Cemetery within the Piedmont city limits is not considered to be available for future residential uses. The City has no surplus schools or school sites. All school properties are fully utilized for academic or athletic purposes.

⁴ Piedmont has 44 acres of City-operated parkland, which equates to about 4 acres per 1,000 residents. Although there is no formally recommended standard, the State permits cities to levy impact fees based on a standard of 5 acres per 1,000 residents. National Recreation and Park Association standards call for 10 acres per 1,000 residents.

SECOND UNIT POTENTIAL

Development Prospects

Considering the lack of underutilized commercial land and vacant multi-family sites, the greatest potential for affordable housing in Piedmont is in second units.

Second units may be created in a number of ways:

- they may be incorporated in brand new homes
- they may be added on to existing homes as net new floor space, including detached structures
- they may be created within the footprint and already habitable floor space of an existing home.

In the latter case, second units may be developed by adding new bathrooms and kitchens and configuring a separate entrance within an existing home. Due to Piedmont's topography, there are a number of houses on down-sloping lots with existing lower level spaces that could be converted to second units, without the capital required for additions or new detached structures. In some instances, it may be as simple as improving existing spaces that already have a kitchen, bathroom and separate entrance, but are not currently used as independent dwelling units.

The latter category of facilities is sometimes referred to as "unintended second units." These spaces already possess the physical characteristics of a second unit (i.e., a separate entrance, a kitchen, a bathroom, and a living/sleeping area that is separate from the main residence) but they are integrated into the primary residence and are not occupied by a separate household. Such spaces are often used as domestic quarters, au pair quarters, home offices, or living space for extended family (children, elder parents, etc). "Unintended" second units may also include pool houses (with kitchens and baths), guest cottages, and similar detached structures.

As of 2014, the City Planning Department had identified 134 "unintended" second units which could potentially be upgraded and made available for habitation as separate dwellings. Most of these units were registered with the City in 1987 with the condition that they not be used as independent rental apartments. The City's second unit requirements have changed since that time, and owners may now apply to use these units for rental housing. In addition, as called for by the 2011 Housing Element, the City has been expanding the list of unintended units as building permits and other planning applications are reviewed and as information is provided by residents, realtors, contractors, and others in the community.

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The City has also begun compiling a data base of “suspected” second units, including addresses where units are not registered but may be rented (based on information provided by neighbors, real estate ads, etc.). As of 2014, roughly 25 suspected units have been identified. In addition, the City has reviewed Alameda County Tax Assessor records to identify parcels recorded as having two units on the property. Through this process, another 17 addresses have been identified where an unintended or unregistered second unit may be present.

Under the current second unit ordinance, the owners of unintended and suspected units could convert the spaces to active rentals “by right” provided that certain conditions are met. These conditions include various dimensional and size standards (see Chapter 5), the provision of off-street parking, and owner-occupancy of either the primary or secondary unit.

The City has also created incentives to convert unintended and suspected second units into affordable units. The “unintended” units represent the best prospect for housing serving low and very low income households because they already have baths and kitchens, and could be converted at relatively low capital costs.

The potential for brand new units in the city also is significant. The City’s Affordable Second Unit Program, established in 2005, has created a strong incentive for rent restrictions that make these units affordable to lower income renters.

Viability of Second Units as Affordable Housing

AB 2348 requires local governments that are meeting their RHNA requirements through means *other than* high-density zoning to demonstrate that their proposed approach is viable. Although Piedmont could theoretically accommodate 38 units of low and very low income housing on land zoned at 20 units per acre or more (gas stations and older commercial properties, and demolition and replacement of homes in the multi-family and mixed use zones), such an outcome is extremely unlikely—and not necessarily desirable. The high cost of land, absence of suitable sites, and dynamics of the Piedmont real estate market make the development of traditional “apartment” projects impractical. Less than one percent of the city’s housing units are in buildings with five dwellings or more, and these units were constructed more than 50 years ago. An affordable housing strategy that relied on traditional multi-family development would ultimately be less effective (and less productive) than one which was tailored to the unique characteristics of Piedmont’s land supply and housing stock.

The volume of applications for rent-restricted second units has actually been exceeding the volume for market-rate units since 2005. Moreover, 17 of the 20 rent-restricted second unit applications that have come before the Planning Commission since 2005 have been approved .

In the nine years since adoption of the city's new Second Unit Ordinance, the city has had a successful track record of producing very low, low, and moderate income second units. For the first time in the City's history, Piedmont has begun to develop a pool of income-restricted affordable units which meet the needs of lower income households. The number of second units approved during the 1999-2006 Housing Element planning period (10 units) was greater than the number of new owner-occupied homes (6 units) approved during this time period. The number approved during the 2007-2014 period was far greater---31 units, more than half of which are restricted to low and very low income tenants paying affordable rents.

As noted in Chapter 2 of the Housing Element, the City's second unit ordinance includes incentives to create rent-restricted units for low and very low income households. These incentives include waivers of parking requirements, which are typically the greatest obstacle to creating new second units. Other incentives include allowances for larger units (up to 1,000 square feet) if the owner agrees to rent restrictions.

The City does not require a conditional use permit for rent-restricted units. While a "second unit permit" is required for the parking waiver or size exceptions, the findings to approve the permit are straightforward and have not been an impediment. Waiving the parking requirement in order to permit a rent restricted unit requires the following findings:

- (a) In looking at the totality of circumstances, there is sufficient street parking available to accommodate the parking exception, including proximity to public transit services; and
- (b) the exception will not negatively impact traffic safety or emergency vehicle access to residences or create hazards by obstructing views to or from adjoining sidewalks, driveways, and streets.

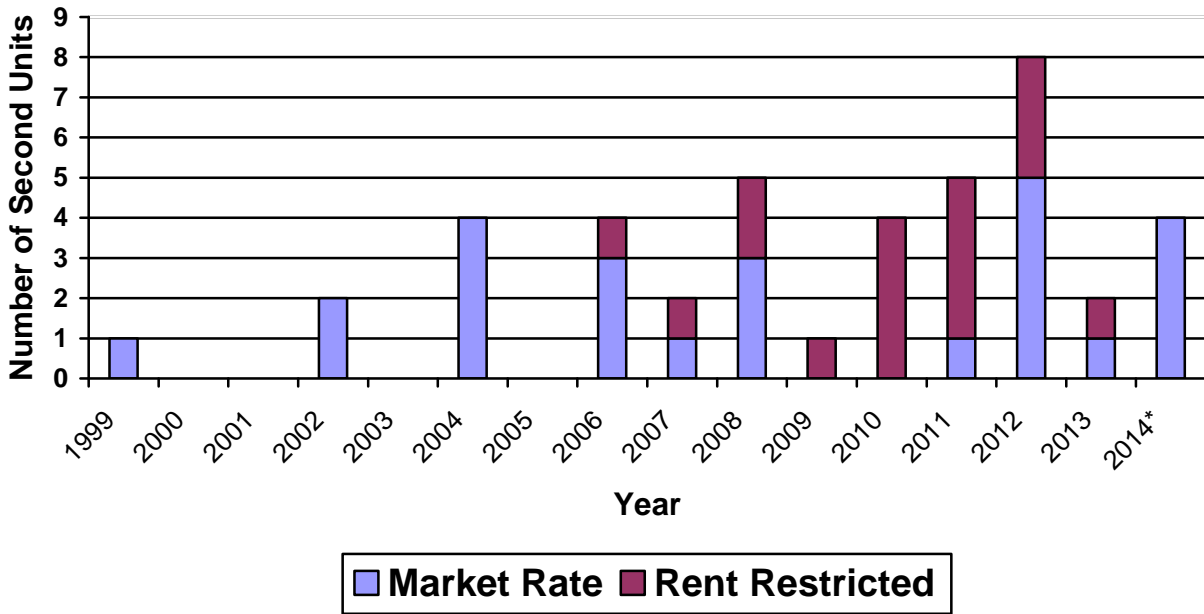
Similarly, increasing the unit size above 700 square feet requires that the Planning Commission find that the unit will not have significant adverse effects on adjacent properties or the surrounding neighborhood, considering such factors as views, privacy, and access to light and air.

These findings have not constrained the creation of rent-restricted second units. As Chart 4.1 below indicates, the volume of applications for rent-restricted second units has actually been exceeding the volume for market-rate units since 2005. Moreover, 17 of the 20 rent-restricted second unit applications that have come before the Planning Commission since 2005 have been approved.

ANALYSIS OF HOUSING CAPACITY

CHART 4-1: Second Unit Production Trends in Piedmont, 1999-2014*

* = Approved through June 30, 2014



Source: City of Piedmont, Barry Miller, AICP, 2014

ANALYSIS OF HOUSING CAPACITY

Second units that are not rent-restricted are permitted “by right,” consistent with the Government Code requirements. Although these units are rented at market rates, they help meet the city’s affordable housing needs by providing a housing resource for seniors and small low and moderate income households. The City collects data annually on second unit rents as part of its business license program. Based on data for 2012, the median rent for second units in Piedmont was \$980. There were 9 market rate units that were renting for less than \$800 a month, which would make them affordable to small, very low income households. Even the more expensive units, which were in the \$1,500 to \$2,000 a month range, meet HUD affordability criteria for two person “moderate” income households. Such units provide an important alternative for those who cannot afford to purchase a Piedmont home.

To meet its RHNA, the City would need to produce approximately four rent-restricted units a year through 2023. This would result in 32 units affordable to low and very low income households. The City would also need to produce approximately 2 market rate second units a year. Although not rent restricted, these units would likely be affordable to moderate income households based on prevailing market rents. A few would probably be affordable to low income households based on their small floor area.

Reaching these targets is attainable, and has been achieved in Piedmont before. For example, in 2010 and 2011, the City approved four rent-restricted units each year. In 2012, the City approved three rent-restricted units and five market rate units. In the first six months of 2014 alone, four second units have been approved. During September 2014, applications for two more units were received, including a very low income unit and an exempt unit. The City has identified programs in this Housing Element to encourage production of both market rate second units and rent-restricted second units.

The potential for second units in Piedmont homes is documented on Page 4-13. As noted, there are at least 134 homes in the city that have existing floor space with the potential for conversion to a legal second unit (i.e., homes with two kitchens, pool houses with bathrooms, etc.). Another 42 addresses have been identified as having “suspected” second units or unreported units based on County assessor data

About half of the city’s homes have four or more bedrooms, including more than 500 homes with five or more bedrooms. The architecture and configuration of many Piedmont’s homes is also conducive to second unit production. Many of the city’s homes were built with multiple entrances, carriage houses and other outbuildings, space for domestic employees, bedrooms and bathrooms on multiple levels, and other physical attributes that lend themselves to second unit creation. Many of the lots are large and could support a second unit without a Zoning Variance.

The demographics of the city are also conducive to second unit production. The city includes a large population of seniors who would benefit from the availability of second units (for their own occupancy or to rent to tenants for extra income). There are also a large number of young adults who were raised in Piedmont but have limited options for staying there (other than continuing to reside in their parents' homes). Second units in Piedmont are also an extremely attractive option for one- and two-person households, single parents with young children, and others who seek to enjoy the amenities and high quality of life in the city but are unable to purchase a home there. Given that the median price of a home in the city is over \$1 million, and given the absence of vacant land for multi-family housing, the need for second units in the city is substantial.

ABILITY TO MEET THE ABAG FAIR SHARE HOUSING ASSIGNMENT GIVEN THE AVAILABLE LAND SUPPLY

The City of Piedmont presently has a sufficient supply of land to meet the ABAG Regional Housing Needs Allocation of 60 units. Table 4-4 indicates the residual RHNA after committed units are subtracted out. Table 4-5 identifies the opportunities to meet the RHNA for each of the income types described in the ABAG allocation.

The table assumes that the combined assignment of 38 units for low and very low income households will be met through a combination of rent-restricted second units (32 units), and mixed use development on the two commercially zoned sites identified in this chapter (6 units). The table also recognizes that some of the small "market rate" second units may serve lower income households based on prevailing market rents. However, for analysis purposes, the market-rate second units are assumed to serve moderate income households.

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Table 4-4: Adjustments to RHNA to Reflect Approved Projects			
Income Category	Units Needed	Units Already Approved	Remaining Need
Very Low	24	0	24
Low	14	0	14
Moderate	15	4	11
Above Moderate	7	8	0
Total	60	12	49

Source: Barry Miller Consulting, 2014

Table 4-5: Piedmont Housing Opportunities by Income Category, 2015-2023		
Income Category	Units Needed	Housing Opportunities To Satisfy RHNA
Very Low	24	<ul style="list-style-type: none"> • Conversion of existing unintended second units to income-restricted units—or creation of new income-restricted second units (at least 20 units) • Shared housing (the opportunities are difficult to quantify, but the City has set a target of 10 households, including at least four extremely low income households, in Chapter 6) • Upper story residential on commercially zoned land (potential counted under “low”)
Low	14	<ul style="list-style-type: none"> • Conversion of existing unintended second units to income-restricted units—or creation of new income-restricted second units (at least 8 units) • Upper story residential on commercially zoned land (6 units—these could also be “very low”)
Moderate	11	<ul style="list-style-type: none"> • Numerous potential (market rate) second units, to be provided within new or remodeled single family homes (at least 11 units) • Upper story residential on commercially zoned land
Above Moderate	0	<ul style="list-style-type: none"> • City has already met its RHNA. Additional capacity exists (7 multi-family units at former PG&E site, plus 25-30 vacant lots capable of supporting single family homes)
TOTAL	49	

Source: Barry Miller Consulting, 2014

ANALYSIS OF HOUSING CAPACITY

5. Constraints to Housing Production

The Housing Element shall contain an... “Analysis of potential and actual government constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, fees and other exactions required of developers, and local processing and permit procedures.”

Government Code Sec. 65583 (a)(4)

One of the most important parts of the Housing Element is the evaluation of potential constraints to housing production and conservation. Typical constraints include local zoning regulations, fees, permitting procedures, design review requirements, and conditions of approval. While these measures are necessary to protect the quality of life, they also add to the cost of housing and can make it more difficult to produce affordable units. Increased development costs are usually passed along to the consumer in the form of higher housing prices or contractors’ fees.

The California Government Code requires all cities and counties to periodically evaluate local housing constraints and take proactive steps to mitigate or remove them. Constraints are broadly characterized as being regulatory or non-regulatory. The former category includes local ordinances, policies, and procedures that make it difficult or expensive to build (or improve) housing in the city. The latter category is associated with factors such as the cost of land, the adequacy of infrastructure, the availability of credit and financing, and local opinions about development.

GOVERNMENT REGULATIONS

General Plan

Piedmont’s General Plan defines the vision for the future of the city and includes its basic policies for long-range growth, conservation, and development. An updated General Plan was adopted by the City Council in April 2009, following a two-year process that involved hundreds of Piedmont residents. Like previous plans for the city, the Plan emphasizes the protection of Piedmont’s residential character. Policies in the Land Use Element require that new development be consistent with the City’s Future Land Use Map, which is part of the Plan.

CONSTRAINTS TO HOUSING PRODUCTION



Most of Piedmont is designated for "Low Density Residential" uses of 3 to 8 units per acre.

The Land Use Map identifies three categories of residential use:

- "Estate Residential" areas have densities of 1 to 2 units per acre.
- "Low Density Residential" areas have densities of 3 to 8 units per acre. This designation applies to 75 percent of the city.
- "Medium Density Residential" areas have densities of 9 to 20 units per acre.

The City's Zoning Ordinance parallels these designations, and the Zoning Map is consistent with the Land Use Map with only a few exceptions.

In addition, the 2009 General Plan created a "Mixed Use" designation. Mixed Use is defined as an area where commercial uses predominate, but where housing is expressly encouraged "above any new retail or office uses." Residential densities in these areas may be 20 units per acre.

There are no policies, programs, or other statements in the General Plan which impede housing construction. The Land Use Element encourages the continued development of housing on the remaining vacant lots in the City. It strongly encourages the conservation and maintenance of the existing housing stock, and the protection of the City's residential neighborhoods from incompatible uses. Policies in the Plan explicitly encourage mixed use development (ground floor retail with upper floor housing) on Grand Avenue, redevelopment of the former PG&E substation (408 Linda) with multi-family housing, and ongoing investment in the existing housing stock.

The Community Design Element of the Plan includes a goal to integrate new construction in a way that is physically compatible with existing structures. Policies in this Element discourage overpowering contrasts in scale and height, and encourage home additions and alterations which compliment the primary residence and surrounding neighborhood. The Element also includes a policy to encourage well-designed multi-family housing and discourage "motel-style" buildings. An action item calls for multi-family and mixed use design guidelines. Nothing in this Element discourages or constrains housing production. To the contrary, the Element is very supportive of infill and conservation of residential uses.

Other elements of the General Plan address transportation, natural resources and sustainability, environmental hazards, parks and recreation, and community services and facilities. Nothing in these elements constrains housing development or inhibits investment in and maintenance of the housing stock.

CONSTRAINTS TO HOUSING PRODUCTION

Zoning

The Zoning Ordinance (Chapter 17 of the Piedmont Municipal Code) includes standards for lot size and frontage, building setbacks, height, floor area ratio, lot coverage, hardscape surface coverage, and parking.¹ The Ordinance also identifies those uses which are permitted outright and those which are permitted with a conditional use permit. Single family residences are permitted outright on every parcel in the City.

The Zoning Ordinance establishes five zones, including three residential zones, one commercial zone, and one public and open space zone. The three residential zones are:

- Zone A (single family), with a 10,000 square foot minimum lot size²
- Zone C (multi-family) which allows up to one dwelling unit per 2,000 square feet of lot area
- Zone E (estate) with a 20,000 square foot minimum lot size.

Table 5-1 summarizes the development standards in each zone.

Table 5-1: Summary of Residential Development Standards			
	Zone A	Zone C	Zone E
Minimum Site Area per unit (SF) (*)	10,000	2,000	20,000
Minimum Lot Area ²	10,000	10,000	20,000
Minimum Frontage ²	90'	90'	120'
Lot Coverage	40%	50%	40%
Hardscape Coverage ¹	70%	70% (80% for projects that are 20% or more affordable)	60%
Building Height	35'	35'	35'
Front Setback	20'	20'	20'
Rear Setback (mid-block)	4'	4'	20' (primary structure)
Rear Setback (through lot)	20'	20'	20' (primary structure)
Side Setback	4'	4'	20' (primary structure)
Side Setback (corner lot)	20'	20'	20' (primary structure)
Floor Area Ratio	For lots less than 5,000 SF (all zones) = .55		
	For lots 5,000 – 10,000 SF (all zones) = .50		
	For lots 10,000 SF or more (all zones) = .45		

(*) excludes second units

¹ Hardscape Surface coverage was formerly called "Impervious Surface Coverage" and includes non-landscaped surfaces where vegetation does not easily grow. It includes driveways, patios, paved walkways, etc.

² 8,000 square foot lots with 60' of frontage are allowed in Zone A where the prevailing lot size within 500 feet is 8,000 square feet or less.

Neither Zones A nor E have standards which constrain housing construction. By capping home size and lot coverage, the standards actually improve affordability by discouraging teardowns and preserving smaller homes.

Single Family Residential Zones (A and E)

Approximately 85 % of the City’s residential land area is in Zone A. Some 78 % of the lots in this Zone are less than 10,000 square feet. The 10,000 square foot standard has not constrained development, since the zone is completely built out and lot size variances are not required for construction on existing lots. The City recently amended its Code to allow 8,000 square foot lots with 60 feet of frontage (instead of 90’) when the prevailing lots within 500 feet are 8,000 square feet or less.

Development in Zone A is subject to various setback, height, lot coverage, hardscape surface, and floor area ratio requirements (FAR). A sliding scale is used for FAR so that smaller properties are not unduly penalized. An individual seeking to build a home on a 6,000 square foot lot would be able to construct a 3,000 square foot home and could cover 2,400 square feet of the lot with structures. An individual seeking to build a home on a 4,000 square foot lot would be able to construct a 2,200 square foot home and could cover 1,600 square feet of the lot with structures. Garages and low-ceilinged attics and basements are excluded from the FAR calculation, since they are not habitable space. The FAR standards provide most homeowners with an opportunity for home expansion but are stringent enough to maintain the overall scale of Piedmont’s neighborhoods and provide for a range of housing sizes.

Neither Zones A nor E have standards which constrain housing construction. By capping home size and lot coverage, the standards actually improve affordability by discouraging teardowns and preserving smaller homes. Single family height and setback allowances are more generous in Piedmont than in nearby Oakland and facilitate the improvement of the city’s lots. Requests for height and setback variances are relatively uncommon, considering the large volume of planning applications received.

Multi-Family Residential Zone (C)

In the multi-family zone (Zone C), standards for lot area, frontage, height, lot coverage, hardscape surface coverage, and setbacks apply. The minimum lot area is 10,000 square feet and the minimum parcel frontage is 90 feet. Neither of these standards is a development constraint, in part because all of the City’s multi-family land has already been fully subdivided and developed. The height limit in the multi-family zone is 35 feet. This corresponds to three-story construction, which is compatible with the 21.8 unit per acre density (one unit per 2,000 square feet of lot area) allowed in Zone C. Thus, height limits are not a constraint.

CONSTRAINTS TO HOUSING PRODUCTION

There are no floor area ratio limits in the multi-family zone. However, there is a 50 percent lot coverage limit and a 70 percent hardscape surface coverage limit. For projects in which at least 20 percent of the units are affordable, the hardscape limit increases to 80 percent, creating an incentive for such development.

Setbacks in Zone C are 20' in the front yard, 4' in the side yard, and 4' in the rear yard. Larger setbacks apply for corner lot side yards and through-lot rear yards (e.g., lots with frontage on two streets). These standards are not development constraints and have helped maintain design continuity in the City's multi-family district.

Multi-family buildings with up to 8 units are permitted by right in Zone C. Buildings with 8 units or more require a conditional use permit. Since there are no sites in the multi-family zone that exceed 16,000 square feet (i.e., with the potential for 8 or more units), and since the likelihood of land assembly is very low, this standard is not a constraint. The City provides density bonuses for multi-family projects that include affordable housing, creating an incentive for such development in the event sites ever become available.

Commercial Zone

Zone D, the commercial zoning district, applies to just 18 parcels in the city and totals 3.3 acres. The only uses permitted by right in Zone D are single family homes. Churches, retail, office, and service uses require conditional use permits, subject to findings relating to local benefits, land use compatibility, community impacts, and similar concerns.

The Zoning Ordinance was amended in 2013 to allow mixed use development. Mixed use is defined in the Code as a development containing ground floor commercial uses and multi-family residential uses at a density that ranges from one unit per 3,600 square feet to one unit per 2,000 square feet of lot area (e.g., 12 to 21.8 units per acre). Structures combining commercial uses and *single family* homes are also allowed in Zone D (with a CUP), subject to a 50 percent lot coverage limit, 80 percent hardscape surface limit, and 35-foot height limit. Setbacks are typically half of those required in the single family district. These standards would not be constraints to mixed use development. The City is planning to develop design guidelines for mixed use developments, which could necessitate changes to the zoning standards to facilitate appropriate development in the future.

Parking Requirements

The City requires two off-street, covered, non-tandem parking spaces for a house with up to four bedrooms, and three spaces for a five or six bedroom house. Spaces must be 9' x 20' or more. The parking standard is rarely an obstacle when a new home is constructed. None of the new homes built in Piedmont during the past 15 years has requested a variance for parking.

The greater impact of the city's parking requirements is on the expansion of existing homes. The Zoning Ordinance requires that current parking standards are met when bedrooms are added to existing residences. Many Piedmont homes were built in the 1910s and 1920s with one off-street covered parking space. Thus, the addition of a bedroom may trigger an accompanying requirement to expand or replace the garage. Because the expense of providing off-street parking is usually very high, many homeowners have opted to make do with their existing homes rather than adding on. Like the FAR requirements, this has not been an impediment to housing affordability, but rather an extremely effective tool for conserving the City's inventory of smaller homes.

On the other hand, parking requirements do present a potential constraint for the development of new market-rate second units. Unless they are income- and rent-restricted, such units require the provision of an off-street non-tandem parking space outside the front setback. Some lots are not well configured for additional off-street parking, making this standard difficult to meet. The City has leveraged this constraint to its advantage, allowing residents to create second units *without* parking if they agree to rent-restrict the unit. This has significantly expanded the potential for *affordable* (i.e., rent-restricted) second units in the city. Some have argued that relaxation of the parking standards for *market-rate* units would provide an even greater benefit by increasing the total number of rental units, albeit at higher prices. However, this would seriously undermine the rent-restricted program, as most property owners only participate in the program because their lots are not well configured for additional off-street parking.

Parking requirements for multi-family units vary by unit size. One space per unit is required if the dwelling is less than 700 square feet and two spaces are required if it is more than 700 square feet. The City also allows up to 25 percent of the required spaces in multi-family development to be compact (7.5' x 16').

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While the City does not require a parking variance for rent-restricted second units, it does require a variance if the primary residence lacks the required number of parking spaces at the time the second unit application is being considered (for instance, if only one space is available for the primary unit). This presents a potential constraint for rent-restricted second units. An action in this Housing Element recommends a Code amendment to remove this constraint.

Density Bonuses

A 2005 amendment to the Zoning Ordinance added provisions for density bonuses. Section 17.7.2 stipulates that the Planning Commission may grant bonuses consistent with state law for projects with affordable units. As of 2014, this translates to a range of 5 to 35 percent over the density allowed by zoning, depending on the total number and percentage of affordable units and their target population (i.e., very low income, seniors, etc.).

Mobile and Manufactured Housing

A 2005 amendment to the Zoning Ordinance added provisions for mobile and manufactured housing to the Zoning Ordinance. These uses are defined to be equivalent to single family homes and are thus permitted on all lots in the city, subject to design review.

Landscape Requirements

An application for a new home in Piedmont—and an application for any project which the Director of Public Works determines will significantly impact existing vegetation—requires submittal of a landscape plan to the Planning Commission. Landscaping must conform to various standards, including 15 percent minimum lot coverage and a requirement to landscape street-facing yard areas. This may add to the cost of a market-rate single family home in Piedmont, but it is not an impediment to affordable housing since such housing tends to be located within existing homes (e.g., second units).

The City encourages the use of bay-friendly landscaping as a means of improving water quality and reducing potable water consumption. In addition, Countywide Clean Water Program Requirements call for best management practices (BMPs) to contain and treat urban runoff. BMPs include pervious pavement, rain gardens, directing runoff onto vegetated areas, and similar measures to reduce runoff to creeks and the Bay. Although the intent of each measure is to improve water quality, a secondary effect is to reduce potable water use, which should ultimately result in savings on utility bills.



Standards for residential landscaping are evolving in response to concerns about drought and greenhouse gas emissions

Second Unit Regulations

Second units in Piedmont are regulated by Section 17.40 of the City Code. Consistent with state law, the City allows second units by right (e.g., “ministerial review,” with no review by the Planning Commissioners or neighbors) in all residential zones provided they meet the following requirements:

- The unit is less than 700 square feet
- Addition of the unit complies with zoning standards for floor area ratio, height, lot coverage, and setbacks
- An off-street, covered, non-tandem parking space is provided outside of the required front setback
- The owner lives on the property

New second units are subject to design review if they modify the exterior of a structure. The architectural style, architectural elements, exterior materials, and color of the second unit must be consistent with the primary unit. Staff makes this determination, and may require modifications to achieve compliance. A second unit that proposes only interior remodeling with no exterior changes is exempt from design review.

Second units which do not conform to the above standards may be approved through two methods: (a) the owner can apply for a zoning variance (for setbacks, floor area ratio, number of parking spaces, etc.), in which case discretionary review by the Planning Commission is required; or (b) the owner can apply under the provisions of the Piedmont City Code for rent-restricted second units. As noted in Chapter 2 of this Housing Element, second units may be as large as 850 square feet if they are rent restricted to low income households, or 1,000 square feet if they are rent restricted to very low income households.

Moreover, a second unit may be permitted with no off-street parking if the unit is rent restricted to a very low income (VLI) household. In 2012, a Code amendment added an “extremely low income” second unit category. Such units may be provided with no off-street parking but they must be 300 square feet or less. The ELI units must be rented to a household earning less than 30% of Areawide Median Income (AMI) at a rent deemed affordable to that household (e.g., less than 30% of household income). The VLI units must be rented to a household earning less than 50% of AMI at a rent deemed affordable to that household. Permitting a rent-restricted unit with no parking requires that the Planning Commission make the following findings:

- In looking at the totality of circumstances, there is sufficient street parking available to accommodate the parking exception, including proximity to public transit services; and

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- The exception will not negatively impact traffic safety or emergency vehicle access to residences, or create hazards by obstructing views to or from adjoining sidewalks, driveways and streets.

The net effect of these regulations has been a significant increase in second unit applications since 2005, with approximately the same number of applications for market-rate units as rent-restricted units. The regulations have not constrained second unit production—if anything, they have stimulated their development. More importantly, the regulations have stimulated the development of rent-restricted units—a novel form of affordable housing that did not exist in Piedmont prior to 2005. As of 2014, 16 rent-restricted second units have been approved in Piedmont, including 14 very low income units and two low income units. Of this total, 13 of the very low income and one of the low income units have actually been constructed.

Consistent with the recommendations of the 2011 Housing Element, an evaluation and status report on the second unit program was completed in 2011. The status report found a marked change in public attitudes toward second units since the 1980s, with much greater acceptance toward second units and recognition of their value to the community. The shift in public opinion may be attributed to a number of factors, including:

- An increase in households with two working parents who wish to have private living quarters for an au pair.
- An increase in extended families, including aging parents or adult children returning home following college or living at home after graduation.
- Security for residents who are frequently away from home.
- Need for extra income for middle income or senior households with high housing costs.
- Perceived increase in resale value.
- A way for seniors to age in place, downsize without giving up their properties, or move into a second unit so that their children and families may occupy the primary unit.

Whereas second units were once seen as compromising the single family character of the city, they are now seen as a “win-win” proposition by a growing segment of the population, and as the most context-sensitive solution for providing affordable housing in Piedmont.

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As called for by the 2011 Housing Element, the City convened four public hearings in 2011-2012 to discuss changes to the second unit regulations. These hearings culminated in Ordinance revisions which strengthened second unit opportunities and provided more incentives for affordable units. The changes became effective in April 2012 and included:

- Allowances for “Extremely Low Income” (ELI) second units which are less than 300 square feet (described above) and which may be provided without off-street parking (as described above) if rent-restricted to ELI households.
- Modifications which make it easier for property owners who believe they have exempt second units (existing prior to 1930) to legalize those units. The units will not be subject to planning and building codes adopted after 1930 and affidavits from neighbors will no longer be required to prove that the unit existed prior to 1930 and has been in continuous use since that time. Several units that had not been inhabited for many years have been permitted for use as exempt second units since this change.
- Removal of a variance requirement for units that have the required number of parking spaces but where those spaces do not meet the dimensional standards for a parking space.
- A new floor area ratio exemption for new homes that include a second unit. In such instances, the floor area of the second unit may be added to the allowable floor area on the parcel, up to 700 square feet or 10% of the lot area, whichever is less.
- Increased parking incentives for lower income units.

In addition, the Code was amended to remove the business tax exemption for rent-restricted second units during the first year of operation. The tax exemption had initially been offered as an incentive to promote rent-restricted second units, but was deemed ineffective due to the cost of administration, the low rental tax (typically about \$200/yr per unit), and the desire among tenants for receipts proving residency for school enrollment purposes.

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As part of the 2014-2015 Housing Element Update, the City completed another assessment of the second unit program and identified the following issues:

- The City should seek incentives for renewal of the affordability restrictions on rent-restricted units when they expire. Presently, the units must be rent-restricted for 10 years. At the end of the 10 years, the owner may raise the rent to market rates, potentially creating a hardship for low income tenants. The City believes that requiring a longer term (i.e., 20 or 25 years) rental deed restriction at the time of second unit approval would not be an effective solution. A longer contract could be a disincentive, as most of the owners participating in the program are attracted to the flexibility of a 10-year term. Other incentives for longer term rentals should be explored. Incentives for “rollovers” of expiring contracts may be needed to avoid the loss of affordable units.
- The City cannot “require” that a rent-restricted unit is actually occupied after it is permitted. Anecdotally, the City is aware that a number of registered second units, including a few of the rent-restricted units, are vacant. Some owners may have applied for the second unit permit to increase the value of their home or to give them the flexibility to rent the unit out at some point in the future. An action program in this Element recommends incentives to encourage owners to actually rent their units, rather than just maintain them as empty space.
- The City prohibits occupancy of rent-restricted units by non-dependent family members (such as aging moderate and above moderate income parents who wish to allow their children to live in the primary residence). It has been suggested that the City expand allowances for units without off-street parking to accommodate more households with extended families. This would eliminate the “trigger” that enables the City to create new affordable units. Thus, the priority at this point is to focus off-street parking exceptions on units that will be occupied by unrelated very low income tenants.
- The City prohibits second units (rent restricted and market rate) from being rented for less than 30 days. Thus, the use of such housing as “Air BNB” type vacation rentals is not permitted. However, the City has observed at least one instance in which a unit was being advertised in this manner. This could become a bigger enforcement issue in the future, in the event more households seek to rent their units in violation of city codes. Additional public education on this issue may be needed.

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- Piedmont has a large inventory of “unintended” second units that are not being used as separate rental apartments. These include pool houses, basements or attics with second kitchens, finished rooms over garages, home offices, and numerous other configurations which make these spaces suitable for conversion into in-law apartments. There are also a large number of homes on down sloping lots with lower levels that could potentially be converted to second units with no street visibility. One of the aspirations for the rent-restricted second unit program has been to incentivize the use of these spaces as separate dwellings. This will continue to be the case in the future.
- The City is continuing to amass a data base of “suspected” second units (e.g., units that are not registered that may be illegally rented). It has also taken note of County assessor records which list at least 17 single family parcels without registered second units that are assessed as two unit buildings. There may be opportunities to create new registered units through an amnesty program, on the condition that the newly legalized units are rent-restricted and income-restricted. In such cases, waivers from Planning Code requirements could be considered. To the extent public health and safety is ensured, certain Building Code waivers also could be considered. However, the City also must ensure the well-being of tenants who may be occupying spaces that do not meet basic standards for habitation (e.g, basements with no windows or inadequate ventilation, etc.)
- To discourage the use of rent-restricted units by family members, the City prohibits such units from having an interconnecting interior door to the main house. The prior Housing Element suggested that this be revisited, as it could be discouraging some households from applying for rent-restricted units. However, the City believes this design standard should be maintained. In its absence, it would be much more likely that the units would serve extended families, which is not the intent of the rent-restricted program,
- Additional methods should continue to be explored to retain the existing stock of second units, including illegal units. Several actions have been added to this Housing Element to encourage the preservation and active use of existing units.
- Additional incentives for second units serving moderate income households should continue to be explored. An example would be the 2012 Code amendment that provided a floor area ratio exemption for the floor space associated with second units in brand new homes.

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- There are still opportunities to expand public awareness of the value and benefits of second units, and the opportunities to create them in Piedmont. During the 2014 Town Hall meeting on housing, several residents suggested a multi-media outreach campaign aimed at raising the public's appreciation for second units. This could newspaper interviews with second unit owners and tenants, as well as facts and figures about second unit regulations.

The City is continuing to work proactively to promote second unit development. Application fees for second units have not been raised since the adoption of the last Housing Element. Business taxes for second units remain relatively low. Significantly, only three applications for second units have been denied since the program was created in 2005.

Emergency Shelter

The City of Piedmont amended its zoning code in 2005 to permit emergency shelter and transitional housing in Zone B with a conditional use permit. Pursuant to a State law approved in 2008 (SB2), the City amended its Code in 2013 (effective 1/1/14) to remove the CUP requirement for emergency shelter altogether. It is now permitted by right in Zone B.

Properties with this designation include most of the Piedmont Civic Center complex. There is sufficient capacity in this zone to accommodate the need for shelter, as determined by EveryOne Home and the Alameda County Department of Housing and Community Development. As noted in Chapter 4 of this Housing Element, the County of Alameda estimated Piedmont's homeless population at 6 residents in 2013. It is possible to meet the need for a shelter for this population in Zone B.

Zone B includes more than 80 acres of land, or about 7 percent of the city. Of this total, about 50 acres consists of parkland. The remaining 30 acres includes a mix of land owned by the City, the School District, and the private sector. Excluding the parkland, the zone includes 13 parcels. These parcels range in size from 2,500 square feet to 18 acres, with a median size of 13,626 square feet. Typical parcel sizes are one-half acre or larger, as the sites correspond to schools and other public buildings. The areas most suitable for emergency shelter are in the Civic Center area and at the Corporation Yard.

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During the past three years, the Piedmont Civic Center has been the subject of a master planning effort that has underscored the potential for new and/or expanded community facilities. City Hall itself sits on a 36,000 square foot parcel that also includes the Fire Department and the Veterans Memorial Building (a separate structure including the Police Department and community recreation rooms). The Civic Center Master Plan identified the potential to retrofit portions of the Veterans Building for other community uses. Demolition and replacement of the Veterans Building with a structure that is more architecturally compatible with the rest of the Civic Center complex also has been discussed, raising the possibility for additional uses and more floor space.

Adjoining this complex and also in Zone B is 801 Magnolia Avenue, a 13,600 square foot parcel containing the former Christian Scientist Church. The 12,600 square foot structure was acquired by the City several years ago. About two-thirds of the structure is now used as the Piedmont Center for the Arts while the remainder is vacant and being renovated for a future use that has yet to be determined.

West of this block (and also in Zone B) is the Piedmont Recreation Center, occupying almost an entire city block and including the Piedmont Community Pool, the Recreation Center building, a carriage house, tennis courts, and parking areas. This area includes two parcels totaling about 81,000 square feet. The focus of the Civic Center Master Plan was the reconfiguration of this space, potentially expanding total buildable area by closing Bonita Avenue and redeveloping existing recreation facilities with larger multi-purpose structures. A May 2008 feasibility study commissioned by the City identified the potential for a complete renovation of the 11,400 square foot recreation building (including the potential for new activities), addition of a new 9,000 square feet wing, development of a new 18,900 square foot swim center, and a 132 space parking structure. In 2008, the City commissioned a scale model showing how new buildings might be accommodated in this area. The project has not moved forward, but the capacity for additional activities and facilities has been clearly demonstrated.

The Civic Center area is well served by public transportation, including a local bus line providing frequent connections to BART and Downtown Oakland, and two trans-bay bus lines to San Francisco. It is centrally located within Piedmont and is large enough to accommodate multiple activities without conflicting with adjoining uses (which are primarily schools, parks, and a small commercial district).

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The other major opportunity area in Zone B is the City's Corporation Yard. This site occupies several acres on Moraga Avenue and is used for maintenance and public works activities. In the past, the City has considered reconfiguring the site to accommodate community facilities, but no specific proposals have been made. Action 33.E of the Piedmont General Plan Community Services and Facilities Element (adopted in 2009) calls for a study of the property to determine its long term use potential.

Development standards in Zone B are likewise conducive to the construction of emergency shelter. The Zone has a 35 foot height limit, and no maximum lot coverage limit or floor area ratio limit. The General Plan designation that corresponds to this zone has a floor area ratio standard of 0.75. This would allow a substantial structure even on a relatively small lot.

Transitional/ Supportive and Employee Housing

The Municipal Code was amended in 2013 (effective 1/1/14) to add definitions of transitional and supportive housing. The code was further edited to state that transitional and supportive housing are considered residential uses and are subject only to the same permitting processes as other housing in the subject zone. There are no special regulatory requirements applied to either use.

California Health and Safety Code Section 17.021.5 includes a similar requirement for employee housing. The Code states that any employee housing for six persons or fewer shall be deemed a single family residential structure and shall not require permits beyond those required for single family homes. Piedmont does not have employee housing, nor does it have major employers who might develop such housing in the future. However, an action has been included in Chapter 6 of this Housing Element to amend the Municipal Code to incorporate this provision.

Cumulative Impacts of Land Use Controls

State law requires the City to consider not only the impact of individual development standards, but also the cumulative effects of these standards on the cost and supply of housing. For example, it is possible that a particular setback requirement may appear reasonable on its own, but may limit development opportunities when combined with height and lot coverage limits. Sometimes, the combined effect of different development controls can require more expensive construction (such as two-story buildings instead of single story buildings) or result in frequent zoning variances.

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In Piedmont, single family zoning standards do not create an adverse cumulative impact on development costs or the housing supply. Side and rear setbacks are just four feet on most lots (compared to five feet on adjacent Oakland properties), creating an ample building envelope, and providing many choices for siting a home or an addition on a property. Lot coverage limits tend to favor two-story construction over single story construction on small (less than 4,000 square feet) lots, but the limits are generous enough to provide plenty of space on almost all lots for a modest one-story home.

Floor area ratio limits, coupled with the other standards, still leave ample opportunities for construction and home expansion. The use of a sliding standard for FAR rather than a fixed limit ensures that even small lots still can support a substantial home. The 35-foot height allowance for all residential lots provides flexibility in design, particularly compared to nearby communities with more restrictive single family heights. Moreover, the 35-foot standard is an *average* height and some portions of a structure may be even taller.

The single family zoning standards also support the achievement of the maximum densities prescribed by the Piedmont General Plan. The General Plan indicates that “Low Density Residential” areas may have densities of up to 8 units per acre. While the 10,000 square foot lot standard would preclude that density from being attained on raw land, virtually all of Piedmont was subdivided more than 50 years ago. Prevailing lot patterns are already in the 8 unit per acre range in much of the city, and the General Plan density is achieved and even exceeded in some locations.

The development standards in single family areas are particularly conducive to the production of rent-restricted second units. In particular, the parking exception provides a strong incentive to create an affordable second unit. Variances are rarely required for such units, given the FAR, lot coverage, height, and setback allowances for single family lots.

The multi-family zone (Zone C) contains 27 parcels. Existing single family homes in this zone could conceivably be replaced by multi-family residences. In such instances, zoning does not constrain redevelopment. However, because the existing structures are mostly owner-occupied single family homes in excellent condition, there is little economic incentive to replace them or divide them into multi-family flats.

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On a 60 x 100 foot lot in Zone C, the zoning density standards would permit construction of a three-unit building. After required setbacks are subtracted, the buildable area of the lot would be 3,952 square feet. The 50% lot coverage limit would mean that only 3,000 square feet of this 3,952 square foot envelope could be covered by structures. There are no FAR limits, and there is a 35' height limit, so conceivably, the parcel could support a three-story 9,000 square foot structure (3,000 square feet of floor space per unit). These standards provides ample opportunities for larger (three-bedroom) multi-family units as well as smaller 1-2 bedroom units. The opportunity for an even larger building is provided by offering a density bonus (in the form of added lot coverage and an additional dwelling unit) for affordable housing.

As noted in the text, new housing units in Zone C require one or two parking spaces per unit, depending on unit size. The spaces must be outside the front setback and they must be covered and non-tandem. Given the 50% lot coverage and 20' front setback requirements, this would typically require ground level garages or carports in any new multi-family construction. An apartment complex with three one-bedroom units would need to provide three off-street parking spaces, which is achievable on most lots in Zone C. The requirement would be somewhat more challenging for two or three bedroom units.

City Charter

Piedmont is a charter city, and its municipal charter contains special requirements for the rezoning of property. Section 9.02 of the Charter specifies that:

“No existing zones shall be reduced or enlarged...and no zones shall be reclassified without submitting the question to a vote at a general or special election.... No zones shall be reduced or enlarged and no zones reclassified unless a majority of the voters voting upon the same shall vote in favor thereof...”

This requirement—that a citywide vote be held to rezone property—makes it difficult to increase the supply of land for higher density housing in the City. Given the City’s single family character, it is unlikely that voters would approve the rezoning of land from single family to multi-family use.

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The Charter requirements apply only to zoning map changes, and not to zoning text changes. This gives the City the flexibility to modify the lists of permitted and conditionally permitted uses, and to alter development standards, without a citywide vote. When a vote is required, the City abides by the Election Code of the State of California, as required by Charter Section 8.03. The assistance of the Alameda County Registrar of Voters is requested in the designation of polling places, counting of ballots, and so on. A rezoning measure would most likely be placed on the same ballot as the general election, although the charter does allow for a special election. General municipal elections are held every other year. It is unlikely that the City would hold a special election for a zoning change alone, but if it did this would represent a municipal cost since fees could be required for polling place rental, counting of ballots, and public information about the measure.

The city's most recent experience with a zoning-related ballot measure was in 2006. The City acquired the former Christian Scientist Church at 801 Magnolia Avenue and sought to rezone the property from "Single Family Residential" to "Public Facilities." The measure was placed on the same ballot as the regular municipal election (including City Council and School Board members). The incremental cost of adding this measure was minimal, since it appeared on a general election ballot and did not require informational mailers or other "campaign" expenses. The measure was approved by 89.5 percent of the voters.

Based on actual experience, the Charter requirement has had no impact on housing production in the last 50 years. The Charter could indeed be a constraint if the city included large vacant or redevelopable areas, but Piedmont does not. In fact, it appears that all land in the City is already zoned to its highest and best use, which on 99 percent of Piedmont's privately-owned parcels is single family housing. There has been no pressure to rezone single family zoned land for multi-family housing in the city, even on parcels that are currently developed with apartments. The handful of legal, non-conforming apartments that exist in the single family zone are considered "grandfathered" structures. Zoning precludes their expansion, but it does not preclude continued investment in these properties or their use as rental apartments.

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In fact, single family homes even appear to be the highest and best use in the *multi-family* zoning district. About half of the parcels in this district are developed with single family homes, and there have been no proposals to demolish these homes and replace them with multi-unit buildings. To the contrary, there *have* been proposals (not approved) to convert existing multi-unit structures in this zone into single family homes. The City has adopted policies through its Housing Element to encourage the preservation of multi-family structures regardless of location and discourage their conversion into single family homes. The condominium conversion provisions of the Piedmont Subdivision Ordinance further restrict the conversion of existing multi-family rental apartments to other uses.

Despite these factors, the requirement for a citywide vote to rezone property could influence the supply, cost, and timing of housing production at some point in the future. Through this Housing Element, the City has added an action program to monitor the Charter's impact on housing production in Piedmont.

Design Review

Most exterior alterations to Piedmont homes require Design Review. A three-tiered system is used for design review applications:

- Administrative Design Review (ADR) is an expedited process for minor projects that replace an existing feature with a new feature that is different in some way, including changes in materials, function, or design. Examples are window replacements (not involving a change in size or location) and new deck handrails. ADR also covers new features that have no impact on neighbors or the public.
- Staff Design Review (SDR) is a process for projects with exterior improvements valued at under \$75,000 that do not require a variance or involve construction of a front-yard fence. Examples are new decks, new porches, dormers, and small additions. Adjacent neighbors are notified of the application and are given a chance to comment on the plans.

Over the years, the City has taken a number of steps to remove design review constraints and streamline the design review process. A relatively large number of projects, including “as is” repair and replacement, are exempt. Landscaping and painting are also exempt, as are interior remodels with no exterior changes.

- Planning Commission Design Review (PCDR) is a process for projects valued with exterior improvements valued at over \$75,000, and projects which also require a variance or involve construction of a front-yard fence. Staff Design Review applications may also be referred to the Planning Commission in the event there are issues that cannot be easily resolved. Examples of projects requiring PCDR include new homes and large additions such as upper level stories. A 100 to 300-foot notification radius applies to PCDR applications, depending on the scope of the application. The Planning Commission must make specific findings before approving an application, and may establish conditions of approval to protect the aesthetic quality of the neighborhood and respond to neighbor concerns.

Piedmont has adopted Residential Design Review Guidelines to provide a benchmark for evaluating all design applications. The Guidelines encourage alterations and additions which complement existing residences, and new homes which match the character of the surrounding area. In addition to the standard design review findings, the City has adopted specific findings for projects which involve upper level additions or new floors on an existing residence. These relate primarily to view and light impacts on nearby residences, as well as privacy.

The design review process may add to the cost of housing (and remodeling) in a number of ways, including fees, time requirements, and project modifications. Applicants may be required to use particular building materials, exterior treatments, space layouts, architectural conventions, or landscaping methods which raise the cost of their projects. The impacts of these requirements are primarily felt by above moderate income households, since design review applications are almost entirely for changes to owner-occupied, relatively high-value single family homes. However, Piedmont’s homeowners include seniors on fixed incomes, and other low and moderate income families who may defer remodeling because of the expense.

Over the years, the City has taken a number of steps to remove design review constraints and streamline the design review process. A relatively large number of projects, including “as is” repair and replacement, are exempt. Landscaping and painting are also exempt, as are interior remodels with no exterior changes. Second units are only subject to staff-level review, with no review by neighbors required unless a Variance is requested or the unit will be rent restricted. Overall, the Design Review process has been a boon for reinvestment in the City’s housing stock and has had a positive impact on neighborhood character and housing conservation.

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There may be additional steps the City can take to expedite design review and create additional categories of exemptions. In 2007, a citywide General Plan Survey was conducted, including questions about Design Review. About 25 % of the respondents (over 300 out of 1,200 households) believed that the requirements were too strict. Many residents offered ideas for improving the process. The most common suggestions were:

- Provide more exemptions for small projects, especially those not visible to neighbors.
- Provide clearer rules and more consistent decision making.
- Simplify the process and make it faster and less expensive, potentially reducing fees for smaller projects such as fences and gates.
- Limit the ability of neighbors to influence design outcomes.

An action item in this Housing Element recommends that City staff work with the Planning Commission to consider these kinds of changes in the coming years. An overhaul of the City's Design Guidelines is recommended to ensure that they remain relevant, user friendly, and are formatted to contemporary standards.

Subdivision Ordinance

Chapter 19 of the City Code regulates the division of property in Piedmont and establishes standards for the design of improvements such as roads and utilities. The Code does not pose constraints to development. Because virtually all new housing in Piedmont takes place on existing lots, the provisions of the subdivision ordinance rarely apply when a new home is built.

Chapter 19 was revised in 2005 to ensure compliance with the Government Code. One outcome of the revision was a streamlined process for lot line adjustments. Another outcome was a "no net loss" provision for apartment conversions which stipulates that any apartments converted to condominiums must be replaced in kind by an equivalent number of rental units. This reduces the likelihood of condo conversions in the city and protects the rental housing supply.

Growth Control

The City of Piedmont has no City-imposed or voter-imposed growth control measures.

Building Code Requirements

Piedmont has adopted the 2013 California Building Code of Regulations and the 2013 California Residential Code. The City has also adopted the 2013 California Energy Code, Mechanical Code, Plumbing Code, and Green Buildings Code. In each case, a number of amendments to the state code have been incorporated to reflect issues of local concern. For example, the City requires building permits for parking pads located in the front yard setback, stairs with four or more risers, and public sidewalks. In addition, the City requires one hour fire-resistant construction for the underside of floors and decks under certain conditions. Additional requirements also have been adopted for fire sprinklers, spark arresters, and fire-retardant roof materials.

The City's codes also require soils reports for new homes, drainage plans for large construction projects, a minimum driveway width of 12 feet and a maximum driveway slope of 20 percent. These standards do not impede housing development, but may result in slightly higher construction costs for new homes.

The City only imposes requirements that have been deemed necessary to maintain public health, safety, and welfare. The City is close to the Hayward Fault and is immediately adjacent to the site of the most destructive urban wildfire in California history, in the Oakland Hills. Most of the locally-adopted building code amendments are necessitated by seismic concerns, fire safety, and emergency access considerations.

Piedmont has adopted specific Building Code standards for second units. One-hour fire separation is required between the second unit and the primary residence. Staircases accessing the unit must be at least 36 inches wide. New construction of habitable rooms must have ceiling heights of at least 7'6", and bathrooms and hallways must have ceiling heights of at least 7'0". In existing structures, for instance, in existing second units, ceiling heights are not required to meet the 7'6" standard and may be lower. Proper ventilation and window openings must be provided, and adequate electrical service must exist.

Although these requirements are all based on the California Building Code, there are some Piedmont homes with separate living quarters that do not meet these standards. Converting these spaces to legal second units which meet all Code provisions could require a significant investment by the property owner and make some projects infeasible. Allowing exceptions to the building code (for instance, allowing a 30" staircase instead of a 36" staircase) under certain conditions could make it easier for some property owners to convert unintended units into rental properties.

Piedmont is one of the few cities in the East Bay that does not collect school or park impact fees. This represents a significant savings relative to the cost of development in nearby communities.

Enforcement of the building code does not pose a constraint to the production or maintenance of housing in Piedmont. Buildings are typically inspected only when permits are obtained, or when complaints or suspected violations are reported. Given the residential character of the City and its small size, the complaint-based system of code enforcement has been very effective in addressing violations.

Site Improvement Requirements and Impact Fees

In most California cities, home builders are required to provide a full complement of on-site improvements such as streets, curbs, gutters, water lines, and sewer lines. Many cities also collect impact fees to fund the cost of expanding infrastructure and community services, such as sewers, parks, and roads, to serve new growth. Impact fees as high as \$60,000 per unit are common in newer East Bay cities. These fees are typically passed on to homeowners in the form of higher sales prices. Because Piedmont is built out and all development opportunities are on sites with a full complement of existing urban services, impact fees are not required. Piedmont is one of the few cities in the East Bay that does not collect school or park impact fees. This represents a significant savings relative to the cost of development in nearby communities.

All development sites in Piedmont are individual vacant or underutilized lots with full utilities, street frontage, access, and services. Thus, there are no site improvement requirements associated with development, other than construction of utility laterals to connect a parcel with the electric, gas, sewer, water, drainage, and telecommunication facilities in the adjacent public right of way. For larger sites, improvements could also include curb and gutter replacement, sidewalk replacement, tree planting, and similar on-site amenities which contribute to public health and safety. The City has not adopted any requirements above and beyond those authorized by the Subdivision Map Act.

Planning and Building Permit Fees

Planning and building fees in Piedmont are designed to recover the cost of processing permit applications only, and are not used as a source of revenue for other City programs. The most commonly collected fees are:

Administrative Design Review:	\$150
(note: higher fees may apply to certain application types)	
Staff Design Review	
Project value under \$3,000	\$300
Project value \$3,001-\$25,000	\$475
Project value \$25,001-\$50,000	\$590
Project value \$50,001-\$75,000	\$880
Planning Commission Design Review	
Fence Design Review	\$415
Project value \$75,001-\$100,000	\$1,185
Project value over \$100,000	\$1,420
New house	\$3,540
Variance	\$480
With design review (separate fee)	\$710
Without design review	\$930
Second Unit Permit (with or without size/ parking exception)	\$750

Fees have not changed since 2009, despite increases in administrative costs and construction values. The City has placed many of its fees on a sliding scale based on project value, so fees for smaller projects are less burdensome for owners. In addition, new fee categories such as “Fence Design Review” have avoided the need to pay Planning Commission caliber fees for relatively low value projects. In addition, the City has *not* increased fees for second units since 2002, despite increased administrative costs.

Building permit fees represent a larger share of application costs than planning fees. These fees are calculated on a sliding scale depending on the value of the project (value includes labor and overhead costs as well as material costs). The fees include Permit and Inspection fees, a Plan Check fee, a SMIP (Strong Motion Instrumentation Program) fee, and a Title 24 energy compliance fee, among others. Piedmont’s building permit fees are comparable to those in other cities.

CONSTRAINTS TO HOUSING PRODUCTION

If a new home with a project value of \$750,000 were to be proposed in the City today, the city planning fee would be \$3,540 if no variance were required. The building permit fee would depend on the number of fixtures, outlets, plumbing connections, and so on, and would be in the range of \$9,150, bringing the total cost to about \$12,700. For brand new homes, there are also water connection and system capacity fees associated with connecting to the EBMUD water system. Such fees would not apply if the project involved tearing down and rebuilding an existing home.

Total permitting fees vary depending on the characteristics of each project, but typically represent 1 to 2 % of total costs in Piedmont. By contrast, fees equal to 7 or 8 % of project value have been reported by the fast-growing communities of Southern and Eastern Alameda County.

The same fee schedules shown above also apply to multi-family construction. As noted earlier, there are 27 parcels in Piedmont zoned for multi-family development. The recently approved 7-unit townhome project at 408 Linda Avenue (the former PG&E site) had a Design Review fee of \$3,000 and a Variance fee of \$710. This amounted to just \$530 per dwelling unit, which is less than 20 percent of the planning fee that would be required for a new single family home. There were no school, park, transportation, or other impact fees. Utility connection fees are set by the various water and sewer providers and are consistent with those charged in other jurisdictions. Assuming a hypothetical construction cost of \$200,000 per multi-family unit, the building permit cost for a 6-unit structure would be \$11,803. The cost per unit cost would be \$1,967, which is less than one percent of construction cost.

Since multi-family projects are typically larger than single family projects and are subject to the California Environmental Quality Act (CEQA), environmental assessment is usually necessary. The City collects CEQA related fees to recover the cost of consultants and administrative handling. In the case of the most recent proposal for the former PG&E site, the project was subject to a CEQA Initial Study and Scoping fee of \$23,465. This resulted in a determination that an EIR was required. An additional \$78,136 was expended for this purpose, for a total of \$101,600, or about \$14,500 per dwelling unit.

CONSTRAINTS TO HOUSING PRODUCTION

This relatively large expense was somewhat unique to this particular site, however, as it would involve demolition of a historically significant building and former electric substation that required hazardous materials remediation prior to sale. Replacement of a single family home with a three or four unit building would likely require a smaller CEQA fee, or could require no CEQA fee at all. When possible, the City seeks to apply the CEQA exemption for infill projects from Public Resources Code 21159.23 and .24, thereby further reducing development costs.

Permit Processing

All planning applications are processed in accordance with the Permit Streamlining Act (PSA), which allows 60 days between the submittal of a complete application and a formal action on that application. Most planning applications are processed in less than 40 days. Planning Commission applications require a 30-day lead time before the hearing, during which time a determination is made that the application is complete. If it is, applications can be appealed for up to 10 days after the Commission hearing date.

Building permits are processed in a timely fashion. Simple applications are typically reviewed within one to five days, and more complex applications may take several weeks.

A majority of planning applications are for Design Review. Applications for General Plan Amendments or projects which require environmental impact reports or subdivision tract or parcel maps typically take several months to process, but are very infrequent. Lengthy processing times are most likely to be associated with incomplete submittals or projects which do not meet the City's Design Guidelines.

Due to the high level of citizen participation in the City, new homes sometimes require multiple Planning Commission hearings before receiving approval. With only one to two new homes proposed in a given year, it is not uncommon for such projects to take a year or more from pre-application planning conferences to issuance of a building permit.

Typical Procedures for Single and Multi-family Projects

Building a single family home or a multi-family project in Piedmont usually begins with one or more pre-application conferences with City staff. This provides an opportunity to identify issues of concern, discuss the City's permitting requirements and application process, and review relevant Design Review requirements and zoning rules. Pre-application conferences often involve the property owner and project architect, but may also include contractors, landscape architects, and other design and construction professionals. The City encourages these "no fee" meetings, as they can save the applicant time and money in the long run by making sure all parties are aware of the City's standards and procedures. The City's zoning regulations and design guidelines are on the City's website, as are "Frequently Asked Questions" (FAQs) about planning and building permits.

Large projects such as new homes or multi-unit buildings are subject to Design Review by the Planning Commission. If Zoning Variances are necessary, the applications may be submitted concurrently. Applications must be submitted at least 30 days prior to the Commission meetings, which occur on the second Monday of each month. Applicants are required to submit two copies of their plans, an application form, a worksheet showing calculations (of floor area ratio, lot coverage, height, setbacks, etc.), and an affidavit which verifies that immediate neighbors have been notified of the plans. Prior to the Commission hearing, the City makes a determination that the application is complete and places it on the Planning Commission agenda. If the application is incomplete, the missing materials are requested and the item is not agendaized.

Two weeks before the hearing, the City notifies persons within a fixed radius of the property and invites them to review the plans. The notification radius varies from 100 feet to 300 feet depending on the scope of the project, with new homes subject to the 300 foot requirement. Applicants must then provide eight reduced scale copies of their plans, six of which are distributed to the Planning Commission. A staff report is prepared, including proposed conditions of approval.

The Commission then holds a public hearing, at which time the project is either approved, approved with modifications or conditions, or denied. A 10-day appeal period follows the Commission's decision. Following the appeal period, an applicant may apply for a building permit by submitting construction drawings, calculations, permit fees, and an application form. An applicant has one year to apply for the building permit following Planning Commission approval, although the City has established a process for a six-month extension to this limit.

Design Review Findings

New homes and residential additions and exterior alterations in Piedmont are subject to the following findings:

- The exterior design elements are aesthetically pleasing as a whole and harmonious with existing and proposed neighborhood development. These elements include but are not limited to: height, bulk, area openings, breaks in the façade, line and pitch of the roof, materials, arrangements of structures on the parcel, and concealment of mechanical and electrical equipment;
- The design is appropriate, considering its effect on neighboring properties' existing views, privacy and access to direct and indirect light; and
- The safety of residents, pedestrians, and vehicular occupants and the free flow of vehicular traffic are not adversely affected, considering the circulation pattern, parking layout and points of ingress and egress.

For new homes and major alterations, the City does not require any special permits above and beyond Design Review. However, the scope of Design Review in Piedmont is very broad, and most projects that affect the exterior of a structure (or that involve a new structure) other than repair, maintenance, or replacement-in-kind are included. The City has established protocols for different types of projects to streamline the Design Review process and has created several categories of Design Review permits. For example, a separate application form has been developed for projects requiring windows and doors. The application form indicates specific design criteria which supplement those in the Residential Design Guidelines. A separate application and form also has been developed for front yard fences. A proposal for a new home would not need to submit each application form individually, but would fill out a single form that encompasses all aspects of the project.

For new residences, story poles are required to show the height and mass of the proposed construction. This represents an additional cost for the applicant. Story poles also may be required for upper level expansions of existing residences when a neighbor's light, view, or privacy is in question, and they may be required for large single-story expansions, at the discretion of the Planning Commission or staff. The City has adopted a policy for story pole installation, and requires written verification from a registered surveyor that the poles are accurately placed. The City also has adopted a design policy for driveways and off-street parking space location, intended to guide safe access and turning radii.

Design Review applications are subject to three basic findings, as indicated in the text box to the left. The City's Residential Design Guidelines provide additional direction as how to make these findings. References to individual guidelines are frequently made in staff reports, and are often cited in the decision to approve, deny, or modify a project. If a project involves a multi-level structure or upper story addition, the applicant must demonstrate how the project meets the City's Design Review criteria with respect to height, bulk, openings, breaks in the façade, roof lines, arrangement of structures, and concealment of mechanical and electrical equipment. The applicant must also show that the project has been designed to minimize view and light impacts on neighboring properties, and that the size and height of the addition is commensurate with the size of the lot and in keeping with the neighborhood development pattern.

Variance Findings

Variances from the Piedmont Zoning Regulations are granted based on the following findings by the Planning Commission:

- The underlying lot and existing improvements present unusual physical circumstances including but not limited to size, shape, topography, location and surroundings), so that strictly applying the terms of this chapter would keep the property from being used in the same manner as other properties in the zone which conform to the zoning requirements.
- The variance is compatible with the immediately surrounding neighborhood and the public welfare.
- Accomplishing the improvement without a variance would cause unreasonable hardship in planning, design, or construction.

Findings are also required for the granting of Variances. Applicants are asked to explain how their project meets the criteria in their application form. This helps staff and the Planning Commission in making their decision and gives the applicant a chance to justify their request. The three basic findings are shown in the text box to the left. In determining a “hardship,” the personal economic or family circumstances of the applicant are not considered. Hardship is defined based on unique problems with the property, such as natural obstacles or awkward lot dimensions.

As noted earlier in this chapter, the processing and permitting procedures do impact the cost of housing and add a level of uncertainty to the approval process. Building a new home may require multiple Planning Commission hearings, several Plan modifications, erection of story poles, landscaping, more expensive design solutions, and the use of exterior materials that sustain the high aesthetic quality of Piedmont’s neighborhoods. As previously noted, this primarily affects households in the high end of the “above moderate income” income range. New homes in Piedmont are typically over 3,000 square feet and the cost of a vacant lot alone exceeds the affordability limits for low and moderate income households. This Housing Element includes a program to provide greater certainty and direction for Design Review applicants.

Processing and permitting procedures do not impact the supply of housing in Piedmont, due to the city’s built out character. The City typically receives requests for only one or two new homes a year—not because of its permitting procedures, but because there are so few vacant lots on which to build.

For affordable units, the permitting process provides a high level of certainty. As noted earlier in this chapter, all but three rent-restricted second unit applications submitted since 2005 have been approved. The time required to process and approve such applications is almost always faster than for a new house, particularly if the unit involves the conversion of space within an existing structure. Even if the second unit involves construction of new space or approval of a parking exception (for a rent-restricted unit), the application can typically be approved in one hearing.

Other Potential Regulatory Constraints

All contractors and design professionals working on Piedmont properties are required to have a business license. These costs are typically passed on to property owners in the contractor's fees, increasing remodeling costs. However, the fees are low compared to other communities and are not regarded as a constraint to housing development or improvement.

Owners renting property in Piedmont are required to pay a tax of \$200 a year or 1.395 % of gross rental receipts, whichever is greater. The tax is relatively low and has not been an impediment to the development of rental housing. It has not increased since the last Housing Element was adopted in 2011, nor since the prior Element was adopted in 2002. In the event the City raises the rental tax in the future, it could consider a graduated rate, with higher rates levied on single family rental homes and lower rates (or tax waivers) for rent restricted units.

Housing costs also may be impacted by the City's sidewalk inspection and replacement policy. This policy requires a sidewalk inspection prior to the issuance of any building permit with a value of over \$5,000. If the sidewalk is found to be deficient, it must be repaired before the permit is issued. Although the program has not slowed the pace of home improvements, it could represent a potential cost burden for low and moderate income homeowners. On the other hand, the alternative approach would be to assess all property owners in the City for the cost of sidewalk repair—placing a potentially even greater burden on lower income owners.

A potential constraint identified by the 2011 Housing Element related to bonding requirements for new homes. However, changes to these requirements since the adoption of the 2011 Element have reduced bonding requirements and substantially eliminated that constraint.

The Housing Element shall contain an...
“Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.”

Government Code Sec. 65583 (a)(5):

INFRASTRUCTURE CONSTRAINTS TO HOUSING PRODUCTION

There are no infrastructure constraints to development in Piedmont. As noted above, all of the vacant lots listed in Chapter 4 have water, sewer, and drainage services, and would only require laterals from the future residence to the street. Piedmont roads are relatively uncongested and traffic-related improvements do not pose a development constraint. Police and fire services are currently adequate and are expected to remain adequate for the foreseeable future. Enrollment at Piedmont’s public schools has shown only minor variations in the last 10 years.

On a regional scale, the City shares the same infrastructure constraints as its East Bay neighbors, namely the ongoing threat of water shortage due to drought, and aging utility mains that require periodic replacement. During recent years, EBMUD has implemented mandatory conservation measures due to lower than normal Sierra snowpack. The utility is also working on plans to supplement its water supply in light of long-term forecasts related to climate change as well as anticipated population growth in the service area. EBMUD is developing a project to draw supplemental water from the Sacramento River and is also exploring the use of desalination and injection wells to augment supply. EBMUD is also implementing a seismic upgrade project, designed to repair and replace aging lines and storage tanks to improve system reliability.

Like other cities in the EBMUD service area, the City of Piedmont is under court order to implement a multi-year plan to replace its sewer lines, ensuring their reliability and reducing infiltration and inflow problems. Looking to the future, the City will continue to coordinate its capital projects closely with EBMUD to ensure that capacity remains adequate. The City is also implementing a Climate Action Plan which includes measures to conserve water, expand the use of reclaimed water for landscaping, and reduce water waste.

SB 1087 requires local governments to submit their Housing Elements to the local water and sewer service providers following adoption. This ensures that local utilities are made aware of each city’s housing plans and can conduct their service planning accordingly. The City of Piedmont will submit this Housing Element to East Bay Municipal Utility District (EBMUD) following its adoption so that EBMUD is apprised of local housing opportunities and plans.

PHYSICAL CONSTRAINTS TO HOUSING PRODUCTION

One of the greatest constraints to housing development in Piedmont is its physical setting; the city is entirely surrounded by Oakland and has no potential for annexation. Piedmont has been built out since 1960 and its single family residential land use pattern has precluded traditional redevelopment. If redevelopment did occur in the city, it would likely result in a loss of affordable units rather than a gain, given the dynamics of the market and local zoning patterns.

Virtually every undeveloped property in Piedmont has one or more physical constraints, particularly steep slopes. Some of the remaining vacant single family lots have slopes in excess of 60 percent. Extensive grading is a necessity on such sites and foundations must be engineered and constructed in ways that substantially increase costs.

Piedmont is not affected by flooding, and the city is not crossed by any Special Studies Zones (demarking active fault lines). However, the City is less than ½ mile from the Hayward Fault and would be subject to severe groundshaking in a major quake. As is the case with all other cities in the seismically active Bay Area, earthquake hazards may translate into higher construction costs.

Piedmont does not have any hazardous materials sites. None of the properties identified in Chapter 4 would require soil clean up or remediation prior to development. The City has two gasoline service stations, each with underground storage tanks. As noted in Chapter 4, one of these stations has been identified as a potential housing site, but underground tank issues have been completely remediated on that property.

High land and construction costs provide a compelling reason for an affordable housing strategy that focuses on second units. The large size of many Piedmont homes makes them ideal for second units. A considerable number have second kitchens, potentially habitable basements and attics, accessory buildings, and living space over garages.

FINANCIAL CONSTRAINTS TO HOUSING PRODUCTION

Land and Construction Costs

Land and construction costs are a constraint to the development of affordable housing in Piedmont. Most vacant lots in the City have values exceeding \$500,000. New construction costs of over \$500 a square foot are common, resulting in real estate values of well over \$1 million for all of the single family homes built in the City during the last few years. The nature of the land supply itself – consisting of scattered, individual vacant lots suitable for one home each – is a constraint in itself, as it requires custom home construction rather than the “economies of scale” associated with multi-unit or tract development.

High land and construction costs provide a compelling reason for an affordable housing strategy that focuses on second units. The large size of many existing Piedmont homes makes them ideal for second units. A considerable number have second kitchens, potentially habitable basements and attics, accessory buildings, and living space over garages.

Upgrading these spaces so they are suitable for use as rental apartments is far less expensive (and more environmentally sustainable) than building new rental units. At the same time, the creation of second units within existing residences provides income for homeowners, making their own housing more affordable.

Availability of Financing

Housing affordability is affected by interest rates, mortgage lending practices, and the availability of credit. Between 2002 and 2006, the practice of sub-prime lending and adjustable rate mortgages enabled many households to “buy up” into more expensive homes. When housing prices tumbled in 2007 and 2008, a growing number of homeowners found themselves “underwater” —owing more on their homes than they were worth. This occurred throughout the East Bay, including Piedmont. Between 2012 and 2014, home values in Piedmont recovered from the losses experienced between 2007 and 2011 and now exceed their 2006 peak.

CONSTRAINTS TO HOUSING PRODUCTION

Lending terms are more restrictive now than they were in the early 2000s, before the global financial crisis and temporary decline in real estate prices. Higher down payments are typically required for mortgages and higher incomes are required to qualify for loans. Credit history on new loans is more rigorously investigated. Based on anecdotal evidence from local realtors, some Piedmont homeowners responded to the real estate downturn by deferring the sale of their homes between 2007 and 2011. Vacancy rates rose during this period, and the percentage of renters in the City increased.

More recent evidence suggests this period has passed. Between January and the end of March, 2014, staff reports that 61 homes were offered for sale in the City, a marked increase from previous years. Moreover, the average number of days on the market (from listing to sale) has decreased while median prices have increased substantially.

Piedmont remains a difficult market for first-time buyers. A 20 percent downpayment on the median priced home in the city equates to over \$300,000. While this may be doable for an established homeowner who is rolling over equity from a prior home, it is challenging for a renter relying on personal savings. Local government programs which assist first time homebuyers (such as Downpayment Assistance or “Silent” Second Mortgages) can be effective for first time buyers in more moderately priced markets, but the depth of subsidy that would be required in Piedmont makes such programs infeasible.

6. Goals, Polices, and Actions

The Housing Element shall contain... “a statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.”

Government Code Section 65583(b)(1)

The California Government Code requires the Housing Element to contain “a statement of goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing” (Section 65583(b)(1)). This chapter fulfills that requirement. It builds upon information in previous chapters to provide direction on key housing issues in Piedmont.

The Element’s seven goals define the major topic areas covered. These are:

- New Housing Construction
- Housing Conservation
- Affordable Housing Opportunities
- Elimination of Housing Constraints
- Special Needs Populations
- Sustainability and Energy
- Equal Access to Housing

In accordance with State law, numerical objectives have been developed for several of the goals. These objectives represent targets for the number of housing units to be preserved, improved, or developed—or the number of households to be assisted—during the time period covered by this Plan. The objectives provide a way to measure the City’s progress toward the implementation of the Element.

Each of the Element’s goals is accompanied by policies and action programs. The policies are intended to guide day-to-day decisions on housing, while the actions identify the specific steps the City will take after the Element is adopted. The programs are followed by narrative text providing further detail on the steps to be taken in the next five years.

**Quantified Objectives
for Goal 1:**

(1) Facilitate the production of at least 5 new single family homes (suitable for above moderate income households) by 2023.

(2) Facilitate development of 7 units of multi-family housing on the former PG&E site by 2018.

(3) Approve at least 11 new market rate second units between 2015 and 2023, with the expectation that these units will serve moderate income households based on prevailing market rents.

GOAL 1: NEW HOUSING CONSTRUCTION

Provide a range of new housing options in Piedmont to meet the needs of all household types in the community.

Policies

Policy 1.1: Adequate Sites

Provide an adequate number of sites and opportunities for the development of housing consistent with the Regional Housing Needs Allocation.

Policy 1.2: Housing Diversity

Continue to maintain planning, zoning and building regulations that accommodate the development of housing for all income levels.

Policy 1.3: Promoting Residential Use

Continue to allow residential uses in all of Piedmont’s zoning districts.

Policy 1.4: Context-Appropriate Programs

Participate in those state and federal housing assistance programs that are most appropriate to Piedmont’s character and that recognize the unique nature of affordable housing opportunities in the City.

Policy 1.5: Second Units

Continue to allow second units (in-law apartments) “by right” in all residential zones within the City, subject to dimensional and size requirements, parking standards, and an owner occupancy requirement for either the primary or secondary unit. Local standards for second units may address neighborhood compatibility, public safety, and other issues but should not be so onerous as to preclude the development of additional units.

Policy 1.6: Second Units in New or Expanded Homes

Strongly encourage the inclusion of second units when new homes are built and when existing homes are expanded.

Policy 1.7: Housing in Commercial Districts

Ensure that local zoning regulations accommodate multi-family residential uses on commercial properties in the City, including the addition of apartments to existing commercial buildings.

See also Land Use Element Policy 2.2 encouraging mixed use development (housing over retail) on Grand Avenue

GOALS, POLICIES, AND ACTIONS

Policy 1.8: Mobile and Manufactured Housing

As required by state law, allow mobile and manufactured housing on all lots in the city, subject to design standards which ensure that such housing is compatible in character with the community.

Policy 1.9: Maintaining Buildable Lots

Discourage lot mergers, lot line adjustments, and other changes to legally conforming parcels which would reduce the number of buildable lots in the City.

Policy 1.10: Intergovernmental Coordination

Coordinate local housing efforts with the California Department of Housing and Community Development, the County of Alameda, and adjacent cities. Where City-sponsored housing programs are infeasible due to limited local resources, explore the feasibility of participating in programs initiated by other jurisdictions.

Implementing Actions

▪ *Program 1.A: Vacant Land Inventory*

Prepare a regular update of the City's vacant land inventory, indicating the status and availability of each site in Table 4-2 for potential development.

Description:

A vacant land inventory has been prepared as part of this Housing Element update (see Table 4-2). This inventory should be updated regularly, with an indication of the ownership, availability for sale, and status of any pending construction projects. Information about potential new parcels should be added, in the event that lot standards or subdivision regulations change.

Responsible Parties:	City Planner
Timing:	Annually
Funding:	Staff time (General Fund)

▪ *Program 1.B: Redevelopment of the former PG&E Site*

Support the redevelopment of the former PG&E site on Linda Avenue with housing developed at the maximum density permitted by zoning.

Description:

This 15,375 square foot site was entitled for seven townhomes in September 2011 and received a building permit at the end of 2013. The seven units equate to a density of 20 units per acre, which is the maximum permitted by zoning. It is anticipated that the development will serve above moderate income households.

GOALS, POLICIES, AND ACTIONS

Responsible Parties: City Planner
Timing: Ongoing
Funding: Staff time (Fees)

- *Program 1.C: Market Rate Second Units*
Maintain zoning regulations that support the development of market rate second units in Piedmont neighborhoods.

Description:

This Housing Element includes program recommendations for two types of second units. The first recommendation, listed here, relates to market rate second units. These units have no limit on the rent that may be charged and no restrictions on the income of the occupants. The second set of recommendations, listed under Goal 3, addresses rent-restricted second units. These units are subject to deed restrictions which limit the rent that may be charged and the income of the occupants. The rent-restricted units may only be occupied by qualifying low, very low, or extremely low income households.

Since 2005, the City of Piedmont has allowed market-rate second units by right in all residential zones provided they meet certain criteria. Such units are permitted through “ministerial review,” meaning they require no review by the Planning Commissioners or neighbors. As noted in Chapter 5, the criteria are:

- The unit must be less than 700 square feet
- Structures on the property must comply with zoning standards for floor area ratio, height, lot coverage, and setbacks
- An off-street, covered, non-tandem parking space must be provided outside of the required front setback
- The owner must live on the property

Prior to 2005, a conditional use permit (CUP) was required for second units. The removal of this requirement has increased the volume of applications and created important new housing opportunities. The City will continue to actively promote second unit construction in the coming years. To the extent the City budget will allow, this will include keeping second unit application fees at their current levels as a way to encourage second unit production.

Responsible Parties: City Planner, with direction from the City Council and the City Planning Commission
Timing: Ongoing
Funding: Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS



Piedmont's commercial zone includes a handful of retail and office buildings with the potential for second story residential units.

- **Program 1.D: Data on Second Unit Rents and Occupancy**
Use sources such as business tax records, reviews of locally advertised rentals, and direct surveys to track the rents being charged for local second units, and gather other relevant data on second unit occupancy, and use.

Description

Although the City maintains a list of all licensed second units, it does not regularly survey these properties to determine if they are being rented. Rental data is summarized on an annual basis based on business license taxes. Based on this data, it appears that some units are only rented on an intermittent basis, some are not rented at all, and some are rented without reporting the income to the City. In addition, some units are being occupied “rent free” by family members, house guests, and domestic employees.

Better documentation of second unit rents and occupancies would serve the following purposes:

- A better understanding of market rents and the degree to which second units are meeting the needs of different income groups in the City
- Greater equity in tax collection (e.g., to make sure that all unit owners are paying the required business tax)
- Assurance that rent-restricted units are charging rents that meet HUD guidelines for the income groups served, as defined by the deed restriction
- An understanding of the extent to which second units are providing housing for different populations, such as elderly relatives, adult children, low income and very low income wage earners, and domestic employees
- Identification of unlawful use of second units and the need for code enforcement activities (for example, the use of a rent-restricted second unit as a home office or vacation rental)

This program would produce a bi-annual report with data on median rents, number of units occupied (and vacant), characteristics of the households being served, and relevant conclusions about how registered second units are being used. It would not report data by address, but would focus instead on summary information. If feasible, the report could be supplemented with data provided from a survey of second unit owners.

Responsible Parties:	City Planner, City Clerk
Timing:	Bi-annually, starting in 2016
Funding:	Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- *Program 1.E: Allowances for Housing in the Commercial Zone*
Work with the owners of properties in Zone “D” to facilitate proposals for mixed use development, including new mixed use projects on underutilized commercial sites and the addition of residential units to existing commercial structures.

Description:

The Piedmont Zoning Ordinance was amended in December 2013 (effective 1/1/14) to allow multi-family housing in the Commercial zone when incorporated as a component of a mixed use project. Densities may be up to one unit per 2,000 square feet of lot area, or 21.78 units per acre. This amendment created an opportunity for second story residential additions above stores or offices on Grand Avenue and longer-term opportunities for mixed use projects in the event the City’s two service stations or two retail businesses (Mulberry Market and Ace Hardware) are ever redeveloped. It also creates an opportunity to convert the six single family homes in Zone D to mixed use structures, potentially including new rental housing units.

The parking requirements for multi-family housing in Zone D are the same as those applying elsewhere in the city, with one space required for small units (less than 700 SF) and two spaces required for larger units. The City would consider requests for parking variances on a case by case basis, depending on the conditions at each site, the availability of on-street parking, and opportunities for “shared parking” agreements with adjacent commercial uses. As with second units, opportunities for parking exceptions could be considered for units with rent restrictions. As required by state law, density bonuses would be allowed for projects incorporating affordable units.

The City has set a target of producing at least six multi-family or mixed use units by the close of the planning period (January 31, 2023).

Responsible Parties:	City Planner, with direction from the City Council and Planning Commission
Timing:	Ongoing
Funding:	Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- ***Program 1F: Facilitating Multi-Family Development***

Continue to develop and implement incentives to facilitate multi-family development on land zoned for multi-family or commercial uses in Piedmont. The City will also implement recent CEQA exemptions for infill projects so that environmental review costs are reduced for multi-family development.

Description:

The City of Piedmont will continue to explore ways to encourage or incentivize multi-family development in Zoning Districts C and D. The City already provides rapid processing of development applications and has modified the development standards (i.e., reducing parking requirements for units less than 700 square feet and allowing greater hardscape coverage) in Zone C to facilitate affordable housing development. Provisions for fee reductions for multi-family projects that incorporate affordable units should continue to be explicitly provided in the Zoning Regulations.

As noted in Program 2.E, the City intends to update the Residential Design Guidelines following adoption of the Housing Element. The update will include new guidelines for multi-family and mixed use development. As part of preparing these guidelines, the City will consult with local architects on the need for revisions to the zoning standards. Reductions to front yard setbacks and increases in lot coverage allowances will be considered.

As noted in Program 1.E, the City has set a target of producing six multi-family or mixed use units by the close of the planning period.

Responsible Parties:	City Planner, with direction from the City Council and the City Planning Commission
Timing:	Ongoing (revisit multi-family standards in 2016)
Funding:	Staff time (General Fund)

**Quantified Objectives
for Goal 2:**

(1) Preserve 100 % of the existing multi-family rental units in the City through 2023.

(2) Preserve 100 % of the existing housing in the Commercial zoning district through 2023.

(3) Assist in the remodeling of at least 10 Piedmont homes between 2015 and 2023 using CDBG funding for lower income households. At least 5 of these households should be senior-occupied.

GOAL 2: HOUSING CONSERVATION

Promote the conservation and maintenance of Piedmont's housing stock.

Policies

Policy 2.1: Encouraging Private Reinvestment

Strongly encourage private property owner reinvestment in the City's housing stock.

Policy 2.2: Public Funds for Housing Maintenance

Support housing stock maintenance through government funding such as Community Development Block Grants when private funding is not available.

Policy 2.3: Preserving Small Homes

Encourage the preservation of Piedmont's existing stock of small homes and historic homes.

Policy 2.4: Code Enforcement

Enforce local building codes to ensure that housing is safe and sanitary, and to protect the character of Piedmont neighborhoods. Promptly investigate all reports of nuisances and require the abatement of such situations as needed.

Policy 2.5: Use of Original Materials

Allow the use of original materials and methods of construction when alterations to homes are proposed, unless a health or safety hazard would occur.

Policy 2.6: Preservation of Multi-Family Housing

Preserve existing multi-family rental housing, including non-conforming multi-family units in the single family zone.

Policy 2.7: Home Occupations

Continue to encourage Piedmont residents to maintain home offices as a means of making housing more affordable for persons who would otherwise need to rent office space outside the home.

See also Land Use Element Policy 1.5 on home occupations

Policy 2.8: Conservation of Rental Housing Opportunities

Conserve rental housing opportunities by monitoring and limiting the use of existing or potential rental properties, such as second units and rooms in shared homes, for short-term stays.

GOALS, POLICIES, AND ACTIONS



Floor area ratio and lot coverage standards help maintain the diversity of Piedmont's housing stock

Implementing Actions

▪ *Program 2.A: CDBG Funding*

Apply for Community Development Block Grant (CDBG) funds for housing maintenance and production on an annual basis, and establish a process for informing the public that such funds are available. If and when such funds are received, a priority should be placed on their use to assist households with incomes less than 30 percent of area median income.

Description:

The Alameda Urban County CDBG program provides funds to assist lower income households with home repair and maintenance projects. A limited amount of funds are provided to local cities, with disbursement to qualifying lower income households. The City of Piedmont has participated in this program in the past and will continue to participate in the future.

During the 2014 Housing Element update, it was observed that many Piedmont households are unaware of this program. If the City is successful in obtaining funds, a public information campaign should be initiated to solicit applications for grants/loans by Piedmont households, with an emphasis on extremely low income households. This should include feature stories in the local news media as well as announcements on the City's website.

If sufficient funds are obtained to produce new affordable housing units, the City will work with non-profit developers to explore complementary measures to facilitate housing production, such as reduced permitting and environmental review costs. The City will also seek input from developers to research appropriate potential funding sources for affordable housing production.

The City has set a target of assisting 10 households with home rehabilitation by the close of the planning period (January 31, 2023).

Responsible Parties:	City Planner/ Finance Director
Timing:	Ongoing
Funding:	Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

▪ *Program 2.B: Preservation of Small Homes*

Maintain zoning and design review regulations that protect the existing supply of small (less than 1,800 square feet) homes in Piedmont.

Explore other incentives to protect small homes, including design awards for exemplary small home improvement projects.

Description:

The City's existing supply of small homes is currently protected by:

- Floor area ratio and lot coverage requirements which limit the square footage and coverage of structures.
- Requirements to provide conforming off-street parking in the event that bedrooms are added (creating a disincentive to the expansion of two and three bedroom homes with one-car garages).
- Design Review Guidelines which strive to maintain the scale and mass of existing homes.

All of these provisions should be retained. In addition, the City should continue to study measures that other cities are taking to retain smaller homes, and determine if any of these measures might be transferable to Piedmont. One concept to be explored is to include a category in the City's annual design awards program in which outstanding remodeling projects for small homes and second units are specifically acknowledged.

Responsible Parties:	City Planner/ City Administrator
Timing:	Ongoing, with identification of other incentives to preserve small homes by 2017
Funding:	Staff time (General Fund)

▪ *Program 2.C: Use of Original Materials and Construction Methods*

Maintain Planning and Building standards which allow the use of original materials and construction methods in home remodeling.

Description:

The City's Design Review, Plan Checking, and Building Inspection processes currently allow the use of original materials and methods of construction when remodeling projects are proposed. These provisions can mean significant cost-savings for property owners, who might otherwise need to use more expensive materials. They also help support the City's Climate Action Plan objectives, including increased use of recycled building materials and fixtures. Additional measures could include the application of the State Historic Building Code to structures that qualify as "historic." This Code allows the relaxation of certain UBC standards (such as staircase width) in order to preserve historic buildings.

GOALS, POLICIES, AND ACTIONS

Responsible Parties: Building Official
Timing: Ongoing
Funding: Staff time (General Fund)

▪ ***Program 2.D: Condominium Conversions***

Maintain the existing requirement that the removal of any multi-family rental apartment must be matched by the creation of a new rental apartment elsewhere in the city.

Description:

The City's Subdivision Code includes a "no net loss" provision for apartment conversions. Section 19.63 (C) of the code states that any apartments converted to condominiums must be replaced in kind by an equivalent number of equivalently priced rental units. If the units currently rent for very low, low, or moderate income rents, the replacement units must remain rent-restricted for at least 55 years. This requirement reduces the likelihood of condo conversions in the city and protects the multi-family rental housing supply.

Responsible Parties: City Council
Timing: Ongoing
Funding: Staff time (General Fund)

▪ ***Program 2.E: Update of Design Guidelines***

Update the 1988 City of Piedmont Residential Design Guidelines, consistent with Action 28.E of the Piedmont General Plan. The update process should include public input, which should be facilitated by one or more Planning Commission study sessions.

Description:

Piedmont's Residential Design Guidelines have not been comprehensively updated in 26 years. The document should be given a more contemporary look and should be reformatted to reflect current graphic design standards. The content also should be assessed, and changes should be made to make the Guidelines more relevant and descriptive where necessary. In addition to the drawings in the Guidelines, photos should be incorporated to illustrate desired outcomes and provide greater certainty to applicants. Consistent with the General Plan, a specific section of the Guidelines should address development of small (less than 5,000 square foot) lots.

Also as noted in the General Plan, the scope of the City's Design Guidelines should be expanded to address mixed use and multi-family residential development. This could expedite the processing of such development if future proposals are received, and would ensure that multi-family development is not evaluated using standards intended for single family homes.

GOALS, POLICIES, AND ACTIONS

The process of updating the Design Guidelines should be transparent and inclusive. Piedmont residents should be encouraged to participate and share their thoughts about how requirements and procedures can be improved. One or more study sessions of the Planning Commission should be convened as the Guidelines are being updated. Among the specific proposals that could be considered by the Commission would be:

- Additional categories of exemptions from design review, especially for small rear yard projects that are not visible to neighbors or from the street.
- Changes to the notification requirements, and the extent to which comments from neighbors may change a project's design and materials.
- Clearer rules for decision making.
- Potential modifications to the fee schedule, to further discount certain types of projects or raise the fees for other types of projects.
- Potential changes to the mixed use standards in Chapter 17.

Responsible Parties: City Planner, with direction from the City Council and the City Planning Commission
Timing: Complete by 2016
Funding: Staff time (General Fund)

**Quantified Objectives
for Goal 3:**

(1) Create at least 20 second units that are rent-restricted to very low income households between 2015 and 2023.

(2) Create at least 8 units that are rent restricted to low income households between 2015 and 2023, or that are offered at market rates affordable to low income households.

(3) Produce at least 6 units of mixed use housing (e.g., housing above or behind commercial use) in Zone D by 2023, at a density of at least 20 units per acre.

(4) Renew at least 50% of the expiring deed restrictions on rent-restricted units that will reach the end of their 10-year term before Jan 31, 2023.

GOAL 3: AFFORDABLE HOUSING OPPORTUNITIES

Create additional housing opportunities for moderate, low, and very low income Piedmont residents.

Policies

Policy 3.1: Rent-Restricted Second Units

Continue incentive-based programs such as reduced parking requirements and more lenient floor area standards to encourage the creation of rent-restricted second units for low and very low income households.

Policy 3.2: Occupancy of Registered Units

Encourage property owners with registered second units to actively use these units as rental housing rather than leaving them vacant or using them for other purposes.

Policy 3.3: Conversion of Unintended Units to Rentals

Encourage property owners with “unintended second units” to apply for City approval to use these units as rental housing. “Unintended” second units include spaces in Piedmont homes (including accessory structures) with second kitchens, bathrooms, and independent entrances that are not currently used as apartments.

Policy 3.4: Legalization of Suspected Units

Work with property owners who may be operating second units without City approval to legalize these units. Where feasible and consistent with the health and safety of occupants, consider planning and building code waivers to legalize such units, on the condition that they are rent and income restricted once they are registered.

Policy 3.5: Second Unit Building Regulations

Maintain building code regulations which ensure the health and safety of second unit occupants and the occupants of the adjacent primary residence.

Policy 3.6: Density Bonuses

Consistent with State law, allow density bonuses (such as allowances for additional square footage or lot coverage) for multi-family projects which incorporate affordable or special needs housing units.

Policy 3.7: Room Rentals

Continue to allow the renting of rooms in private homes to provide housing opportunities for single people. Recognize the potential for rented rooms to meet the housing needs of single low income, very low income, and extremely low income Piedmont residents.

GOALS, POLICIES, AND ACTIONS

Policy 3.8: Regional Dialogue

Work with housing advocates, non-profits, community groups, nearby cities, the real estate industry, and appropriate regional agencies to address affordable housing issues in the San Francisco Bay Area. Although Piedmont is fully developed, meeting regional housing needs is an issue of crucial importance to its residents and to the future quality of life in the city.

Implementing Actions

- *Program 3.A: Second Unit Ordinance Assessment and Revisions*
Within three years of Housing Element adoption, complete an assessment of Piedmont's Second Unit regulations, with a focus on the incentives that are being used to promote rent-restricted units and the steps that can be taken to increase second unit production and occupancy rates.

Description:

In 2004, the City of Piedmont undertook a year-long process to revise its Second Unit Ordinance. The process was guided by a Citizens Advisory Committee (CAC) and focused on ways to more effectively use second units to meet the City's affordable housing needs. In March 2005, the Municipal Code was revised to incorporate the CAC recommendations. As noted earlier in this Housing Element, the new Code created a new incentive-driven category of "rent-restricted" second units which may only be occupied by low or very low income households.

As recommended by the 2011 Housing Element, an assessment of the second unit regulations was completed in 2011-2012. This led to additional changes to the second unit regulations, as documented in Chapters 2 and 5 of this Housing Element. Periodic assessments of the regulations are recommended to ensure that they are achieving their desired purpose and producing the number of units needed to meet the RHNA, and to identify corrective measures in the event the targets are not being met.

Future changes could include:

- Elimination of the variance requirement for the primary dwelling unit when a rent-restricted unit is provided without parking and conforming parking for the primary unit also does not exist. The current regulations allow the rent-restricted second unit to be approved with a parking exception (a simpler process than a variance), but still require a parking variance for the primary unit. Section 17.40.6(e) of the Municipal Code should be amended to eliminate the variance requirement for the primary unit in such instances.

GOALS, POLICIES, AND ACTIONS

- Additional tools to incentivize the use of existing legal second units as rentals, including graduated business tax rates. For example, a three tiered rate structure could be considered which includes higher tax rates when entire single family homes are rented out, more moderate rates for second units, and very low rates (or waivers) for rent-restricted second units.
- Additional tools to encourage the conversion of “unintended” second units to active rental units. “Unintended” units are not considered legal second units, but have the physical characteristics to be easily converted. These spaces are particularly well suited for rent-restricted units because the capital cost to create them is minimal. One possible incentive would be reductions of planning and building fees if the units are rent-restricted.
- Additional steps to “match” rent-restricted second units with local employees, particularly low and very low income City and School District employees.
- A zoning provision that would allow a second unit within an existing residence to be moved to a different location within the residence without obtaining a new second unit permit. This could be an incentive to retain existing second units in properties that are being remodeled.
- The addition of a standard section in every staff report for a second unit permit indicating the City’s progress toward meeting its Regional Housing Needs Allocation. By incorporating such data in the staff report, the Planning Commission and general public would be regularly reminded that the City has adopted quantified targets and is continually working to achieve those targets through the approval of rent-restricted and market rate second units.
- Lengthening Administrative Extensions. Administrative extensions of Planning Commission approvals of rent-restricted second units are currently available if the applicant does not pull a building permit in the first year. The current allowance is for a six month extension, subject to a fee equal to half the initial fee paid by the applicant. The City should extend the administrative extension for rent-restricted units to one year, and should consider allowing the initial approval to remain valid for 18 months rather than 12 months. Fee waivers for administrative extensions for rent-restricted units also should be considered.
- Additional incentives for new homes to include second units, including a waiver of second unit fees and reduced building permit fees for new homes that agree to include a rent-restricted unit.

GOALS, POLICIES, AND ACTIONS

Responsible Parties:	City Planner/Consultant, City Council
Timing:	2017
Funding:	Staff time (General Fund)

- *Program 3.B: Affordable Second Unit Public Information Campaign*
Initiate a public information and education campaign about second units, including definitions, regulations for their use, opportunities for their construction, and the various incentives offered by the City to create rent-restricted units. The campaign should add a “human interest” dimension by focusing on the stories of actual second unit owners and tenants in Piedmont.

Description:

This program would use a variety of media to inform the community about Piedmont’s second unit program. This would include a dedicated page on the City’s website informing residents of what second units are and why they are an essential part of the City’s housing stock. The website could describe the different types of second units in the City, the regulations that govern them, and the application process.¹ Additionally, the City would continue to use FAQs, brochures, and other print media to explain the steps for applying for a second unit, with special attention given to the homeowner benefits of applying for a rent-restricted unit. The City’s local access cable station (KCOM) should also be used to convey this information.

Further positive news coverage about second units could be generated through press releases and articles in the Piedmonter and Piedmont Post. This should include human interest stories about second unit owners and tenants in the City. Second unit occupants should be contacted by the City and invited to tell their stories to local reporters in a way that illustrates the “real world” benefits of having second units in the community. In addition, the City should establish a category in its annual design awards for outstanding second units. The City should also seek input from applicants who considered adding a second unit, but ultimately decided not to—and applicants who received approval for a unit but then opted not to rent it. Their perspectives would be informative and could lead to changes in the program which would encourage more households to participate.

An important part of the City’s outreach strategy should be to target owners of “unintended” second units, including single family homes that have been reported by Alameda County as having two on-site units despite City records indicating a single family home. The City already has a roster of such units (by address) and should contact owners with a letter informing them of the opportunity to apply for a market rate or rent-restricted rental unit. Efforts

¹ Some of this information can already be accessed on the City’s webpage via downloadable PDF files, but it has not been “packaged” in html format.

GOALS, POLICIES, AND ACTIONS

should also be made to contact the owners of suspected illegal second units, with a focus on legalizing these units as new rent-restricted units.

Responsible Parties: City Planner/ Consultant
Timing: 2015
Funding: Staff Time (General Fund)

- *Program 3C: Monitoring Affordable Second Unit Opportunities*
Monitor the supply of unintended second units, illegal or suspected second units, and vacant second units. A confidential data base listing the addresses of such units shall be maintained for administrative purposes. Recognize the potential for such properties to help meet the City's affordable housing needs, and take proactive steps to realize this potential in the coming years.

Description:

As noted in Table 2.1 of the Housing Element, the City maintains an address data base of second units, noting the year they were created, the way they were permitted, and comments on their current status. The data base provides a mechanism for monitoring second unit development opportunities, and the supply and status of legal and illegal second units. As noted in Program 1.D, the City is currently monitoring data on second unit rents, providing an additional source of information on this component of the housing supply.

Program 3.A describes the City's intent to pursue additional development opportunities in "unintended" second units. These are spaces that are not used for habitation as separate living quarters, but have the potential for conversion to second units based on their physical characteristics. Examples include pool houses with indoor cooking facilities; basements with kitchens, bathrooms, and separate entrances; and finished rooms over garages. There were 134 unintended second units counted in the city in 2014. As noted in Program 3.B, the City intends to remind owners of these units of the opportunity to apply for legal second unit status. The City has set a target of converting at least five unintended second units into registered second units during the planning period. These units are included in the totals shown in Table 7-1 and could include both market rate and rent-restricted units.

The address data base of "suspected" second units is an important resource. The potentially illegal status of such units provides leverage to convert them into rent-restricted units. The City will work with the owners of such units in to convert them into legal apartments, on the condition that they either provide conforming parking or be rent-restricted to a low or very low income household. The latter option provides a "win-win" for all parties, since it provides the owner with a legal second unit and legitimate source of rental income, the City with an affordable unit, and a low income tenant with a secure place to live.

GOALS, POLICIES, AND ACTIONS

As noted in Program 1.D, the City also collects annual business license taxes (generally around \$200 annually) from second unit rentals. The owners of many legal units are not paying these taxes, suggesting that the units are vacant or are being used for guest quarters, family members, home offices, etc. These legal units are a housing resource for the City, and steps should be taken to incentivize their use as rental apartments. Even though they are not rent-restricted, such units are affordable to most moderate income and some low income households.

Finally, it is acknowledged that the City's data base of "unintended units" represents only a portion of the potential for second units in the city. There are many other homes in Piedmont that contain physical features conducive to second unit creation. This includes homes on down sloping lots with built out lower levels. The City will make an ongoing effort to expand its data base of such spaces in the future as planning and building permit applications are received and as plans are reviewed. Part of the plan checking process should include an evaluation of whether the property contains an unintended second unit (i.e., does it have two kitchens? is there habitable space over the garage or in the basement or attic?) Properties should be added to the unintended unit data base over time, so that when the City does periodic mailings on second unit opportunities, these addresses are included.

Responsible Parties:	City Planner, City Clerk, Building Official
Timing:	Ongoing
Funding:	Staff time (General Fund)

▪ ***Program 3D: Monitoring Additional Second Unit Development Opportunities***

Monitor potential opportunities for second units within new homes and on existing homes located on larger lots that are conducive to second unit creation.

Description:

While Program 3.C addresses opportunities for second units through the conversion of existing floor space, Program 3.D focuses on lots which are conducive to second unit creation due to their large size, location, or ability to accommodate additions or new structures. This includes vacant lots, lots in the Estate Zone, and lots in Zone A that are larger than 20,000 square feet. These lots are more likely to have space for a new second unit, as well as room to meet the off-street parking requirements for market-rate units. As development applications for new homes or major home additions are received on these properties, the City will advise applicants of the opportunity to add a second unit. The City has set a target of accommodating 5 second units in new homes or homes that are expanded with major additions during the planning period. These would generally be market-rate (rather than rent-restricted) second units.

GOALS, POLICIES, AND ACTIONS

Responsible Parties: City Planner
Timing: Ongoing
Funding: Staff time (General Fund)

Program 3E: Incentives for Renewal of Expiring Rent Restrictions

Develop incentives for the owners of rent-restricted second units to renew the affordability restrictions for their units upon expiration of the 10-year deed restriction.

Description:

Because the affordability terms on rent-restricted second units expire after 10 years, the City could potentially lose units even as it is adding units to the rent-restricted inventory through new applications. The first rent-restricted unit will reach the end of its affordability term in 2018. By the end of 2017, the City will develop a strategy for conserving these units and reducing potential impacts on tenants who may be affected by sudden rent increases.

Opportunities for long-term tax abatements should be explored, if the City can identify a grant funding source or other non-local funding source to cover the loss in property tax revenue. Such abatements could also provide an incentive to keep the units occupied, since they would be contingent on proof of occupancy by a low income tenant. Local funding sources also could be considered, depending on fiscal impacts. One possible funding source could be an increase in the rental tax on single family homes.

Responsible Parties: City Planner
Timing: 2017
Funding: General Fund

**Quantified Objectives
for Goal 4:**

(1) Process 80 % of all complete applications for planning and building permits within 30 days after they are received, instead of the 60 days allowed by the Permit Streamlining Act.

GOAL 4: ELIMINATION OF HOUSING CONSTRAINTS

Minimize constraints to the development of additional housing without compromising the high quality of Piedmont's neighborhoods.

Policies

Policy 4.1: Communicating Planning and Building Information

Encourage public understanding of the planning and building processes in Piedmont to facilitate permit processing and reduce project costs and delays.

Policy 4.2: Planning and Building Standards

Ensure that planning and building standards, development review procedures, and fees do not form a constraint to the development, conservation, and rehabilitation of housing, or add unnecessarily to the cost of building or improving housing.

Policy 4.3: Expeditious Permitting

Promote the expeditious processing and approval of residential projects that are consistent with the General Plan, Zoning Ordinance, and Design Review Guidelines.

Policy 4.4: Updating Standards and Codes

Periodically update codes and standards for residential development to reflect changes in state and federal law, new technology, and market trends.

Policy 4.5: Code Flexibility

Allow certain development standards to be relaxed to accommodate affordable housing, where there is no threat the health, safety, and welfare of the City or potential for adverse impacts on the surrounding neighborhood.

Policy 4.6: Housing Coordinator

Designate the City Planner as the City's Housing Coordinator.

Policy 4.7: Infrastructure Maintenance

Support the regular maintenance of infrastructure, including water, sewer, drainage, streets, and sidewalks, so that these facilities are available when new housing is proposed.

Policy 4.8: Housing Finance Programs

Participate in appropriate County programs which address financial constraints for first time homebuyers, including downpayment assistance, silent second mortgages, Mortgage Credit Certificates, and Mortgage Revenue Bonds.

GOALS, POLICIES, AND ACTIONS



Piedmont's televised Planning Commission meetings provide an important vehicle for informing the public about the City's planning processes.

Implementing Actions

- *Program 4.A: Media Strategy*
Prepare printed brochures and web-based materials which inform residents about the planning and building processes in Piedmont.

Description:

Several pamphlets and printed handouts have been prepared to explain Piedmont's design review, planning, and permitting requirements. Over time, the City has improved and updated these materials to make them more readable and incorporate contemporary graphic design conventions. The City's website also continues to expand and improve. During the last 15 years, the website has become a more important information resource and has overtaken printed pamphlets as the preferred means of obtaining information by most customers. Many application materials are now downloadable from the web. Continued efforts should be made to improve the content and usability of information on the "Planning" homepage, and to use the web to assist residents and reduce permitting delays. New tools such as YouTube video tutorials could be considered to inform applicants of permitting procedures and requirements.

Responsible Parties: City Planner/ Consultant
Timing: Ongoing
Funding: Staff time (General Fund)

- *Program 4.B: Home Improvement Seminars*
Conduct City-sponsored meetings, programs, and seminars which inform residents on home improvement and maintenance practices in Piedmont.

Description:

In the past, the City Planning Commission has held special sessions on topics such as window replacement and upper story additions. Additional Planning Commission special sessions on bay-friendly landscaping, solar panel installation, energy conservation, and other home improvements would be helpful and could ultimately make home maintenance and improvement projects more affordable for Piedmont households. Such seminars should be aired on KCOM (local access cable) to reach as broad an audience as possible.

The City has set a target of providing at least two seminars during the planning period.

Responsible Parties: City Planner
Timing: Ongoing
Funding: Staff Time (Permit/User Fees)

GOALS, POLICIES, AND ACTIONS

- *Program 4.C: Building Code Updates and Ongoing Enforcement*
Continue to implement the California Building Code of Regulations, as locally amended. Update or amend the codes as state requirements change, and as conditions in Piedmont warrant.

Description:

This is an ongoing program. The City should amend Chapter 5 of the City Code (the Building Code) as updates to the California Building Code of Regulations are published. Amendments reflecting local concerns may be made as needed. Particular attention should be given to standards which would encourage creation of second units in the City. There may be instances where exceptions to the Code could be considered (for instance, lower ceiling heights) to make it easier for property owners to convert unintended units into rental properties. The current second unit regulations provide such flexibility as an incentive to create rent-restricted units.

Responsible Parties:	Building Official
Timing:	Ongoing
Funding:	Staff time (General Fund)

-
- *Program 4.D: Fee Review*
Review all planning and building fees to be sure that they cover required costs but are not more than is necessary to provide the required City services.

Description:

Fees should be reviewed annually to ensure that they cover operating costs only. Planning and building fees should not be used to subsidize other City departments and services. The City should continue efforts to use a “sliding scale” for planning and building fees based on project value to reduce the cost burden on applicants for minor home improvements. Fees should also be structured to provide incentives for rent-restricted second units and other projects which provide opportunities for lower income households.

Responsible Parties:	Finance Director / City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- *Program 4.E: Temporary Staff Additions*
Add contract staff as needed to ensure prompt processing of all applications.

Description:

As a small city, Piedmont is susceptible to fluctuations in the volume of planning and building applications. With only one building inspector, one plan checker, and a small planning staff, processing all applications at the same speed throughout the year can be a challenge. Vacation schedules, staff absences, and staff turnover add to this challenge. Because the City is committed to customer service in its Planning and Building functions, contract staff may be hired to provide building inspection, plan checking, and planning services during peak periods or prolonged staff absences. This will continue in the future.

Responsible Parties: Public Works Director
Timing: Ongoing
Funding: Staff Time (Permit Fees)

- *Program 4.F: Capital Improvement Plan Updates/ Facilities Maintenance Fund Updates*
Annually update the Capital Improvements Plan (CIP) and Facilities Maintenance Fund to ensure that municipal systems are kept in good condition.

Description:

The CIP update provides assurance that City-maintained facilities such as streets, sidewalks, and storm drains are kept in excellent condition, thereby avoiding deferred maintenance expenses for Piedmont residents. The City has created a CIP Committee to provide citizen input in this process. At least once a year, the CIP Committee should be briefed on the Piedmont General Plan and the requirement that CIP decisions be consistent with Plan policies and priorities. Funding for the maintenance and replacement of City facilities also occurs through the Facilities Maintenance Fund. The Fund was established per City Council directive in FY 2007-08. It identifies annual maintenance needs for all buildings owned by the City as well as parks and recreational facilities.

Responsible Parties: Public Works Director
Timing: Ongoing
Funding: Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- *Program 4.G: Monitoring the Effects of the City Charter*
Piedmont's rent-restricted second unit program has been successful in accommodating and achieving the City's share of the regional housing need, including producing housing for very low income households. However, the Charter requires a citywide vote for zoning map changes, which constrains the development of a variety of housing types, particularly high-density multi-family housing. To address this constraint, the City has allowed multi-family density housing in the commercial zone and created new incentives for multi-family uses. This Program supplements these two programs by monitoring and annually evaluating and reporting on the effects of the City Charter on: (a) the cost and supply of housing, particularly multifamily housing and (b) the effectiveness of City strategies to mitigate related impacts. Based on the outcome of the evaluation, the City will adopt strategies to address and mitigate identified constraints.

Description:

City Planning and Building Staff will continue to track annual housing production and permit activity as they have in the past, and will prepare annual reports to the Council evaluating housing and building permitting trends and the effects of the Charter as described above. These reports will specifically evaluate the Charter for impacts on multi-family housing production and costs based on various criteria such as:

- the failure of a citywide ballot measure associated with a proposed Zoning Map change to multi-family housing.
- a multi-family development proposal which has been endorsed or approved by the Planning Commission or City Council but does not proceed because a citywide ballot measure to change the zoning would be required.
- conclusions of research done by a third party finding that the City Charter constrains the ability to do multi-family housing.
- lack of multi-family development proposals.
- input from the development community, including non-profits, property owners, stakeholders and advocates on behalf of lower income households such as the Non-Profit Housing Association of Northern California (NPH), EBHO and the League of Women Voters.

GOALS, POLICIES, AND ACTIONS

Based on the outcomes of the evaluation, the City will implement program and zoning changes within 12 months including, if necessary, a Charter amendment or other appropriate remedies not requiring voter approval. These remedies could include streamlining multifamily permit procedures and identifying and designating, additional sites for multifamily development within 12 months.

Responsible Parties: City Planner
Timing: Annually
Funding: Staff time (General Fund)

- *Program 4H: Health and Safety Code 17021.5 Compliance*
Amend the Municipal Code to ensure compliance with the employee housing provisions of California Health and Safety Code 17021.5.

Description:

The California Legislature has established that cities must allow the development of employee housing commensurate with local needs. State Health and Safety Code (Section 17021.5) requires that cities treat employee housing for six or fewer employees as single family residential uses. Employee housing may not be defined as “a boarding house, rooming house, hotel, (or) dormitory.” This action would amend Piedmont’s Municipal Code to ensure compliance with this statute.

Responsible Parties: City Planner
Timing: 2016
Funding: Staff time (General Fund)

**Quantified Objectives
for Goal 5:**

(1) Assist at least 8 senior Piedmont households in obtaining CDBG funding for home rehabilitation projects between 2015 and 2023.

(2) Facilitate the retrofitting of at least 25 Piedmont homes to enable senior residents to "age in place" rather than relocating out of the community between 2015 and 2023.

(3) Of the new second units to be created in the next eight years, create at least four that serve elder or disabled family members living independently, students, domestic employees, persons with disabilities, and others who meet the definition of an "extremely low income" household.

(4) Create opportunities for at least 10 additional persons to live in rented rooms in Piedmont homes at rents that are affordable to very low or extremely low income households by 2023. At least four extremely low income households should be served in this manner.

GOAL 5: SPECIAL NEEDS POPULATIONS

Provide adequate housing opportunities for Piedmonters with special needs, particularly seniors and the disabled.

Policies

Policy 5.1: Retrofits for Diminished Mobility

Ensure that planning and building regulations accommodate the retrofitting of homes to meet the needs of aging or disabled residents.

Policy 5.2: Second Units, Shared Housing, and Seniors

Encourage second units and shared housing as strategies to help seniors age in place. Second units and shared housing can provide sources of additional income for senior homeowners and housing resources for seniors seeking to downsize but remain in Piedmont.

Policy 5.3: Reasonable Accommodation

Provide reasonable accommodation for people with disabilities, including developmental disabilities, in the City's rules, policies, practices and procedures related to zoning, permit processing and building codes.

Policy 5.4: Extremely Low Income Residents

Strive to meet the needs of extremely low income Piedmont residents, especially single parents, seniors on fixed incomes, and persons in financial crisis or at risk of losing their homes.

Policy 5.5: Regional Approaches to Homelessness

Actively cooperate with and participate in regional discussions and programs addressing homelessness and the need for emergency shelter and supportive housing in the East Bay.

Policy 5.6: Foreclosure

Support state, regional, and countywide initiatives to reduce the risk of foreclosure and to assist those facing foreclosure.

Policy 5.7: Persons with Disabilities

Address the unique housing needs of Piedmont residents with disabilities, including those with developmental disabilities.

GOALS, POLICIES, AND ACTIONS

Implementing Actions

- *Program 5.A: Shared Housing Publicity and Media Initiative*
Increase awareness of Piedmont’s newly modified shared housing regulations, and encourage single seniors and other small households in the City to participate in the program.

Description:

In 2012, the City adopted Municipal Code amendments that clarified the rules for renting rooms in Piedmont homes. There had previously been a lack of clarity between the rules for “rooming or boarding houses,” which were prohibited, and “rented rooms,” which were neither expressly allowed nor prohibited by Code. The new rules allow a householder to rent out multiple rooms, as long as they are covered by a single lease. Thus, a senior homeowner (or any homeowner) may rent part of their house to a low income family, a single parent with child, or another household comprised of multiple persons (as well as to a single person).

Renting of rooms is subject to a business license tax. As of 2012, only nine Piedmont homeowners were reporting rental income from rented rooms, suggesting the practice is limited and potentially not widely known. A public information campaign, including web-based information and news articles, is recommended to encourage additional room rentals during the planning period. The target audience for such a campaign would be persons living alone in large single family homes—as of 2010, 16% of the City’s households consisted of one person only. Roughly 315 households in the City consist of seniors living alone. Home sharing can enable a live-in caregiver, or simply provide for added security and assistance for a senior householder. It also provides potential affordable housing opportunities for very low and extremely income households.

Responsible Parties:	City Planner/City Administrator
Timing:	2016
Funding:	General Fund

GOALS, POLICIES, AND ACTIONS

- ***Program 5.B: Shared Housing Matching Services***

Consider participating in ECHO Housing’s shared housing program as a way to improve housing opportunities for lower income seniors and extremely low income households.

Description:

Some of Piedmont’s “empty nesters” or other residents who have surplus space in their homes may wish to rent that space in return for income or care, but may be reluctant to rent to strangers. The non-profit Eden Council for Hope and Opportunity (ECHO Housing), which serves residents throughout Alameda County, operates a shared housing program which could potentially benefit these residents. The program matches persons needing housing with homeowners who have available space.

Shared housing programs can also provide a resource for extremely low income households, including families as well as seniors. The ECHO program includes counseling on shared living, supportive services, and informational and referral, as well as educational workshops on home sharing. Any shared housing program in Piedmont should be designed to include extremely low income families, as well as empty nesters and other seniors.

The City has set a target of achieving shared housing arrangements for at least 10 persons during the planning period. In the event the City determines that participating in the ECHO Housing program is feasible, this target will be communicated to them.

Responsible Parties:	City Planner/City Administrator
Timing:	2016
Funding:	General Fund

- ***Program 5.C: Allowances for Temporary Home Improvements***

Allow Planning and Building Code exceptions for certain temporary home improvements which help Piedmont seniors remain in their homes as their physical capabilities change.

Description:

Section 17.20.5(a)(vii) of the Piedmont Code creates exemptions for temporary home improvements such as wheelchair ramps. Other exemptions could be explored in the future. For example, the City could permit the addition of a first floor bathroom or bedroom without conforming parking—or the addition of a temporary second unit for a nurse or live-in aide. The construction might be permitted with the condition it be removed (or approved with a variance or CUP) when the occupancy of the home changes.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- ***Program 5.D: Assistance to Nonprofit Developers***

Provide assistance to nonprofit entities interested in developing housing for low and moderate income Piedmont residents, including the elderly and others with special needs.

Description:

There are several nonprofit entities in the East Bay who are actively engaged in developing housing for low and moderate income households. These builders make an important contribution to the region's housing market and have been the largest producers of affordable housing units in the area during the past decade. Although there are very few vacant or redevelopable sites in Piedmont, the City is committed to working collaboratively with the nonprofit sector in the event a viable development proposal is made. The City could also be a potential partner in the event such housing is proposed in a nearby community.

Program 5.D will be implemented on an on-going basis. As development opportunities arise, the City will provide technical assistance to nonprofits in the completion and/or co-sponsoring of applications for state and federal housing funds and other grants. The City will also work with nonprofit applicants to identify and proactively address issues of concern in the community, such as traffic, parking, and design compatibility. Finally, the City will consider regulatory concessions, incentives, and other methods which reduce project costs and make the project more viable.

Responsible Parties:	City Administrator and City Planner
Timing:	Ongoing
Funding:	Staff time (General Fund)

- ***Program 5.E: Accommodations for Disabled Persons***

Provide access to printed and web-based information which describe the procedures for making a Piedmont home "barrier free."

Description:

The City will work with local advocates and service providers (such as the Center for Independent Living) to provide an explanation of the process to retrofit a home to meet the needs of persons with disabilities, including developmental disabilities. Links to the websites of key service providers and advocacy organizations should be provided on the City's website. Printed information (such as brochures or FAQ handouts) produced by these organizations should be available at City Hall. This information should identify the range of features that might be incorporated in a barrier-free home, and the steps an applicant would need to take to add these features to a residence.

Responsible Parties:	City Planner
Timing:	2015
Funding:	Staff Time (General Fund)

GOALS, POLICIES, AND ACTIONS

- *Program 5.F: Housing Support for Families in Crisis*
Support public and non-profit agencies in Alameda County which provide food and shelter for families in crisis.

Description:

Despite the absence of a visible homeless population in Piedmont, the City is located in an urban area where homelessness is a serious issue. Piedmont currently provides financial assistance to Alameda County to fund countywide programs which meet the needs of homeless persons and persons at risk of becoming homeless. The beneficiaries of these programs may include Piedmont residents as well as those in other cities. On an ongoing basis, the City will stay apprised of homelessness issues, work with homeless service providers, and offer referrals for any Piedmont resident faced with the risk of homelessness.

Responsible Parties: City Administrator/City Council
Timing: Ongoing
Funding: Staff time (General Fund)

- *Program 5.G: EveryOne Home*
Participate in the Alameda County EveryOne Home Program, a Countywide planning effort to increase housing opportunities for extremely low income and disabled persons and strengthen the services the County provides to the homeless.

Description:

In October 2009 the City of Piedmont joined 13 other cities in committing to work with Alameda County to alleviate homelessness. The Countywide Plan has been prepared in response to federal requirements that mandate the development of subregional plans to end homelessness. It recognizes the regional nature of the problem and the need for regional solutions. The Plan was designed to end chronic homelessness and provide more secure and permanent housing for low-income people with mental illness, HIV/AIDS, and other disabilities or high risk of homelessness. It includes a 10-year action plan, within a broader 15-year implementation plan.

Participating in EveryOne Home is an important part of Piedmont's efforts to meet the housing needs of extremely low income households, as required by state law. Endorsement of the Plan by the City establishes general agreement with its strategies and provides a guide to address homelessness in a way that is consistent with other communities in Alameda County. It also represents a funding commitment by the City to countywide homeless services.

Responsible Parties: City Planner / City Council
Timing: Ongoing
Funding: Staff time (General Fund)

GOALS, POLICIES, AND ACTIONS

- ***Program 5.H: Faith Community Participation***

Work with the local faith community to serve residents in need within Piedmont and the greater East Bay, and to identify potential partners for meeting local extremely low income housing needs.

Description:

Piedmont's churches and synagogue are potential partners in efforts to address the housing needs of extremely low income residents in Piedmont and nearby cities. Additional efforts should be made to coordinate local housing programs with the faith community. The City should continue to work with its congregations to promote charitable contributions and develop proactive solutions to avoid homelessness and help those at risk of becoming homeless. This includes not only housing-related programs, but those which help extremely low income persons with other needs, such as food, medical assistance, and access to supportive services.

Responsible Parties:	City Council
Timing:	Ongoing
Funding:	Staff time (General Fund)

- ***Program 5.I: Second Units for Extremely Low Income Households***

Maintain an inventory of second units that are available at rents that are affordable to extremely low income households. Explore ways to expand this inventory and encourage the development of additional extremely low income second units through the City's affordable second unit program and other means.

Description:

The City of Piedmont has identified the need to assist eight extremely low income households during the 2015-2023 Housing Element period, based on its Regional Housing Needs Allocation. Pursuant to Assembly Bill 2634, local governments are required to assist in the development of a variety of housing types to meet the needs of these households. In larger communities, this is usually done by accommodating single room occupancy hotels (SROs), providing multi-family developments with units set aside for extremely low income households, and facilitating supportive and transitional housing. In smaller communities, provisions for shelters and supportive and transitional housing are required by state law, but additional steps must still be taken to meet the diverse housing needs of extremely low income residents.

GOALS, POLICIES, AND ACTIONS

Based on data from the 2010 Census, 81 percent of Piedmont's households with incomes of \$35,000 or less are headed by seniors (78 of 96 households). Programs 2.A, 5.A, and 5.B focus on these residents. As these programs are administered, the City will place a priority on serving extremely low income senior applicants.

For extremely low income residents in Piedmont who are *not* seniors, second units and shared housing are the best prospects for meeting housing needs. Data collected by the City of Piedmont indicates there were several second units in the city in 2014 with monthly rents of less than \$483.² Such units meet affordability criteria for extremely low income households and demonstrate that the City is already meeting a portion of its extremely low income housing needs *with no public subsidy*. Anecdotally, an unknown number of the city's second units appear to be occupied by extremely low income households who live rent-free in second units in exchange for assistance with home repair and other household chores. Such units are an important resource for extremely low income households and should be sustained.

In the future, the City will explore options to increase the inventory of extremely low income housing. This is already being done through allowances for such units to be created without off-street parking if they are 300 square feet or less. It could also be done through a waiver of the business license tax, fee reductions or other incentives so that some of the very low income units produced through the affordable second unit program are suitable for extremely low income households, including seniors and persons with disabilities. Other programs in this Housing Element, including the monitoring of second unit rents (see Program 1.D), will enable the City to gauge the extent to which second units are already serving extremely low income households.

Responsible Parties:	City Planner, City Clerk
Timing:	Ongoing
Funding:	Staff time (General Fund)

² \$483 would be the affordable monthly rent for a one-person extremely low income household in 2014, based on HUD Income data for Alameda County, e.g. 30 % of \$19,350 annual income / 12 months = \$483.

GOALS, POLICIES, AND ACTIONS

- *Program 5.J: Housing for Extremely Low Income Families*
Develop incentives to meet the needs of Piedmont's extremely low income households potentially including modified development standards for new multi-family buildings that include units for extremely low income families.

Description:

Piedmont presently allows second units to be as large as 1,000 square feet if the units are rent restricted to very low income households, including extremely low income households. The allowance for larger units if the unit is rented to a very low income household provides a strong incentive that benefits extremely low income families. A unit of this size would typically be associated with a two-bedroom apartment or carriage house, which could accommodate a three or four person extremely low income family. The City will pursue additional incentives to encourage the inclusion of units that are affordable to extremely low income households in new multi-family development. These incentives could include allowances for higher lot coverage and floor area ratios in Zone C for buildings that dedicate one or more units for extremely low income families.

Responsible Parties: City Planner, Building Official
Timing: 2016
Funding: Staff time (General Fund)

- *Program 5.K: Developmentally Disabled Residents*
Coordinate with the Regional Center for the East Bay, the East Bay Housing Consortium, and other organizations to better respond to the housing needs of developmentally disabled Piedmont residents and ensure that sufficient resources exist within and around the community to meet these needs.

Description:

Developmentally disabled residents include those with cerebral palsy, autism, epilepsy, and other conditions that typically appear before an individual reaches 18. Supportive housing is often required for such individuals to lead independent lives upon adulthood. As required by state law, the City will continue to work with social service providers to explore opportunities for such housing within Piedmont. The City will also maintain communication with the Regional Center of the East Bay to identify service needs within the City and to identify available resources for local residents.

Responsible Parties: City Planner, Building Official
Timing: Ongoing
Funding: Staff time (General Fund)

**Quantified Objectives
for Goal 6:**

(1) Issue building permits to retrofit at least 200 homes with energy-saving devices, such as new windows, furnaces, insulation, and energy-efficient appliances between 2015 and 2023.

(2) Approve at least 75 applications for alternative energy sources, including solar panels, in Piedmont residences between 2015 and 2023.

(3) Achieve 100 % compliance with Title 24 energy efficiency requirements.

GOAL 6: SUSTAINABILITY AND ENERGY

Encourage “greener” construction to reduce household utility costs and create healthier living environments.

Policies

Policy 6.1: Energy-Efficient Design

Require all new housing to be designed to encourage energy efficiency. Building design and construction methods should promote and support energy conservation.

See also Natural Resources Element Policy 16.2 on green building

Policy 6.2: Energy-Efficient Materials

Encourage major additions and remodeling projects to use windows, building materials, ventilation systems, and appliances which reduce home heating and cooling costs and conserve energy resources.

Policy 6.3: Weatherization

Encourage weatherization of existing homes to reduce heating and cooling costs and lower home energy bills.

See also Natural Resources Element Policy 17.2 on energy conservation

Policy 6.4: Renewable Energy

Maintain development regulations which accommodate the installation of solar panels and other devices which result in lower energy costs for homeowners and renters.

See also Natural Resources Element Policy 17.3 on alternative energy sources

Policy 6.5: Energy Retrofits

Support the use of federal, state, county, and utility-sponsored programs which provide financial assistance or incentives for energy retrofits.

Policy 6.6: Housing and Climate Change

Recognize the link between housing and climate change in the City’s decision-making process. Specifically, the City should strive to create additional local housing opportunities for persons employed within Piedmont in order to reduce commuting and associated greenhouse gas emissions. A particular emphasis should be placed on housing for municipal and school district employees, since these are the largest employers in the city.

GOALS, POLICIES, AND ACTIONS

Policy 6.7: Water Conservation

Encourage drought-tolerant and bay friendly landscaping as a way to conserve water, reduce greenhouse gas emissions associated with water transportation, and reduce homeowner water bills, thereby freeing up more income for other purposes.

See also Natural Resources Element Policy 16.3 on water conservation

Implementing Actions

- ***Program 6.A: Title 24***
Continue to enforce Title 24 requirements for energy conservation.

Description:

The City will continue to require compliance with the Title 24 energy efficiency standards established by the California Energy Commission. Adhering to these standards can reduce energy costs in new construction by as much as 50 %.

Responsible Parties:	Plan Checker (Public Works)
Timing:	Ongoing
Funding:	Staff Time (Plan Check Fees)

See also Natural Resources Element Action 16.A on Title 24

- ***Program 6.B: Green Housing***
Explore ways to encourage and incentivize greener residential construction.

Description:

“Green” construction has the potential to reduce home utility costs and produce healthier living environments. The City should use tools such as the “Build it Green” checklist to encourage greener housing construction. The City will also monitor proposed changes to the building code at the state level and amend its ordinances accordingly.

Responsible Parties:	Building Official/City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund)

See also Natural Resources Element Action 16.B on green building

GOALS, POLICIES, AND ACTIONS

- *Program 6.C: Renewable Energy Funding Assistance*
Participate in Energy Upgrade California or equivalent programs which assist homeowners with renewable energy and energy efficiency improvements on their property.

Description:

In 2009, the City of Piedmont developed a Climate Action Plan (CAP) to help achieve local greenhouse gas reduction goals. Because it is a city of older single family homes, Piedmont must find ways to improve the energy efficiency of its existing housing stock in order to meet these goals. In December 2009, the City voted to join the California Statewide Communities Development Authority (CSCDA) and the California FIRST Program.

More recently, the City has been participating in Energy Upgrade California, a statewide program that provides financial assistance for homeowners for select energy-saving home improvements. The program includes energy assessments and physical improvements that reduce energy loss and improve energy efficiency. It encompasses rebates and incentives, income-qualified assistance for energy bills, and financing assistance to households seeking to install renewable energy systems and similar improvements.

Piedmont will continue to participate in such programs in the future, reducing the burden of utility costs on homeowners and renters, while advancing its climate action and sustainability objectives.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	Staff Time (General Fund)

GOALS, POLICIES, AND ACTIONS

- *Program 6.D: Financial Assistance*
Promote the use of programs which reduce residential energy costs.

Description

These programs include:

- Energy audits, which may be provided by PG&E or private vendors
- Rebates (sponsored by non-City entities) for the use of energy efficient appliances, and for the recycling of less efficient appliances.
- The federal Low Income Home Energy Assistance program (LIHEAP), which offers qualifying low income households financial assistance to offset energy costs (through weatherization or assistance in paying energy bills)
- “REACH” (Relief for Energy Assistance through Community Help), which is a PG&E program administered by the Salvation Army that provides energy assistance to low-income customers in the form of one-time payments for energy costs.
- CARE (California Alternate Rates for Energy) and FERA (Family Electric Rate Assistance), both programs which provide rate discounts for lower income households
- A Medical Baseline Allowance for persons with high medically related electric bills.

Information on these programs should be kept at the Planning and Building counter for interested residents, and should be accessible via links on the City’s website.

Responsible Parties:	Building Official/City Planner
Timing:	Ongoing
Funding:	PG&E and State/federal programs

**Quantified Objectives
for Goal 7:**

(1) Follow-up on 100 % of all complaints received relating to fair housing.

(2) Approve 100 % of all housing development projects that meet the requirements of the City Code without regard for the personal characteristics of the applicant or occupants.

GOAL 7: EQUAL ACCESS TO HOUSING

Ensure that all persons have equal access to housing opportunities in Piedmont.

Policies

Policy 7.1: Housing Choice

Promote the development of housing for all persons regardless of race, religion, ethnic background or other arbitrary factor.

Policy 7.2: County Fair Housing Programs

Support and participate in Alameda County programs which ensure that all persons have equal access to housing.

Policy 7.3: Fair Housing Enforcement

Implement and enforce relevant State and Federal Fair Housing laws.

Policy 7.4: Fair Housing Education

Promote public education and awareness of fair housing requirements, and reduce public misconceptions about low income housing.

GOALS, POLICIES, AND ACTIONS

Implementing Actions

- ***Program 7.A: Public Information***

Provide printed information on fair housing laws at City Hall and web-based information on the City's website..

Description:

This is an ongoing program that will be continued in the future. Pamphlets on fair housing laws and procedures are kept at the Planning and Building Counter. Materials should be provided in English, Spanish and Chinese to ensure that those in need are made aware of their fair housing rights. This information, including links to ECHO housing's website, should also be posted on the City's website.

Responsible Parties: City Clerk
Timing: Ongoing
Funding: Staff Time (General Fund)

- ***Program 7.B: Fair Housing Referrals***

Continue the City's referral arrangement with ECHO Housing on fair housing issues and discrimination complaints.

Description:

The City presently refers discrimination complaints to the ECHO Housing, a Countywide non-profit agency. If mediation fails and enforcement is necessary, tenants may be referred to the State Department of Fair Employment and Housing or HUD, depending on the complaint.

Responsible Parties: City Clerk / City Planner
Timing: Ongoing
Funding: Staff Time (General Fund)

GOALS, POLICIES, AND ACTIONS

7. Five-Year Action Program

OVERVIEW

The following pages organize the 40 actions listed in Chapter 6 into an implementation program for 2015-2023. The City department, agency, or other entity with primary responsibility for each action has been identified in **bold** type. Where actions have funding requirements or fiscal impacts, potential sources of funding are identified. The list of funding sources is not intended to be exclusive; other sources may also be explored as each action is implemented.

The Implementation Program also identifies the proposed timing of each action. The time horizon begins upon adoption of the Housing Element in 2015 and runs through 2023. Most of the actions should be implemented within the next three years or should be implemented on an ongoing and continual basis. Table 7-1 provides a summary of the numeric objectives to be pursued during this time period.

Income Category	New Construction	Home Rehabilitation	Age in Place Retrofits	Energy Efficiency	Conservation
Extremely Low Income	4 ¹	10 (incl at least 8 seniors)	25	75 (solar) 200 (retrofits)	100% of the residential units in Zone D; 100% of the multi-family units in the City, plus 50% of expiring rent-restricted 2 nd units
Very Low Income	20 ¹				
Low Income	14 ²				
Moderate Income	11 ³				
Above Moderate Income					
Single Family	5				
Multi-Family (PG&E)	7				

¹ Numbers correspond to rent-restricted second units. Opportunities for extremely low and very low income households would also be created by shared housing. The City has set a target of providing shared housing for 10 persons by 2023..

² Includes 8 rent-restricted second units and 6 units in Zone D on sites which allow 21.7 units per acre

³ Market rate second units

FIVE-YEAR ACTION PROGRAM

Table 7-2: Housing Action Plan				
Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
1.A: Vacant Land Inventory	City Planning , City Clerk	General Fund (staff time)	2015, ongoing	Completed for 2010 Housing Element. Should maintain in future years.
1.B: Redevelopment of the former PG&E Site	City Planning , Planning Commission, City Council	Project-Related Fees	Ongoing	Pending in 2014
1.C: Market-Rate Second Unit Production	City Planning , Planning Commission, City Council	General Fund, Permit Fees	Ongoing	This is an ongoing initiative undertaken by City Planning staff
1.D: Second Unit Rental Data Tracking	City Clerk , City Planning	General Fund (staff time)	2016	Bi-annual
1.E: Allowing Multi-family housing and mixed use in the Commercial Zone	City Planning , Planning Commission, City Council	General Fund (staff time)	Ongoing	
1F: Facilitating Multi-family Development	City Planning	General Fund (staff time)	Ongoing	
2.A: Apply for CDBG Funding	City Planning , Finance Department, City Clerk	General Fund (staff time)	Ongoing	
2.B Preservation of Small Homes (through zoning and design review)	City Planning , Planning Commission, City Administrator	General Fund (staff time)	Ongoing	Regular City program, implemented through zoning and design review
2.C Use of Original Materials and Construction Methods	Building Official , City Planning, Planning Commission	General Fund (staff time)	Ongoing	Standard operating procedure
2.D Condominium Conversions	City Council	N/A	Ongoing	Standard operating procedure
2.E:Updating Design Guidelines	City Planning , Planning Commission, City Council	General Fund (staff time)	2015-2016	Includes Design Review study sessions with Planning Commission
3.A: Second Unit Ordinance Assessment	City Planning, Planning Commission, City Council	General Fund (staff time)	2017	Evaluation of the second unit ordinance.
3.B: Affordable Second Unit Public Information Campaign	City Planning, Planning Commission	General Fund (staff time)	2015	
3C: Monitoring Affordable Second Unit Opportunities	City Planning, City Clerk, Building Official	General Fund (staff time)	Ongoing	
3.D: Monitoring Additional Second Unit Opportunities	City Planning	General Fund (staff time)	Ongoing	

FIVE-YEAR ACTION PROGRAM

Table 7-2: Continued

Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
3E. Incentives for Renewal of Expiring Rent Restrictions	City Planning	General Fund (staff time)	2017	First second unit rent contract will expire in 2018
4.A: Media Strategy	City Planning , City Clerk	General Fund (staff time)	Ongoing	Focus is on website improvements, press releases, etc.
4.B: Home Improvement Seminars	City Planning , Planning Commission	General Fund (staff time)	Ongoing	Special sessions hosted by the Planning Commission
4.C: Building Code Updates and Ongoing Enforcement	Building Official , City Council	General Fund (staff time)	Ongoing	Done as needed, standard operating procedure
4.D: Review of Planning and Building Fees	Finance Director , City Administrator, City Planning, City Council	General Fund (staff time)	Ongoing	Done annually as part of the budget process
4.E: Add Temporary staff as needed	Public Works , City Council	Permit Fees (staff time)	Ongoing	Standard operating procedure
4.F: CIP /FMF Updates	Public Works , CIP Committee, City Council	General Fund (staff time), CIP budget, Facilities Maint. Fund	Ongoing	CIP Committee advises City Council on annual expenditures. Facilities Maintenance Fund created for this purpose.
4.G: Monitor the Effects of the City Charter	City Planner	General Fund (staff time)	Annually	
4.H: Health and Safety Code 17021.5 Compliance	City Planner	General Fund (staff time)	2016	
5.A: Shared Housing Publicity/Media Initiative	City Planner , City Administrator, City Clerk	General Fund (staff time)	2016	
5.B: Shared Housing Matching Services.	City Planner , City Administrator	General Fund (staff time)	2016	Will require coordination with ECHO Housing
5.C: Allowances for Temporary Home Improvements	City Planner, Building Official	General Fund (staff time)	Ongoing	Standard operating procedure
5.D: Assistance to Non-profit Developers	City Administrator, City Planner	General Fund (staff time)	Ongoing	Standard operating procedure
5.E: Accommodation for Disabled Persons	City Planner	General Fund (staff time)	2015	Involves outreach and preparation of web-based resources.
5.F: Housing Support for Families in Crisis	City Administrator, City Council	General Fund (staff time)	Ongoing	Standard operating procedure
5.G: EveryOne Home Program	City Planner, City Council	General Fund (staff time)	Ongoing	Was initiated in October 2009

FIVE-YEAR ACTION PROGRAM

Table 7-2: Continued

Program	Responsible Depts./Agencies (*)	Funding Sources	Timing	Comments
5.H: Faith Community Participation	City Council	General Fund (staff time)	Ongoing	Standard operating procedure
5I: Second Units for Extremely Low Income Households	City Planner, City Clerk	General Fund (staff time)	Ongoing	
5J: Housing for Extremely Low Income Families	City Planner, Building Official	General Fund (staff time)	2016	
5.K: Developmentally Disabled Residents	City Planner, Building Official	General Fund (staff time)	Ongoing	
6.A: Enforce Title 24	Plan Checker/ Building Official	Permit Fees (staff time)	Ongoing	Standard operating procedure
6.B: Green Housing (Building Code changes)	Building Official, City Planner	General Fund (staff time)	Ongoing	Includes monitoring changes to state legislation
6.C: Renewable Energy Funding Assistance	City Planner	Grants (for administrative costs)	Ongoing	Program approved in January 2010
6.D: Financial Assistance (to reduce energy costs)	Building Official, City Planner, City Clerk	PG&E, State and federal programs	Ongoing	Standard operating procedure, includes REACH, CARE, LIHEAP, rebates, etc
7.A: Public Information on Fair Housing	City Clerk	General Fund (staff time)	Ongoing	Includes expanded web-based materials and web links
7.B: Fair Housing Referrals	City Clerk, City Planner	General Fund (staff time)	Ongoing	Requires coordination with ECHO Housing