



City of Albany

**2015-2023
Housing Element**

ADOPTED FEB 2, 2015

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Barry Miller, Planning Consultant

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Chapter 1: Introduction

State law mandates that all municipal governments prepare and maintain a Housing Element as a component of their General Plans. The Housing Element is a long-range planning document that evaluates existing demographics and housing conditions in the community. It provides policies and actions to meet Albany's market rate and affordable housing needs for the next eight years.

The purpose of the Housing Element is to ensure that a safe, decent supply of affordable housing is provided for current and future Albany residents. The Element strives to conserve existing housing while providing opportunities for new housing for a variety of income groups.

The following five sections are required in the Housing Element:

1. Review of the previous Housing Element
2. Assessment of housing needs
3. Inventory of potential sites for housing development
4. Analysis of City regulatory framework related to developing housing
5. Goals and policies for housing, coupled with specific action programs to be implemented in the coming years.

The Housing Element describes how the City is providing for its fair share of the region's housing needs for the current planning period (2015 to 2023). It identifies programs to be implemented in the next eight years, along with the continuation of on-going measures aimed at improving housing affordability in Albany.

Setting

The City of Albany is located on the eastern shoreline of the San Francisco Bay, surrounded by the San Francisco Bay to the west and the Berkeley Hills to the East (see Figure 1-1). It is bordered by Berkeley on the south and east, El Cerrito on the north, and Richmond on the northwest. Albany's land area is 1.79 square miles. With a population of roughly 18,500 residents, it has a density of 10,368 persons per square mile. This makes Albany one of the highest-density cities in the Bay Area. Based on its land area and current population, Albany has the second highest population per square mile in the East Bay, exceeded only by Berkeley.



Figure 1-1: Albany Location Map

The community combines small-town ambiance with a central location in a major metropolitan region. In addition, the City is well known for its high quality public schools, waterfront setting, and pedestrian-oriented shopping areas. Together, these factors make Albany a unique and desirable place to live, and contribute to its motto: “Urban Village by the Bay.”

There are two main commercial streets in Albany. San Pablo Avenue runs north-south, and Solano Avenue runs east-west. Aside from these two streets, the city is primarily composed of a mix of single-family and multi-family housing, with a small industrial area that runs along Interstate 80 and the Union Pacific Railroad. Albany also has a large waterfront area, comprised of the Golden Gate Fields racetrack and regional open space.

The City is relatively “built out” in that there are very few undeveloped parcels. Opportunities to produce additional housing are limited to scattered small infill sites and former commercial properties. In addition to the obstacles to affordable housing typically experienced by other Bay Area cities, the City also faces obstacles due to limited municipal government resources and the loss of redevelopment funding for affordable housing.

Regional Housing Needs Allocation

As part of the Housing Element process, the State determines the total need for housing in each region of California. In turn, the Association of Bay Area Governments (ABAG) is responsible for allocating the “fair share” of this total to each of the nine counties and 100 cities in the area. During the allocation process, known as the Regional Housing Needs Allocation (RHNA), ABAG takes into consideration job growth, water and sewer capacity, land availability, proximity to transit, and market demand for each locality. The RHNA is distributed among four income levels to ensure that housing development addresses the needs of all economic segments.

Table 1-1 details Albany’s allocation, which totals 335 units for 2014-2022.¹ Each city in California is required to plan for its RHNA. This does not mean the cities must acquire land or actually construct housing. Rather, it means that they must identify sites where the RHNA can be accommodated, and adopt policies and regulations which facilitate residential construction. Ultimately, the responsibility for constructing housing falls to the private market and non-profit housing developers. Cities are expected to assist by adopting development standards that support housing at a variety of densities,

¹ The RHNA period covers January 1, 2014 to October 31, 2022, but the “planning period” is 2015-2023. Cities are expected to meet their 2014-2022 needs during a time period that includes 2014 and extends until January 31, 2023.

providing technical assistance and infrastructure, and adopting policies that encourage housing production, conservation, and assistance to persons with special needs.

**Table 1-1:
Albany’s Share of the Regional Housing Needs Allocation 2014-2022**

Income Category²	NEW CONSTRUCTION NEED
Very Low (0-50% of AMI*)	80
Low (51-80% of AMI)	53
Moderate (81-120% of AMI)	57
Above Moderate (over 120% of AMI)	145
TOTAL UNITS	335

Source: Association of Bay Area Governments, 2014

*AMI=Area Median Income

Identification of Sites for Housing Development

Identification of potential housing sites is one of the most important parts of the Housing Element. The identification of a site does not necessarily mean it will be developed during the planning period, nor does it mean it must be developed with affordable housing. The intent of the Housing Site Inventory is to demonstrate that the city has an adequate number and variety of sites to meet its RHNA. In some cases, these sites are zoned to permit densities that are more likely to support affordable housing construction, but projects that are 100% affordable are not mandated on these properties.

Discussions from a series of public meetings, coupled with field surveys and an analysis of land use and real estate conditions, has resulted in a draft Housing Element that includes 20 sites proposed as potential housing sites (see Chapter 4 “Housing Inventory” for locations and map). The sites are located throughout the city, in areas that are currently designated for residential or mixed use development. **No rezoning or increase in allowed density of development is required to meet the City’s obligations.** The draft Housing Element, however, identifies a number of proposed policies and actions for increasing the availability of housing and encouraging production.

² The income ranges corresponding to each of these categories are adjusted annually by the US Department of Housing and Urban Development. The ranges also depend on the number of persons per household. As of December 18, 2013, a “Very Low Income” household of four in Alameda County earned less than \$46,000; a “Low Income” household of four earned between \$46,000 and \$67,600, a “Moderate Income” household of four earned between \$67,600 and \$110,400, and an “Above Moderate Income” household earned more than \$110,400.

HCD Review

The Housing Element is unique among the mandatory elements of the General Plan in several ways. First, the Element is subject to review by the State Department of Housing and Community Development (HCD). California Government Code Section 65585 establishes a process for the City to submit a draft Housing Element to HCD for comments. HCD may consult with any public agency, group, or person in its review and must consider any third party comments regarding the draft (or adopted element) under review. A formal letter is issued by HCD to the City with the results of its review, and HCD may recommend that revisions be made before adoption hearings.

Once the Housing Element is adopted, it is resubmitted to HCD to determine whether, in HCD's view, the Housing Element "substantially complies" with state Housing Element Law. The City is eligible for certain grants and other funding only if HCD has found that the City's Housing Element is in substantial compliance with State law.

HCD's compliance determination is based in part on a detailed checklist corresponding to specific requirements set forth by the Government Code. The data and analysis requirements for the Housing Element are more substantial than those required for other elements of the General Plan. Thus, this element is typically longer and more detailed than the other elements.

For the 2015-2023 planning cycle, HCD created a "streamlined" state review process. This process recognizes that much of the information in the Housing Element has not changed since the last Element was adopted (in Albany's case, less than one year 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 that comply with state law, and completion of any rezoning needed to meet regional housing needs. Albany met all criteria at the time this Element was drafted.

Streamlining required that the City submit a "clean" copy of its Housing Element and a "tracked change" copy of the 2007-2014 Housing Element indicating the changes (additions and deletions) to the existing Element. A streamlining "template" also was completed to summarize where changes to the existing document were made. The City also provided a "completeness checklist" to facilitate HCD review.

Housing Element Update Process and Public Participation

This Housing Element is intended to cover the 2015-2023 planning period. The Regional Housing Needs Allocations for the current planning period were finalized in 2013, prior to the start of the planning period.

The City of Albany initiated the preparation of its Housing Element on time, and made a diligent effort to engage the community in the process. The process was organized as a continuation of the previous (2007-2014) Housing Element update, which spanned more than six years.

The previous (2007-2014) Housing Element update took place in two major phases. The first phase (2007-2009) included a community workshop, four Planning and Zoning Commission meetings, and three City Council meetings, and culminated in production of a partial draft document which was reviewed by the State in 2009. The second phase took place in 2013 and 2014 as part of the General Plan Update and resulted in completion of the draft, a second review by HCD, and adoption by the city. The second phase included five Planning and Zoning Commission study sessions, two City Council study sessions, a Town Hall meeting on Housing on October 1, 2013, and a field trip to several housing opportunity sites in January 2014. The second phase also included the formal public hearings to adopt the Element in February and March 2014.

Given the timing of the study sessions, public hearings, and the community meetings for the 2007-2014 Element, much of the dialogue addressed longer-term measures that could be implemented during the 2015-2023 cycle. Thus, the process of updating the 2015-2023 Element effectively started in mid-2013 with the discussion of potential long-term housing policies and action programs.

Following adoption of the 2007-2014 Housing Element on March 3, 2014, the City formally launched the process of updating the Element for 2015-2023. During Spring 2014, the City met with locally organized groups such as the Diverse Housing Working Group (DHWG) to discuss the future direction of housing policy in the city. It also began implementation of key tasks listed in the 2014 Element, some of which required action by the Planning and Zoning Commission and the City Council.

On July 22, 2014, the City convened a Town Meeting on housing. Invitations were sent to an email list with over 100 interested parties, and the meeting was advertised on the City's website. Approximately 20 persons attended. The Planning and Zoning Commission convened study sessions on the Housing Element on July 23, September 10, and September 24. Public input was received at each of these meetings. In addition, the City provided an interactive exhibit at the Solano Stroll (Albany's largest annual community event and one of the largest street fairs in the East Bay). More than

100 residents took the “Albany Housing Challenge” and used adhesive dots to express their preferences on a matrix of housing choices.

On September 30, 2014 the City convened a Housing Symposium, inviting the public to attend and hear presentations from local developers, housing experts, and housing program staff from a nearby community. The Symposium provided an opportunity for the public to ask questions about how the City could stimulate affordable housing production and create more diverse and innovative housing opportunities.

The City also conducted public meetings on the Working Draft of the 2015-2023 Housing Element once the document was released. This included a study session with the Planning and Zoning Commission on October 8, 2014 and a study session with the City Council on October 20, 2014. A subsequent study session was held with the Planning and Zoning Commission on December 10, 2014, after HCD’s comments were received. This also provided an opportunity to review comments from Albany’s Diverse Housing Working Group.

As required by Government Code Section 65583(c)(8), the City’s outreach program was designed to reach all economic segments of the community. Notices of meetings were posted at public buildings and were advertised on the City’s website. Agendas and staff reports were posted on the City’s website prior to the meetings, and meeting summaries were posted afterwards. Every meeting included an opportunity for public comment, and there were speakers present in every instance.

In addition, each meeting was preceded by an “e-blast” notification to a list of interested parties maintained by the City. The “housing” e-mail list is a sub-set of a master e-mail list maintained by the City. Of the 1,266 names on the master e-mail list, 160 have requested notification of meetings, events, or publications that specifically address housing. The “housing” email notification list includes Albany renters and homeowners, businesses, housing advocates, members of the faith community, social service providers, individuals experiencing homelessness, non-profits, building industry representatives, realtors, contractors, the carpenters union, educational institutions, and the local media.

The City provided sign-in sheets at its Town Hall meeting and the Housing Symposium, both to update its housing e-mail list and ensure that all participants continued to receive notification of meetings and publications. The testimony received from the public at the Housing Element meetings reflects the participation of persons of diverse economic backgrounds, with a majority of speakers strongly favoring affordable housing production and housing services in the City.

In addition to soliciting public input as part of the Update process, the Housing Element itself reflects edits suggested by the community, and programs which are

responsive to the needs identified during public meetings. For example, the Element includes a program to use a portion of the City's share of residual Redevelopment Agency funds (e.g., "boomerang funds") for affordable housing, a concept suggested by local housing advocates. In response to public input, the City has also included program language on community education programs related to housing and a future ballot measure to modernize parking requirements. Many of the proposed action measures were strengthened with more affirmative language ("enact" vs "consider", etc.) based on input from the public.

The Housing Element was presented to the Planning and Zoning Commission for a formal recommendation on January 7, 2015. It was adopted by the City Council on February 2, 2015. Following adoption, the document was resubmitted to HCD for a formal determination of compliance.

2 – Review of Previous Housing Element

Government Code Section 65588 requires each local government to periodically review its housing element to:

- (1) Evaluate the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal, which is to provide decent housing and a suitable living environment for every Californian.
- (2) Evaluate the effectiveness of the housing element in attainment of the community's housing goals and objectives.
- (3) Discuss the progress of the city or county in implementation of the housing element.

2007-2014 RHNA and Actual Housing Production

The City's Regional Housing Needs Allocation (RHNA) for the prior (1999-2006) period was 276 units. Thus, under state law, the City was required to provide adequate sites to accommodate 276 units of housing during that time. The 2007-2014 Element identified opportunities for at least 359 units, with additional capacity on sites not quantified. As indicated in Table 2-1, the RHNA included 64 units of very low income housing, 43 units of low income housing, 52 units of moderate income housing, and 117 units of above moderate income housing.

Table 2-1
2007-2014 Regional Housing Need Allocation

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Allocation	64	43	52	117	276

Source: ABAG, 2008

Actual housing construction during this period is summarized in Table 2-2. There was a net increase of 199 units, which fell short of the RHNA by 77 units. A majority of the units were associated with the final phase of the UC Village reconstruction. This resulted in a net gain of 173 units in 2008 as 149 former student family housing units were removed and 324 units were added. Although the units are not income restricted, the rents are slightly below market rates and meet HUD moderate income affordability guidelines.

Table 2-2
Units Constructed 2007-2014

Name of Development	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
UC Village ¹			Net 173 (324 added, 149 removed)		173
701-707 Solano Av				4	4
420 Cornell and 1157 Brighton				Net 2 (4 added, 2 removed)	2
936 Kains				3	3
Second Units, 2007-2012 ²		6	3		9
Individual single family homes, 2007-2012				4	4
Second Units, 2013-2014			3		3
1069-1071 Talbot (2013-14)				Net 1	1
TOTAL	0	6	179	14	199

Source: City of Albany, 2014

The remaining units built in the time period include a four-unit townhome development at 701-707 Solano, a four-unit townhome development at 420 Cornell and 1157 Brighton, a three-unit condominium at 936 Kains, and a single unit converted to a duplex at 1069-71 Talbot. There were also four new single family “infill” homes on scattered vacant lots and 12 second units added. In total, new construction added 14 above moderate income units, 179 moderate income units, and 6 low income units.

While the total number of units added (199) was 72 percent of the RHNA, all segments of the population were not equally served. No very low income units were added and no formally designated “affordable” units (e.g., units with maximum income restrictions on occupants) were added.

¹ These units are placed in the “Moderate” income column because the rents range from \$1,337 for a one-bedroom/one bath to \$2,059 for a three bedroom/ two bath. These rents meet moderate income guidelines for households of two and four persons respectively. As noted in Chapter 3, many UC students also receive stipends and other indirect income sources through the University, which reduces the percentage of income they spend on housing.

² From 2014 Housing Element. The affordability was based on the square footage of the units and the prevailing rent per square foot (\$2.50) for second units in Berkeley, Albany, and El Cerrito as of 2013.

Review of Prior Housing Element Policies

The next section of this chapter systematically evaluates the policies and actions of the previous Housing Element and reports on the progress that has been made in implementation. The policy and program numbers correspond with the numbering in the adopted 2007-2014 Housing Element. A series of tables is presented listing each program action and indicating whether it should be “advanced” (carried forward) or modified, or whether the action has been “achieved” or is “pending” (in progress).

The 2007-2014 Element included five goals, each of which included specific policies and action programs. The first goal addressed preservation of the existing housing stock, the second goal addressed the production of new housing, the third goal addressed special needs housing, the fourth goal addressed housing constraints, and the fifth goal addressed fair housing and equal opportunities. This structure has been carried forward into the updated Housing Element.

Progress on Goal 1: Housing Conservation

Goal 1 in the 2007-2014 Housing Element focused on the preservation and maintenance of Albany’s existing housing stock. The goal remains valid and should be carried forward. Seven policies and five action programs were provided. Progress on the action programs is summarized in Table 2-3.

Policy 1.1 called for the City to maintain zoning, permitting, and code enforcement practices that encourage reinvestment in the housing stock. This continues to be a relevant policy. It is implemented through the Municipal Code and the development review, plan checking, building permitting, and building inspection processes. Policy 1.2 called for participation in programs to rehabilitate older housing units. This includes programs funded through the Alameda County Housing and Community Development Department (Minor Home Repair grants) and federal Community Development Block Grants. It also includes support for housing rehabilitation by the private and non-profit sectors. The policy remains relevant and should be carried forward.

Policy 1.3 called for limits on the conversion of rental apartments to condominiums. This is implemented through the Condo Conversion Ordinance. Although the annual cap on conversions (3% of the multi-family rental housing stock) has never been reached, this remains a relevant policy. Policy 1.4 called for conserving student family housing at UC Village. This has been implemented through a 10-year (1998-2008) program which replaced the aging family housing units at UC Village with new units, while still maintaining slightly below market rents. A net gain of 56 units was achieved

through the reconstruction. Conserving this important housing resource remains a valid future policy.³

Policy 1.5 called for zoning regulations which limit the size of single family homes. The intent was to discourage “teardowns” and maintain an inventory of moderately-priced owner-occupied housing. This continues to be a relevant policy, particularly in light of recent steep increases in home prices. Policy 1.6 allows the restoration of non-conforming multi-family units in single family zones if they are destroyed by fire or natural disasters. This is implemented through the Municipal Code and continues to be relevant. Policy 1.7 promotes weatherization and energy conservation to reduce home energy costs. This also remains a relevant policy and is an important part of reducing housing costs and achieving sustainability and climate action goals.

Table 2-3: Implementation Status of Programs Under Housing Goal 1

Prog.	Description	Status
1A	Maintain building and housing code enforcement programs.	<i>ADVANCE. Building and housing code enforcement is an ongoing function of the Community Development division. Housing in Albany is in excellent condition, and there are typically only two or three code enforcement cases a year. Due to limited staffing, enforcement is done only when complaints are received or when a violation is evident. This program continues to be relevant and should be carried forward.</i>
1B	Continue to work with Alameda Community HCD in the implementation of neighborhood preservation programs, including housing rehabilitation grants, low interest loans, the minor home repair program, accessibility grants, and the major rehabilitation loan program.	<i>ADVANCE. In 2012-13, Albany received \$22,163 from the County to be disbursed for this purpose. The amount increased to \$27,519 in FY 13-14 and dropped to \$20,346 in FY 14-15. The need for minor home repair grants will increase as the cost of construction rises and the City's housing stock ages. This program should be carried forward, and additional funding sources should be pursued.</i>

³ This net change occurred between 1998 and 2008. The net change reported in Table 2-2 represents the change in 2007-2008 only.

Table 1-2, continued

Prog.	Description	Status
1C	Monitor housing units with affordability restrictions to ensure that prices are maintained at affordable levels and that occupants meet approved affordability criteria.	<i>ADVANCE. There are four owner-occupied units with resale restrictions. The City sent letters and forms to the owners in Spring, 2014. Current income information and mortgage information was requested to demonstrate affordability compliance. The only renter-occupied units subject to affordability restrictions are at Creekside Apartments. These are managed by RCD, a non-profit housing developer. RCD ensures that occupants meet eligibility criteria.</i>
1D	Use the Albany website and other means to encourage the participation of local residents in programs aimed at reducing home energy bills.	<i>ADVANCE. This is implemented on an ongoing basis. The City of Albany website has a dedicated "Energy Efficiency" page with information on residential and commercial rebate programs. There are also links to other websites with information on energy conservation and efficiency.</i>
1E	Continue the partnership with the cities of Berkeley and Emeryville to provide weatherization assistance to low income Albany households.	<i>ADVANCE. This program is implemented through the Berkeley Energy Office and provides energy efficiency services to low income households in three cities, including Albany. It remains a valid program for the future.</i>

Progress on Goal 2: Housing Production

While Goal 1 in the 2007-2014 Housing Element focused on conservation, Goal 2 emphasized the production of new housing. The intent was not only to promote new housing, but also to encourage to new housing at a variety of price ranges, so that all residents were served. This continues to be one of the most important goals of the Housing Element and it should be carried forward. Eleven policies and 12 action programs were provided. Progress on the action programs is summarized in Table 2-4.

Policy 2.1 supports housing diversity. This continues to be a challenge and a priority in Albany. There are very few sites for single family home development, and most multi-family development has consisted of market rate apartments and townhomes. Additional opportunities for second units, affordable multi-family and mixed use housing, live-work, and non-traditional housing (co-housing, manufactured homes, etc.) should be pursued in the future. Policy 2.2 encourages a balance between owner and renter occupancy. This continues to be a valid policy, and it is consistent with the General Plan vision of Albany as an economically diverse community. Policy 2.3 specifically calls for more *affordable* housing. The policy remains relevant and could potentially be supplemented by other policies which address the growing affordability

gap in the city. The need for affordable units is becoming more urgent as prices rise and rents increase.

Policy 2.4 supports home ownership, which continues to be a valid objective and an important community value. However, participants in the Housing Element Update process have made a stronger case for rental housing given the shortage of apartments and cost burden on lower income households. Policies 2.5, 2.6, 2.7, 2.9, and 2.11 promote particular housing types, including second units (2.5), manufactured housing (2.6), mixed use (2.7), live-work (2.9), cooperatives, and co-housing (2.11). All of these policies remain relevant and should be carried forward. During the 2007-2014 Housing Element period, the City revised its second unit regulations to make it easier to build second units in the city. Manufactured housing continues to be permitted in all residential zoning districts, and live-work is permitted or conditionally permitted in the SC, SPC, and CMX zones. The City continues to explore zoning changes to facilitate mixed use development, and to address limitations relating to its parking requirements. No specific actions have been taken to encourage cooperatives or cohousing, but both housing types are permitted and encouraged in the residential and mixed use zoning districts.

Policy 2.8 supports content-sensitive design, and calls for affordable units to be built to the same design standards as market-rate housing. This policy is essential to ensure that affordable housing has broad community acceptance and makes a positive contribution to the city’s character. The policy should be retained. Policy 2.10 supports planned unit developments. This enables flexibility in the design of new development and can enable projects that preserve open space and are more responsive to site conditions. Allowing a PUD also can provide a mechanism for creating public benefits in a development (such as affordable housing). This policy should be retained.

Table 2-4: Implementation Status of Programs Under Housing Goal 2

Prog.	Description	Status
2A	Amend the Albany zoning regulations to establish minimum densities of 20 units per acre for any mixed use or residential development along the San Pablo and Solano Avenue corridors.	<i>ACHIEVED. A minimum density of 20 units per acre has been established for the SC and SPC zoning districts. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading is scheduled for December 1, 2014.</i>

Table 2-4, continued

Prog.	Description	Status
2B	Provide incentives such as technical assistance with public improvements and priority in permit processing to encourage the development of very low, low, and moderate income housing. Incentives will continue to be explored and implemented as part of the 2015-2022 Housing Element update.	<i>ADVANCE. The City is in the process of developing incentives for affordable housing development. It convened an Affordable Housing Symposium on September 30, 2014 to consult with non-profit developers, staff from other cities, and affordable housing experts on the measures the City might take to facilitate affordable housing development. This program should be carried forward, or merged with Program 4.H (the two are similar).</i>
2C	Continue implementation of an inclusionary housing program which requires 15% of proposed units in projects with seven units or more to be made affordable to low income households, and which requires payment of an in-lieu fee for 5-6 unit projects. Explore revisions to the program to ensure that it is achieving desired outcomes, is compliant with inclusionary zoning case law and statutes, and is responsive to changes in the housing market.	<i>ADVANCE/MODIFY. This continues to be a relevant program. The Inclusionary Program should be updated to reflect case law and to close potential "loopholes" for smaller projects. This action program also should be updated to call for a nexus study to explore an Affordable Housing Impact Fee. Such a fee would be focused on providing a funding source for affordable rental housing (the City's ability to collect fees or require inclusionary units in rental projects was constrained by the Palmer/ Sixth Street Properties vs City of Los Angeles court decision several years ago).</i>
2D	Maintain a density bonus ordinance consistent with state requirements. Encourage applicants to apply for density bonuses as a tool to produce affordable housing and promote new housing subject to the parking standards defined by state law.	<i>ADVANCE. This is an ongoing program that is implemented as applications are received. Density bonuses were provided for the senior housing development at UC Village, enabling housing exceeding the zoning density of 63 units per acre. Bonuses are also available to developers providing affordable units on-site through the Inclusionary Ordinance. In November 2014, the City Council adopted a clarifying amendment to the Density Bonus ordinance by noting that "An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d)". This makes the City's density bonus ordinance completely consistent with state requirements, and also clarifies that parking incentives are available to prospective developers of affordable and mixed income projects.</i>

Table 2-4, continued

Prog.	Description	Status
2E	<p>Develop a Housing Opportunities Public Information Campaign to disseminate information to Albany residents and business and commercial property owners about housing programs and the need for affordable housing, special needs housing, and emergency shelter. Typical actions would include publication and distribution of flyers, workshops, town meetings, and information on the City's website and Albany Newsletter.</p>	<p><i>ADVANCE. The City is in the process of developing public information on housing and increasing awareness of housing needs. Recently sponsored City events include a "Town Meeting" on housing on July 22, 2014, a housing symposium on September 30, 2014, and an interactive housing survey at the Solano Stroll Street Fair. Additional effort is needed to create a housing website, provide more information on second units and non-traditional housing types, and produce flyers and other media to increase awareness of housing needs and opportunities. This action should be carried forward and expanded.</i></p>
2F	<p>Continue to participate in the Alameda County HCD Mortgage Credit Certificate Program, which provides home ownership opportunities for moderate income first time home buyers.</p>	<p><i>ADVANCE. Ongoing program, administered by Alameda County. Carry forward.</i></p>
2G	<p>Work with local non-profit developers to identify potential housing sites, and to pursue available funding, including CDBG and HOME funds, for the construction of affordable housing.</p>	<p><i>ADVANCE. The City has engaged non-profit developers such as Satellite Affordable Housing and BRIDGE Housing in the preparation of its Housing Element and encouraged them to pursue development on housing opportunity sites. The City is also helping facilitate a UC Berkeley studio class that is evaluating affordable housing options for the Mechanics Bank site on San Pablo Avenue. CDBG and HOME funds have not been sufficient to leverage affordable housing. The program should be carried forward, and additional funding sources should be pursued. The use of state and federal low income housing tax credits by local developers also should be encouraged.</i></p>
2H	<p>Work with interested property owners to encourage the assembly of underutilized parcels and their consolidation into single parcels in order to create larger, more marketable potential housing sites, especially along the San Pablo Avenue corridor. The City will implement lot consolidation procedures which facilitate the creation of larger sites.</p>	<p><i>ADVANCE. The City still intends to adopt formal lot consolidation procedures to facilitate lot mergers and the creation of larger parcels along San Pablo Avenue. It has not yet adopted a fee waiver policy for affordable housing or procedures to notify adjacent property owners when sites on San Pablo Avenue are listed for sale. This remains a valid action that should be carried forward and implemented early in the 2015-2023 period.</i></p>

Table 2-4, continued

Prog.	Description	Status
2I	Consider an amnesty program or other initiative to formally register second units which may have been illegally constructed in the past or which are otherwise exempt from zoning requirements, and to ensure that such units meet health and safety standards.	<i>ACHIEVED. The City adopted an amnesty program in July 2014. An increase in applications is expected in the coming years. Additional measures to encourage second units should be included in the revised Housing Element.</i>
2J	Conduct a survey of second unit rents to determine the extent to which they may be counted as affordable to lower and moderate income households for the purposes of the Regional Housing Needs Allocation.	<i>ACHIEVED. The survey was mailed in August 2014, with a one-month return period. As of September 15, 23 surveys were mailed back. A report analyzing the findings was prepared, and the results are referenced in the 2015-2023 Housing Element. The City should periodically update the survey and administer it in the future.</i>
2K	Create an Affordable Housing Fund which becomes a repository for funds that may be used to help support affordable housing development in the City. Potential sources of revenue would include the residual redevelopment funds returned to the City (e.g., “boomerang” funds), in-lieu fees collected from the City’s inclusionary zoning program, grants, and other sources.	<i>ADVANCE. The City is in the process of creating the fund and is evaluating potential accounting structures. Potential revenue sources should still include “boomerang” funds and in-lieu fees. An affordable housing impact fee also could provide revenue for this fund. This action should be advanced and be completed early in the planning period.</i>
2L	Monitor development activity on the Housing Opportunity Sites to ensure that the City maintains sufficient land to accommodate the Regional Housing Needs Allocation (RHNA) during the planning period.	<i>ADVANCE. This is an ongoing activity that occurred throughout the planning period. The City has added three sites to the inventory through this Housing Element update and continues to explore additional housing sites. The action should be carried forward.</i>

Progress on Goal 3: Special Needs Housing

Goal 3 focuses on the special housing needs of seniors, persons with disabilities, persons experiencing homelessness, extremely low income households, and others who cannot easily find housing in the private market. One of the major purposes of the Housing Element is to outline provisions to meet special housing needs; thus, this goal should be retained and carried forward. There are seven policies and 10 action programs in the 2007-2014 Element. Table 2-5 summarizes progress on the action programs.

Policies 3.1 and 3.2 address the needs of seniors, with Policy 3.1 supporting new senior housing development and 3.2 supporting “age in place” retrofits of existing housing. Both of these policies remain relevant and should be carried forward. A 175-unit market rate senior housing development has been approved on San Pablo Avenue. The development will serve above moderate seniors, which represents only one economic segment of the senior population. Additional housing is needed for lower income seniors.

Policy 3.3 supports group homes and residential care facilities, while Policies 3.4 and 3.5 address the housing needs of persons with disabilities. All three of these policies continue to be relevant. Policy 3.3 is implemented through Municipal Code provisions which express state law on the siting of group homes. Policies 3.4 and 3.5 are implemented through the Albany Building Code. The Building Code was amended in 2011 to incorporate Universal Design principles. Additional resources are needed to meet the housing needs of persons with disabilities, including those with developmental disabilities.

Policy 3.6 addresses the needs of extremely low income (ELI) households, while Policy 3.7 is focused on solutions to homelessness. Both of these policies remain relevant and should be carried forward. The City continues to have limited funds to assist ELI households, and the loss of redevelopment has created a further constraint. The City has no emergency shelter, limited daytime services for residents experiencing homelessness, no transitional housing or housing units dedicated to ELI households, and a declining number of households using Section 8 vouchers. Additional action programs to meet the needs of homeless and other ELI households will be needed in the next planning period.

Table 2-5: Implementation Status of Programs Under Housing Goal 3

Prog.	Description	Status
3A	Encourage the inclusion of units for persons with disabilities within new development, and require the inclusion of such units when necessary to meet state and federal requirements.	<i>ADVANCE. This is an ongoing program, implemented through the development review process and the Building Code. It should be carried forward.</i>
3B	Support the construction and rehabilitation of housing to meet the needs of Albany residents with developmental disabilities, including group homes and units within affordable housing developments designed for developmentally disabled residents, consistent with fair housing law.	<i>ADVANCE. This program was added to the 2007-2014 Housing Element to comply with SB 812, which requires that cities assess the needs of persons with developmental disabilities and include programs to meet these needs. No housing units for persons with developmental disabilities were added in 2007-14 but the need remains. The program should be carried forward.</i>
3C	Continue to allow the renting of rooms in private homes to provide affordable housing opportunities for students, seniors, and other extremely low income households.	<i>ADVANCE. The City allows and supports the renting of rooms in private homes. An emerging issue is the use of second units and other rental apartments for short-term stays, which could potentially erode the rental housing supply. This issue should be proactively addressed through new actions in the 2015-2023 Element.</i>
3D	Continue to participate in the Section 8 voucher program, which provides assistance to very low income tenants through rent subsidies paid directly to landlords. Provide outreach and informational materials to residents eligible to participate in the program and encourage the Alameda County Housing Authority to expand the availability of vouchers for Albany residents.	<i>ADVANCE. This is an ongoing program that should be carried forward. The number of Albany households using Section 8 vouchers has declined by more than 25 percent in the last seven years. Efforts to increase the allocation of vouchers to Albany residents, and to encourage acceptance of vouchers by Albany landlords, should be strongly encouraged.</i>
3E	Continue recently adopted zoning provisions which explicitly state that transitional and supportive housing are permitted as a residential use, and are only subject to those requirements that apply to other residential uses of the same type in the same zone.	<i>ACHIEVED. The City's zoning regulations were amended in January 2014 to codify this requirement. This statement is now a policy rather than an action and should be moved to follow Policy 3.7 in the revised Element.</i>

Table 2-5, continued

Prog	Description	Status
3F	Continue to prioritize programs which benefit extremely low income households in the disbursement of funds through the annual CDBG program.	ADVANCE. This is an ongoing program. During 2014, most of the City's CDBG housing allocation was spent on homeless outreach and engagement, including relocation assistance for former residents of the Albany Bulb.
3G	Allow emergency shelter by right (e.g., without a Conditional Use Permit) in the Commercial Mixed Use (CMX) zoning district and the San Pablo Commercial (SPC) zoning district.	ACHIEVED. This was accomplished in January 2014. A new program to explore zoning provisions for shelters in the SC and R-3 zones should be added for the next (2015-2023) planning period.
3H	Continue to work with Alameda County to address the housing and supportive service needs of Albany's homeless population.	ADVANCE. This action relates to the EveryOne Home Program. The City will continue to work in partnership with the County and other cities to implement this program in the 2015-2023 period.
3I	Continue outreach and engagement efforts to assist homeless Albany residents in securing safe affordable shelter and associated supportive services. Explore alternatives to continue outreach and engagement in future.	ADVANCE. Since 2013, the City has implemented a homeless outreach and engagement program focused on assisting residents of the Albany Bulb in finding permanent housing. The City contracted with Berkeley Food & Housing Project and has worked in partnership with the Solano Community Church to connect people with services and housing. A temporary emergency shelter was established at the Bulb as the relocation plan was implemented. To date, 26 people have transitioned from the Bulb to permanent housing. In addition, BFHP has assisted people in locating housing, securing rental agreements, and obtaining rental subsidies. Moving forward, the City will continue to implement homeless assistance programs. The feasibility of a drop-in center, or partnership with a local church to provide such a center, should be explored during the 2015-2023 period.
3J	Explore the use of former tax increment affordable housing set-aside funds distributed to the City of Albany and ensure that any future funds are used to support affordable housing initiatives. High priority for the use of such funds should be given to affordable and transitional housing implementation.	ADVANCE. The City is continuing to evaluate its ability to dedicate "boomerang" dollars to housing purposes.

Progress on Goal 4: Housing Constraints

Goal 4 aimed to reduce constraints to housing production. This continues to be a valid goal that should be included in the 2015-2023 Housing Element. Six policies and 10 actions were included. Progress on the actions is outlined in Table 2-6, and progress on the policies is addressed below.

Policy 4.1 called for zoning to accommodate a diverse mix of housing types. This is still a relevant policy, and it should be carried forward. The City's high density residential zoning districts allow up to 87 units per acre, and all four residential districts allow a diverse range of housing types. Policy 4.2 calls for commercial zoning which provides incentives for mixed use projects which include housing over commercial uses. This continues to be a relevant policy. Floor area ratio bonuses are one of the City's most effective tools for incentivizing housing on San Pablo and Solano Avenues.

Policy 4.3 called for parking regulations that reflect the context of each site and housing type, rather than using a blanket citywide standard. The intent of this policy is to lay the groundwork for future revisions to a citywide parking requirement approved by voters 36 years ago and still in effect today. This is an important policy that should be retained and implemented in 2015-2023. Policy 4.4 called for fees which conformed to state and federal laws. This remains applicable and should be carried forward. Policy 4.5 recommended maintaining sufficient infrastructure and service capacity to serve anticipated growth, and working with other service providers (water, schools, etc.) to do the same. This policy should be carried forward. The City regularly communicates with the School District, EBMUD, Caltrans, EBRPD, and other agencies to coordinate service delivery and to plan for growth.

Policy 4.6 called for additional public education and outreach on planning and building requirements. This policy provides the basis for web-based information on zoning regulations and permitting procedures. The policy remains relevant. Additional policy direction promoting "non-traditional" housing types would be helpful, given Albany's limited land supply, commitment to sustainability and green building, and the public's interest in alternative housing arrangements and household structures.

Table 2-6: Implementation Status of Programs Under Housing Goal 4

Prog.	Description	Status
4A	Eliminate the use permit requirement for multi-family development in the R-4 (Residential Towers) zoning district. Multi-family uses should be allowed by right in this district.	<i>ACHIEVED. Multi-family housing is now permitted by right in the R-4 District. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading took place on December 1, 2014.</i>
4B	Amend the City’s second unit regulations to further facilitate second unit construction. The amendments may be brought forward as a series of separate actions rather than as a single action. The initial action should clarify the parking requirements in for second units and permit them by right in the R-2 zoning district. A subsequent action or actions would revisit the development standards and site regulations for second units.	<i>ACHIEVED. The City amended its second unit regulations in July 2014, following several hearings with the Planning and Zoning Commission and City Council. Second units are now allowed in the R-2 and R-3 zoning districts. The height limit on detached units was raised to 16 feet, and tandem parking is permitted in some cases where it was not allowed before. A new action supporting additional incentives for second units should be included in the 2015-2023 Element.</i>
4C	Maintain a zoning overlay for selected commercial properties in which residential uses must be included as a complement to commercial uses in any future development application.(UC Village)	<i>ADVANCE. The overlay zone facilitated the approval of a 175-unit senior housing development during 2007-2014. It should be retained in the future and could facilitate additional housing on the UC property in the next eight years.</i>
4D	Consider modifications to the development standards for mixed use development (e.g., residential over commercial) and revise these standards as appropriate to further incentivize the development of housing on commercially zoned sites. Projects in which at least 49% of the units are affordable to lower income households should be allowed on the ground floor in the SPC zone (with a use permit).	<i>ADVANCE. The City commenced work on this action in September 2014, and has had extensive discussion of next steps with the Planning and Zoning Commission and City Council. Given the staffing demands to complete four other zoning code amendments, and the additional level of analysis required to complete this action, it has been postponed to 2015. An action similar to this one will be added to the 2015-2023 Housing Element and prioritized for completion by 2016.</i>

Table 2-6, continued

Prog.	Description	Status
4E	Amend the zoning code to establish a use category for SROs and allow such uses in the San Pablo Commercial (SPC) zone.	<i>ACHIEVED. An SRO definition, development standards, and a use permit requirement are now included in the City's Municipal Code. The City brought this Zoning Code amendment to the Planning and Zoning Commission in October 2014. Its first reading before the City Council was on November 17, 2014. Second reading took place on December 1, 2014.</i>
4F	Undertake parking supply and demand studies and best practices research to determine potential alternatives to Albany's existing parking requirements. Based on the outcome of these studies, formulate a proposal for public discussion which would replace existing parking standards with new standards that vary based on unit type, size, and context.	<i>PENDING. In early 2014, the City received a grant from the Alameda County Transportation Commission to conduct a Citywide Parking Study. A consultant has been selected and the study was launched in September 2014. As noted in the program description, the study will help inform the discussion of new parking standards. An updated version of this program should be included in the new Element.</i>
4G	Pursue a ballot measure to revise the two space per unit residential parking standard required by Measure D (1978). This revision would recommend more proportional ways to calculate parking requirements (e.g., based upon unit size, number of bedrooms, unit type, and the population served, with special exemptions for senior housing, proximity to transit, or available land for parking in the immediate neighborhood).	<i>PENDING. The City Council appointed an ad hoc committee in late 2013 to evaluate options for parking management. The Committee's recommendations were presented to the Council in May 2014. The City intends to move forward with a ballot measure in November 2016. The two year lead-in period provides time to develop key messages, compile data, and conduct outreach on the benefits of modified standards. This action should be carried forward and updated.</i>

Table 2-6, continued

Prog	Description	Status
4H	Establish reduced fees and expedited processing procedures for affordable housing. The City will establish a fee reduction request form, along with criteria for allowing fee reductions, including the production of housing for extremely low, very low, low income persons. A formal process for expedited review and fee reductions for projects will be established. Reductions would be evaluated on a case by case basis.	<i>ADVANCE. The City has not yet established a formal fee reduction process but will move forward with this action early in the planning period. The action should be carried forward.</i>
4I	Prepare and periodically update a Capital Improvement Plan to define upcoming projects and funding needs.	<i>ADVANCE. This is an ongoing function of the Public Works Department. It remains relevant and should be carried forward.</i>
4J	Ensure that future amendments to the General Plan consider potential impacts on the Housing Element, particularly the viability of development on the Housing Opportunity Sites. Conversely, ensure that any future amendments to the Housing Element include amendments to other elements of the Plan as necessary to maintain internal consistency.	<i>ADVANCE. The Housing Element is being prepared as part of a broader effort to update the entire General Plan. This is an ongoing function of the Community Development Department. It remains relevant and should be carried forward.</i>

Progress on Goal 5: Fair Housing

Goal 5 addressed equal access to housing and enforcement of state and federal laws regarding housing discrimination and opportunity. The goal remains relevant and should be carried forward. There are six policies and three actions listed. Table 2-7 indicates the status of the actions.

Policy 5.1 states the City’s commitment to ending housing discrimination and providing recourse for residents who are being denied fair housing rights. This is an important statement of the City’s values and it should be retained. Policy 5.2 supports landlord-tenant dispute resolution and housing counseling. This policy is implemented through the City’s agreement with ECHO Housing, a non-profit housing rights group. It remains relevant, and could potentially be implemented through additional programs which help landlords and tenants mediate rent disputes. Policy 5.3 supports reasonable accommodation for persons with disabilities. Such provisions have been codified through the Municipal Code and should be carried forward.

Policy 5.4 supports partnerships with nearby cities to address housing issues that extend beyond the Albany city limits. The policy recognizes the limitations of administering housing programs in a small, revenue-constrained city, and the potential for “economies of scale” made possible through multi-city efforts. The policy should be retained. Policy 5.5 calls for multi-lingual outreach and language access for all Albany residents. As the City has become more linguistically diverse, this policy has become more important. It should be retained. Policy 5.6 calls for community engagement on housing issues. The City has been working collaboratively with the citizen-led Diverse Housing Working Group and is committed to continuing a productive, transparent, inclusive civic dialogue on housing issues. This policy should be retained, and additional outreach should be supported.

Table 2-7: Implementation Status of Programs Under Housing Goal 5

Prog.	Description	Status
5A	Continue to work with Eden Council for Hope and Opportunity (ECHO) in the administration of fair housing services to Albany residents. Publicize these services in the quarterly Albany newsletter, on the website, and through other media at City Hall, the Albany Library, the Albany Community Center, and other important social centers in the city.	<i>ADVANCE. This is an ongoing program that should be carried forward. The City is expected to continue to contract out its fair housing services in the coming years, and will work with ECHO on publicity and outreach. Additional fair housing training initiatives could be added for 2015-2023.</i>
5B	Continue to work with ECHO in the administration of landlord-tenant mediation services to Albany residents.	<i>ADVANCE/EXPAND. While this program is being implemented and is relevant, consideration should also be given to a local mediation process, such a Rent Review Board. An action should be added to the new Housing Element to explore such a measure.</i>
5C	Implement appropriate recommendations from the 2010 Alameda County Analysis of Impediments to Fair Housing Choice report.	<i>ADVANCE. The Impediments report is currently being updated. Recommendations of the new report should be referenced in the 2015-2023 Element.</i>

Chapter 3 – Assessment of Housing Needs

Introduction

This chapter of the Housing Element presents an assessment of housing needs in Albany. It has been prepared in compliance with Government Code Section 65583(a), which requires:

“An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs”

The Government Code specifically requires an analysis of population and employment trends and an estimate of the locality's existing and projected housing needs for all income levels. It also requires an analysis of household characteristics, including the level of payment compared to ability to pay, housing characteristics, overcrowding, and housing stock condition. There are also statutory requirements to evaluate the special housing needs of the elderly, persons with disabilities, large families, families with female headed households, and persons in need of emergency shelter.

Cities are also required to evaluate opportunities for energy conservation and energy efficiency, since utilities may be a substantial part of housing costs. Finally, cities are required to evaluate the status of any subsidized housing units that are eligible to change from low-income housing to market-rate housing due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

By evaluating these factors, cities can ensure that their policies and action programs are responsive to local demographics and housing stock characteristics.

Population Characteristics

Albany is a mature, compact City and was mostly built out by 1960. Development since that time has consisted primarily of multi-family infill housing, and the replacement of older homes with more contemporary housing. The City's population has grown modestly over the last 50 years, increasing by about 1,600 residents between 1960 and 2000 (see Table 3-1). Growth accelerated occurred during 2000-2010, as the City's population increased by over 2,000 residents during that decade alone. Much of the growth during the last decade was attributable to the reconstruction of UC Village, a housing development serving student families at the University of California. Growth was also attributable to an increase in average household size between 2000 and 2010.

**Table 3-1
Population Growth Trends**

Year	Population	Numerical Change	Percent Change
1960	14,804		
1970	14,674	-130	-0.9%
1980	15,130	456	3.1%
1990	16,327	1,197	7.9%
2000	16,444	117	0.7%
2010	18,539	2,095	12.7%

Source: US Census, 1960-2010

Based on US Census and California Department of Finance data, Albany’s growth rate was comparable to the rates for Berkeley and El Cerrito during the 1990s. The City’s growth was more rapid than its neighbors during 2000-2010, with a 12.7 percent increase during that decade (see Table 3-2). This was more than double the growth rate for the Bay Area as a whole, which was 5.4 percent. The California Department of Finance estimated that the City’s population was 18,472 on January 1, 2014, a decrease of about 70 people during the last four years.¹

**Table 3-2
Population Trends - Neighboring Jurisdictions**

	1990	2000	2010	% Annual Change	
				(1990-2000)	(2000-2010)
Albany	16,327	16,444	18,539	0.7%	12.7%
Berkeley	102,724	102,743	112,580	0.0%	9.6%
El Cerrito	22,869	23,171	23,549	1.3%	1.6%
Richmond	86,019	99,216	103,701	15.3%	4.5%

Source: US Census, 1990-2010

¹ The DOF data suggests that the decrease is likely associated with UC Village, which tends to have fewer residents on January 1 of each year than on the decennial Census date of April 1. In addition, the DOF data is based on model estimates, and the difference of 70 persons is not statistically significant.

Table 3-3 shows a breakdown of population by age in 1990, 2000, and 2010. The most substantial increases in the 2000-2010 time period were in the “Under 20” and “45 to 64” age cohorts. The growth in children reflects the City’s continued popularity for families with school-age children. This is borne out by rising enrollment levels at the Albany School District and high participation rates in recreational programs oriented to children. Reconstruction of UC Village during the decade also resulted in a net increase in the number of family housing units, as well as a more attractive housing supply for student families with children.

**Table 3-3
Population by Age**

Age Group	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
0-9 years	2,276	13.9%	2,013	12.2%	2,735	14.8%
10-19 years	1,552	9.5%	2,044	12.4%	2,165	11.7%
20-24 years	1,070	6.6%	864	5.3%	736	4.0%
25-34 years	3,480	21.3%	2,873	17.5%	2,958	16.0%
35-44 years	3,248	19.9%	2,874	17.5%	3,196	17.2%
45-54 years	1,556	9.5%	2,753	16.7%	2,637	14.2%
55-59 years	499	3.1%	756	4.6%	1,178	6.3%
60-64 years	529	3.2%	448	2.7%	1,087	5.9%
65-74 years	1,074	6.6%	853	5.2%	969	5.2%
75-84 years	815	5.0%	675	4.1%	571	3.1%
85+ years	228	1.4%	291	1.8%	307	1.6%
Median Age			36.3		37.0	

Source: US Census, 1990-2010

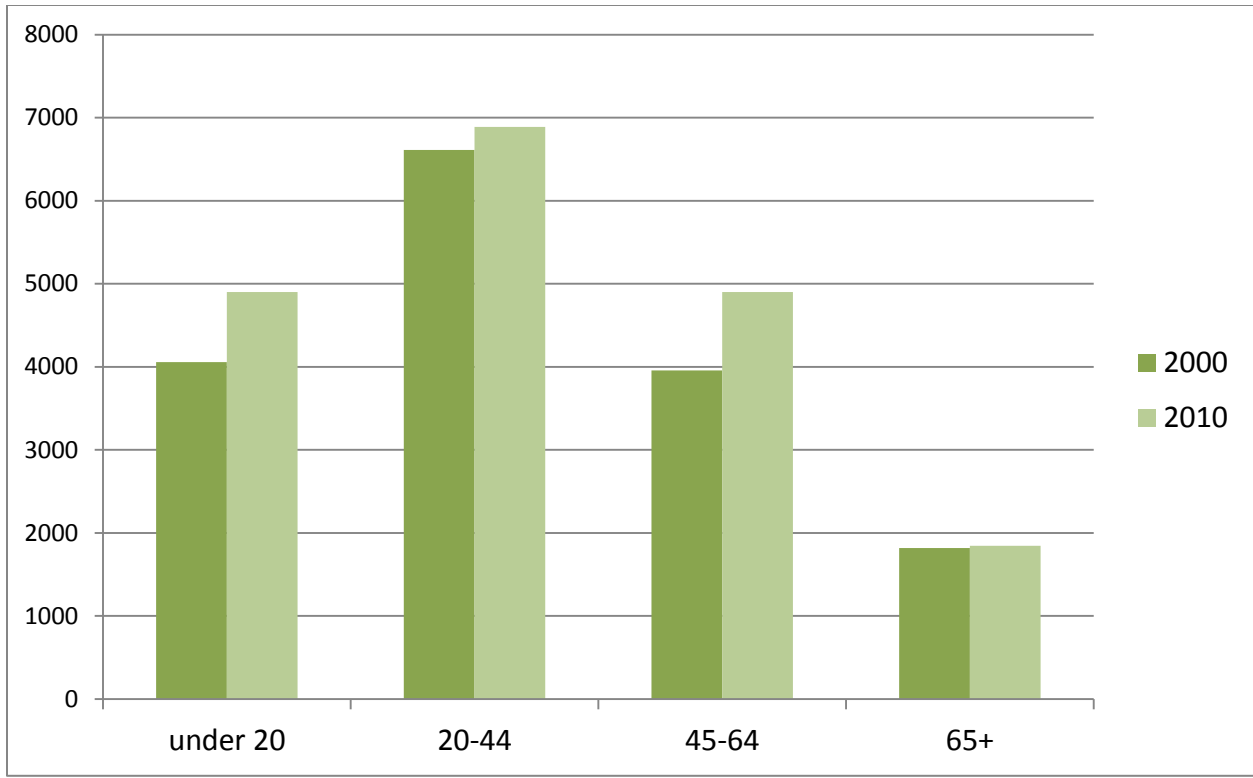


Chart 3-1: Age Distribution in 2000 and 2010

Source: US Census, 2000, 2010

The increase in residents aged 45-64 reflects the aging of the “baby boomer” cohort. In fact, the number of Albany residents between 55 and 64 increased by 88 percent during 2000-2010 alone, growing from 1,204 in 2000 to 2,265 in 2010. This portends an increase in the demand for senior housing during the next two decades, as this cohort advances.

The data indicates that the number of seniors in Albany has stayed about the same over the last decade, with just over 1,800 residents over 65 in both 2000 and 2010. Senior citizens represent about 10 percent of Albany’s total population.

Racial and Ethnic Composition

Albany has been growing more diverse in the past two decades. As indicated in Chart 3-2, the 2010 Census indicated the City was 55 percent White, 31 percent Asian, 7 percent multi-racial, 4 percent African-American, and 3 percent other. About 10 percent of Albany’s residents were Hispanic. The percentage of residents who are Asian increased from 19.6 percent of the City’s population in 1990 to 26.6 percent in 2000 and 31.4 percent in 2010. The percentage of residents who are Hispanic increased from 8 percent in 2000 to 10.2 percent in 2010.

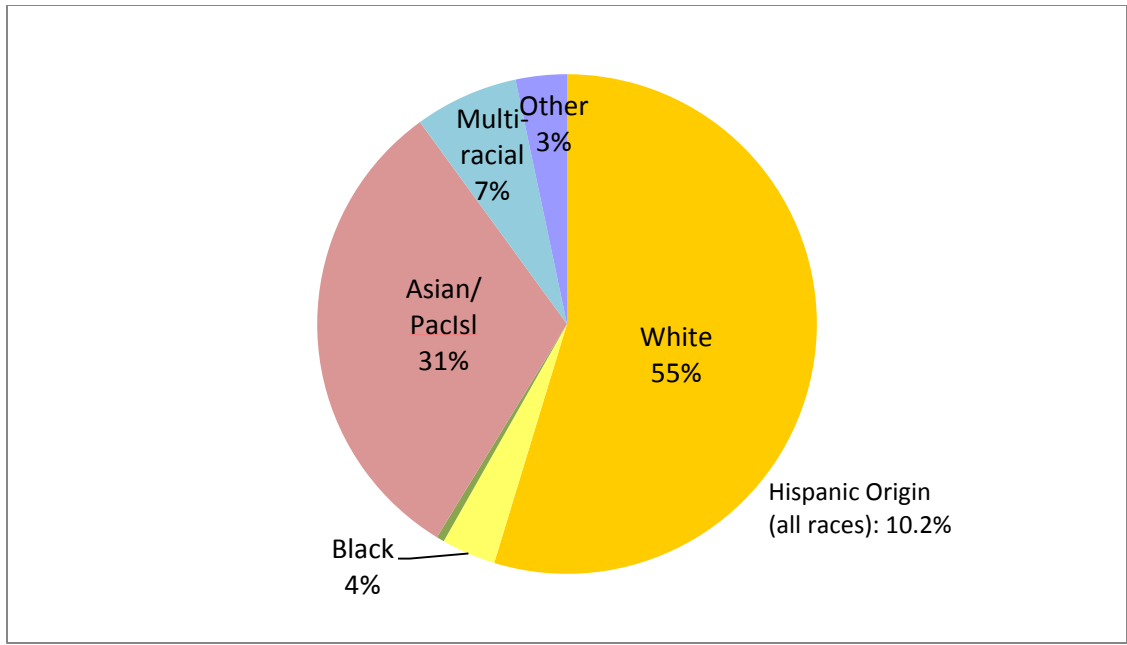


Chart 3-2: Racial Composition, 2010

Source: US Census, 2000, 2010

The growth in the Asian and Latino populations has been accompanied by a growing number of multi-lingual and non-English speaking residents in the City. As Chart 3-3 indicates, nearly 40 percent of Albany’s residents speak a language other than English at home. Roughly 16 percent of the City’s residents speak English “less than very well” – three quarters of these residents were from Asia. Among Albany’s foreign-born residents, 27 percent were born in China, 17 percent in Korea, and 5 percent in India.

The percentage of residents with limited English has risen substantially since 2000, suggesting a need for multi-lingual outreach for City services, including those relating to housing. As the City’s population has become more diverse, so have its businesses, social services, and cultural institutions.

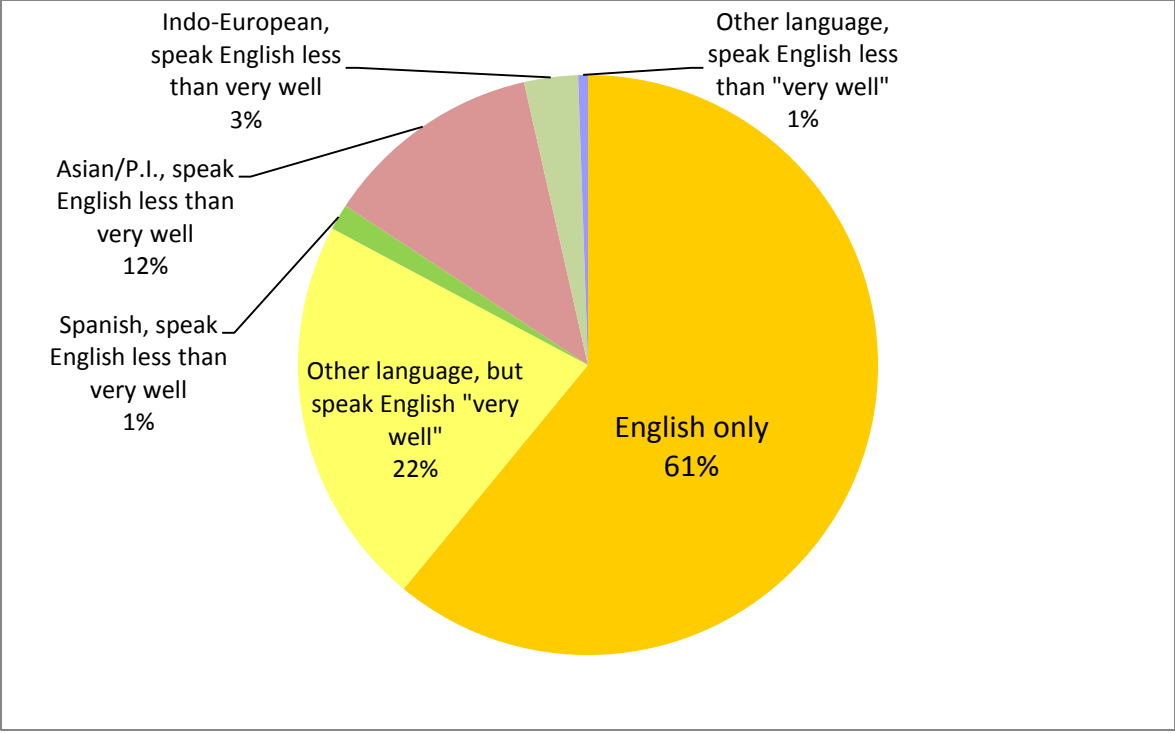


Chart 3-3: Language Spoken at Home by Persons Over 5

Source: US Census, American Community Survey, 2007-2011

Household Characteristics

In 2010, there were 7,401 households in Albany. This is an increase of about 400 households over 2000. However, the number of households had decreased by almost 200 during the prior decade (1990-2000), so the net increase between 1990 and 2010 was about 200 households. The changes largely reflect the impacts of the UC Village demolition and reconstruction, which took in phases between 1998 and 2008.

Albany's 7,401 households included 85 people in group quarters and 18,454 people in households. The average household size was 2.49 persons. This is a substantial increase from 2000, when the average household size was 2.34 persons. However, Albany is still below the Countywide average of 2.70 persons per household.

Chart 3-4 indicates the composition of Albany's 7,401 households at the time of the 2010 Census. Over one-quarter of the City's households (1,862) consist of single people living alone. Approximately 58 percent of the City's households consisted of married couples. Of this number, half had children under 18 living at home and half did not. Another 9 percent of the City's households consisted of single parents with children. The remaining 8 percent consisted of domestic partners and unrelated persons sharing housing.

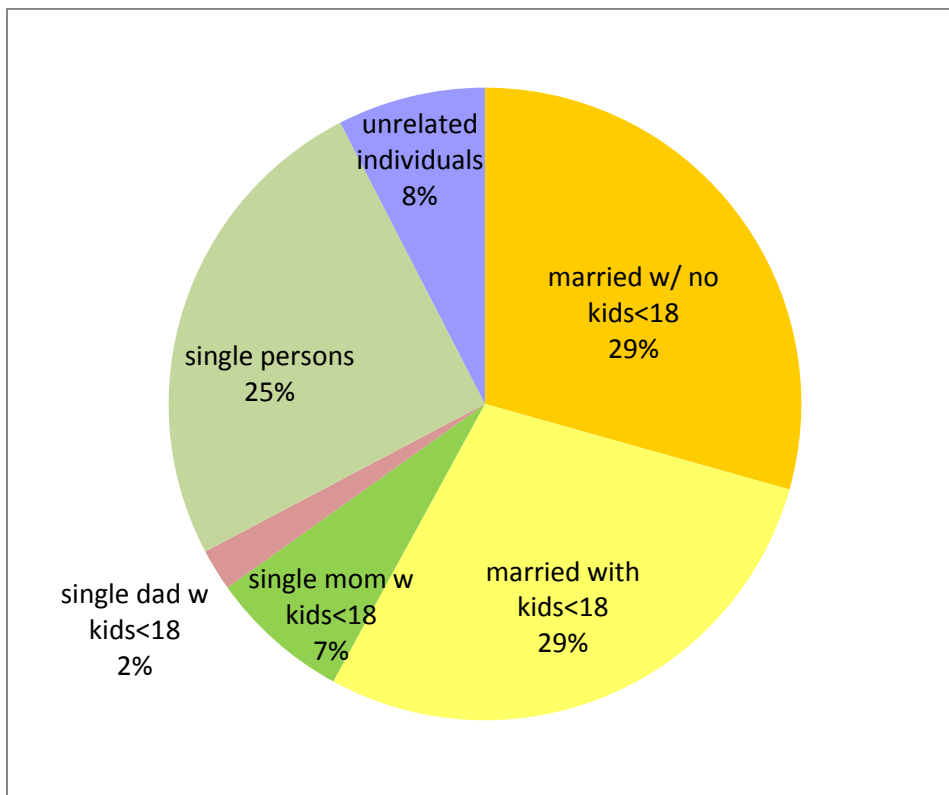


Chart 3-4: Household Composition

Source: US Census, 2010

Tenure

Approximately half of Albany's residents are homeowners and half are renters. There has been fluctuation in the renter/owner proportions over the last two decades, influenced by the reconstruction program at UC Village. As Table 3-4 indicates, 54 percent of the City's households were renters in 1990. With the demolition of 356 units at UC Village in 1998, the percentage of renters declined to 49 percent by the 2000 Census. As the units were reconstructed in 2000-2008, the percentage increased and by 2010, renters once again comprised a majority of the City's households.

The US Census (American Community Survey, 2007-2011) provides information on the types of housing units occupied by renters. The data indicates that 1,025 of the City's renter households live in single family homes and 2,786 live in apartments. By contrast, only 418 of the City's owner households live in apartments (e.g., condominiums), with the majority residing in single family detached homes and townhomes.

Table 3-4
Households by Tenure

	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Owner	3,299	45.9%	3,550	50.6%	3,574	48.3%
Renter	3,895	54.1%	3,461	49.4%	3,827	51.7%
TOTAL	7,194		7,011		7,401	

Source: US Census, 1990-2010

Employment Trends

Employment affects the demand for housing and the dynamics of the housing market in a community. The types of jobs that are present affect the wages paid, and the ability of local workers to pay for housing. At the same time, the skills and employment characteristics of local residents (e.g., the "workforce") affect the affordability of housing and the ability of residents to find work nearby.

Albany residents are generally well educated and the City's unemployment rates are low. Among residents 25 and older, 71.5 percent are college graduates, compared to a County rate of 41.2 percent. Approximately 66 percent of the City's residents age 16 and over (roughly 9,400 residents) are considered to be in the labor force, and 9,100

residents are employed.² In July 2014, the State Employment Development Department indicated that Albany had a 2.7 percent unemployment rate. This was the lowest rate in Alameda County, which had a 6.4 percent unemployment rate.

The 2007-2011 American Community Survey indicates that 37 percent of the City's employed residents work in education, health care, and social assistance. Another 20 percent work in professional, scientific, and management/administrative fields. Approximately 8 percent work in finance, insurance, real estate, and information services, and 6 percent work in arts and entertainment. The percentages of residents working in retail trade (4 percent), public administration (5 percent), and manufacturing (7 percent) are relatively small. Only about 15 percent of Albany's employed residents work within the City--- 47 percent commute to another city in Alameda County and 37 percent commute to another county.

The City is primarily a residential community and has far more employed residents than jobs. The number of jobs in the City has been relatively stable for the past 20 years and is not expected to change dramatically in the future. There are two commercial streets in the city – San Pablo Avenue and Solano Avenue, and there is a commercial-industrial district in the western part of the city near the railroad. A majority of the city's businesses are small, locally owned establishments. Employers in the City include:

- Local government, including the City of Albany and Albany Unified School District
- Other government facilities such as U.S. Department of Agriculture Western Regional Research Laboratory and the State of California's Orientation Center for the Blind
- Two major retailers, Target and Safeway
- Community institutions, such as St. Mary's High School
- Small professional offices such as medical, dental, and legal services
- Small businesses such as food service and personal services

Employment data from the Association of Bay Area Governments (ABAG) is included in Table 3-5. According to ABAG, the number of jobs has increased by 8.4 percent in the last 20 years. However, the increase largely occurred during the 1990s, and ABAG indicates the City actually lost jobs between 2000 and 2010. According to the most recent ABAG Projections, Albany had approximately 5,075 jobs in 2010.

The ratio of jobs to employed residents is one indicator of local housing needs. Communities with a high ratio of jobs to employed residents may experience more

² *California Employment Development Department. July, 2013*

market pressure to produce housing. Communities with a high ratio of employed residents to jobs may face economic development pressures to attract more employment, so that revenues for community services can be generated. In Albany, the ratio was about 0.56 jobs per employed resident in 2014. This is well below the average for both the Bay Area and the County, and suggests Albany is a housing “reservoir” for surrounding communities. Nearby cities, such as Berkeley and Emeryville, have more jobs than households (and higher job forecasts for the future), and rely on Albany to some extent to meet their housing needs.

**Table 3-5
Employment by Industry**

Industry Type	Year		
	1990	2000	2010
Agriculture & Natural Resources:	40	80	25
Manufacturing, Wholesale & Transportation	410	380	600
Retail	860	710	1,200
Financial & Professional Services	2,420	970	2,280
Health, Educational, & Recreational		2,270	
Other	950	780	970
TOTAL	4,680	5,190	5,075
Households	7,192	7,011	7,401
Jobs-Housing Balance	0.65	0.74	0.69

2010 Figure is from ABAG SCS Preferred Scenario. Categories shifted between 2000 and 2010. 2010 employment categories are Agriculture, Manufacturing, Wholesale Trade, Retail, Services, and Other.

ABAG forecasts indicate that the gap between household (and employed resident) growth and job growth will narrow during the next 30 years. ABAG forecasts show a 33 percent increase in the number of jobs and an 18 percent increase in the number of households.³ While the City will continue to have more employed residents than jobs, the growth in jobs could put more pressure on the local housing market and result in greater demand for affordable units.

³ The ABAG forecasts presume a baseline of 4,200 jobs in Albany in 2010, which is substantially lower than the baseline figure used in ABAG Projections 2009 and the original forecasts developed under the Sustainable Communities Strategy.

Income, Overpayment, and Overcrowding

Housing is generally the greatest single expense for California families. Current standards measure housing cost in relation to gross household income: households spending more than 30 percent of their income, including utilities, are generally considered to be overpaying or “cost burdened.” “Severe” overpayment occurs when households pay 50 percent or more of their gross income for housing.

While some higher-income households may choose to spend greater portions of their income for housing, the cost burden for lower-income households generally reflects a lack of affordable housing. Low-income households who are overpaying for housing frequently have insufficient resources for other critical essentials including childcare, healthy meals, and adequate health care.

In 1995, according to the American Housing Survey, 52 percent of California's low-income renter households paid more than half of their income for rent. 72 percent of very low-income renters paid more than half of their income for rent in 1995.

Income

Chart 3-5 indicates the annual income characteristics of Albany's households. The median household income in the City is estimated at \$72,479, which is lower than the regional median of \$92,300. Approximately 18 percent of Albany's households earn less than \$25,000 a year, and another 17 percent earn between \$25,000 and \$50,000 a year. About 36 percent of the City's households have incomes exceeding \$100,000 a year.

Many of the City's lower income households are students, seniors, and single persons living alone. However, lower income households also include families with children, and persons on fixed incomes or supplemental security income with no wages. Approximately 8.5 percent of the City's population lives below the federal poverty line.

According to the US Census Bureau, Albany's residents include 1,267 persons receiving social security benefits (averaging \$15,749 annually), 141 persons receiving supplemental security income (averaging \$7,840 annually), and 120 persons receiving food stamps (SNAP).⁴ Many of these households spend a majority of their incomes on housing.

⁴ US Census, *American Community Survey, 2007-2011*

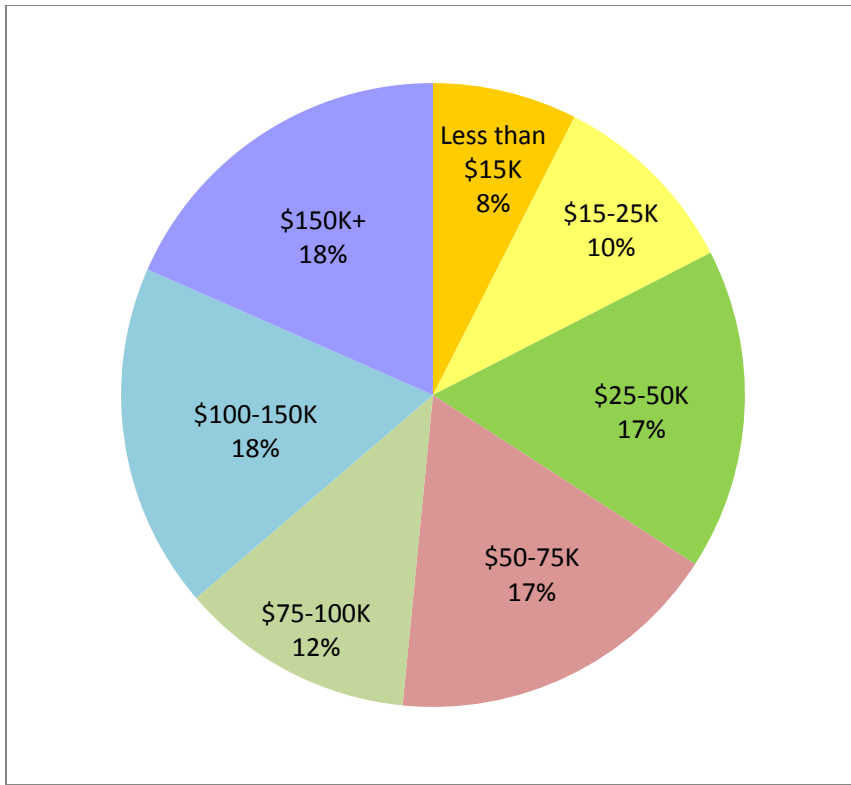


Chart 3-5: Income Characteristics of Albany Households

Source: US Census, American Community Survey, 2007-2011

Overpayment

A household is considered to be overpaying (or “cost burdened”) for housing if it spends more than 30 percent of its gross income on housing. As indicated in Table 3-6, approximately 40 percent of Albany’s homeowners and 55 percent of its renters are above this threshold. In fact, almost one-third of the City’s homeowners and almost 48 percent of its renters spend more than 35 percent of their incomes on housing. Overpayment has more serious consequences for lower income households because there is less money remaining for other household expenses such as food, health care, and transportation.

Table 3-7 indicates the incidence of overpayment by income. As expected, lower income households are much more likely to overpay for housing than higher income households, particularly among renters. Almost all renters with incomes under \$35,000 are considered to be overpaying, and more than half of the renters in the \$50,000-\$74,999 interval are considered to be overpaying. The incidence of overpayment among moderate and above moderate income renters is much lower. Only about 4 percent of the households with incomes above \$75,000 were overpaying.

Among homeowners, Table 3-7 indicates that only about 40 percent of those in the \$35,000 to \$49,999 income group are overpaying, which is a substantially lower rate than the 71 percent for the \$50,000 to \$74,999 income group. Although this may seem counterintuitive, one possible explanation is that a larger number of those in the \$35,000 to \$49,999 group may be longtime senior residents with no mortgages. Overpayment affects about 28 percent of those earning over \$75,000 a year. This is indicative of the relatively high cost of housing in Albany, and is comparable to the rate of overpayment in other Bay Area communities.

Table 3-6
Housing Cost as a Percentage of Income by Tenure

OWNER-OCCUPIED HOUSEHOLDS				
Percent of Income Spent on Housing	No Mortgage	With Mortgage	Total	Percent of Total
< 20%	669	567	1236	35.7%
20-24.9%	29	476	505	14.6%
25-29.9%	10	268	278	8.0%
30-34.9%	32	295	327	9.4%
>35%	149	972	1,121	32.3%
Subtotal	889	2,578	3,467	100.0%
RENTER HOUSEHOLDS				
< 20%		921		25.2%
20-24.9%		370		10.1%
25-29.9%		330		9.0%
30-34.9%		294		8.1%
>35%		1,740		47.6%
Subtotal		3,655		100.0%
TOTAL		7,122		100.0%

Source: US Census, American Community Survey, 2007-2011 (excludes households not computed)

Table 3-7
Housing Cost as a Percentage of Household Income

OWNER-OCCUPIED HOUSEHOLDS					
Income Range	Total Households	0-20% of HH Income	20-29% of HH Income	30+% of HH Income	% of Households "Overpaying"
Less than \$20,000	232	0	12	220	94.8%
\$20,000-34,999	229	59	10	160	69.9%
\$35,000-49,999	295	136	34	125	42.4%
\$50,000-74,999	395	91	22	282	71.4%
\$75,000 +	2,316	950	705	661	28.5%
Zero/Neg Income	23				
Subtotal	3,490	1,236	783	1,448	41.5%
RENTER HOUSEHOLDS					
Income Range	Total Households	0-20% of HH Income	20-29% of HH Income	30+% of HH Income	% of Households "Overpaying"
Less than \$20,000	585	0	0	585	100.0%
\$20,000-34,999	601	0	13	588	97.8%
\$35,000-49,999	399	0	71	328	82.2%
\$50,000-74,999	859	77	303	479	55.8%
\$75,000 +	1,211	844	313	54	4.4%
Zero/Neg Income	30				
No cash rent	126				
Subtotal	3,811	921	700	2,034	53.4%
TOTAL	7,301	2,157	1,483	3,482	47.7%

Source: US Census, 2007-2011 American Community Survey

Overcrowding

The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered to be severely overcrowded. Overcrowding increases health and safety concerns and stresses the condition of the housing stock.

Based on data from the Census (see Table 3-8), there were nearly 500 households living in overcrowded conditions in 2000, with 81% in rental units. At the time of the 2000 Census, 232 households met the Census definition of "severe" overcrowding, again with the incidence highest among renters.

The situation changed between 2000 and 2010. The percentage of housing units that are overcrowded dropped from 6.9 percent of the total to 3.3 percent. This decrease appears to run counter to expectations, since average household increased during the decade. Moreover, the incidence of severe overcrowding dropped markedly, decreasing from 232 in 2000 to 35 in 2010. The decrease may be partially attributable to the reconstruction of UC Village during the decade, and the introduction of larger units in the new development.

The incidence of overcrowding is much lower in Albany than it is in the state of California as a whole. In 2010, 8 percent of California's households were considered to be overcrowded, compared to just over 3 percent in Albany.

Table 3-8
Overcrowded Households, 2000 and 2010

Persons per Room	Owner		Renter		Total Overcrowded	
	Households	Percent	Households	Percent	Households	Percent
YEAR 2000						
1.00 or less	3,465	97.4%	3,065	88.8%	6,530	93.1%
1.01 to 1.50	52	1.5%	197	5.7%	249	3.6%
1.51 or more	41	1.2%	191	5.5%	232	3.3%
TOTAL	3,558	100.0%	3,453	100.0%	7,011	100.0%
% Overcrowded by Tenure, 2000	93	2.6%	388	11.2%	481	6.9%
YEAR 2010						
1.00 or less	3,480	99.7%	3,583	94.0%	7,063	96.7%
1.01 to 1.50	10	0.3%	193	5.1%	203	2.8%
1.51 or more	0	0	35	0.9%	35	0.5%
TOTAL	3,490	100.0%	3,811	100.0%	7,301	100.0%
% Overcrowded by Tenure, 2010	10	0.3%	228	6.0%	238	3.3%

Source: US Census, 2000, 2010

Persons with Special Housing Needs

Persons with special housing needs include persons with disabilities, the elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter. These groups often spend a disproportionate

amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances.

Persons with Disabilities

The 2000 Census indicated that 13.3 percent of Albany's population was living with a disability. The American Community Survey indicates that percentage is 7.2 percent today based on 2008-2012 sample data. However, this may be due to changes in methodology and definitions rather than a decrease in the number of disabled persons.

Special housing needs vary depending on the type of disability a person has. For example, those with mobility limitations may require accessibility improvements such as grab bars and lower counter heights, while those with mental health issues may require supportive services and counseling. Many of Albany's disabled residents are employed. Thus, the development of housing serving this population must take other factors into consideration such as transportation to work.

Table 3-9 provides information on the characteristics of the disabled population based on employment status. In 2008-2012, there were 293 adults aged 18-64 who were disabled and not in the labor force. Another 79 disabled adults were in the labor force but unemployed, and another 190 disabled adults were employed. There were also 592 disabled seniors – representing more than one-third of the senior population of Albany. There were also 180 disabled children in the city. The presence of a disability affects not only these individuals, but other members of their families who may be caregivers and have added expenses related to health care and supervision.

Table 3-10 indicates the nature of the disability reported by disabled individuals. For those under 65, there were 264 residents with a disability that affected their ability to travel outside the home independently. There were 183 residents under 65 with sensory (sight or hearing) disabilities, 250 with mobility limitations, and 381 with cognitive disabilities. Some individuals have more than one disability, creating more complex and potentially more costly health care and housing needs. For residents over 65, there were 330 with mobility limitations. Senior housing units are typically designed to meet the needs of those with mobility impairments, but design for other disabilities (sight, sound, etc.) is less common.

**Table 3-9
Persons with Disability by Employment Status, 2008-2012**

	Number	Percent of Total Population
Age 18-64, Employed Persons with a Disability	190	1.1%
Age 18-64, Persons Not Employed, with a Disability	363	2.0%
Persons Age 5-17 with a Disability	180	1.0%
Persons Age 65 Plus with a Disability	592	3.2%
Total Persons with a Disability	1,325	7.2%
Total Population	18,472	

Source: American Community Survey, 2008-2012)

**Table 3-10
Persons with Disabilities by Disability Type, 2008-2012**

	Number	Percent of All Residents in Age Group
Total Disabilities for Ages 5-64		
Hearing disability	88	0.6%
Vision disability	95	0.6%
Ambulatory disability	250	1.6%
Cognitive disability	381	2.5%
Self-care disability	99	0.6%
Independent living disability	169	1.1%
Total Disabilities for Ages 65 and Over		
Hearing disability	319	18.2%
Vision disability	56	3.2%
Ambulatory disability	330	18.8%
Cognitive disability	99	5.7%
Self-care disability	92	5.3%
Independent living disability	95	5.4%

Source: American Community Survey, 2008-2012

Note: Individuals may report more than one disability on their Census forms, so the same persons may appear in multiple rows.

Persons with 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. The Regional Center of the East Bay (RCEB) provides services to developmentally disabled persons throughout Alameda and Contra Costa Counties and acts as a coordinating agency for multiple service providers in the region. They provide a resource to those needing counseling, day care, equipment and supplies, behavior intervention, independent living services, mobility training, nursing, residential care facilities, supportive living services, transportation, vocational training, and other services.

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 76 Albany residents who are considered eligible clients for RCEB services.⁵ Since participation is voluntary, it is likely that there are other disabled individuals living in Albany who are not eligible or who are eligible but choose not to participate. Based on information provided by the regional center, it is likely that a majority of the persons served by RCEB 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.

Housing resources for persons with developmental disabilities and other disabilities in Albany are limited. The City does not have dedicated affordable units designed for persons with disabilities and most single family homes are not designed for persons with mobility or sensory limitations. The City has adopted a reasonable accommodation ordinance and works with residents wishing to retrofit their homes to install grab bars, wheelchair ramps, handicapped bathrooms, and other modifications which meet the needs of persons with mobility limitations. Its zoning also supports the development of small group homes which meet the needs of developmentally disabled residents; at least three residential care facilities for the elderly are located in Albany.

⁵ Correspondence from Ronke Sidopo at Regional Center of the East Bay on October 15, 2013.

Senior Residents

Most cities in the Bay Area experienced an increase in their senior population between 1990 and 2010. Albany did not, with the number of senior residents declining during this period, both numbers and percentages. There were 2,117 residents over 65 in Albany in 1990 and 1,847 residents over 65 in 2010. The figures reflect the growth in families with school-aged children in the city during the two decades, as well as the continued large number of younger adults residing at UC Village and in other multi-family housing units in the city. It is likely that the senior population will increase in the coming decade, however. As indicated in Table 3-3, the number of residents in the 55-64 age cohort nearly doubled between 2000 and 2010. This entire cohort will reach retirement age by the 2020 census, creating a probable increase in the demand for senior housing.

Table 3-11 shows the tenure characteristics of senior households in Albany. A majority are homeowners, although the percentage who are renters increased slightly between 2000 and 2010. Presently, there are 1,149 senior-headed households in Albany (about 15 percent of the City total). Approximately 80 percent are homeowners and 20 percent are renters. About half of the city's senior households (593) consist of a single person living alone. Of this total, 412 are women and 181 are men.

Table 3-12 indicates the income characteristics of senior households, based on data from the UC Census 2007-2011 American Community Survey (ACS). About half have an annual income of less than \$50,000, which effectively places them in the lower income categories defined by HUD.

There were 180 senior households with incomes below \$20,000, effectively placing them in the "Extremely Low Income" bracket. Households in this income bracket can only pay about \$500 a month before they are considered "cost-burdened," based on HUD guidelines. Finding rental housing in Albany at this price point is almost impossible. Even senior homeowners who have paid off their mortgages may face housing costs exceeding their ability to pay due to utility costs, taxes, and other on-going costs. ACS data indicates that 28 percent of Albany's senior households are paying more than 35 percent of their incomes on housing, somewhat less than the proportion of all Albany households (over 40 percent) paying more than 35 percent of their incomes for housing.

Table 3-11
Householders by Tenure by Age

Householder Age	2000			2010		
	Owners	Renters	Total	Owners	Renters	Total
65-74 years	423	89	512	511	117	628
75 plus years	573	130	703	407	114	521
TOTAL	996	219	1,215	918	231	1,149

Source: US Census, 2000, American Community Survey, 2007-2011

Table 3-12
Income Characteristics of Senior Households, 2007-2011

Annual Income	Number of Households Over 65	Percent of Total Households Over 65
Under \$10,000	44	3.8%
\$10,000-19,999	136	11.8%
\$20,000-29,999	167	14.5%
\$30,000-39,999	79	6.9%
\$40,000-49,999	154	13.4%
\$50,000-59,999	71	6.2%
\$60,000-74,999	75	6.5%
\$75,000-\$99,999	126	11.0%
Over \$100,000	297	25.8%
TOTAL	1,149	100.0%

Source: US Census, American Community Survey, 2007-2011

Large Families

Large families in Albany are more likely to live in overcrowded conditions than smaller families due to the small number of bedrooms in many Albany residences and the high cost of housing. Large families may also be more likely to be cost-burdened due to the additional costs associated with food, health care, education, and other expenses for dependent household members. The growth of multi-cultural, multi-generational households in Albany suggests that there may be emerging issues related to the needs of larger and extended families.

Although average household size in Albany increased from 2000 to 2010, the number of large families in the City actually declined during this period. As indicated in Table 3-

13, there were 367 households with five or more persons in 2000 and 287 households with five or more persons in 2007-2011. However, there was a shift in the tenure of large households. In 2000, most large households were owner-occupied. By 2010, most were renter occupied.

Table 3-14 indicates that median income in Albany generally rises with household size. Median income is \$125,096 for Albany households with five persons and \$128,357 for Albany households with six persons. By contrast, median income for a two-person household in Albany is \$78,600. Many larger Albany households consist of multiple income earners, with two or more salaries supporting the household.

**Table 3-13
Household Size by Tenure**

	2000		2007-2011		% of all households considered "large"	
	1-4	5+	1-4	5+	2000	2007-11
Owner	3,287	271	3,386	104	7.6%	3.1%
Renter	3,357	96	3,628	183	2.9%	4.8%
TOTAL	6,644	367	7,014	287	5.2%	3.9%

Source: US Census, 2000 and American Community Survey, 2007-2011

**Table 3-14
Median Income by Household Size**

	Median Income
Citywide	\$72,479
1-person households	\$48,023
2-person households	\$78,600
3-person households	\$82,651
4-person households	\$111,742
5-person households	\$125,096
6-person households	\$128,357
7-person households	N/A

Source: US Census, American Community Survey, 2007-2011

Female-Headed Households

Single parents with children have unique housing needs due to the competing demands of child care and employment. This is particularly true for female-headed households, who according to the Bureau of Labor Statistics earned only 72 percent of men’s salaries in 2012. The need for affordable housing is often greater for female-headed households with children, as child care responsibilities may limit the number of hours the parent can work, thus reducing income. Table 3-15 provides a profile of female-headed households in Albany.

Approximately 7 percent of Albany’s households consist of single mothers with children under 18. This is approximately four times the number of single fathers with children under 18 in the city. Female-headed households are also more likely to be below the federal poverty level than male-headed households. About 10 percent met federal poverty criteria in 2010. Single mothers in Albany would benefit not only from affordable housing, but also from more affordable child care options.

Table 3-15
Female Headed Households

Householder Type	2010	
	Number	Percent
Total Households	7,401	100.0%
<i>Female Headed Families with Children under 18</i>	531	7.1%
<i>Female Headed Families without children under 18</i>	352	4.8%
<i>Females living alone</i>	1,124	15.2%
Total Families Under the Poverty Level	--	7.3%
<i>Female Headed Households Under the Poverty Level</i>	--	10.0%

Source: US Census 2010, American Community Survey, 2007-2011 (for poverty level)

Farmworkers

Albany is a small, highly urbanized city surrounded by other urban cities within a large metropolitan area. The nearest large-scale commercial agricultural operations employing farm workers are over 30 miles away. The City does not have a substantial population of seasonal or permanent farm workers and thus, there is not a significant demand for farm worker housing. The US Census indicates there are 8 workers within the City employed in agriculture, mining, hunting, fishing, and forestry. To the extent that agricultural workers may desire to live in Albany, their need for affordable housing would be similar to that of other lower income persons, and affordable housing in the City would serve farmworkers as well as others employed in low-wage jobs.

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 Albany (and the remainder of Alameda and Contra Costa counties), the following thresholds apply:

Persons in Household	Extremely Low Income
1	\$18,750 or less
2	\$21,400 or less
3	\$24,100 or less
4	\$25,750 or less

Table 3-16 provides an estimate of the number of ELI households in Albany today. Approximately 15 percent of the City’s households earn less than \$22,750 a year.⁶ The largest overall number of ELI residents are in the 25-44 age cohort, although the percentage of ELI households relative to all households is highest in the 18-24 age group and the over 65 age group. Persons aged 45-64 are the least likely to be ELI.

Table 3-16
Households Earning \$22,750 or less, by Age Cohort

	Household Income Under \$22,750	All Households in Age Group	% of all households in age group earning under \$25,000
Under 25	19	43	44.2%
25-44	518	3,309	15.6%
45-64	327	2,800	11.7%
65+	222	1,149	19.3%
TOTAL	1,086	7,301	14.9%

Source: UC Census, American Community Survey, 2007-2011, Table B19037, Age of Householder by Household Income in the past 12 months (in 2011 inflation-adjusted dollars (Figures interpolated for \$20-24,999 interval to align with Extremely Low Income threshold of \$22,750 for household of 2.49 persons)

⁶ \$22,750 reflects the interpolated ELI income threshold for a 2.49 person household, which is the median household size in Albany.

Tables 3-17 and 3-18 present Year 2000 data from HUD’s State of the Cities Data Base. Although the data is somewhat dated (Year 2000), it provides an indication of the level of overpayment among extremely low income households. Housing prices and rents have outpaced income growth since 2000, and the percentages have almost certainly increased in the last 13 years.

Data from the prior census indicated that 70 percent of Albany’s ELI households were renters and 30 percent were owners. More than 61 percent of the ELI owners are seniors, including persons on fixed incomes who have lived in Albany for many years. Some of these households may not have mortgages, but still face high costs relating to housing maintenance, taxes, and insurance. More recent (2006-2010 ACS) data for Very Low Income households indicates that 74 percent are renters and 26 percent are owners.

ELI *renters* face different housing challenges than ELI *owners*, and often struggle to find – and keep – a safe, decent place to live. Housing solutions for ELI renters often include rent subsidies and vouchers, income-restricted housing units, and housing with supportive services. The demand for vouchers and for vacancies in project-based public housing developments is very long, and ELI renters often need interim solutions or alternatives to such housing. Certain housing types, such as single room occupancy hotels, shared housing units, supportive housing, and transitional housing are also critical to meeting ELI rental housing needs.

Table 3-17
Extremely Low Income Households

	Total Renters	Total Owners	Total Households
Household Income <=30% Median Income	547	227	774
Elderly	92	140	232
Large Households	14	14	28
Other	441	73	514

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data from Year 2000

Table 3-18
Housing Problems for Extremely Low Income Households
Comprehensive Housing Affordability Strategy Data Book

	Total Renters	Total Owners	Total Households
Household Income <=30% MEDIAN INCOME	547	227	774
% Cost Burden >30%	79.5%	81.1%	80.0%
% Cost Burden >50%	59.2%	65.6%	61.1%

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data, 2000.

The California Government Code includes a requirement to estimate the projected number of future ELI households in the Housing Element, either by using available census data or by presuming that 50 percent of the city’s future “very low” income housing needs is associated with ELI households. Given that Albany’s Regional Housing Needs Allocation for “Very Low Income” households is 80 units, it is presumed that 40 units would be needed for extremely low income households and 40 units would be needed for other very low income households (e.g., 30-50 percent of AMI).

Families and Persons In Need Of Emergency Shelter

Persons in need of emergency shelter include those who are experiencing homelessness and those who are at risk of becoming homeless. This includes Albany residents who lack a permanent, regular, sanitary, safe residence. It includes persons living on the street, in parks and open space encampments, in cars, and in public buildings. The Government Code requires that the Housing Element address the special needs of families and persons in need of emergency shelter, including an estimate of the need.

Homelessness affects an estimated one in every 100 California residents. Although the state is home to 12 percent of the nation’s total population, it is home to 26 percent of the nation’s homeless individuals and families. Various factors contribute to homelessness, including reductions in social service and mental health programs, unemployment and lack of income, eviction, chronic illness and a lack of affordable health care, domestic violence and family break-ups, substance abuse, and most obviously, a lack of affordable housing.

Transitioning from homelessness to a permanent residence often requires intensive supportive services as well as shelter. Emergency shelter is an essential resource, but transitional and supportive housing are also essential. Transitional housing provides

extended shelter for individuals experiencing homelessness with the goal of helping them live independently and transition into permanent housing. The length of stay typically ranges from two weeks to 60 days or more. Such housing is generally provided in apartment type facilities and may be configured for specialized groups such as persons with substance abuse problems, domestic violence victims, veterans, and persons with HIV/AIDS.

The nature of homelessness and the method of data reporting make it difficult to estimate the number of residents in Albany experiencing homelessness. Alameda County maintains and updates a census through its bi-annual Homeless Count Survey, a data base system mandated by HUD. The most recent published information is from 2013, based on data collected the night of January 30, 2013.⁷

The 2013 Homeless Count reflects a total of 4,264 individuals in Alameda County defined as homeless. The County also maintains a Homeless Management Information System (HMIS) which includes case data for 5,844 homeless individuals as of January 2013. The 4,264 figure is considered by Alameda County to be the more reliable of the two statistics and is used for HUD reporting. However, this statistic is not broken down by jurisdiction. The HMIS data has been used by the County to develop a demographic profile of persons experiencing homelessness by jurisdiction, including a pro-rated estimate of the number of persons without secure housing in each city.

Alameda County HCD indicates that 0.45 percent of the County's homeless population listed Albany as their last city of residence. This is equivalent to 19 individuals. The City acknowledges that the actual number of homeless residents in Albany at the time of the January 2013 survey greatly exceeded the 19 individuals counted by the Countywide Census. Nonetheless, the data provides some indication of the circumstances of homeless residents in the City.

The HMIS data provided to the City by Alameda County HCD included 11 adults and 8 children. The adults included four persons aged 25-40 and seven persons aged 41-60. Over half were women. Roughly one-third of the adults had experienced domestic violence, and nearly half indicated they had a long-term disability or mental health disability. Four persons indicated they were employed, and two indicated they were in school. Only 18 percent indicated they were chronically homeless while 36 percent indicated this was their first episode of homelessness. When asked about their prior living situation, 27 percent indicated emergency shelter, 27 percent indicated a rental apartment, and 27 percent indicated they were living with friends or family.

⁷ *Report on the 2013 Alameda Countywide Homeless Count & Survey*. Provided by Alameda County Department of Housing and Community Development, 2014.

Countywide, the number of persons experiencing homelessness in Alameda County has declined since 2003, with an approximately 16 percent reduction reported over the last decade. Much of the decline took place between 2007 and 2011, with the numbers staying approximately the same between 2011 and 2013. The number of homeless families with children in Alameda County is down, as is the number of chronically homeless individuals, and homeless veterans. On the other hand, the number of homeless persons with severe mental illness has doubled, with almost all of this population unsheltered. Moreover, despite programs in place to house nearly 2,000 people, just as many people are becoming homeless each year.

From the 1990s through early 2014, Albany's homeless population included informal encampments on the Albany Bulb, a landfilled peninsula along the Albany Waterfront. The East Bay Regional Park District's long-range plans call for the Bulb to be added to McLaughlin Eastshore State Park, a linear waterfront park extending from Oakland to Richmond along the San Francisco Bay shoreline. The City desires to transfer management of the Bulb to the East Bay Regional Park District, as called for by the General Plan for the State Park and the 2013-2015 City of Albany Strategic Plan.

In 2012, the City created a Homeless Task Force to address the issue of homelessness in Albany. The Task Force focused on developing alternatives for addressing the encampment on the Bulb. In May 2013, the Task Force delivered a series of options to the City Council, ranging from doing nothing (e.g., status quo) to developing transitional or permanent housing off-site to creating a "village/campground" on-site. The Council selected an option calling for enforcement of the "No Camping" provisions in the Albany Municipal Code, coupled with outreach and limited supportive services. These services include relocation assistance to transitional and permanent housing.

In June 2013, the City entered into an Agreement with the Berkeley Food and Housing Project (BFHP) to conduct outreach and engagement services to those living on the Albany Bulb. In September 2013, the City extended this Agreement through the end of the year. At that time, it was estimated that there were 60 to 70 persons living on the Bulb.⁸ In January 2014, the Agreement with BFHP was amended to extend services for an additional year. These services include assisting residents of the Bulb with finding permanent housing. As of Summer 2014, the encampments on the Bulb had been removed. As part of a Settlement Agreement, 28 residents experiencing homelessness were provided with \$3,000 financial assistance to relocate. At least 26 residents have been assisted in finding permanent housing.

⁸ Testimony provided by a Bulb resident at the September 3, 2013 City Council meeting indicated there were 62 persons living on the bulb, including 39 men and 23 women, 21 persons looking for work, 35 persons with disabilities, 18 SSI/SDI recipients, and 6 General Assistance recipients.

Within the City of Albany, emergency, transitional, and permanent housing options are very limited at this time. The City had established a temporary shelter at the Albany Bulb in 2013 and funded this shelter through April 2014. Following the resettlement of former Bulb residents, the shelter is no longer operational.

Longer-term solutions to homelessness in Albany are still critical. The City does not have a permanent emergency shelter, and there is no transitional or supportive housing. The City's small size and limited budget constrains its ability to offer supportive services. Presently, the nearest emergency shelters are in Berkeley, Richmond, and Oakland.

Albany is a member of a consortium of "Urban County" cities in Alameda County which provides funding to organizations serving persons experiencing homelessness in the County. The consortium is staffed by the Alameda County Housing and Community Development Department. The City provides financial support toward such initiatives and programs, including the development of transitional and supportive housing in nearby communities. Albany is also a participant in the Alameda County EveryOne Home Program, which seeks to end chronic homelessness and produce 15,000 housing units for homeless households in Alameda County by 2020. EveryOne Home also seeks to improve the "safety net" for those at risk of homelessness, and establish support for homeless prevention programs.

Implementing the EveryOne Home Program at the local level will require additional action by the City of Albany, taking into consideration local budget constraints and limited staff resources. In January 2014, the City amended its zoning regulations to make emergency shelters as a permitted use in the CMX and SPC zoning districts and to permit supportive and transitional housing as a residential use treated like other residential uses of the same type in the same zone. Future actions could include allowing shelters in additional zoning districts, or establishing a daytime "drop in" center providing homeless services such as showers, meals, and counseling.

Housing Stock Characteristics

Government Code Section 65583(a) requires the Housing Element to describe the characteristics of the local housing stock, including housing condition. This section of the Element provides an overview of Albany's housing stock, addressing the age of structures, the types of structures, the number of bedrooms, and vacancy characteristics. Information on home values, rents, and recent building permit activity is also provided.

Age of Housing Stock

As noted in Table 3-19, more than half of Albany's housing stock is more than 60 years old. Another quarter of the City's housing stock was built between 1950 and 1979. Approximately 13 percent of the City's housing stock was built in the last decade – primarily associated with the replacement of UC Village housing units.

Table 3-20 indicates the year of construction by Census Tract. The City's six census tracts generally correspond to the northwest, central north, northeast, southeast, central south, and southwest parts of the city (see Figure 3-1). The oldest housing stock is located in the eastern half of the City. In the area east of Masonic Avenue, more than 90 percent of the housing stock was built before 1940. Almost all of this housing stock consists of single family homes. In the area between Masonic and San Pablo, about three-quarters of the housing stock was built before 1940. Most of the older units are single family homes, and most of the post-1940 construction consists of small multi-family buildings.

Areas west of San Pablo Avenue tend to have a larger percentage of newer units, although the single family neighborhood on the southern slope of Albany Hill generally pre-dates 1940. In Tract 4203, which includes Gateview Towers and the newer condominiums along Pierce Street, just 44 percent of the housing units pre-date 1940 and in Tract 4204, which includes UC Village, only 2 percent of the housing units pre-date 1940. The data for Tract 4204 reflects the fact that virtually all of the housing at UC Village was demolished and replaced with new units (with a net gain in the total) between 1998 and 2008.

Given the age and value of the housing stock, building permits for structural improvements, remodels and additions are common. Most of the older housing stock in the city consists of single family homes. The City strongly encourages reinvestment in existing homes, and maintains zoning regulations which support home maintenance and conservation.

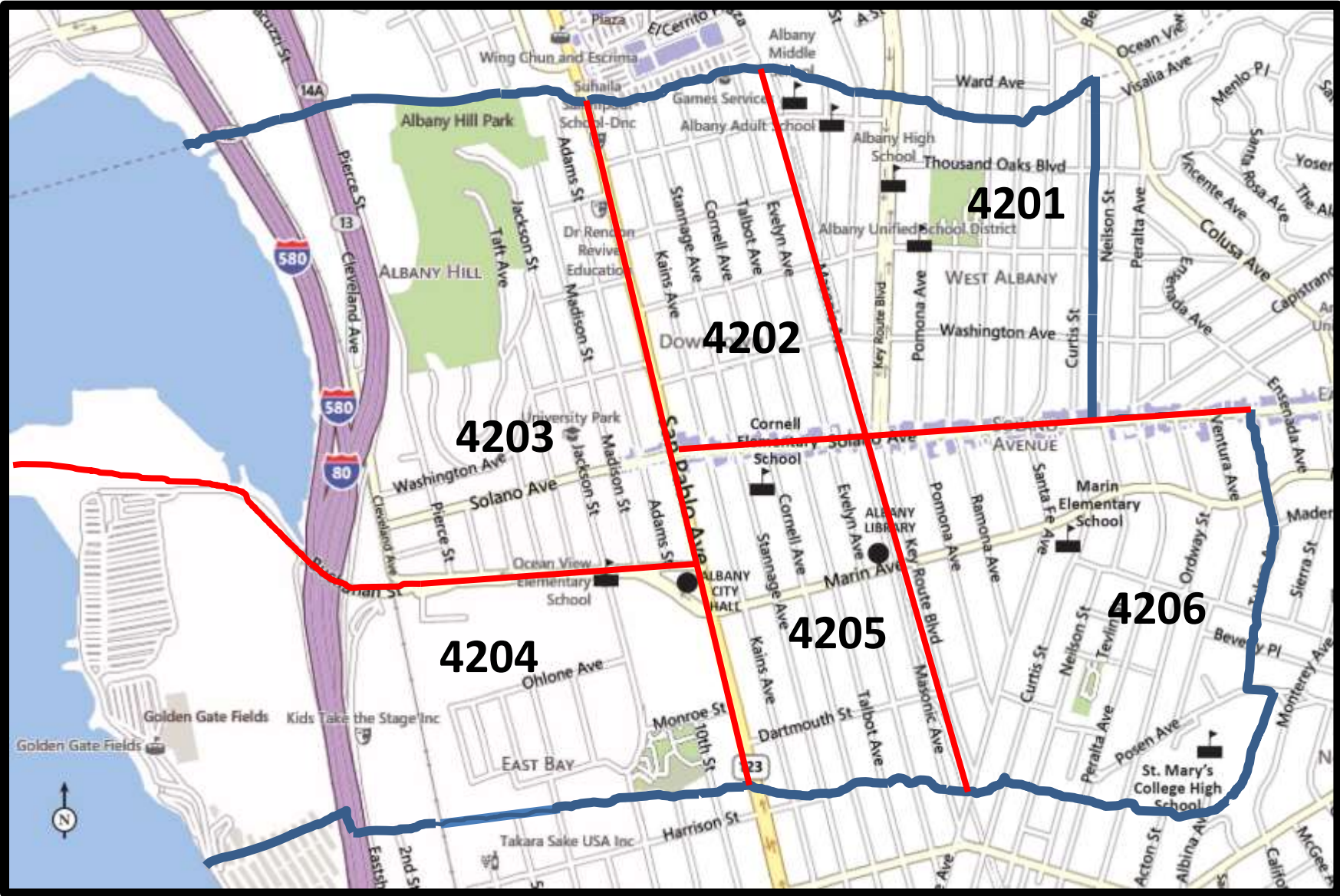


Figure 3-1: Albany Census Tracts

**Table 3-19
Year Structure Built**

Year Built	Number	Percentage
Built 2005 or later	634	8.1%
Built 2000 to 2004	393	5.0%
Built 1990 to 1999	258	3.3%
Built 1980 to 1989	490	6.3%
Built 1970 to 1979	677	8.6%
Built 1960 to 1969	620	7.9%
Built 1950 to 1959	704	9.0%
Built 1940 to 1949	1,024	13.1%
Built 1939 or earlier	3,033	38.7%
Total	7,833	100.0%

Source: US Census, 2010

**Table 3-20
Year Structure Built: Census Tracts**

Census Tract #	2005-2010	2000-2004	1990-1999	1980-1989	1970-1979	1960-1969	Pre-1959	Total Housing Units
4201	0	8	0	0	10	33	898	949
4202	0	0	20	76	53	224	897	1,270
4203	19	53	63	363	501	194	950	2,143
4204	615	321	130	25	0	13	29	1,133
4205	0	11	21	26	85	96	788	1,027
4206	0	0	24	0	28	60	1,199	1,311
TOTAL	634	393	258	490	677	620	4,761	7,833

Source: US Census, American Community Survey, 2007-2011. Based on sample data, with margin of error, resulting in data which may not match actual conditions exactly.

Structure Type

Table 3-21 indicates the number (and percentage) of housing units by structure type in Albany in 2000 and 2010. Just over half of the housing units in the City are single family detached homes. The percent has not changed substantially since 2000. Approximately 16 percent of the City's housing units are in multi-family buildings with 20 or more units. A majority of these units are located on the west side of Albany Hill along Pierce Street and in UC Village. Roughly 11 percent of Albany's housing units are in buildings of 2 to 4 units, and about 17 percent are in buildings with 5 to 19 units.

Some of the numeric changes between 2000 and 2010 may be the result of different classification methods for housing units rather than construction. For instance, the Census indicated a net increase of 285 single family detached homes between 2000 and 2010, which did not occur. Homes that were counted as single family attached or two unit buildings (for instance, homes with second units) in 2000 may have been counted as single family detached in 2010.

Similarly, the Census reported a net decrease in 3-4 unit buildings (from 544 to 449 units) and 5-9 unit buildings (from 844 to 738 units) between 2000 and 2010. A review of field conditions and building permit records, including annual filings with the California Department of Finance for 2000-2010, indicates that the decrease may have been a result of the demolition of 3-9 unit structures at UC Village (offset by their replacement with buildings containing 10 units or more, which show a 254 unit net gain during the time period). Building permit records do not indicate a loss of 3-9 unit structures outside of UC Village, either due to demolition or the conversion of such structures into single family homes or 2-unit buildings.

As noted in Table 3-22, most of the housing growth between 2000 and 2010 was related to the reconstruction of UC Village. Demolition started in 1998. At the time of the 2000 Census, 356 units had recently been removed but reconstruction had not yet started. By 2010, the project was completed. There was a net increase of 56 units between 1998 and 2008. However, since a portion of the Village had already been demolished in 1998, the net increase for 2000-2010 was 412 units.

**Table 3-21
Housing Units by Type**

Unit Type	2000		2010		Change	
	Number	Percent	Number	Percent	Number	Percent
Single-Family Detached	3,777	52.1%	4,062	51.9%	285	7.5%
Single Family Attached	181	2.5%	233	3.0%	52	28.7%
2 Units	269	3.7%	448	5.7%	179	66.5%
3-4 Units	544	7.5%	449	5.7%	-95	-17.5%
5-9 Units	844	11.6%	738	9.4%	-106	-12.6%
10-19 Units	440	6.1%	610	7.8%	170	38.6%
20+ Units	1,187	16.4%	1,271	16.2%	84	7.1%
Mobile Home & Other	6	0.1%	22	0.3%	16	266.7%
Totals	7,248	100.0%	7,833	100.0%	585	--

Source: US Census, 2000 and 2010

**Table 3-22
New Housing Unit Permits Issued 1998- 2013**

	Private	UC Village
1998	NA	-356
1999	NA	0
2000	0	391
2001	-1	0
2002	22	0
2003	12	0
2004	16	-196
2005	10	0
2006	29	42
2007	5	-149
2008	2	324
2009	1	0
2010	5	0
2011	8	0
2012	3	0
2013	4	0

Source: City of Albany & University of California, Berkeley.

Housing Size

Given the age of the housing stock and the relatively large share of multi-family units in the City, homes in Albany tend to be smaller than homes elsewhere in Alameda County. As indicated in Chart 3-6, 68 percent of the housing units in Albany contain two bedrooms or fewer, and almost half of the City's housing units are two-bedroom units. Less than 10 percent of the City's housing units contain four or more bedrooms.

Table 3-23 indicates the number of bedrooms in Albany's housing units by tenure using data from the 2007-2011 American Community Survey. Homes occupied by renters tend to be smaller than those occupied by owners. Almost 90 percent of the City's renters live in units with two or fewer bedrooms. About 44 percent of the City's owners live in units with two or fewer bedrooms.

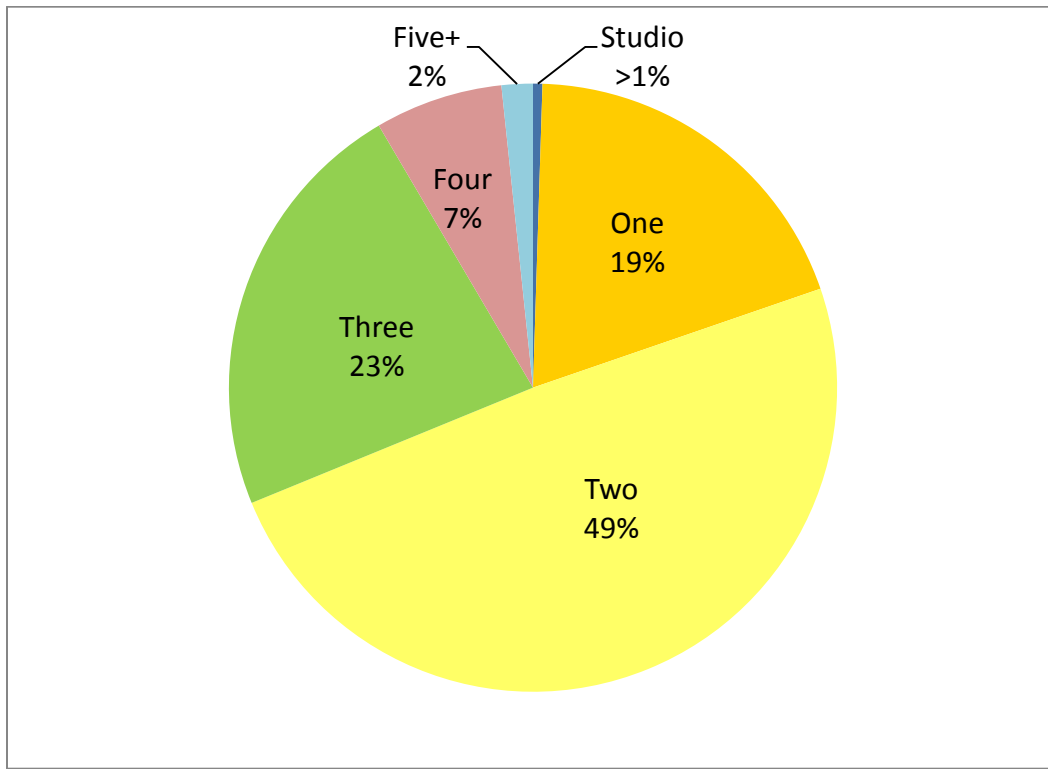


Chart 3-6: Number of Bedrooms in Albany Housing Units

Source: American Community Survey, 2007-2011

Table 3-23
Existing Housing Stock
Number of Bedrooms by Tenure

Bedroom Type	Owner Households		Renter Households		All Households	
	Number	Percent	Number	Percent	Number	Percent
0 BR	0	0.0%	39	1.0%	39	0.5%
1 BR	220	6.3%	1,050	27.6%	1,270	17.4%
2 BR	1,316	37.7%	2,313	60.7%	3,629	49.7%
3 BR	1,348	38.6%	352	9.2%	1,700	23.3%
4 BR	476	13.6%	57	1.5%	533	7.3%
5+ BR	130	3.7%	0	0.0%	130	1.8%
TOTAL	3,490	100.0%	3,811	100.0%	7,301	100.0%

Source: US Census, American Community Survey, 2007-2011

Housing Value

Chart 3-7 tracks home sales data in Albany between 1996 and early 2014 using the Zillow.com real estate data base. Home values in Albany rose steadily through the 1990s, accelerated rapidly between 2000 and 2006, dropped between 2007 and 2009, and have generally trended upward since 2010. The chart indicates a particularly rapid increase during 2012 and 2013, followed by a leveling out over the last year. Zillow reported the median home value in Albany was \$533,000 in January 2012, \$602,000 in January 2013 and \$726,000 in January 2014. This is an increase of 36 percent in just two years. Home values had previously peaked at \$672,000 in 2006.

The Zillow data is generally consistent with data on home values provided by the US Census. Table 3-24 indicates that the median home value was \$626,000 in 2012, which was an increase of 87 percent over the 2000 Census figure of \$334,800. Table 3-25 compares home prices in Albany with those of the three cities it adjoins, using Zillow.com data. Home prices in Albany increased faster than Berkeley and El Cerrito, posting a 31 percent gain from 2010 to 2014. However, prices were slightly higher in Berkeley, slightly lower in El Cerrito, and substantially lower in Richmond.

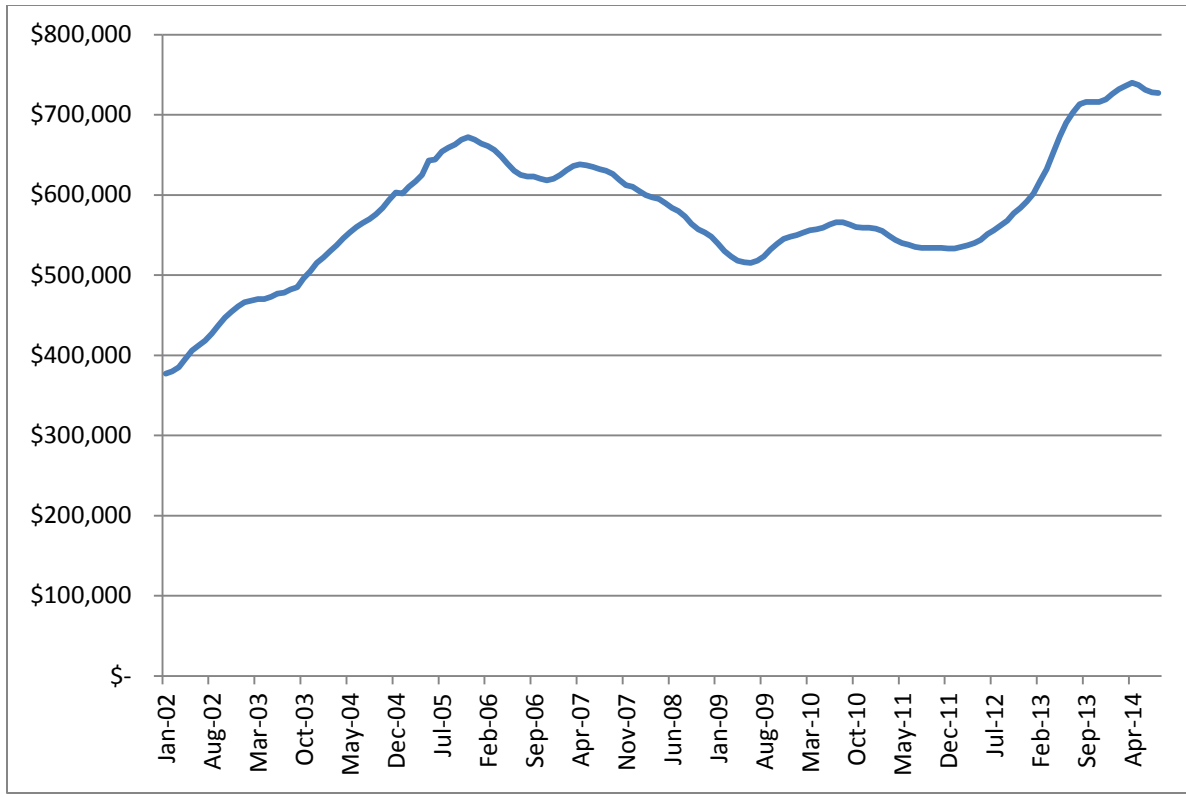


Chart 3-7: Median Home Value in Albany

Source: Zillow.com, 2014

**Table 3-24
Median Value and Rent 1990-2010**

Value/Rent	1990	2000	1990-2000 Percent Change	2012*	2000-2012 Percent Change
Median Home Value	\$239,600	\$334,800	39.7%	\$626,000	86.9%
Median Gross Rent	\$660	\$947	43.5%	\$1,535	62.1%

Source: US Census 1990, 2000. 2014 (* 2012 number is the 2008-2012 estimate from the US Census American Community Survey)

**Table 3-25
Regional Median Home Values**

City	Median Value		Percent Change
	Jul 2010	Jul 2014	
Albany	\$554,000	\$728,000	31.4%
Berkeley	\$655,000	\$842,000	28.5
El Cerrito	\$544,000	\$641,000	17.8%
Richmond	\$181,000	\$286,000	58.0%

Source: Zillow.com, 2014

Rents also rose rapidly during the 1990-2010 period, reaching \$1,535 in 2012, based on American Community Survey data. However, Census data does not reflect the recent run-up in rental rates since 2012. Zillow.com indicates rents in Albany increased 25 percent between January 2012 and July 2014. A search of three rental search engines (Hotpads.com, Trulia, and Zillow) indicated only four rentals in Albany. All were 2 bedroom homes, with rents ranging from \$2,425 to \$3,300. A search of Craigslist ads in September 2014 found nine listings in Albany, with a median rent of \$2,425. Rents were \$1,350 for a studio, \$1,650 for a one bedroom apartment, and \$2,100 to \$2,900 for a two bedroom apartment. Two three-bedroom two bath homes were listed, for \$3,850 and \$4,000 respectively.

Another data source for tracking rents is the University of California housing office. The Calrental website indicates rental ranges for studios, one-bedrooms, two-bedrooms, and three-bedroom units. This data is shown in Table 3-26.

Table 3-26
2013 Median Rents

BEDROOM TYPE	MEDIAN MARKET RENTS
Room in shared apt./house	\$812
Studio	\$1,250
One-Bedroom	\$1,600
Two-Bedroom	\$2,400
Three-Bedroom	\$3,500

Source: Cal Rentals Typical Rent, 2013 ranges <https://calrentals.housing.berkeley.edu>

Housing Condition

Most housing in Albany is in excellent condition. City staff estimates that less than one percent of the City’s housing units (e.g, fewer than 75 units) have serious or persistent code enforcement issues related to structural condition. A cursory field survey of the City’s oldest neighborhoods and areas of mixed single family and multi-family housing indicated only a few structures in fair to poor condition.

Most deficiencies observed were cosmetic and could be remedied through minor home repair such as painting or new windows. Some of the housing units observed require more substantial work, including foundation repair, new roofs, and reconstructed porches. In a few instances, structures appeared to be in solid condition but the adjoining yard areas violated City codes due to the storage of material in front yards, weeds and overgrown vegetation. Several homes had partially completed construction projects that appeared to be stalled or abandoned. The City prioritizes code enforcement on immediate life safety and public health considerations. In general, there are two to four active code enforcement cases at any particular time.

There were no “dilapidated units” observed during the field survey. A dilapidated unit is defined as one suffering from excessive neglect, where the building appears structurally unsound and maintenance is non-existent. Such units are considered unfit for human habitation in their current condition, and would require major rehabilitation before they can be re-occupied.

Another metric for evaluating housing condition is the absence of a kitchen or complete plumbing facilities in a housing unit. The percentages in Albany are extremely small, with less than 0.2 percent (e.g., one in every 500 units) lacking complete plumbing facilities and 0.4 percent (e.g., one in every 250 units) lacking a complete kitchen. These statistics are lower than those for the County as a whole, and for nearby cities.

Vacancy Characteristics

According to Census Bureau information, Albany had 237 vacant units in 2000 and 488 vacant units in 2010 (see Table 3-27). As a percentage of total housing stock, the vacancy rate was 3.4 percent in 2000 and 6.2 percent in 2010. The increase was primarily due to economic conditions in 2010, although the recent completion of UC Village at the time of the 2010 Census may have also been a factor. Tract level data indicates that 48 units in UC Village were vacant at the time of the 2010 Census.

In 2010, the vacancy rate was substantially higher for rental units than for owner units. The Census indicated the vacancy rate for owner-occupied homes was just 1.0 percent. It was 6.2 percent for rental units. This statistic is likely to have changed in the last three years due to the tightening rental market and increasing demand.

**Table 3-27
Vacant Units**

	2000 Census	2010 Census
Total:	7,248	7,889
Occupied	7,011	7,401
Vacant	237	488
For rent	91	253
For sale only	31	37
Rented or sold, not occupied	64	37
For seasonal, recreational, or occasional use	17	43
For migrant workers	0	0
Other vacant	34	118
Percent of units that are vacant (all categories)	3.3%	6.2%

Source: US Census 2000 and 2010

Impact of UC Village on Albany's Demographics

Approximately 15 percent of the City's housing stock and population is associated with the University of California (UC) Village. As noted earlier, this is a 58-acre complex owned by the University of California. It has been operated as family housing for students with children since the 1950s. University Village was redeveloped in phases between 1998 and 2008, resulting in a net increase of 56 units and a grand total of 973 units. Its population consists of approximately 2,800 residents.⁹

University Village is part of the City; however, in some ways it is an independent entity due to the nature of its student population, segregated geographic location, and the City's limited jurisdiction over University lands. The large student population has a strong and noticeable influence on demographic data for the City as a whole. For example, many households meet the HUD definition of very low income since they are comprised of full-time students.

Given the impact of UC Village on local demographics, the City has created a profile of Albany "with" and "without" UC Village for consideration in the Housing Element. The Village is contained entirely within Census Tract 4204 and is thus possible to isolate it as a demographic unit. Table 3-28 presents the findings, using key population and housing variables.

Relative to the City as a whole, UC Village households tend to be larger, with more children and far fewer seniors. The average household size is 2.97 persons, compared to 2.41 in the other Albany census tracts. More than 30 percent of the population is 19 or under, and less than one percent is 65 or older. In the rest of Albany, about 25 percent of the residents are 19 or under and 12 percent are 65 or older.

UC Village residents are much more likely to be foreign-born and to speak a language other than English at home. In fact, 70 percent of the residents over 5 speak a language other than English at home, compared to 33 percent in the rest of the City. Approximately 87 percent of the residents over 25 at UC Village have a bachelor's degree or higher. In the rest of Albany, the figure is 65 percent.

⁹ The 2010 Census reported the population of Tract 4204 as being 3,200 residents, indicating additional housing units are being attributed to the Tract containing UC Village.

**Table 3-28
Demographics of UC Village Relative to Albany as a Whole**

	Albany (all Census Tracts)	Tract 4204 only (UC Village)	Remainder of City (Tracts 4201-3, 4205-6)
Total population	18,539	3,220	15,319
Total households	7,401	1,085	6,216
Average household size	2.49	2.97	2.41
Median age	37.0	29.2	40.9
Number of persons over 65	1,847	19	1,828
% of residents over 65	9.9%	0.7%	11.9%
Persons under 20	4,900	944	3,956
% of residents under 20	26.5%	30.2%	25.7%
% of residents born outside the United States	32.5%	60.8%	26.4%
% of residents speaking a language other than English at home	39.1%	70.1%	33.2%
% of households consisting of single persons living alone	25.1%	3.9%	29.9%
% of residents who are renters	51.7%	99.8%	43.3%
% of residents who are homeowners	48.3%	0.2%	56.6%
% of residents over 25 with a bachelor's degree or higher	71.5%	86.5%	65.1%
Median household income	\$72,479	\$38,972	\$84,432
% of households with incomes below \$25,000	17.5%	33.7%	14.6%
Percent of all Albany's households with incomes below \$25,000 living in UC Village	28.7%		
Percent of all Albany families below the poverty line living in UC Village	48.5%		
% of renter households paying more than 35% of their incomes on rent	47.6%	66.5%	37.5%
Percent of all Albany renters paying more than 35% of income on rent living in UC Village	41%		
% of housing units with more than one person per room	3.3%	4.1%	2.4%

Source: American Community Survey 2007-2011, US Census 2010, Barry Miller Consulting

Although Albany as a whole has historically had a roughly even number of renters and owners, the balance shifts toward owners when the Village is factored out. All residents at UC Village are renters. Outside of UC Village, about 57 percent of the City's households are homeowners and 43 percent are renters. UC Village housing units are also more likely to be overcrowded than those in the rest of the City, with 4.1 percent having more than one person per room compared to 2.4 percent in the rest of the City.

The median household income in UC Village is \$38,432, compared to \$84,232 in the rest of the City. When these two geographic areas are combined, the median income for Albany is \$72,479, illustrating the strong influence that UC Village households have on figures for the City as a whole. A disproportionately large share of Albany's lower income residents live in UC Village. While the Village has 15 percent of the City's households, it has 29 percent of the households with annual incomes below \$25,000. Similarly, 41 percent of the renters in Albany paying more than 35 percent of their incomes on rents reside in UC Village. Nearly half of all Albany families below the federal poverty line were UC Village residents.

The concentration of lower income households in UC Village may be somewhat misleading, since many of the residents may have supplemental sources of income not reported to the Census. These include scholarships, stipends, student loans, and other subsidies which effectively reduce living expenses. Households are typically living in the Village for only a few years, and are then advancing into occupations that presumably generate higher incomes and greater resources for housing. Despite the relatively high overpayment and poverty statistics, the student family housing is considered an important housing resource for the region and a tremendous benefit for those attending UC Berkeley.

Rents at UC Village are somewhat lower than Bay Area market rate units but are not subsidized. In 2014-15, a one-bedroom, one-bath apartment was \$1,337/month. Two bedroom units ranged from \$1,597 for a two-bedroom/one-bath apartment to \$1,893 for a 2-bedroom/two bath townhouse. The three bedroom units range from \$1,818 for an apartment with 1.5 baths to \$2,059 for a flat with two baths. As noted above, UC students do not typically receive rent subsidies but receive other supplemental income to offset household expenses, making the UC housing more affordable than it may initially appear, given the income characteristics of the residents.

Opportunities for Energy Conservation

Government Code Section 65583(a)(7) requires an analysis of opportunities for energy conservation with respect to residential development. Albany has taken a number of steps to incorporate energy saving features, energy saving materials, energy efficient systems,

and energy-efficient design into residential development. The City has adopted a Climate Action Plan, and a Green Building and Bay Friendly Landscaping Ordinance. It works with Pacific Gas and Electric (PG&E) in the administration and publicity of energy conservation and efficiency programs.

Reducing home energy and water costs can contribute to reduced housing costs for homeowners and renters, promote sustainable community design, and reduce dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases. Albany has several policies and programs that focus on energy conservation. In addition, all of the parcels identified in the Sites Inventory are infill, mixed use sites located in close proximity to transit.

In 2007, Albany adopted a Green Building and Bay Friendly Landscaping Ordinance, which requires all projects requiring discretionary review to meet a green points threshold. As part of the program, the City developed “Green Point Checklists,” which list the possible measures that an applicant can implement for green compliance, which include energy efficiency measures, in their project. Albany also enforces California Energy Commission Title 24, which includes energy standards for new construction and renovations. These standards apply to wall and ceiling insulation, thermal mass, and window to floor area ratio, and are designed to reduce heat loss and energy consumption.

The City promotes water-efficient landscaping and energy efficient irrigation systems by taking part in the “Bay Friendly Landscaping” program. The program was formally adopted as part to the City’s green building program.

In 2009, Albany adopted a Climate Action Plan (CAP) which recommends several programs and feasibility studies. The City may explore a residential energy compliance ordinance, which could require that energy conservation improvements be made to homes prior to of sale. It also may propose a residential retrofit requirement, which includes energy efficiency compliance.

The City incorporates East Bay Municipal Utilities District programs to promote water conservation. These programs include rebates and incentives for residential units that implement such measures that succeed in water conservation. It also incorporates PG&E programs to promote energy conservation. These programs include rebates and incentives for residential for energy conservation. Albany strongly supports the use of photovoltaic systems and solar heating systems on both new construction and residential remodels and additions.

Albany residents may also take advantage of programs offered by the Community Energy Services Corporation (CESC). CESC provides free residential energy efficiency

programs to low income homeowners and renters, including replacing old appliances, attic insulation, weather stripping and caulking, and repairs to hot water furnaces, doors, windows, walls, and floors. CESC also advises residents on their properties' solar energy potential, and assists with the installation of solar energy systems. For residents who are not lower income, these services are provided on a sliding scale. A link to this organization's website is provided on the City's website.

Albany is also a participant in East Bay Energy Watch (EBEW), a collaboration between PG&E and local governments, non-profit and for-profit energy service providers in the East Bay. The program aims to increase awareness of energy efficiency and its many benefits while delivering high quality retrofit services and technical assistance to the community. It provides free energy assessments for Albany residents, with the intent of helping residents lower their energy bills and make their homes more energy and water efficient. Residents may also be eligible for rebates for residential energy upgrades, including insulation, duct and air sealing, new windows, and energy efficient furnaces and water heaters.

In addition, Energy Upgrade California provides workshops and events for residents to learn about rebates, meet contractors, and hear from local homeowners who have completed energy upgrades. Two energy efficiency workshops were hosted in Albany in 2013 (April 4 and September 12), and one was hosted in 2012. Albany schools are also eligible for "Energize for the Prize" grants, which encourage energy efficiency awareness among students and energy efficiency on school campuses.

Lower income Albany households are also eligible for reduced energy rates through the federal Low Income Homeowner Energy Assistance Program (LIHEAP) and a number of other programs administered by PG&E. These include the California Alternate Rates for Energy (CARE) program, which provides discounted gas and electric rates for low income households, and the Family Electric Rate Assistance (FERA) program, which reduces the baseline electric rate for qualifying households. There are also reduced rates available for persons requiring high-energy consuming medical equipment, and for those requiring one-time assistance with utility bills due to sudden financial hardship.

Identification and Analysis of Developments At-Risk of Conversion

The State Government Code requires the Housing Element to include an analysis of existing assisted housing developments that are eligible to change from low-income housing uses by 2025 due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. The expiration of subsidies presents a challenge in many California cities due to the termination of various government subsidy programs and/or restrictions on rental rates. Such housing is referred to as being "at risk" due to

the potential for displacement of lower income households. Communities with at risk units must provide a detailed analysis and proactive policies and programs to preserve these units.

There are no “at risk” units in Albany. The City does not have its own housing authority and is within the jurisdictional area covered by the Alameda County Housing Authority. Like other small cities with limited resources, the City relies primarily on the non-profit sector to produce and manage affordable housing. The City has no publicly assisted housing projects, and one development operated by a non-profit with rent-restricted units. This development (Creekside) was built in 2001 and its affordability restrictions will remain in effect until 2057. Likewise, the four inclusionary housing units at Villa de Albany were developed in 2006. The Regulatory Agreement and Declaration of Restrictive Covenants approved for this project indicates the inclusionary units must remain affordable in perpetuity, with no expiration date.

Projections

ABAG Forecasts

Population and housing projections for Albany and other cities in the Bay Area are developed by the Association of Bay Area Governments (ABAG). ABAG’s most recent projections were published in 2009 (*Projections 2009*) and 2013 (*Projections, 2013*). The 2009 projections indicated Albany would gain 370 households between 2010 and 2020 and another 370 households between 2020 and 2030. This equates to roughly 40 new housing units a year. Assuming a household size of 2.5, Albany would have roughly 20,400 residents by 2030 if these projections were accurate.

The 2013 projections indicate a gain of 1,170 housing units from 2010 to 2040, again equating to approximately 40 housing units a year. The ABAG forecasts indicate a growth rate that would be more than twice what was actually experienced by Albany in the 1990s and 2000s. Again, population would be roughly 20,400 by 2030.

Given Albany’s built out character and well-established neighborhoods, most new housing is expected to be multi-family in format. The next chapter of the Housing Element identifies possible housing sites, with a focus on sites that are presently available for development. The ongoing effort to update the Albany General Plan may identify additional, longer-term options for future growth.

Regional Housing Needs Allocation

As part of the Housing Element process, the State determines the total need for housing in each region of California. For the years 2014-2022, the State has determined that the total need for housing in the San Francisco Bay Area is 187,990 units.

In the San Francisco Bay Area, ABAG is responsible for allocating the “fair share” of this total to each of the nine counties and 100 cities in the area. During the allocation process, known as the Regional Housing Needs Allocation (RHNA), ABAG takes into consideration job growth, water and sewer capacity, land availability, proximity to transit, and market demand for each locality. The RHNA is distributed among four income levels to ensure that the development of housing addresses the needs of all economic segments.

Table 3-29 indicates Albany’s allocation for the current (2014-2022) planning period. The City’s RHNA is 335 units, which is less than one percent of Alameda County’s total assignment of 44,036 units. As indicated in Chart 3-8, the allocation is about 21 percent higher than it was during the prior two planning periods. Chapter 4 identifies opportunity sites for meeting the City’s assignment.

**Table 3-29:
Albany’s Share of the Regional Housing Needs Allocation 2014-2022**

Income Category	NEW CONSTRUCTION NEED
Very Low (0-50% of AMI*)	80
Low (51-80% of AMI)	53
Moderate (81-120% of AMI)	57
Above Moderate (over 120% of AMI)	145
TOTAL UNITS	335
*Areawide Median Income	

Source: Association of Bay Area Governments, 2013

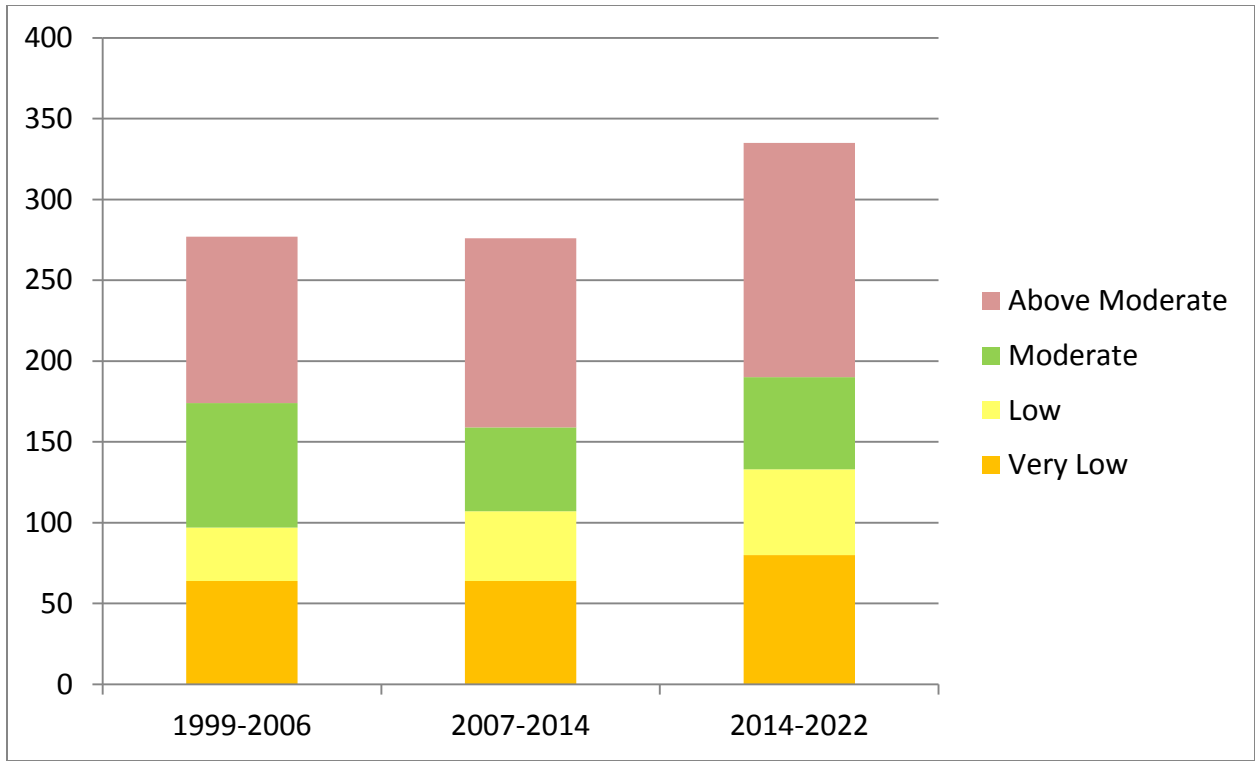


Chart 3-8: Regional Housing Needs Allocation for 1999-2006, 2007-2014, and 2014-2022

Source: ABAG, 2009, 2013

Conclusions

1. Albany is a mature city with relatively slow growth. Most of the growth that occurred between 2000 and 2010 was a result of increasing household sizes rather than new construction.
2. Most new housing development in Albany during the last decade was associated with the reconstruction of UC Village. Approximately 920 units were demolished and 974 units added between 1998 and 2008, creating a net gain of 54 units. Outside of UC Village, there were less than 120 units built between 2000 and 2014.
3. Although the City has not experienced growth in its senior population in the last two decades, it is likely to see a surge in the next 10 years. The number of residents in the 55-65 age cohort almost doubled between 2000 and 2010, and this cohort will be 65-75 in the coming decade. Growing demand for senior housing is likely.
4. Albany's population is becoming more diverse, with a growing number of residents who do not speak English as their first language. Almost one in six residents speaks English "less than very well." This suggests the need for multi-lingual outreach for housing programs, and coordination with the institutions that provide services to non-English speaking residents. It also requires greater cultural sensitivity to the housing needs of extended families and multi-generational households.
5. Albany is an economically diverse community. No one income group predominates in the city, and there are roughly equal numbers of low, moderate, and above moderate income households. There are also a roughly equal number of owners and renters.
6. Almost 9 percent of the City's households consist of single parents with children. Most are female-headed. These households may have special housing needs, along with related needs such as affordable child care.
7. Like other Bay Area communities, Albany has a high percentage of renters paying more than 35 percent of their incomes on housing. There continues to be a strong demand for affordable rental units in the City. Market rate rents make many housing units out of reach for very low income households.
8. Despite rising household size and relatively small housing units, overcrowding is not a serious problem in Albany. The rate of overcrowding dropped by half between 2000 and 2010. Much of the decline is likely due to the replacement of small units at UC Village with larger units. Rapidly rising rents could cause

increased overcrowding as lower income households “double up” in the coming years.

9. Approximately 15 percent of Albany’s households meet the HUD definition of “Extremely Low Income” (ELI). This statistic is skewed by a large number of ELI student families at UC Village, but is still significant. ELI households include persons experiencing homelessness, seniors on fixed incomes, persons with disabilities or receiving SSI or General Assistance, and minimum wage workers. Housing resources for such households are extremely limited in Albany.
10. Albany has unmet needs for homeless services and shelter. Transitional and permanent housing has been provided for some of the former residents of the Albany Bulb in the last year, but more sustained measures and supportive services will be needed in the future.
11. Albany’s housing stock is in good condition, but more than half of the housing units are more than 60 years old. Alameda County programs to assist low income homeowners with repair and home improvements are an important resource. Likewise, programs offered by PG&E and local non-profits which assist with energy efficiency upgrades and reduced utility rates are also important.
12. Albany’s housing units tend to be relatively small, with many one and two bedroom units. As household size rises, there is likely to be a greater need for three and four bedroom units. However, there is also a need for studio apartments and small units for extremely low income individuals.
13. Since 2010, rents and home prices have increased at a faster rate than income growth. The need for affordable rental units has continued to increase. Development of affordable rental housing should be a priority in the City during the coming years.
14. Albany is expected to experience moderate growth during the next decade. The ABAG’s Plan Bay Area indicates 1,170 additional households between 2010 and 2040, or about 40 households a year. This is a substantially faster rate of growth than the City experienced during the last 20 years. A majority of the new development is expected to consist of multi-family housing, including mixed use housing above commercial uses along the City’s two major commercial streets.

Chapter 4 – Housing Opportunity Sites

The purpose of the site inventory is to identify specific properties suitable for residential development during the planning period. The City must demonstrate that the capacity of these properties is sufficient to accommodate its fair share of the region's housing needs, as defined by ABAG. The inventory can help the City determine if it needs to make additional sites available for housing through changes to zoning, development standards, infrastructure improvements, or other actions.

The inventory of potential sites includes both residentially and non-residentially zoned parcels. It includes parcels that are vacant and parcels that are underutilized. Other considerations in compiling the list included physical features (e.g. slope, flooding potential), location (proximity to transit, job centers, and public or community services), size of the property, and the value and extent of improvements on each site. In accordance with the State Government Code, sites from the 2007-2014 Housing Element provided the starting point for the current inventory. Sites that remained available at the start of the planning period (January 2015) have been carried forward. .

Because Albany is mostly built-out and is densely developed, the potential for residential development is mostly associated with small infill sites. A few of the sites are vacant but most are underutilized, meaning there is an existing structure on the property or a use that generates some economic return (such as surface parking). Most development in Albany in the last two decades has taken place on such sites. While the site inventory in this chapter considers all land where housing is a permitted or conditionally permitted use, the focus is on commercially zoned land. This is where most private and non-profit multi-family development in the city has taken place in the past 20 years and is likely to be where most development takes place in the future.

The Opportunity Site chapter includes three parts:

- First, the 2014-2022 Regional Housing Needs Allocation (RHNA) for Albany is adjusted to take into consideration housing that was built or that received building permits during 2014.
- Second, the potential for new housing is summarized in narrative and tabular format. Sites are organized in five categories:
 1. Vacant sites zoned for residential use
 2. Underutilized sites zoned for residential use
 3. Vacant sites zoned for mixed use
 4. Underutilized sites zoned for mixed use
 5. Second units

For Categories 2-4, a detailed site inventory is presented. This includes information about zoning, allowable density, General Plan designation, size, realistic unit capacity, and constraints for each site. An aerial photo is included for each parcel.

- Third, the information is summarized to demonstrate the total number of units that could potentially be produced. This is compared to the RHNA.

Adjustments to Regional Housing Needs Allocation (RHNA)

As noted in Chapter 3, the 2014-2022 RHNA for Albany is 335 units. Because the RHNA covers the period from January 1, 2014 to October 31, 2022, units that have already been built or permitted for construction during this period may be subtracted from these totals.¹ The adjustments for built or approved units are shown in Table 4-1 below.

Table 4-1 indicates that 10 net new units have been either built, approved, or are pending since the start of the RHNA period. This includes two new homes on vacant lots, two homes being created through additions and conversions of single family homes to duplexes, and six second units. The single family homes and duplexes have been presumed to meet above moderate income needs. The second units have been presumed to meet moderate income needs.²

Table 4-2 shows the adjusted RHNA, taking into consideration the data in Table 4-1.

¹ The "RHNA period" and the "planning period" are slightly different.. While the RHNA applies to January 1, 2014 through October 31, 2022, the planning period is January 31, 2015 to January 31, 2023.

² In 2014, Alameda County HCD indicates that a "moderate" income one person household earns between \$47,350 and \$77,280 annually. Rents of \$1,180 to \$1,930 would be considered affordable to such households. Based on the City's 2014 second unit survey, prevailing rents for second units are in this range.

**Table 4-1:
Units Built or Approved for Construction in 2014**

Address	Status: Built, Under Construction, Approved	Total Units (net)	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units	Comments
1069-1071 Talbot	Under construction	1				1	Convert house into duplex
1031 Evelyn	Finished in May 2014	1			1		Second unit
830 Pomona	Under construction	1			1		Second unit
730 Gateview	Under construction	1			1		Second unit
726 Cerrito	Under construction	1				1	Single family home
850 Hillside	Permit Review	1				1	Single family home
1111 Cornell	Permit Review	1			1		Second Unit
957 Stannage	Permit Review	1			1		Second Unit
1036 Kains	Planning Commission	1				1	Convert house into duplex
1062 Peralta	Under Construction	1			1		Second Unit
TOTAL		10	0	0	6	4	

Source: Albany Community Development Department, Barry Miller Consulting, 2014

Notes:

The second units are presumed to serve moderate income households, while the single family homes and duplexes are presumed to serve above moderate income households. A 2014 survey of second unit monthly rents indicated a median of \$1,395, which falls within the affordability range for moderate income households. Some of the smaller second units may also be affordable to low income households.

**Table 4-2
Adjusted RHNA for Opportunity Site Analysis**

	Very Low	Low	Moderate	Above Moderate	Total
RHNA	80	53	57	145	335
Committed Units	(0)	(0)	(6)	(4)	(10)
Adjusted RHNA	80	53	51	141	325

Source: Barry Miller Consulting, 2014

Adequate Sites Requirements

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. For instance, Albany has collected data which supports the conclusion that second units are affordable to low and moderate income households. However, the City typically only produces a few second units a year, and cannot rely on second units alone to meet its affordable housing needs.

Cities 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 Albany (cities in metropolitan area with populations under 25,000), housing is more likely to be affordable on land that is zoned for at densities of at least 20 units per acre. That is referred to as the “default density” for sites deemed viable for affordable housing.

As shown in Table 4-2, Albany must demonstrate that it has the capacity to accommodate at least 133 units of very and low income housing units, on sites zoned at densities of at least 20 units per acre. This correlates to land in the R-2, R-3, and R-4 zoning districts, where densities of 35, 63, and 87 units per acre are permitted, respectively. It also includes land in the SC (Solano Commercial) and SPC (San Pablo Commercial) zones. Each of these districts allows residential development at densities of 63 units per acre. The RHNA allocation for moderate and above-moderate income units can be met on sites zoned for any residential density, including sites zoned above 20 units per acre and sites zoned below 20 units per acre.

Where high densities are allowed, the City must demonstrate the realistic capacity of each site rather than simply assuming that each site develops at the maximum capacity. Recent development provides a helpful metric for expected densities. Moreover, cities that rely heavily on small sites (e.g., sites less than half an acre) need to demonstrate that these sites are viable for development based on recent trends.

Additional analysis must also be provided for commercially zoned sites where housing is allowed but other uses are also permitted. Since these sites also may be used for non-residential purposes, it is expected that not all of them will be developed with housing. Similarly, not all “underutilized” sites will be redeveloped. The decision to develop a site is ultimately up to the private landowner. Potential economic return is only one factor influencing the decision to build.

Vacant Sites Zoned for Housing

The supply of vacant residentially zoned sites in Albany is very limited. A windshield survey indicated the following R-1 (single family) properties are vacant lots:

- APN 66-2793-18-3, between 739 and 745 Madison (2,500 SF)
- APN 66-2753-6-3 between 895 and 889 Hillside Avenue (4,800 SF)
- APN 66-2751-16 between 840 and 846 Hillside Ave (3,600 SF)
- APN 66-2751-12-1 between 830 and 840 Hillside Ave (5,600 SF)
- APN 66-2751-5-13 between 716 and 796 Hillside Ave (5,400 SF)
- APN 66-2753-31 between 705 and 715 Hillside Ave (6,100 SF)
- APN 065-2463-066 1196 Curtis St. (8,176 sq. ft.)

These seven parcels are estimated to have the capacity for seven units. Since these are single family zoned lots, mostly located on hillsides, future homes on these sites would presumably meet above moderate income needs. There is also a developed 8,000 SF lot at 1197 Curtis (APN 65-2412-39) with the potential to be divided into two 4,000 SF lots. Thus, the potential capacity on single family zoned R-1 lots is estimated to be eight units.

There is one vacant R-2 lot, located immediately south of 910 Adams Avenue (APN 66-2722-7). It is 2,500 square feet and is presumed to have the capacity for two moderate income units (allowable density in R-2 is one unit per 1,250 SF of lot area).

There is also a vacant, privately owned parcel of roughly 11 acres located on the west side of Albany Hill with Hillside Residential zoning. The 1992 Housing Element estimated its capacity at 112 units, or about 10 units per acre. Current zoning on the site permits 6 units per acre, or roughly 66 units. Although this site continues to be a potential housing site, it is not counted in the 2015-2023 inventory. The site has slope constraints and would require extensive site planning and community involvement before construction could proceed. New General Plan policies and land use directives for this area are being considered through the current (2013-2015) effort to update the Albany General Plan.

There are no vacant R-3 or R-4 (multi-family) sites.

Underutilized Sites Zoned for Multi-Family Housing

Albany's R-3 zoning district permits densities of up to 63 units per acre. Affordable housing is considered feasible in this zoning district, given the allowable densities and associated development standards. Market rate condominiums and apartments also would be feasible at the permitted densities. Although there are no income-restricted affordable housing developments in the R-3 district at this time, some of the older

market rate units meet affordability criteria for lower income households, and many meet affordability criteria for moderate income households.

The R-3 zone contains a mix of large multi-family buildings, small multi-family buildings, 2-4 plexes, flats, and individual single family homes. There are a number of underutilized properties in this district with the capacity for higher density development. For example, the R-3 zone includes a number of small single family homes built between 1910 and 1940, including some that are investor owned and renter occupied.

In recent years, a few such parcels have been redeveloped to support higher-value development with more units. For instance, in 2011, a 5,000 square foot lot containing two single family homes (1157 Brighton and 420 Cornell) was redeveloped with four rental units. The density of the new project is 35 units per acre. Similarly, in 2008, the Planning and Zoning Commission approved an application to replace two 1930s-era single family rental homes at 423 and 427 Talbot Avenue (two 5,000 SF lots in the R-3 zone) with 12 multi-family units. The approved density was 52 units per acre. Because the owner of the site elected not to pursue the approved development, and the entitlements have recently expired, the site still appears in Table 4-3 as a housing opportunity site.

Similar opportunities exist elsewhere on the five R-3 blocks generally bounded by Kains Avenue, the BART tracks and Cerrito Creek. These blocks are particularly well suited for additional density since they are located between 1,500 and 2,000 feet from the El Cerrito Plaza BART station. Walking to BART from this area typically takes less than 10 minutes, which may allow for transit-oriented housing with lower levels of auto ownership. This can improve affordability and potentially allow for reduced parking requirements. Table 4-3 indicates the potential for 29 (net) multi-family units on four R-3 sites in this area.

The potential for multi-family units also exists in other R-3 zoned areas. These include Adams Avenue and Kains Avenue, which form buffers between the San Pablo Avenue corridor and the lower density residential areas to the east and west. Like the area north of Brighton, these streets include a mix of single family homes, flats, 2-4 unit buildings, and large and small apartment buildings. Some of the single family homes could potentially be replaced with multi-family units, although the potential has not been quantified. Some of the homes could be expanded and converted from one unit structures to duplexes, as has been proposed at 1036 Kains. There is one underutilized 10,000 square foot R-3 site in this area listed in Table 4-3, located just south of Castro Street on the east side of Adams Avenue. It is used for auto storage for a car dealership on San Pablo Avenue. Assuming a density of 33 units per acre, this site could support seven units.

Another R-3 area is located between Cleveland Avenue and Pierce Street, just north of Buchanan on the west side of the City. Again, there are a number of single family homes here that could be replaced with multi-family units but the potential has not been counted for Housing Element purposes. Improvement values on parcels in area generally exceed land values, and recent development has consisted of townhomes rather than multi-family development.

Vacant Sites Zoned for Mixed Use

Table 4-4 identifies two vacant sites zoned for mixed use development. One of these sites – the UC Village property on San Pablo Avenue – is currently proposed for a 175-unit market rate senior housing development. The other is located at 1245 Solano Avenue.

The capacity of these two sites is estimated to be 180 units. Both sites meet the default density criteria set by AB 2348. Since a market-rate project is pending on the UC Village site, it is not being counted toward the City’s potential affordable housing opportunities. The proposal on the UC Village property includes 75 studio units and 33 one bedroom apartments in assisted living (all units with kitchens), 40 one-bedroom apartments and 3 two bedroom apartments in independent living (all units with kitchens), and 24 memory care studio apartments. Rents are expected to be in the “above moderate” range.

The UC Village proposal is notable because it demonstrates the viability of high density residential development on commercially zoned property. Moreover, the proposed density of the senior housing is 80 units per acre, which far exceeds the “default density” of 20 units per acre, as well as the 63 units per acre allowed by the SPC zoning. The City has granted a density bonus for senior housing to facilitate this project.

**Table 4-3:
Multi-Family Potential on Underutilized R-3 Sites**

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
404-408 Cornell	067-2829-003-00 067-2829-004-00	Res-High Dens.	63 du/ ac	8,400 SF	10 units (8 units net)	2 single family homes	The existing homes were built in 1939 and sit on two 4,200 SF lots. The site is presumed to have the capacity for 10 units, for a net gain of 8 units. This equates to 52 units per acre, which is the same density recently approved at 423-427 Talbot, which also contains two 1930s vintage homes and is one block away. This housing site is 300 feet from the El Cerrito Plaza shopping center and 1,800 feet from the El Cerrito BART station. This makes it a particularly desirable site for higher density housing, and improved affordability due to the availability of services and public transit nearby. This can potentially warrant parking reductions, as was done with the Talbot project nearby.



Table 4-3, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
412-416 Stannage	067-2828-006-00 067-2828-005-00	Res-High Dens.	63 du/ ac	7,500 SF	8 units (6 units net)	2 single family homes	These two parcels show the same potential for development as what was approved at 423-427 Talbot and 1157 Brighton, both within two blocks of this property in the same R-3 district. The site consists of two renter-occupied single family homes, both built in 1940 and in fair condition.



Zoning standards would allow 8 units, yielding a net gain of 6 units if the site were to redevelop. County assessor records indicate that the assessed value of the land for these two parcels is 1.74 times the assessed value of the improvements, creating conditions favorable for reinvestment. Other parcels on this block have been developed with multi-family housing, and these are among the few single family homes in this block.

Table 4-3, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
425 Evelyn	067-2832-7-3	Res-High Dens.	63 du/ ac	9,400	9 units (5 units net)	Rental 4-plex	<p>This is a narrow lot developed with a small rental fourplex near the front of the parcel. The rear three-quarters of the parcel are vacant. Although there are a few single family homes on this block, most of the nearby parcels are developed with three story apartment buildings. According to the County assessor the land value of this property is 2.2 times the improvement value. The structure is in fair condition.</p> <p>Existing zoning would permit 11 units on this site. This site is one block away from a previously approved but now expired 12-unit multi-family building site (approved for development at 52 units per acre) and two blocks from recent construction of 35 units per acre. If an average density of 44 units per acre were applied to this parcel, it would yield 9 units, for a net gain of 5 units over the current count. This parcel is about 1,500 feet from the El Cerrito BART station.</p>



Table 4-3, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
707-711 Adams	66-2792-28 66-2792-27	Res-High Dens.	63 du/ ac	9,982	7 units	Surface parking	<p>This consists of two adjoining parcels (5,000 SF and 4,982 SF), developed as a single parking lot serving auto-related uses on San Pablo Avenue. The rear of the parcels back up to the rear of the Albany Ford/Subaru dealership (718 San Pablo) and the Albany Body Shop located (802 San Pablo). This parking lot is not accessible to the public and is used for vehicle storage rather than customer parking.</p> <p>Existing zoning would permit 12 units on this site. Development at similar densities exists on numerous properties on Adams Street. However, based on recent development along San Pablo Avenue, a more conservative estimate of 33 units per acre is assumed, yielding the potential for seven units.</p>



Table 4-3, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
423-427 Talbot	067-2831-17 067-2831-18	Res-High Dens.	63 du/ ac	10,000 SF	12 units (10 units net)	2 single family homes	<p>The site consists of two 5,000 sq. ft lots, each with a single family home. In 2009, the City approved a project which would have replaced the two homes with a 12-unit 3-story market-rate condominium with one inclusionary unit (net gain of 10 units). The approved project included a parking exception to provide fewer spaces than the 24 required. The project required no Variances, met the City’s open space standards and satisfied all design review criteria. No density bonus was required to achieve the proposed density of 52 units/acre. The approved project had an FAR of 1.57, which complied with City standards.</p> <p>The approval of this project coincided with a decline in real estate prices and considerable economic certainty in the Bay Area. The owner opted not to pursue the project and the entitlements have now lapsed. The site was subsequently sold and is once again a potential opportunity site for new multi-family housing. The site is within a 10-minute walk of El Cerrito Plaza BART.</p>



**Table 4-4
Vacant Sites Zoned for Mixed Use Development**

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1130 San Pablo Av	066-2692-002-06	Institutional Res-Comm	63 du/ac	95,517 SF	175 units	Vacant Land	<p>This is a 2.2 acre vacant parcel along San Pablo Avenue adjacent to the UC Village family housing complex. The entire site is zoned San Pablo Commercial (SPC), allowing 63 units per acre across the property. A density bonus for senior housing has been granted, enabling 80 units per acre. The density bonus is in association with a pending application for a 175 unit, four-story senior housing development. An EIR for the project (and a grocery store on an adjoining site) has been completed. This is proposed to be a market-rate project, and the units are presumed to meet demand for above moderate income housing.</p>



Table 4-4, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1245 Solano Av	066-2804-019-01 and 066-2804-018-00	Community Commercial	63du/ac	6,000 SF	5 units	Vacant Land	This site is one of the few remaining vacant lots on Solano Avenue. It consists of two adjacent narrow parcels, approximately 3,000 square foot each. The parcels are in common ownership and are zoned Solano Commercial, a designation which encourages housing over ground floor retail-service uses. A large apartment building sits immediately west of the site, and a café is located immediately east. The site is seasonally used for Christmas tree sales but has no improvements. Mixed use is strongly supported by policies and regulatory standards, and would create building frontage along Solano. Current zoning allows six units on the site, but given parking requirements, recent development densities, and the expectation that ground floor street frontage will be commercial, five units is the realistic capacity. Similar small sites in the R-3 district have developed at comparable densities (36 units/ac).



Underutilized Sites Zoned for Mixed Use

Analysis Requirements for Non-Vacant Sites

Government Code Section 65583.2(g) allows cities to include non-vacant sites in their housing site inventories, provided that the methodology for identifying these sites considers:

1. The extent to which existing uses may constitute an impediment to residential development
2. Development trends
3. Market conditions
4. Regulatory or other incentives to encourage additional residential development.

Each of these factors is discussed in the section below.

The first factor is addressed through a description of existing uses on each site in Table 4-5, along with a broader discussion of existing floor area ratios and assessed improvement to land value ratios in the narrative below. The second factor is discussed in narrative text on the next three pages, including a discussion of the residential developments actually built in Albany in recent years. The third factor is likewise addressed in the narrative text on the next three pages, through descriptions of recent affordable housing projects built on small, non-vacant sites in Albany and surrounding cities. The fourth factor is documented in Chapter 5. However, it is again noted below that the City allows a floor area ratio bonus of 130 percent (e.g., 2.25 vs 0.95) for projects in the SPC zoning district which include residential uses.

Evaluation of Sites

Most of Albany's higher-density housing potential is associated with underutilized sites zoned for mixed use development. This includes properties on the San Pablo Avenue corridor and the Solano Avenue corridor. While many of these properties could potentially be redeveloped with higher value land uses, particularly along San Pablo Avenue, the City has focused this inventory on those that present the most evident and immediate opportunities.

Potential housing sites in this category are listed in Table 4-5. Since zoning allows the properties to be developed with projects that are 100 percent commercial, it is recognized that not all of the sites listed in Table 4-5 are likely to be developed with housing. For this reason, the City is providing more capacity than is strictly required to meet its RHNA.

It is worth noting that almost every new construction project along the San Pablo Avenue corridor in Albany in the past 14 years has included multi-family housing. Only one project – like for like replacement of a fast food restaurant at 635 San Pablo – did not. Between 1999 and 2006, roughly 10 percent of the land area along the corridor was redeveloped with high-density mixed use projects, adding 74 new units. The San Pablo Avenue sites identified for 2015-2023 in Table 4-5 represent 5.8 acres, or about 23 percent of the land area of the corridor. Moreover, the designation of these properties as “housing opportunity sites” does not in any way preclude housing from being developed on *other* sites along the corridor.

Based on prior development activity, the expectation on the housing opportunity sites is that most, if not all, of the sites will develop with housing. The City provides a significant incentive for housing on these sites by allowing an FAR of up to 2.25 on San Pablo (and 1.75 on Solano), compared to 0.95 for projects without housing. However, even if half of the sites listed are redeveloped entirely with commercial uses, there would still be sufficient capacity to meet the RHNA. The City has included a program in its Housing Element which will monitor development on the identified sites to ensure that adequate capacity to meet the RHNA is maintained throughout the planning period.

In Table 4-5, the City has estimated development capacity based on “realistic potential” rather than the “absolute potential” allowed by zoning. “Realistic potential” reflects the densities of recently developed projects along the corridor and is a very conservative estimate. It recognizes that some of these properties may develop with ground floor commercial uses facing the street, rather than as purely residential projects at 63 units per acre. It also recognizes parking requirements, contextual issues, and other factors that make it more difficult to achieve the maximum density allowed by zoning. As noted in Chapters 5 and 6, the City is moving forward with zoning code changes to allow residential uses on the ground floor on San Pablo Avenue for affordable housing, which will likely result in higher density projects in the future. Moreover, the conservative assumptions used in the Housing Element should not be interpreted as an expression of preference for lower densities on these sites. The City encourages densities as close to the maximum end of the range as possible, in order to meet the housing needs of all Albany residents.

Real estate trends of the last decade provide evidence that the San Pablo corridor sites are the most viable in the City for multi-family and affordable housing. The City’s only 100 percent affordable housing project is located on this corridor. Creekside Apartments (16 units) replaced a former motel (Palm Villa) during the 1999-2006 planning period. The Solano Avenue parcels tend to be more challenging than the San Pablo parcels, as they are smaller and narrower. The Avenue is almost completely built out and is highly regarded as a walkable neighborhood shopping street.

As noted above, other recent multi-family /mixed use projects in Albany along the San Pablo corridor include Portland Gardens, Albany Gardens, and Villa de Albany. These projects are characteristic of new development along this corridor between El Cerrito and Berkeley. In all three cities, mixed use development consisting of ground floor retail/service uses with two to three stories of housing above have been replacing former marginal commercial uses. In Albany, 67 percent of the housing units added between 1999 and 2013 (excluding second units and UC Village) were in multi-family mixed use projects along the San Pablo corridor.

Specific characteristics of Albany's major housing developments (excluding UC Village) between 2000 and 2010 are as follows:

- Villa de Albany (727 San Pablo Avenue) replaced a former mortuary with 25 housing units, situated above ground floor commercial uses. The parcel is 36,250 square feet in area, and the density is 30 units per acre. The parcel was developed at a Floor Area Ratio of 0.85, which is well below the 2.25 allowed by zoning. No Zoning Variances were required to develop this project. The project site initially consisted of 13 separate parcels, including a home facing Kains Avenue and a detached garage, as well as the mortuary.
- Portland Gardens (1100 Portland Avenue, at San Pablo) is a 12-unit building on a 10,000 square foot parcel. The former use was a gas station and small retail store. The density of the project is 52 units per acre. The parcel was developed at a Floor Area Ratio of 1.92, which is below the 2.25 allowed by zoning. No Zoning Variances were required to develop this project. No residences were removed to accommodate this project.
- Albany Gardens (900 block of San Pablo and Adams) is a 25-unit building on a 32,500 square foot lot. The development replaced an auto dealership and service center in 2004. The density of the project is 33.5 units per acre. The parcel was developed at a Floor Area Ratio of 1.57, which is below the 2.25 allowed by zoning. No Zoning Variances were required to develop this project. No residences were removed to accommodate this project.
- Creekside Apartments (1155 San Pablo Avenue) is a 16-unit affordable housing development that replaced a former motel. The development is on two parcels, including 8 units on a commercially zoned property facing San Pablo developed at 30 units per acre, and 8 units on a residentially zoned property facing Kains Avenue at 22 units per acre. Average density across the site is 26 units per acre. The San Pablo Avenue parcel was developed at a Floor Area Ratio of 0.8, which is well below the 2.25 allowed by zoning. No residences were removed to accommodate this project.

Based on the above densities, Table 4-5 presumes that the sites larger than 10,000 square feet will develop at 32 units per acre while those smaller than 10,000 square feet will develop at 40 units per acre. For sites where a project is already pending, that project's

proposed density has been used. It should be emphasized that density alone is not a determinant of affordability. Of the four recent mixed use developments on San Pablo Avenue, the project that is 100 percent affordable is the least dense.

The analysis in Table 4-5 considers other attributes of the properties which are likely to contribute to their re-use. This includes an estimate of the floor area on each site relative to the floor area permitted by zoning (based on the allowable floor area ratio for mixed use development). As a benchmark for comparison, the City researched the floor area ratios of the former commercial uses on those sites that were redeveloped into multi-family mixed use in the last 15 years. These include the former Olsen mortuary at 727 San Pablo (former FAR was 0.3), the former 9,000 square foot auto dealership building in the 900 block of San Pablo (former FAR was 0.28); and the former 8,500 SF Villa Motel at 1155 San Pablo (former FAR was .28). Sites with floor area ratios greater than 0.5 were not considered for inclusion in Table 4-5, and the focus was on those sites with FARs of less than 0.30.

As appropriate, the table also includes a comparison of the assessed value of improvements to the assessed value of the land. Properties with high land values relative to improvement values are often more likely to redevelop than those with large structures.

Table 4-5 identifies 13 sites, with a total capacity of 190 units. One of these sites is located on Solano Avenue and 12 are located on San Pablo Avenue. Two of the sites contain banks. Although both banks are operational and there are no current proposals to redevelop them, the City has observed a trend of bank consolidation and closure in the area and believes these are both viable housing sites. They are among the largest sites in Albany on their respective commercial streets, and have low floor area ratios. One of the banks is currently the focus of a University of California graduate city planning class in which the feasibility of affordable housing on the site is being tested.

Some of the sites listed in Table 4-5 consist of multiple adjoining parcels (e.g., Hertz and Sizzler). As noted in the Table, these parcels are under single ownership, so acquisition would not be required for the owner to undertake reuse. A policy encouraging lot consolidation is included in the Housing Element to encourage the aggregation of smaller parcels in multiple ownership so that more viable housing sites may be created. Six of the housing sites listed in Table 4-5 are larger than one-half acre. These sites provide particularly important opportunities for affordable units. Most are approximately the same size as the parcel containing the City's only 100% affordable project, the Creekside Apartments developed in the early 2000s.

Seven of the sites listed in Table 4-5 are less than one-half acre in size. Although affordable housing projects are typically built on larger sites, the City has recently received inquiries from non-profits regarding the potential for smaller multi-family

housing sites. Such housing can potentially fit more seamlessly within the fabric of existing neighborhoods. Given the absence of large sites in Albany and nearby cities, and the limited options in a built out city of 1.7 square miles, these properties offer some of the best opportunities for affordable infill.

Examples of affordable projects on small infill sites (less than ½ acre) may be found just across the border from Albany in the City of Berkeley. For example, in 2006 a project containing 28 affordable rental units was developed on an 8,000 square foot (0.18 acre) lot at 2577 San Pablo Avenue. The development, called Margaret Breland Homes, includes 22 very low income units for seniors and was developed on a narrow lot very much like those on the Albany portion of the corridor.

In addition, a 13,000 square foot (0.29 acre) lot at 3222-24 Adeline Street in Berkeley was recently developed with 18 affordable rental units for persons with disabilities and their families. The project is three stories tall and is developed at a density of 60 units per acre. The lot is similarly configured to those listed in Albany's site inventory and was built by RCD, who also built the affordable Creekside Apartments in Albany.

The City will continue to work with local affordable housing developers to support this type of development on the smaller mixed use sites in Albany's inventory.

**Table 4-5
Underutilized Sites Zoned for Mixed Use Development**

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1451 Solano Ave	067-2846-017-00	Community Commercial	63 du/ac	13,000	9 units	Bank	<p>California Bank and Trust currently sits on this 13,000 square foot parcel. The building is just over 5,000 square feet for a floor area ratio (FAR) of 0.38. The site is zoned Solano Commercial, which allows multi-family residential and mixed use development at a floor area ratio of 1.25.</p> <p>Most of the site consists of surface parking. The parking lot abuts a single family residence and multi-family building and the site spans the entire block of Solano between Santa Fe and San Carlos Avenues. The bank was built in 1981. Given the consolidation of banking services and expansion of on-line services, the site shows potential for reuse. It would be an ideal location for mixed use with housing. Based on comparable projects on the San Pablo corridor a density of 32 units/acre is presumed, yielding nine units.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
934 San Pablo Ave	066-2721-11-1	General Commercial	63 du/ac	7,500	11 units	Parking Lot	<p>This is a surface parking lot along San Pablo Avenue. It is zoned San Pablo Commercial. A formal application for development was received in 2007. The application was reviewed by the Planning and Zoning Commission in 2007 and 2008. The applicant requested approval for 13 residential units above ground floor retail. Zoning allows 11 units by right, but the applicant requested a density bonus for the proposed inclusion of two affordable units. The applicant requested an FAR bonus to 2.6 and a parking exception to provide only 24 spaces. He further proposed using vertical lifts for parking to maximize space. The proposal included 2 studios, 4 one-bedroom units, 6 two-bedroom units, and one 3-bedroom unit.</p> <p>Because of the timing of the application, which occurred in the midst of the housing market collapse, the owner did not pursue the project. However, the site remains available and is viable for either a market rate or affordable development.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1061-1063 San Pablo Av	065-2662-035-00 and 065-2662-37-01	General Commercial	63 du/ac	15,000	11 units	Hertz Rental Car parking	<p>This is a large surface parking lot with a small 500 SF trailer on foundation that serves as a Hertz rental car office. Zoning is San Pablo Commercial. The existing FAR is .03, while the allowable FAR (for mixed use) is 2.25. The assessed land value is 47 times greater than the improvement value (\$472,000 vs \$10,134). Although the site is comprised of two parcels, they are under one ownership.</p> <p>The business is operational, but the site has similar characteristics to the recent multi-family development at 1100 Portland. The site is abutted by multi-family on the east and planned four-story multi-family (senior housing) on the west, making it an ideal housing site. Development would create a continuous active street front and would be in keeping with the city’s efforts to promote mixed use on this corridor. Minimal demolition would be required. Although 11 units have been presumed on this site in the Housing Element, the maximum density allowed by zoning (21 units) is strongly encouraged.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
433 San Pablo Av	067-2827-009-01	General Commercial	63 du/ac	29,323	21 units	Automotive Service and parking	<p>This site contains a Goodyear Automotive Service that was built in 1967. It is zoned San Pablo Commercial. The lot has a unique configuration, with a surface parking lot that wraps around behind the automotive building on Kains Avenue and along Brighton Avenue on the corner. The site is the gateway to the large R-3 zoning district along Brighton and is a 10-minute walk to the El Cerrito BART station.</p> <p>The building is an 8,600 SF single story structure, with an FAR of 0.29 (2.25 is permitted). Assessed land value (\$283,000) far exceeds improvement value (\$157,000). The parking lot is rarely, if ever, fully parked. The lot size is comparable to Villa de Albany, which recently was developed at 30 units/ac. A density of 32 units/acre has been assumed, yielding 21 units. Projects that are closer to the top of the density range (42 units) should be strongly encouraged here. Because the site includes frontage on Kains, which is a multi-family street, it would be an improvement to both streets.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
611 San Pablo Av	67-2813-22	General Commercial	63 du/ac	5,000 SF	4 units	Concrete pad and workshop	<p>This is a small contractor’s office on San Pablo Avenue. A 1,200 SF workshop building sits near the back property line, and the front of the site is screened from the Avenue by an opaque wood slat fence. The front area is a paved concrete storage pad with no improvements.</p> <p>The existing FAR is 0.24, while the SPC zoning allows 2.25. The assessed value of the land (\$41,812) is four times greater than the assessed value of the building (\$11,149). Reuse of this site as a small mixed use project with ground floor commercial and two stories of housing (4 units total) would be consistent with zoning and the overall vision for San Pablo Avenue.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
665 San Pablo Av	067-2813-014-04; 067-2813-009-001; 067-2813-014-02; and 067-2813-014-03	General Commercial (10,000 SF) and Res-High (15,000 SF)	63 du/ac	25,000	18 units	Restaurant and related parking	<p>Sizzler Restaurant sits on the corner of San Pablo and Portland Avenues on a 25,000 square foot site, most of which consists of underutilized surface parking. The site is comprised of 4 parcels, all in one ownership. Three of the parcels, totaling 15,000 SF, are zoned R-3 and one (10,000 SF) is zoned SPC. The site adjoins other multi-family uses, and multi-family and mixed use would be consistent with zoning and the General Plan vision.</p> <p>The current FAR is zero on three of the lots and about 0.5 on the restaurant parcel. Assessed land value is \$1,304,527, which exceeds the improvement value of \$1,246,808. The restaurant was built in 1972, when development trends were to provide one-story commercial structures with large parking lots. Zoning would allow 36 units, but based on nearby projects, 18 units are presumed for Housing Element purposes. Projects closer to the top of the density range are encouraged.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
805 San Pablo Av	067-2799-001-01	General Commercial	63 du/ac	22,000	16 units	Bank	<p>This is an active Mechanic’s Bank built in 1966. The site is 22,000 square feet, with the bank occupying half the site (zoned San Pablo Commercial) and parking (zoned R-3) occupying the rest. Existing floor area ratio is less than 0.5, while allowable FAR is 2.25. The assessed value of the land is \$318,000, while the assessed value of the building is \$218,000, indicating the site is underutilized.</p> <p>The bank parking lot abuts the R-3 multi-family zoning district along Kains Avenue, with an apartment building on one adjoining side and a multi-family townhome development on another. Some banks in the area are consolidating their operations, making this a potentially viable housing site. Its redevelopment with ground floor commercial and upper story residential use would be consistent with existing zoning, and the vision for San Pablo Avenue. Allowable density would yield 31 units, but a more modest estimate of 16 units has been made here. Development at the high end of the range should be encouraged.</p>

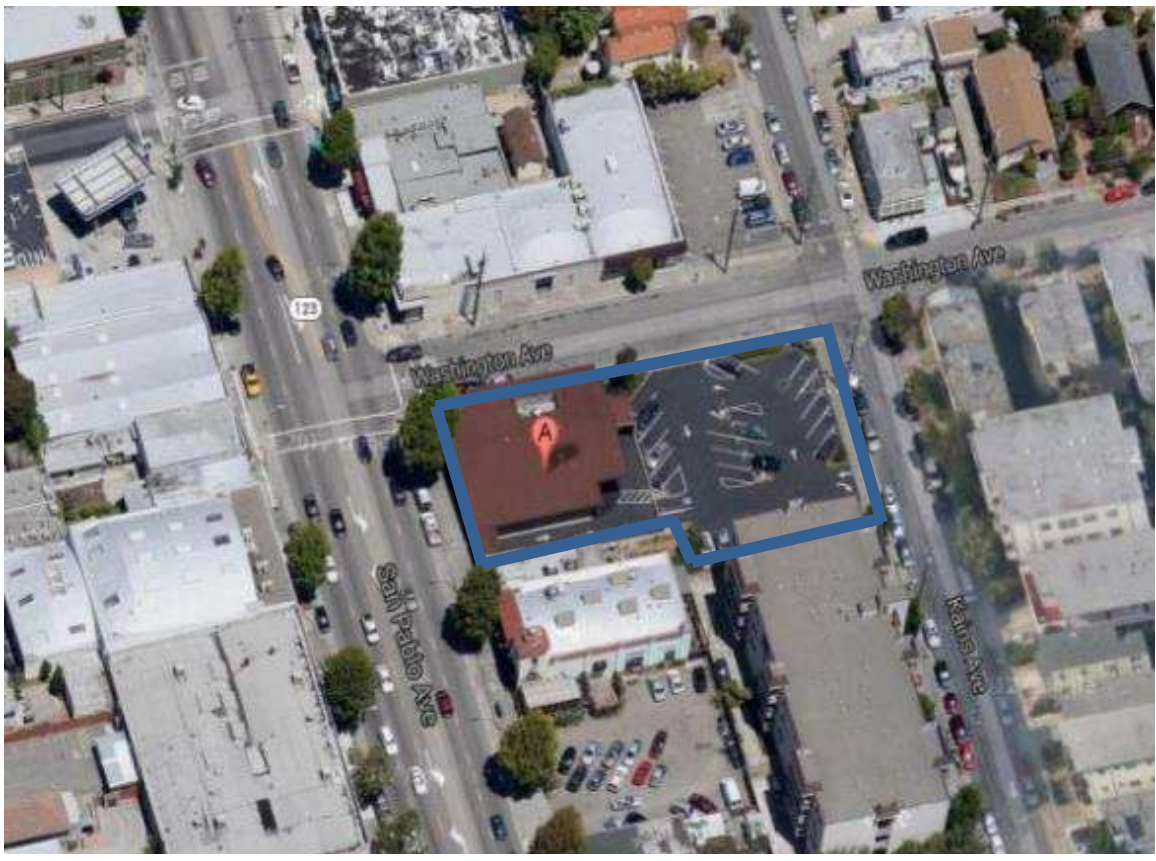


Table 4-5, continued


Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1089 San Pablo Av	065-2662-29	General Commercial	63 du/ac	5,000	4 units (3 units net)	Vacant key shop and rental cottage	<p>This is a vacant business on the corner of Dartmouth and San Pablo. The property was just sold for \$549,000. A small one-bedroom rental cottage also exists on the parcel, facing Dartmouth.</p>
							<p>The SPC zoning would permit 5 units on the site, but a more conservative estimate of 4 units is used here, based on comparable development nearby. The assessed value of the building and the land are equal to one another, but the vacancy status of the business and recent sale suggest this is a potential mixed use development site. The site is across the street from the proposed UC Village mixed use development, which will include senior housing and retail uses.</p>

Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
398 San Pablo Av	066-2761-10	Planned Residential-Commercial	63 du/ac	31,723	23 units	Car wash and dry cleaners	<p>This site consists of three separate buildings on a 0.73 acre lot. The zoning is San Pablo Commercial, with a Planned Residential-Commercial (PRC) overlay. Two of the buildings are associated with a car wash, and the third is a dry cleaners. Similarly sized sites on San Pablo Avenue in Albany were redeveloped between 2000 and 2007 with mixed use projects at densities of over 30-32 units per acre. Applying that density would yield 23 units here. Projects closer to the top end of the density range are encouraged.</p> <p>The three buildings on the site total roughly 7,000 square feet, for an FAR of 0.22. This is about one-tenth of the allowable square footage. Assessed land values currently exceed improvement values on this property. Moreover, the site has a PRC General Plan designation, indicating it has explicitly been identified as a housing opportunity area. Mixed use development with housing would be consistent with the General Plan, and the overall vision for San Pablo Avenue. The site is also walking distance from the El Cerrito BART station.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
1107-1111 San Pablo	065-2410-1 065-2410-13	General Comm'1	63 du/ ac	18,500 SF	13 units	Restaurant and Auto Body Shop	<p>This site consists of two adjacent parcels on San Pablo Avenue just south of Dartmouth Street. The zoning is SPC. The northerly parcel is 7,500 Sf and contains a small (1,500 SF) restaurant built in 1966. This was originally a KFC fast food restaurant and is now a kebab shop. It became available for sale (list price \$679,000) in December 2013.</p> <p>The southerly parcel is 11,000 SF and contains a 2,970 SF auto repair shop built in 1963. The owner of the property has built other mixed use developments along the San Pablo Avenue corridor. If the two sites were combined, the resulting 18,500 SF parcel would have the theoretical capacity for 26 units over ground floor commercial use. The property is adjacent to the 16-unit Creekside affordable housing development built by RCD around 2000. The combined assessed value of the two properties is \$895,000 for land and \$689,000 for structures, indicating the property is underutilized. The existing FAR is 0.21 on one site and 0.27 on the other, which is very low relative to what is allowed by zoning.</p>

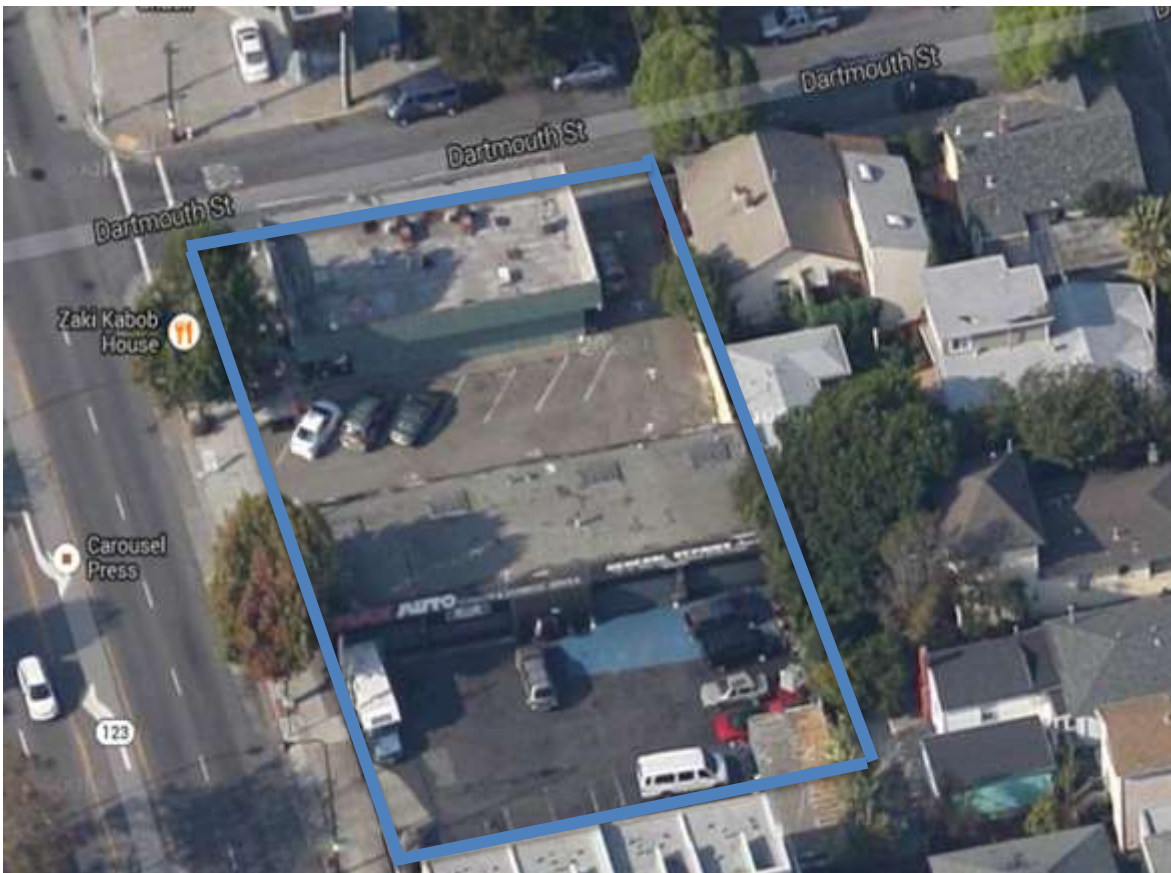


Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
501-505 San Pablo	067-2826-1 067-2826-27 067-2826-28	General Comm'1	63 du/ ac	20,000 SF	15 units	Goodwill (second hand) retail outlet	<p>This site consists of three adjacent parcels under one ownership on San Pablo Avenue just south of Brighton. The zoning is SPC. The property was initially developed as Blockbuster Video and is now being leased to Goodwill as a second hand clothing store.</p> <p>Most of the property consists of surface parking. The only structure is a one-story 7,500 square foot retail store. The floor area ratio on the site is 0.375. The site is relatively large, and has good potential for reuse with mixed uses (including housing) similar to the Portland Gardens and Albany Gardens developments two blocks away. Although zoning would theoretically allow 63 units per acre, a more realistic estimate of 33 units per acre has been used based on comparable projects nearby (Albany Gardens). This yields 15 potential units on this site. Projects closer to the top end of the density range (28 units) should be encouraged.</p>

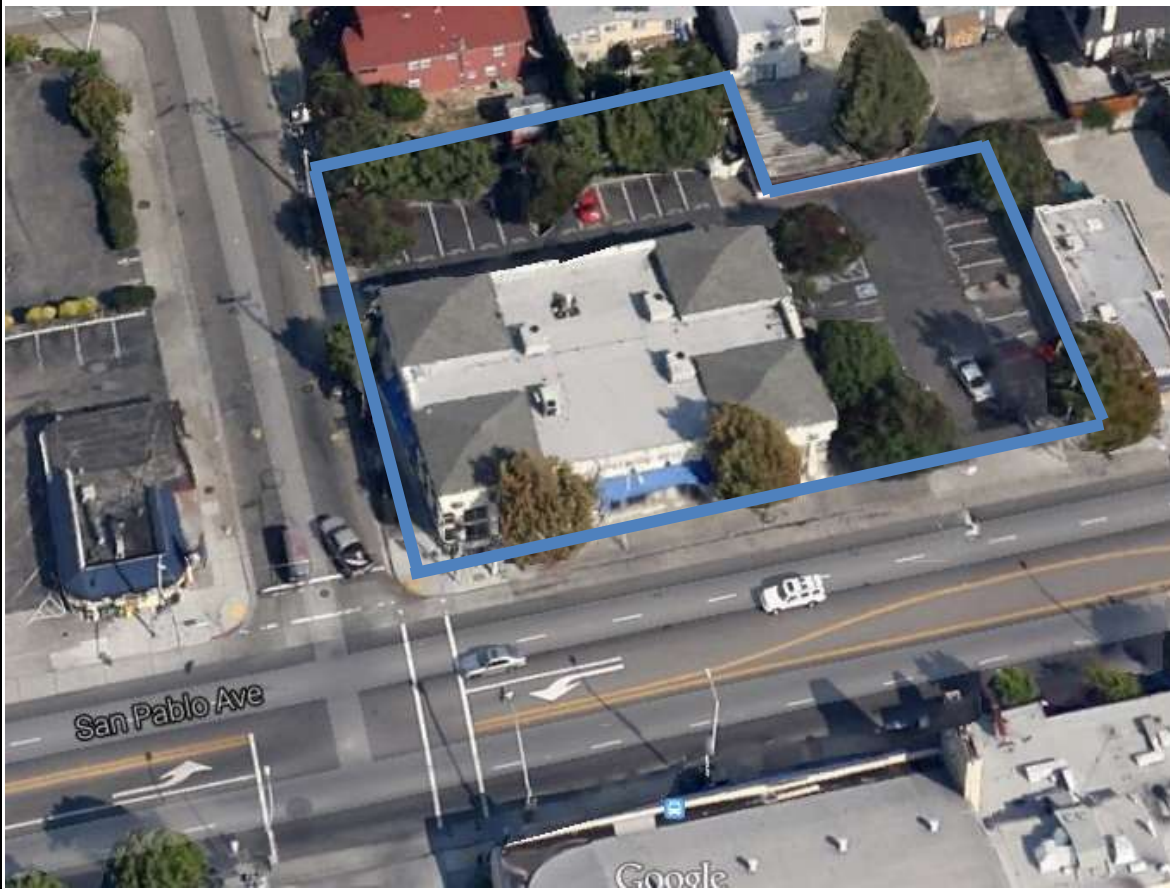


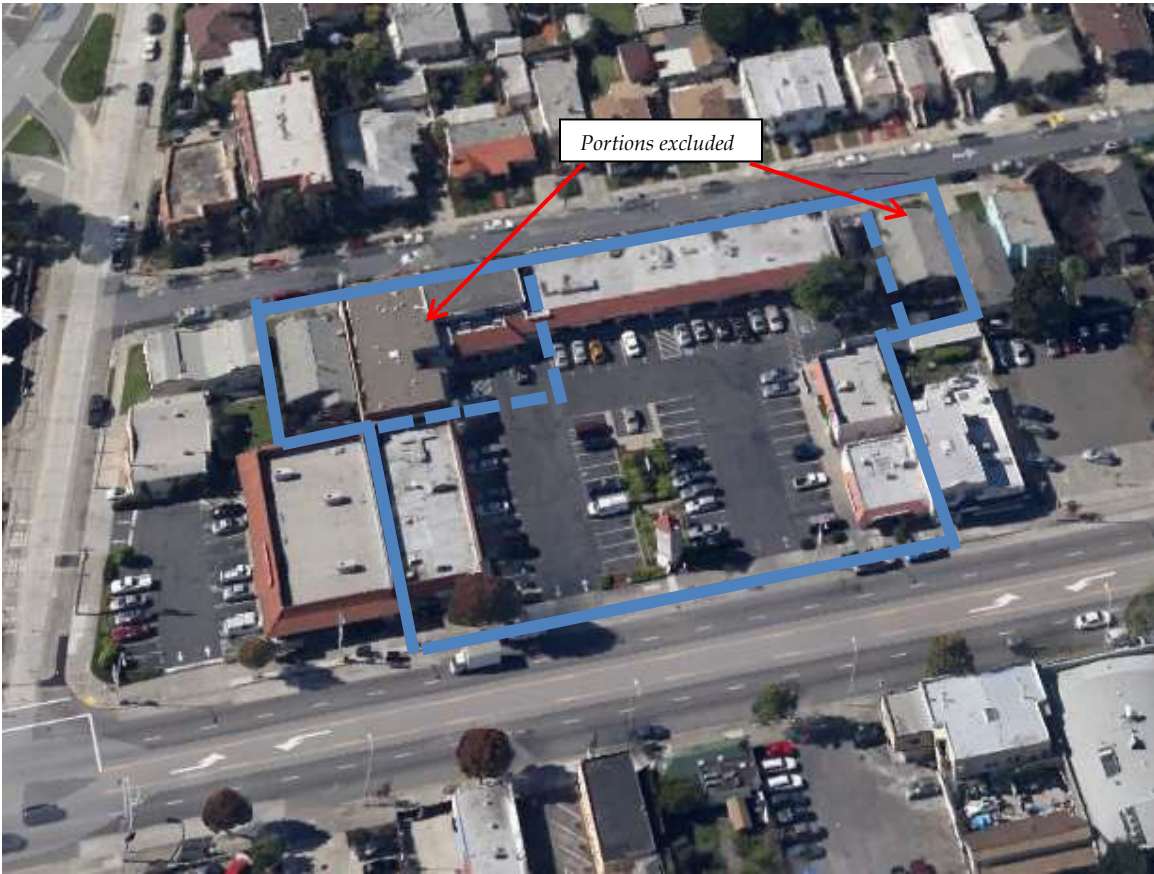
Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
911-13 San Pablo 922-926 Kains	065-2661-3 065-2661-5 065-2661-6 065-2661-57 065-2661-54-1	General Comm'l	63 du/ ac	26,400	16 units (net)	Sporting Goods shop and two rental homes, plus parking	<p>This site consists of five adjacent parcels, with two fronting San Pablo Avenue and two fronting Kains Avenue. The properties are just south of Solano Avenue and are within the Solano/San Pablo “node” (an area identified by the General Plan as being suitable for more intense uses). The zoning is SPC.</p> <p>The site includes a commercial building (containing Mary and Joe’s sporting goods, a photography studio, and a hair salon), a parking lot, and two rental homes along Kains. The total assessed improvement value for the five parcels is \$92,000 while the assessed land value is \$233,000. The resulting Improvement/ Land Value ratio of 0.39 suggests a high potential for redevelopment. Although zoning would theoretically allow 63 units per acre, a more realistic estimate of 32 units per acre has been used based on nearby projects (Villa de Albany across the street is built at a density of 30 units per acre). The yield would be 18 units, minus the two existing rental units for a net of 16 units. Development at the high end of the density range (36 units) should be encouraged.</p>



Table 4-5, continued

Address	APN	General Plan	Allowable Density	Lot Area (Sq. Ft)	Realistic Capacity	Existing Use	Description
950 San Pablo	066-2721-26-6	General Comm'1	63 du/ ac	42,000 SF	30 units	Shopping center / offices	<p>This site consists of the Albany Town Centre shopping center, located on a single parcel on San Pablo Avenue just south of Solano Avenue. Although the total area of the parcel is 1.3 acres, the southwest and northwest corners (along Adams St) have been excluded since they two houses and about 10 apartments. These units would presumably be retained and refurbished if the rest of the site developed with housing.</p> <p>The Town Centre was first listed as a Housing Site in the 1992 Housing Element. Tenants include a pizza parlor, donut shop, laundromat, nail salon, pet supply store, veterinary clinic, realty office, physical therapist, and acupuncture business. The assessed value of the land is twice the assessed value of the improvements, and the FAR on the site is less than 0.5. Although zoning densities would permit 60 new units, a more conservative estimate has been used based on nearby development. Based on 32 units per acre, the yield would be 30 units. Densities closer to the high end of the range are strongly encouraged.</p>



Second Units

Government Code Section 65583.1(a) allows a city or county to account for second units in its calculation of housing opportunities. As noted in Chapter 2, eight second units were added in 1999-2006 and nine were added in 2007-2012. Another six were approved in 2013-2014 (through September). Based on historic trends, this opportunity sites analysis presumes the City will add roughly four second units per year for 2015-2022. Thus, the text assumes 32 second units over the planning period.

All second units are presumed to be market-rate units, without affordability restrictions. Based on a 2014 survey of second units in Albany, it is presumed that four of the 32 units will serve low income households, 26 will serve moderate income households, and two will serve above moderate income households.³

It should be noted that the City has much more capacity for second units than what is presumed for Housing Element purposes. Many single family homes in Albany meet the criteria for “by right” second units and could conceivably apply to create a second unit at any time. Zoning regulations allow second units either as a structure detached from the primary unit or as an attached unit within the main structure. In both cases, secondary unit applications are reviewed by City Staff and do not need to be taken to the Planning and Zoning Commission for design review. As noted in the policies in Chapter 6, the City will continue to encourage second unit development to complement its other affordable housing programs.

Housing Sites Not Quantified

The housing sites listed in Tables 4-3 through 4-5 represent the most viable multi-family housing opportunity sites in Albany based on zoning, existing use, land to improvement value ratio, floor area ratio, and other factors. There are additional multi-family housing opportunities that have not been quantified here. These include:

- Approximately 150 lots in the R-3 zone, generally ranging from 3,500 to 5,500 square feet, which are developed with single family homes. A few of these lots appear in the inventory in Table 4-3 (based on site characteristics, structure condition, ownership, and adjacent uses), but others may also be viable sites. These lots could potentially redevelop with 3-5 units each (densities in the 35 unit/acre range), or if aggregated could support larger multi-family developments (densities up to 63 units/acre).
- Other sites in the SPC zone. This zoning district includes approximately 160 parcels. Those identified as most suitable for development (16 parcels) are listed in Tables 4-

³ Surveys were mailed to 74 second unit owners in August 2014. Approximately 30 surveys were returned. The survey found 14% with rents below \$1,180 a month (affordable to low), 80% with rents between \$1,180 and \$1,930 (affordable to moderate), and 6% with rents at \$1,930 or above (affordable to above moderate)

4 and 4-5. Under current land use regulations, mixed use development with housing at densities ranging from 35 to 63 units per acre could occur on all of the other parcels in this zoning district. Theoretically, this could result in over 1,000 units of housing – but it is not realistic that every single parcel will develop with housing. The City has identified those parcels that appear most likely to redevelop (representing roughly one quarter of the land area of the corridor), but this does not preclude development on the other sites on the corridor. Many of these parcels contain older auto service uses and uses with large parking lots and low floor area ratios.

- Other sites in the SC zone. The SC zone includes approximately 140 parcels. Those identified as most suitable for development (2 parcels) are listed in Tables 4-4 and 4-5. Under current land use regulations, mixed use development with housing at densities ranging from 35 to 63 units per acre could occur on all of the other parcels in this zoning district. One of the largest parcels on this corridor is the Safeway (almost 1.6 acres) at 1500 Solano Avenue. Opportunities for housing on this site should be pursued in the future if the supermarket is proposed for reuse or reconstruction.
- Uncommitted portion of the Pierce Street parcel. The City of Albany owns a 4.4-acre parcel between Cleveland and Pierce Streets just north of Washington Street. Most of the parcel is planned for improvement as a City park. An area of about one acre was slated for development as the City’s Corporation Yard, but is now uncommitted since the Corporation Yard is relocating to a different site. Most of this area has a High-Density Residential General Plan designation. The possibility of developing housing on this site, or leveraging City ownership of the site to produce housing elsewhere, will be explored in the future.

Summary of Housing Opportunities

Table 4-6 summarizes housing opportunities for the 2015-2023 planning period. The table indicates the capacity for 448 additional units. About 40 percent of this total (175 units) is associated with the proposed senior housing development on the UC Village site. The remaining 273 units include eight single family detached homes, one duplex, 32 second units, 36 multi-family units on R-3 zoned sites, and 195 multi-family units on sites zoned for mixed use development. The total (excluding UC Village senior housing, which is planned to be above-moderate market rate) includes 231 units on sites zoned at densities exceeding 20 units per acre, which is the default density for Albany set by AB 2348. This exceeds the RHNA allocation for low and very low income sites by 74%, indicating the City has sufficient site capacity to meet its RHNA.

Figure 4-1 presents a map of the housing sites listed in this chapter.

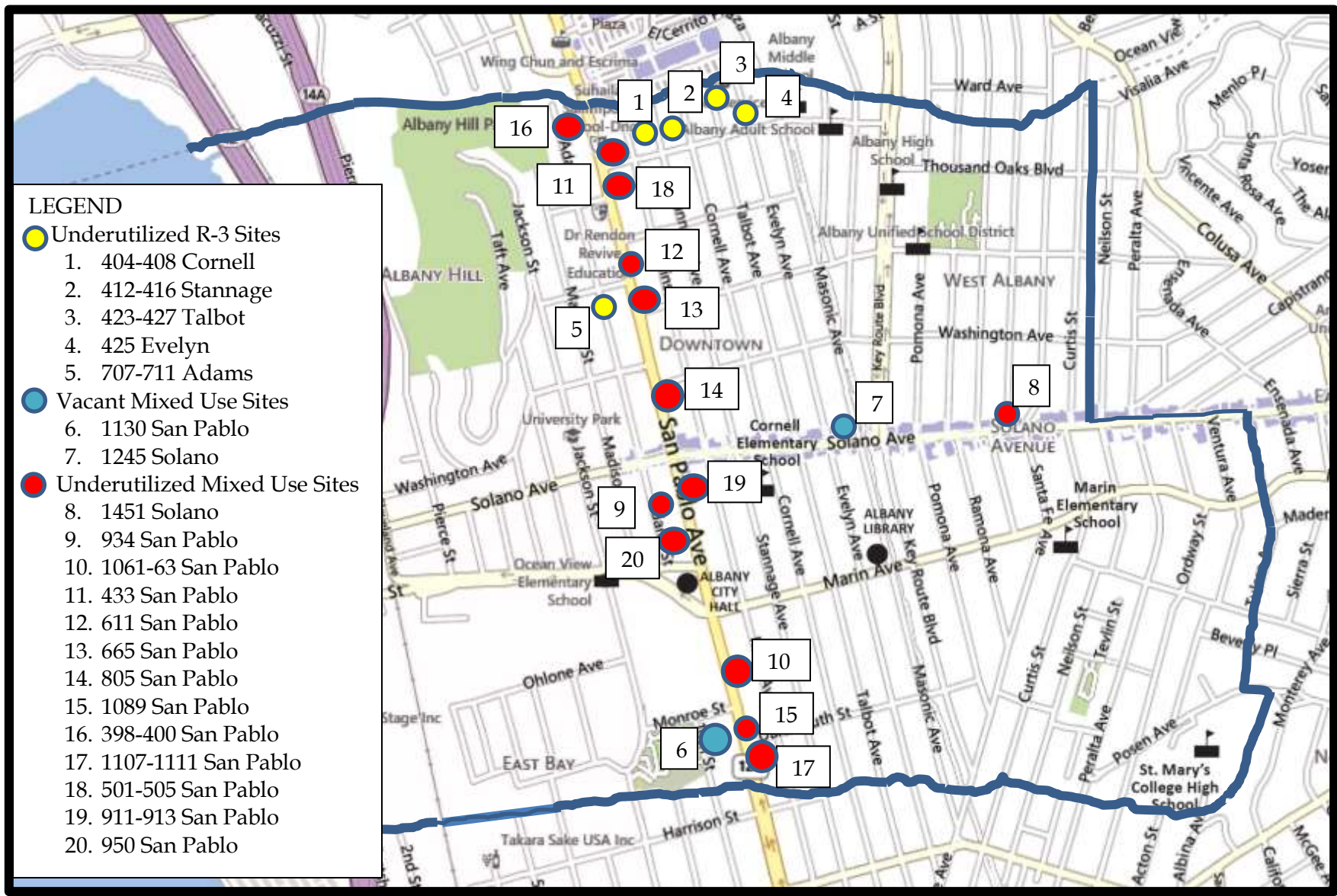


Figure 4-1: Housing Opportunity Sites

**Table 4-6
Summary of Housing Opportunities**

	Densities greater than 20 units per acre or otherwise anticipated to be affordable	Densities less than 20 units / acre or otherwise anticipated at market rate	TOTAL
Single family infill	0	8	8
Vacant R-2	0	2	2
Underutilized R-3 sites (net increase)	36	0	36
Vacant sites zoned for mixed use	5	175	180
Underutilized sites zoned for mixed use	190	0	190
Second units	4	28	32
TOTAL	235	213	448
RHNA: Low/ Very Low	(133)	--	(325)
RHNA: Moderate/ Above Moderate*	--	(192)	
Balance	+102	+21	+123

Source: Barry Miller Consulting, 2014

* Adjusted to subtract 10 units already approved. See Table 4-2.

Infrastructure and Environmental Constraints on the Housing Opportunity Sites

The multi-family and mixed use housing sites listed in this inventory are all flat parcels with water, sewer, and storm drainage lines located at the curb. Some of the sites already have water and sewer laterals to existing uses on the property, although these would generally be replaced for multi-family housing. None of the sites have slope constraints, and most have minimal vegetation since they were previously urbanized. One of the sites (066-2761-10) extends to Cerrito Creek. Structures are not permitted within 20 feet of the creek bank, unless a use permit is obtained. The creek setback would not affect the allowable number of units on the site but would affect the site plan.

Additional information on infrastructure and environmental constraints may be found in Chapter 5.

5 – Constraints to Housing Conservation and Production

The California Government Code requires an analysis of governmental constraints on the maintenance, improvement, and development of housing for all income levels. Constraints may include zoning regulations and other land use controls, permitting procedures, design review requirements, building codes, site improvements, fees and other exactions required of developers.

While these measures are often important to ensure public health and protect the quality of life, they can also add to the cost of housing. It is useful to periodically reexamine local ordinances and policies to determine whether, under current conditions, they are accomplishing their intended purpose or constitute a barrier to housing production and conservation.

Non-governmental constraints also must be considered. Such constraints include factors such as the cost of land, the adequacy of infrastructure, the availability of credit and financing, and local attitudes about growth and development.

GOVERNMENTAL CONSTRAINTS

General Plan

The Albany General Plan was adopted in 1992. The Plan is being revised to incorporate current data and move the planning horizon forward from 2010 to 2035. The updated General Plan will incorporate new policies to address topics that have emerged since the early 1990s, such as complete streets, climate change, and sustainability. However, the Plan is not expected to result in a different vision for the City or significant land use changes.

Neither the existing General Plan nor the Plan Update are viewed as regulatory constraints. The Plan allows for relatively high densities, including 17 units per acre in the low density residential category, 34 units per acre in the medium category, 63 units per acre in the high category and 87 units per acre in the “tower” category. Moreover, the Plan designates the City’s commercial districts with mixed use classifications rather than pure commercial classifications, and specifically encourages housing on commercially zoned sites. Land use policies in the 1992 Plan (expected to be carried forward in the new Plan) strongly support housing conservation, diversity, production, and affordability. The new General Plan will include “minimum” densities in the medium and high residential categories, and in the mixed use categories, to ensure that the city’s potential multi-family land supply is developed as efficiently as possible.

Residential Zoning

Albany has five residential base districts:

- R-1 (low-density, single-family dwellings)
- R-2 (medium density, single and multi-family dwellings)
- R-3 (high-density, single and multi-family dwellings, and boarding houses), and
- R-4 (high density residential towers)
- RHD (residential hillside).

The basic residential development standards for these zones are summarized in Table 5-1. The table indicates the minimum lot size requirements, maximum lot coverage, maximum floor area ratio, minimum setbacks, height restrictions, and minimum lot area per unit requirements that apply in each of the City's residential zoning districts. Numerous footnotes apply in this table within the zoning code – these have been abridged for presentation in the Housing Element.

The Municipal Code includes maximum density standards for each district. In the case of the R-1 district, the allowable density is 12 dwelling units per acre (DU/AC), while the density of the corresponding General Plan category is 17 DU/AC. The discrepancy is due to the fact that the General Plan recognizes pre-existing lots that are 2,500 square feet (which equates to 17 DU/AC). Zoning regulations permit the development of existing small lots without a variance, but prohibit the creation of new lots that are less than 3,750 square feet. The City could consider amending the code to allow 2,500 square foot lots, which would create the capacity for a number of new lots (lots that are between 5,000 and 7,500 square feet, with sufficient street frontage and setbacks to be divided in half). However, most lots in this size range have homes situated in the center of the lot, and the number of new developable lots that could be created through such a change would be small.

The allowable densities in the other zoning categories match those in the General Plan. A minimum lot size requirement of 3,750 square feet applies in the R-2, R-3, and R-4 districts as well. The RHD district, which only applies in hillside areas, has a minimum lot requirement of 5,000 square feet, although modified standards may be considered through Planned Unit Developments.

**Table 5-1:
Site Regulations for Residential Zoning Districts**

	Zoning District				
	R-1	R-2	R-3	R-4 ⁽¹⁾	RHD
Maximum Density (DU/AC)	12	35	63	87	6 or 9 ⁽²⁾
Maximum Floor Area Ratio Single-family dwelling Multi-family dwelling	0.55 ⁽³⁾	0.55 ⁽³⁾	0.55 ⁽³⁾ 1.50 ⁽⁴⁾	N/A	0.50 ⁽⁵⁾
Minimum Lot Area per Dwelling Unit (sq. ft.)	N/A	1,250	⁽⁶⁾	500	N/A
Minimum Lot Size (sq. ft.) Single-family Two-family Multiple-family Public/Quasi-public	3,750 N/A N/A 10,000	3,750 3,750 3,750 10,000	3,750 3,750 3,750 10,000		5,000 ⁽⁵⁾
Minimum Lot Width (ft.) Single-family Two-family Multiple-family Public/Quasi-public	35 N/A N/A 75	35 37.5 37.5 75	50 50 50 75		50 ⁽⁵⁾
Max. Lot Coverage (% of lot) Single-family Two-family Multiple-family	50% N/A N/A	50% 50% 50%	50% 50% 70%		40% ⁽⁵⁾
Maximum Building Height (ft.) Single-family Two-family Multiple-family	28 ⁽⁷⁾ N/A N/A	28 ⁽⁷⁾ 35/28 ⁽⁸⁾ 35/28 ⁽⁸⁾	35 35/28 ⁽⁸⁾ 35/28 ⁽⁸⁾		28 (downslope) - 35 (upslope) ⁽⁸⁾
Minimum Yard Setbacks (ft.) Single-, Two-, Multi-family: Front (both sides for thru-lots) Side, interior Side, exterior Rear Single-family 2nd story addition	15 ⁽⁹⁾ 7.5 20 ⁽¹¹⁾	15 ⁽⁹⁾ 7.5 ⁽¹⁰⁾ 15 ⁽¹¹⁾	15 ⁽⁹⁾ 7.5 ⁽¹⁰⁾ 15 ⁽¹¹⁾		15 ⁽⁵⁾ 10% of lot width or 5' whichever is greater 20 ⁽⁵⁾

Notes:

- (1) Site regulations not specified are determined by the Planning and Zoning Commission on consideration of an application for a use permit.
- (2) The Albany General Plan divides the area subject to the RHD District into two density classifications: 6 dwelling units/acre; and 9 dwelling units/ acre.
- (3) FAR of 0.6 may be approved by Planning Commission, subject to findings
- (4) FAR may be increased to 1.75 where open space is provided at twice the minimum requirement.
- (5) Applies to single-family development on sites less than 2 acres. Also applies to PUDs on sites greater than 2 acres, except modified standards may be approved by the P&Z Commission and City Council.
- (6) Ranges from 690 SF of lot area per unit to 1,250 SF of lot area per unit, depending on the size of the lot.
- (7) Second story additions up to 35' may be approved by P&Z Commission subject to findings.
- (8) Maximum building height is three stories, or 35 feet above grade, except that maximum height at the front setback line shall be 28 feet plus a 45-degree daylight plane.
- (9) Ten percent (10%) of lot width, min 3' up to a max of 5', except that min for multi-family structures in R-3 is 5'.
- (10) One (1) foot shall be added for each 12' of height above the lowest 15' of building height.
- (11) Special provisions apply, allowing exceptions for the extension of non-conforming structures

The R-3 zoning district encourages lot consolidation through a sliding scale which correlates allowable density to lot size. For instance, a 3,750 square foot lot in the R-3 district may only have three units (1,250 SF of lot area per unit), which equates to about 35 units per acre. A 5,000 square foot lot in the same district may have five units (1,000 SF of lot area per unit). A 10,000 square foot lot may have 13 units (770 SF of lot area per unit). The requirement incentivizes consolidation of smaller lots to achieve the maximum density allowed under zoning (63 units per acre is only achievable on parcels 14,490 SF or larger).

Residential development in Albany is subject to Floor Area Ratio (FAR) standards. These standards establish the maximum floor area that may be built on a parcel using a ratio based on lot area. In the R-1, R-2, and R-3 zones, the limit is 0.55 for single family homes. In other words, a 5,000 square lot may have 2,750 square feet of floor area.

The Planning and Zoning Commission may approve a FAR of 0.60 if it determines that the 0.55 limit would only allow 1,500 square feet of floor space on the lot (e.g., the lot is smaller than 2,728 SF), or if the site is in the R-2 or R-3 zone and is surrounded by buildings with FARs greater than 0.60. A FAR of 0.60 may also be approved if the Commission finds that the design has architectural features that contribute to neighborhood quality, which could not be achieved in a smaller building mass. FARs above 0.60 are not permitted for single family homes.

The single family FAR limits are not a constraint to housing development or conservation on most lots. In fact, these limits work effectively to preserve the City's stock of smaller single family homes. For example, the maximum floor area on a 4,000 square foot lot, which is fairly common in the city, would be 2,200 square feet. Many Albany homes are this size or smaller. Given the high value of land in the city, doing away with a FAR limit could result in the teardown of such homes and their replacement with much larger and less affordable homes.

For multi-family construction, the FAR limit is 0.55 in the R-2 zone and 1.50 in the R-3 zone. The R-3 FAR may be increased to 1.75 if the project provides double the required amount of open space. R-2 lots are generally developed with small single family homes, duplexes, triplexes, and fourplexes (rather than large apartment buildings). There is almost no vacant land in this zone and an increase in FAR could trigger the replacement of existing smaller 2-4 plex units with much more expensive units. R-2 contains some of the City's most affordable apartments, including studios and one-bedrooms in older buildings along Adams St., Madison St., and Kains Avenue.

In the R-3 zone, the 1.50 FAR is ample to facilitate multi-family construction on most lots. The limiting factor in determining a project's ability to achieve the maximum density is more likely to relate to parking than FAR.

Lot width standards apply in all residential zones. R-1 and R-2 lots have a 35 foot width requirement and R-3 lots have a 50 foot requirement. In the R-2 district, slightly wider lots (37.5 feet) are required for two-family and multi-family buildings. This recognizes the function of R-2 as a transitional zone between higher density and lower density districts, and ensures ample side yard space is retained.

The lot width requirements do not constrain development and are reasonable, considering the overall requirements for lot size. There are a number of existing lots that are narrower than 35 feet (e.g., 25 x 100), but these lots can be developed subject to Section 20.44, Nonconforming Uses, Structures, and Lots. Existing structures on such lots may be enlarged or extended, as long as they do not increase the extent of nonconformity.

Residential lots in Albany are also subject to lot coverage requirements. A 50 percent coverage limit applies to single family homes in all zones and to two-family homes in the R-2 and R-3 zones. Multi-family housing is subject to a 50 percent coverage standard in R-2 and a 70 percent standard in R-3. For single story homes, the coverage limit tends to be the limiting factor in determining floor area since it is lower than the FAR limit. On small lots (2,500 to 3,750 square feet), the coverage limit may require second story additions for those seeking to expand their homes, since the home size is effectively limited to less than 1,250 to 1,775 square feet on one level. The existing coverage limits strongly support the conservation of Albany's smaller homes and discourage teardowns.

The 70 percent coverage limit for multi-family housing in the R-3 zone is reasonable and is consistent with the allowable FAR. Considered together, these standards tend to favor three story construction over two-story – although if the ground level is used as “tuck under” parking, it may be difficult to reach the maximum allowed floor area. A 40 percent coverage limit applies in the RHD (hillside) zone – this is adequate, since the minimum lot size in this zone is 5,000 square feet and many of the RHD sites are sloped, with multi-level homes.

Height limits apply in the R-1, R-2, and R-3 zones. The limit for single family homes is 28 feet in R-1 and R-2, and 35 feet in R-3. These limits are reasonable and very rarely an obstacle to single family construction or improvement. Three-story single family construction is uncommon in Albany, and the prevailing character in most neighborhoods consists of single story or 1.5-story bungalows. The Code allows the Planning and Zoning Commission to approve single family heights up to 35 feet where specific findings relating to topography or architectural compatibility can be made.

For two-family and multi-family construction in the R-2 and R-3 zones, maximum height is 35 feet, but a 28 foot height limit (plus a 45-degree daylight plane) is applied at

the front setback line to reduce shadows and maintain a lower scale streetscape. The 35' limit supports three-story construction and is generally sufficient for multi-family housing given the context of the R-3 zone. Taller heights in this particular zoning district could be inconsistent with the generally low scale of existing development.

Height limits in the RHD zone vary from 28 to 35 feet, depending on if the home is on an upslope or downslope lot. These requirements have not been a constraint in the past, given the single family character of construction and limited number of vacant sites.

A 15' front setback requirement applies in all residential zoning districts except R-4. For through lots (with frontage on two streets), the same standard applies on both sides. For hillside lots, the Planning and Zoning Commission has the authority to modify setbacks on planned unit developments of 2 acres or more. The 15' front setback is not considered a constraint in the R-3 zone, given the 70 percent lot coverage limit. Front setbacks are considered an important part of the R-3 zone and help maintain the prevailing residential character, especially along Adams Street and Kains Avenue.

Side setbacks for interior (e.g., non-corner) lots are calculated using a sliding scale based on lot width. They are based on 10 percent of the lot width (on each side of the house), with a minimum of 3 feet and a maximum of five feet. In other words, a 35 foot wide lot would need to maintain 3.5 feet of yard area on either side of the house. For multi-family structures in the R-3 district, a minimum 5 foot side setback applies. For corner lots, a 7.5 foot side setback applies.

Rear setbacks are 20 feet in the R-1 zone and 15 feet in R-2 and R-3. These setbacks are comparable to those in other cities, although some consideration could be given to reducing the 15' rear yard in the R-3 zone on parcels that back onto commercially zoned properties or other R-3 properties.

The City allows exceptions to setback requirements for second story additions provided that certain conditions are met. Design review and a use permit by the Planning Commission would be required to build an addition above an existing wall or foundation which does not conform to the setbacks. Deeper encroachments into the setback are not permitted. Moreover, the Code discourages the extension of second stories if the non-conformity is the front yard setback.

Lot size, lot width, lot coverage, and height requirements do not apply in the R-4 zone.

Multi-family housing is allowed by right in the R-2 and R-3 zones. A pending (November 2014) amendment to the Code will also make multi-family housing allowed by right in the R-4 zone. The use permit that had applied previously was

counterintuitive since R-4 is the highest density district in the City. This district is only mapped on one parcel (Gateview) and is already fully developed with high-rise towers.

Commercial and Mixed Use Zoning

Residential uses are permitted in the Solano Commercial (SC) and San Pablo Commercial (SPC) zoning districts. Each of these districts forms a corridor along their respective namesake streets, in some cases extending a parcel or two down the perpendicular side streets (on Solano), or through the block to the parallel north-south streets (on San Pablo). There are a number of overlay districts that also apply to these zones, including some which affect development standards and land uses. These are discussed in the next section.

Albany also has a Commercial Mixed Use (CMX) district where residential uses (other than live-work) are not currently permitted. Residential uses also are not permitted in the Public Facilities or Waterfront zoning districts, which are the other base zones in the city.

Development standards for residential uses in the SC and SPC district are summarized in Table 5-2. Both districts allow densities of up to 63 units per acre and have a minimum density requirement of 20 units per acre where residential uses are included. However, to encourage lot consolidation, development is subject to a minimum lot area per dwelling unit standard which means the maximum allowable density can only be achieved on lots of 14,490 SF or larger. A sliding scale is used to calculate the number of units allowed on smaller lots. For example, five units would be allowed on a 5,000 SF lot (43.5 units per acre).

Floor area ratios (FARs) apply in the SC and SPC zones. FARs up to 1.25 are allowed in the SC zone. In other words, a 10,000 square foot parcel on Solano Avenue would be permitted to have up to 12,500 square feet of floor space. The floor space could be entirely residential, entirely commercial, or mixed use with housing above commercial space.

In the SPC zone, the maximum FAR varies depending on whether the building is entirely commercial or mixed use. An entirely commercial building may not exceed 0.95 FAR. A mixed use building with residential and non-residential uses may have a FAR up to 2.25, but the commercial component may not exceed 0.95. The higher FAR for mixed use is intended as an incentive to encourage multi-family housing on the San Pablo corridor. Mixed use may be either horizontal or vertical in configuration.

**Table 5-2:
Site Regulations for Commercial Zoning Districts**

	Zoning District	
	SC	SPC
Maximum Density (DU/AC)	63	63
Maximum FAR (Floor Area Ratio) Mixed-use Development (more than one use, including residential and commercial or other permitted nonresidential uses) Commercial portion of any development (not to be exceeded, regardless of mix with other uses, or any bonus increase in the total FAR of development) Multi-family dwelling, where it is the sole use of a site, and subject to maximum density permitted in R-3 District	1.25 1.25 1.25	2.25 0.95 N/A
Minimum Lot Area per Dwelling Unit (sq. ft.)	Same as R-3	Same as R-3
Minimum Lot Size (sq. ft.)	None	None
Minimum Lot Width (ft.)	None	None
Max. Lot Coverage (% of lot)	100%	100%
Maximum Building Height (ft.)	35'	Maximum three stories, or 38 feet above grade, except as noted in Note (1) below.
Minimum Yard Setbacks (ft.) Single-, Two-, Multi-family: Front (both sides for thru-lots) and corner side Side, interior Rear	(2) (3) (4)	(2) (3) (4)

Notes:

- (1) Where rear property line abuts a residential district, the maximum at the rear setback line is 20' plus a 45 degree daylight plane, or at the rear property line shall be 12' plus a 45 degree daylight plane.
- (2) None required along San Pablo Avenue. If front setback is provided, it shall not exceed a depth of four feet (4) at street level. Where fronting a street immediately parallel to San Pablo Avenue: 15 feet, plus a daylight plane. Where a property in the SC District has an exterior lot line at a street that intersects with Solano Avenue, and any property located directly across such a street is in a residential district: 15 feet, plus a daylight plane.
- (3) None, except where abutting R district.
- (4) May be waived by Planning and Zoning Commission, except where rear yard abuts an R district, in which case 10 feet applies.

There are no minimum lot size or lot width requirements in the SC or SPC zones. There are no lot coverage limits (100 percent coverage is explicitly permitted). Building heights are 35 feet in the SC (Solano Avenue) zone. In the SPC (San Pablo Avenue) zone, a three story, or 38 foot, limit applies. However, where the rear property line abuts a residential district, the maximum height must be reduced. In such cases, buildings may not exceed 20' at a point 10 feet from the property line or 12' at the property line itself. In each of these cases, a daylight plane also is required, to avoid casting shadows and to provide access to sunlight from adjacent residential yards.

There is no minimum front yard setback requirement along San Pablo Avenue. However, to maintain an active street presence, setbacks may not exceed four feet where street facing buildings are included. Parcels in the SPC zone on the parallel streets (fronting Adams and Kains) are subject to a 15' setback requirement, plus a daylight plane. There are no side or rear yard requirements in the SPC zone, unless the parcel abuts a residential district, in which case setback requirements ranging from 5' to 15' generally apply.

Multi-family housing is considered a permitted use in the SPC and SC zones, provided it is not on the ground floor facing the street. In the SC zone, ground floor, street-facing housing is allowed with a use permit. In 2015, the City will consider a zoning code amendment to allow residential uses on the ground floor in the SPC zone with a use permit, provided that at least 49 percent of the units are affordable and the parcel is not in the San Pablo/ Solano commercial "node." The vision for San Pablo Avenue is to create active retail frontage and to ensure that the City retains sufficient space to meet the shopping, dining, entertainment, and service needs of Albany residents. However, the urgent need for affordable housing is also recognized. In circumstances where housing would not detract from the street presence and create "dead zones" without pedestrian activity, it may be acceptable to permit housing as a ground floor use.

Overlay Zones

A number of overlay zones have been created to implement General Plan policies. These include:

- A Commercial Node (CN) overlay
- A Planned Residential-Commercial (PRC) overlay
- A Residential-Commercial Transition (RCT) Overlay

The CN overlay is intended to create intensified pedestrian and ground floor retail activity around major intersections. It has been mapped at the intersection of Solano Avenue and San Pablo Avenue, which is effectively the "center" of Albany. The overlay establishes a number of use limitations (e.g., no drive-up and drive-through facilities, no auto sales, etc.) and includes design standards for new development, alterations, and

additions. The overlay does not affect the density, height, or standards for residential development.

The PRC overlay is intended to encourage mixed use on large sites on San Pablo Avenue. It has been mapped on the Town Centre shopping plaza (940-972 San Pablo) and on the west side of San Pablo between Clay Street and El Cerrito (e.g., Albany Bowl, the car wash, etc.) The overlay is primarily intended to ensure the compatibility of new residential uses with existing residential uses on the Adams Street frontage. It requires 15 foot setbacks along Adams Street and screening of parking areas. The overlay requirements do not generally affect building heights, densities, or uses.

The RCT overlay is similar to the PRC overlay, and is intended to ensure the compatibility of commercial development along the San Pablo corridor with nearby homes on Kains Avenue. A 15 foot setback requirement is required along Kains Avenue for properties in this overlay. The requirements of the overlay do not affect the feasibility of residential development.

Open Space Requirements

The zoning code currently requires that multi-family dwellings (3 or more units) provide at least 200 square feet of common usable open space per unit. This requirement can also be satisfied by providing private open space (e.g., balconies or patios accessible only from the unit), in which case each square foot of private open space counts as two square feet toward the common open space requirement. In other words, a 10 unit building may provide 2,000 square feet of common open space or 1,000 square feet of private decks and balconies. Various combinations of private and common open space also may be used. In the R-3 district, the City also offers a FAR bonus from 1.50 to 1.75 if the amount of required open space is doubled.

The 200 SF/unit standard is used by many other jurisdictions in the Bay Area, and the provision to provide double “credit” for private open space is a helpful way to reduce total development costs while providing an amenity for multi-family dwellers. The open space standard is not considered a constraint.

Parking Standards

In 1978, Albany voters approved Measure D. The Measure requires new residential units, regardless of size, rooms, or occupancy, to provide two off-street parking spaces. It also requires that conforming parking be provided when additions are made to single family structures that increase the original floor space by more than 25 percent or 240 square feet (whichever is less). The Planning and Zoning Commission may grant exceptions to this rule for larger additions where no new dwelling is created and certain findings are made.

Section 20.28.040 of the Municipal Code includes a use permit procedure for reducing the parking requirement to 1.5 spaces per unit where the Planning and Zoning Commission finds that sufficient on-street parking is available. The Code also includes special provisions for secondary units, discussed later in this chapter in the section on second units.

Many properties in the City have areas that can practically function as parking spaces; however, the spaces do not meet dimensional requirements or are located in the required front yard, and are thus not considered “legal” off-street parking. The Municipal Code includes a provision in which the Planning and Zoning Commission may allow parking in the front yard area if it can make certain findings relating to the size and siting of the space and aesthetic and noise intrusion. Such provisions could potentially provide increased opportunities for second units and a higher number of residential units in the multi-family zoning districts.

The parking requirements affect the cost of housing and the feasibility of attaining the maximum allowable FAR and density on some sites. Since below grade parking is not counted as floor area, developers may pursue this as an option on larger sites.

The Measure D parking requirements are generally considered a cost constraint, particularly on smaller lots. They may make it difficult to modify existing buildings in the multi-family zones to add new housing units. Additional provisions for parking exceptions for small parcels (under 5,000 square feet) could be considered, but these would require voter approval. Similarly, a multi-family parking standard which was scaled based on the number of bedrooms in the unit or which varied based on zoning district and proximity to transit could help improve affordability. This too would require voter approval. This Housing Element includes an action program to develop a 2016 ballot measure to modify the City’s parking regulations so that they are more context-sensitive and reflective of actual needs.

It is important to note one unintended benefit of the existing parking requirement. On larger parcels, the standard may actually provide an incentive for affordable studio and one-bedroom units. Under state density bonus provisions, projects which include a certain percentage of affordable units are permitted to use parking standards established by the State Government Code under the density bonus law. Section 65915 (p)(1) of the state density bonus law stipulates that:

“Upon the request of the developer, no city (or) county.... shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:

- (A) Zero to one bedroom: one onsite parking space.*
- (B) Two to three bedrooms: two onsite parking spaces.*
- (C) Four and more bedrooms: two and one-half parking spaces.”*

This requirement supersedes the Measure D requirement for studios and one-bedroom units in affordable housing projects, or projects in which specific percentages of the units are set aside as affordable (excluding those already required under the City's inclusionary zoning requirements) or are reserved for senior citizens.

Cumulative Effects of Development Standards

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 setback requirement may appear reasonable on its own, but may limit development when combined with lot coverage or height limits.

The cumulative effects of the R-1 development standards can make it difficult to expand a home on a small (less than 3,750 SF) lot. This is particularly true for 25'-30' wide lots, which are subject to lot coverage and setback requirements that limit the developable envelope. Existing standards tend to favor second story additions for those seeking to make their homes larger, since it is difficult to expand without exceeding the lot coverage standard or encroaching into the setback. However, these standards support the preservation of Albany's smaller homes and discourage teardowns.

In the SPC zones, it may be difficult to attain the maximum allowed FAR of 2.25 given the other standards that apply. In particular, the requirement to provide two parking spaces per dwelling unit make it difficult to attain the allowed FAR of 2.25 or the allowed density of 63 units per acre. Moreover, the absence of a minimum density requirement—coupled with the high parking standard for one-bedrooms and studios—creates an unintended incentive to create larger (two and three bedroom units), which are typically less affordable. A minimum density requirement (for instance requiring at least 20 units per acre where housing is included) is currently under consideration by the Planning and Zoning Commission and is expected to be in place by the end of 2014. Clearer and more quantifiable standards for mixed use development along the San Pablo corridor also would be helpful. The existing standards do not indicate the minimum percentage of ground floor commercial space that must be provided in mixed use projects. As a result, a project may have shallow storefronts, with ground floor residences immediately behind them. During Housing Element work sessions, it was observed that ground floor retail space in mixed use projects was harder to rent than free standing commercial space, and sometimes consisted of awkwardly configured floor plans. Additional clarity on mixed use requirements is being considered as part of the ongoing General Plan Update, and may be include in a future zoning revision beyond the time horizon of this Housing Element period.

Standards for Special Housing Types

The next section evaluates standards for special housing types in Albany, including second units, mobile and manufactured homes, emergency shelters, and transitional and supportive housing. Table 5.3 indicates the permitting requirements for different housing types in those zoning districts where residential uses are permitted or conditionally permitted.

Second Units

The Secondary Residential Unit section of the Albany Municipal Code (AMC 20.20.080) is intended to foster and encourage the addition of small, affordable housing units. Until July 2014, the City permitted secondary units to be developed in the single-family residential zone (R-1) district only. As a result of a recent Code change, recommended by the 2007-2014 Housing Element, second units are now also allowed in the R-2 and R-3 districts.

The general development standards for secondary units are summarized below:

- 1) The creation of a secondary unit shall not cause the allowable floor area ratio for the site to be exceeded.
- 2) No secondary residential unit shall have a floor area greater than 650 square feet, nor have more than two bedrooms, regardless of how the unit is located on the site. A secondary unit cannot exceed the size of the primary unit.
- 3) If located within the existing structure, the secondary unit is subject to the general development requirements for setbacks, height, and lot coverage for the site's zoning district, as defined by the Municipal Code.
- 4) If located as a detached structure, the unit must be at least 6 feet from the main structure. However setbacks can be relaxed to accommodate the conversion of existing accessory structures. In addition:
 - a. The height of the accessory structure is not to exceed 16 feet.
 - b. The structure must fit within an envelope 9 feet in height at a 45 degree daylight plane, with no roof pitch over 45 degrees.
 - c. The total lot coverage shall not exceed 30 percent of the area located between the main structure and the rear property line.
- 5) Any new construction of a second unit requires that conforming parking be created on-site (see discussion below).

**Table 5-3:
Housing Types Permitted By Zoning District**

Land Use¹	R-1	R-2	R-3	R-4	RHD	SC	SPC	CMX
Single Family Dwelling	P	P	P	-	P	P	P	-
Two-Family Dwellings	-	P	P	-	UP	P	P	-
Multi-Family Dwellings, including units ground floor units facing street	-	P	P	P (1)	UP	UP	UP (1)	-
Multi-Family Dwellings, if above Commercial	-	-	-	-	P	P	P	
Live/Work Space	-	-	-	-	-	P ²	UP	UP-M
Manufactured or Mobile Home	P	P	P		P	P	P	-
Rooming/ Boarding House	-	-	P	-	-	-	-	-
Small Residential Care	P	P	P	P	P	P	P	-
Large Residential Care	UP	UP	UP	UP	UP	UP ²	UP ²	-
Secondary Unit	P	P	P	-	P	-	-	-
Emergency Shelter	-	-	-	-	-	-	P	P

Source: Albany Municipal Code 20.12.040

P=Permitted; UP=Use Permit; M-UP=Minor Use Permit; "-" = Not Permitted

Notes: (1) Zoning Code change is pending and expected to be approved by 2016

(2) Not permitted on ground floor

Prior to July 2014, detached second units were also required to meet all minimum rear and side yard setback standards. As recommended by the 2007-2014 Housing Element, the Code was amended to allow detached units as close as zero to six inches to the side or rear lot line. Openings (windows, doors, etc.) are not permitted on walls within 3 feet of the lot line, and detached units on corner lots must meet applicable side setback requirements.

The size restrictions for second units serve as a way to preserve the affordability of the units. They are not generally regarded as a constraint. The City could consider an exception process to the 30 percent limit on rear yard coverage where certain conditions apply (for instance, conversion of existing structures that exceed the limit). Secondary unit parking standards are subject both to Measure D, approved by Albany voters in 1978, and to State requirements. Measure D requires two spaces per unit, while state law requires that no more than one parking space be required for a secondary unit with one or less bedrooms unless findings are made.

To address this discrepancy, the City's Municipal Code includes a parking exception provision for secondary residential units based on the date of construction. Single family homes built prior to 1958---which constitutes most of Albany's single family housing stock -- are required to provide two off-street parking spaces on the property. These spaces may accommodate both a primary and secondary unit. Pursuant to a July 2014 Code amendment, the spaces may now be tandem. This increases opportunities for many households who could not previously meet the parking requirement.

Single family homes built between 1958 and 1978 which add a secondary unit are required to provide three off-street parking spaces, accommodating both the primary unit and the secondary unit. Single family homes built after 1978 (or new homes) which add a secondary unit are required to provide four off-street parking spaces, accommodating both the primary unit and the secondary unit. Tandem parking is permitted in all cases. Where more than one space is required for the second unit, the Planning and Zoning Commission must make a finding that the requirement is directly related to the use of the secondary unit and is consistent with neighborhood standards applicable to existing dwellings.

Overall, Albany encourages the development of secondary units and believes that allowing them in all zoning districts and revising parking requirements will result in a higher number of secondary units being produced. The City will continue to look at ways to reduce permitting fees to further incentivize secondary units.

Mobile and Manufactured Housing

Section 20.24.150 of the Albany Municipal Code addresses manufactured homes. Such homes are permitted on all lots where single family homes are permitted, provided they

are designed and located to be harmonious with the context of the surrounding homes and neighborhood. The Code establishes basic design criteria for such housing including:

- The unit's skirting must extend to the finished grade
- The roof must have eaves or overhangs of at least one foot
- No more than one manufactured home may be sited on each lot
- All parking standards subject to other single family homes shall apply.

These standards do not constrain mobile and manufactured housing development in the City.

Emergency Shelter

Senate Bill 2 (SB2), which took effect on January 1, 2008, requires cities and counties to identify at least one zoning category in which emergency shelter can be located without discretionary approval from the local government. Cities are permitted to apply objective standards that regulate the number of beds or persons served, the size and location of client intake areas, the provision of on-site management, the proximity to other shelters, length of stay and security. The Albany Municipal Code does not currently limit the number of beds in a shelter, but does include a requirement that shelters must be at least 300 feet apart.

In December 2013, City staff presented a recommendation to the Planning and Zoning Commission to comply with SB2 by allowing shelters by right in the Commercial Mixed Use (CMX) zone. At the time, shelters were permitted in the San Pablo Commercial (SPC) zone, but a use permit was required. In response to public input and their own deliberations, the Planning and Zoning Commission modified staff's recommendation and advised the City Council to endorse the CMX provisions but also remove the use permit requirement in the SPC zone. The City Council accepted this recommendation and conducted its first reading of the zoning ordinance amendments on January 21, 2014. The ordinance change became effective in February 2014. Shelters are now allowed by right in the CMX and SPC zones.

As noted in Chapter 3 of this Housing Element, the City's population experiencing homelessness was estimated by Alameda County to be 19 persons during the last annual homeless survey in 2013. The City's own estimate was 70 persons, including homeless encampments at the Albany Bulb. With the removal of the encampments at the Bulb, the actual number is likely in between these two figures. Albany must demonstrate in its Housing Element that the CMX and SPC zones have the capacity to support emergency shelters capable of meeting the housing needs of these residents. A mid-point estimate of 45 persons is used below.

Given the current trend toward smaller shelters, and potential concerns about impacts on surrounding uses, it is presumed that the need for shelter would be accommodated in multiple small facilities rather than a single 45-bed facility. For analysis purposes, it is presumed that shelter demand could be met through two facilities of approximately 20-25 beds each, spaced at least 300 feet apart consistent with the existing code. There are adequate sites in the CMX and SPC zones to meet this need.

The CMX zone encompasses approximately 35 acres located on the west side of the city. There are approximately 20 parcels in the district. Seven of the parcels in the CMX zone are less than an acre in size and several of the larger (more than one acre) parcels contain multiple buildings with leased space. The CMX parcels extend in a linear pattern parallel to the Union Pacific rail corridor and are characterized by commercial, light industrial, and vacant land uses. Live-work development is currently permitted in this district, but other residential uses are not.

A number of parcels in the CMX zone are vacant or underutilized. The zone includes a 26,900 square foot vacant retail store (PetSmart) on a 63,900 square foot site just south of Buchanan Street. The building could potentially be subdivided to accommodate multiple uses. Several of the commercial buildings in the 1000 block of Eastshore Highway have vacant space available for rent. Although this is a single 2.23-acre parcel, it includes multiple separate buildings with space for lease. Along Cleveland Avenue north of the I-80 underpass, (more than 300 feet to the north), there are vacant parcels between 600 and 650 Cleveland (APN 66-2760-11-10, 5,592 SF) and between 578 and 600 Cleveland (APN 66-2760-12-4, 15,981 SF). Other small underutilized parcels in this area include 650 Cleveland (APN 66-2760-11-5), a 13,000 square foot lot with a 1,500 square foot metal garage.

The City Corporation Yard is also located in the area, at 540 Cleveland Avenue. It is more than 300 feet north of the vacant parcels listed above. The City is currently planning to relocate the Corporation Yard to an adjoining site, creating a potential opportunity on the vacated site. There are also several underutilized or partially vacant buildings on this section of Cleveland Avenue.

Each of the sites listed above would be large enough to accommodate a 25 bed shelter. Such a shelter is presumed to be approximately 2,500 square feet, using a 100 square foot per bed multiplier.¹ The sites listed above are all 5,000 square feet or more and could support a 2,500 square foot building, or have vacant space (or space soon to be vacated) of 2,500 square feet or more. The CMX zone allows 80% lot coverage, 45' tall buildings, and a 0.5 FAR allowance. The zone is accessible to public transit (the AC 25 Bus Line), with direct service to the El Cerrito BART station and is walking distance

¹ For comparison, the City of Berkeley uses a 50 square foot/bed multiplier, plus 12.5 square foot/bed multiplier for client intake areas.

from numerous services along San Pablo Avenue. The zone also includes a Target store, which is Albany's largest retail establishment and which also sells food and sundries.

Potential constraints to development in the CMX zone include the past use of individual sites for industrial activities, and a low risk of shallow flooding in the area near Target. A review of the State Envirostor data base was conducted to determine the extent of hazardous activities in this area. The search indicated that all hazards on potential shelter sites have been remediated with the exception of 536 Cleveland Avenue (the same parcel that contains the City Corporation Yard). Groundwater monitoring is required on this site due to prior activities related to Western Forge and Flange. The flood risk in the CMX zone is limited to six parcels along the Eastshore Highway, considered to be in FEMA Zone "X." This is the lowest level flood categorization used by FEMA and it identifies areas prone to flooding frequencies of less than once in 500 years or depths of less than one foot.

The San Pablo Commercial (SPC) zone offers many additional opportunities for emergency shelter. This zoning district includes over 150 parcels of various sizes. It encompasses a high volume transit corridor with numerous services, easy access to BART, and many development opportunities. It is located in the heart of the city. The corridor includes existing buildings with the potential for adaptive reuse or conversion to shelters, as well as vacant and underutilized properties. As noted in Chapter 4, it also includes numerous parcels that are suitable for affordable housing, including supportive services

Single Room Occupancy Units (SROs)

On November 17, 2014, the City Council approved a zoning amendment creating a new use classification for Single Room Occupancy Hotels (SROs). The Zoning Amendment also allows SROs as a conditional use in the San Pablo Commercial (SPC) zoning district. SRO's are often small in size and used as transitional housing, which include those at risk of becoming homeless. Such units are desirable because their small size and often shared or limited amenities generally make them affordable.

Transitional and Supportive Housing

The Albany Municipal Code defines transitional housing as "buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months." It further defines supportive housing as "housing with no limit on length of stay, that is occupied by the target population as defined in subdivision (d) of California Health and Safety Code Section 53260, and that is linked to onsite or offsite

services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.”

To ensure compliance with SB2, which requires that transitional and supportive housing be treated like other residential uses of the same type, the definitions of transitional and supportive housing were modified in January 2014 to be consistent with those in State law. The zoning ordinance has been modified so that these uses will be considered residential uses of property of the same type in the same zone (i.e., treated as either single-family or multi-family uses, depending on the type of structure.) The Zoning Ordinance Use Tables have been amended to explicitly state that transitional and supportive housing are permitted in the residential zones and in the SC and SPC zones.

Housing for Persons with Disabilities

Since 2002, California law has required an analysis of constraints to the development of housing for persons with disabilities in the Housing Element. Persons with disabilities have a number of special housing needs related to the accessibility of dwelling units; access to transportation, employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive services.

Albany’s current policies with regard to special-needs housing and housing for persons with disabilities do not restrict the development of new housing. There are no extra requirements or constraints put on developing housing for persons with disabilities. The City accommodates requests for special structures or appurtenances (e.g. access ramps or lifts) serving disabled persons on a ministerial basis. There are no additional zoning, building code, or permitting procedures other than those allowed by State law.

Section 20.40.060 of the Municipal Code specifically addresses housing for disabled persons. This includes a Reasonable Accommodation clause which stipulates that persons with disabilities may request relief from various land use, zoning, and building laws, rules, policies, practices, and procedures. Requests may be submitted to the Community Development Director, and may be approved if the Director finds that the request is necessary to make housing available to an individual protected under the Fair Housing Act and will not impose an undue financial or administrative burden on the City. Design review requirements may be waived for such improvements.

Group Homes

The City of Albany currently allows residential care facilities homes of six or fewer persons by right in all residential zones. No use permit or other special permitting requirements apply in such instances. Design review has not been used to deny or substantially modify a housing project for persons with physical or developmental disabilities to the point where it is no longer feasible. The City does not impose special occupancy permit requirements for group homes or for retrofitting structures for group home use. Licensed residential care facilities for seven or more persons are also permitted in all zones where housing is permitted, subject to a use permit.

Family Housing

The Albany Municipal Code includes a definition of “family” as follows:

“Family” means two or more persons living as a single housekeeping unit in a dwelling. A family includes any servants and four or fewer boarders.

This is an inclusive definition that does not distinguish between related and unrelated persons and is consistent with California case law.

Design Review Requirements

Section 20.100.050 of the Municipal Code establishes a design review procedure. The intent is to ensure that new construction and alterations are visually and functionally appropriate to their site conditions and harmonious with their surroundings. Design review is required for all improvements except interior improvements, normal repair and replacement projects, small rear yard accessory buildings, certain types of signs, antennae, roof replacements, small skylights, and other minor exterior alterations.

Thresholds have been defined to determine whether design review is performed by Staff or the Planning and Zoning Commission through a public hearing. Projects that are less than 400 square feet (except second story additions), accessory structures between 120 and 200 square feet, and secondary units, are typically handled at the staff level. Projects that require additions larger than 400 square feet, major changes to rooflines, accessory structures over 200 square feet, second story additions, or height exceptions typically require a public hearing.

Approval of a design review application is subject to certain standards, including consistency with the General Plan, Residential Design Guidelines, and San Pablo Avenue Design Guidelines (for projects in the SPC zone). Projects must also be visually and functionally harmonious with their surroundings, appropriately deal with site constraints, and provide safe access for pedestrians and vehicles. The architecture, including massing and bulk, must be appropriate to the function of the project.

Landscape improvements must be complementary to architectural design, and natural features must be preserved to the greatest possible extent. Consideration must also be given to privacy, the retention of existing structures, and solid waste management. Additional compatibility-related guidelines are considered for residential additions, and for additions which exceed the 28-foot height limit in the R-1 zone.

The Design Review process is facilitated by the availability of design guidelines. In 2009, the City adopted Residential Design Guidelines which serve as the standard by which staff and the Commission evaluate residential development. This is particularly important when evaluating whether a project is “visually and functionally harmonious” with its surroundings. The Guidelines include photographs of Albany residences illustrating each principle, providing an objective standard to evaluate projects.

Photographs illustrate methods for reducing the perceived mass and bulk of structures, creating more attractive porches and garages, enhancing the front yard space, and integrating additions and second stories so they do not appear to be “tacked on” to the original structure. Specific direction is also provided for dormers and bay windows, exterior materials, and landscaping. Staff uses a consistent methodology to cite the consistency of projects with the Guidelines, which further facilitates objective review of projects by the Planning and Zoning Commission.

Staff works closely with applicants and their architects or contractors to ensure that designs conform to the Guidelines. The San Pablo Avenue Design Guidelines were adopted in 1993. They strive to enhance San Pablo Avenue as a great retail street, oriented toward pedestrians and ground level activity. The Guidelines strongly support the concept of mixed use development with housing on the upper floors. They address such topics as the building silhouette, massing and height, façade rhythm and composition, signage, lighting, color, and site design. Illustrations are included to demonstrate massing, organization, and design principles. This provides an objective standard for the Planning and Zoning Commission as they evaluate projects on the corridor.

The design review process is not a housing constraint, and is an important part of protecting the quality of life in Albany and making higher densities more acceptable to the community. Design review has effectively improved the quality of higher density architecture in the city, and provides assurance that future affordable housing will respect the community context and surrounding uses. The availability of clear guidelines provides a benchmark for staff and the Planning Commission, as well as property owners and developers. Moreover, the City’s standard process is to consolidate the approval process for design review, use permits, parking adjustments, and CEQA into a single public meeting, reducing potential delays for applicants.

Inclusionary Housing Provisions

In 2005, the City adopted an inclusionary housing ordinance. The ordinance requires that any development with five (5) or more units set aside 15 percent of those units for low or very-low income households at prices deemed affordable to those groups. It also requires that any conversion of rental units to condominiums set aside 15 percent of the units at affordable prices.

The Ordinance allows developers to pay an “in-lieu fee” equal to the difference between the fair market value of the inclusionary unit and the affordable value of the unit if the City Council finds that production of the units on site is not feasible. Payment of an in-lieu fee is also an option for developers of five and six unit projects. Projects with fewer than four units are exempt from the requirements entirely.

For those projects where the inclusionary unit is provided on-site, the Ordinance provides opportunities for waivers of certain development standards to make the unit more feasible. The inclusionary unit may also be provided off-site, if it is not feasible to provide it on-site. For projects paying the in-lieu fee, the funds are placed in a special account which is reserved for affordable housing purposes. The funds may be used for land write downs, contributions to nonprofit organizations for housing construction, mortgage assistance for very-low- and low-income households, the operation of transitional housing, and similar activities.

In calculating the number of inclusionary units to be provided, the Ordinance requires that any “fractional” units of 50 percent or greater are construed as a whole unit (e.g., an 11 unit project must provide two units). Fractional units of less than 50 percent must pay an in-lieu fee of equivalent value to the fraction. In other words, a 10-unit project would be required to provide one inclusionary unit, plus a fee equivalent to 3/7 of a unit. An equivalent number of units must be provided for low and very low income.

In 2009, the California Court of Appeals ruled that cities could not enforce inclusionary housing requirements for rental properties (*Palmer/Sixth St Properties v City of Los Angeles*). Thus, Albany’s ordinance is currently only enforced on for-sale projects. Between 2005 and 2012, the Ordinance resulted in four affordable owner-occupied units at the Villa de Albany condominiums. Two of these serve very low income households, and two serve low income households. An inclusionary for-sale unit was also proposed in the 423-427 Talbot project, which has not yet been built.

Although inclusionary zoning is intended to have a positive impact on housing affordability by increasing the supply of affordable units, it may have unintended consequences. For example, the cost of the affordable unit may be recovered through higher prices on the market-rate unit. Albany has addressed this issue by offering relaxed development standards to accommodate the affordable units.

One consequence of the inclusionary requirement may be an increase in the number of three and four unit projects, since such projects are exempt from the requirements. At least three such projects were constructed in 2007-2012 on lots where zoning would have permitted a larger number of units. Requiring in-lieu fees for three and four unit projects would provide consistency, and more importantly provide additional funds for producing additional housing in the city.

Density Bonus

Under state law, cities are required to offer additional density to developers who include affordable or senior housing in their developments. The additional density is intended to provide an incentive to create affordable housing. Depending on the number of affordable units that are provided, developers may be able to increase the number of units allowed under zoning by 35 percent. The law requires that the City offer a number of additional incentives (such as relief from particular development standards) to make the additional density possible.

The City has adopted a density bonus ordinance as part of the Planning and Zoning Code (Section 20.40.040). A request for such a bonus was recently approved to reduce parking requirements for the UC Village Mixed Use site along San Pablo Avenue. The bonus, in conjunction with an approved Planned Unit Development to allow an increase in height, enabled the senior housing to attain at a proposed density of 80 units per acre instead of the 63 units per acre permitted by the SPC zone. Additional height has been requested to achieve the higher density.

Building Code Requirements

Albany's Building Division administers state and local building construction regulations and provides permitting, plan checking, and inspection services. The City has adopted the California Building Code, Electrical Code, Mechanical Code, and Plumbing Code. A grading ordinance and flood damage prevention ordinance have also been adopted. These requirements do not pose a constraint to housing production and are essential to protect public health and safety.

The City has adopted a number of special requirements related to fire protection that go beyond the State Building Codes. These relate to such items as sprinklers, roofing systems, and photo-electric smoke alarms and are intended to protect public health and safety given the dense development in the City. On December 16, 2013, the City amended its Fire Code to eliminate some of the fire protection requirements that were unique to Albany and begin applying the California Fire Code in a manner similar to other communities. Specifically, the City eliminated a requirement to install

commercial grade fire alarm systems when standard code requirements would call for residential grade systems. A number of local amendments to the Code remain.

In 2007, the City adopted green building standards of compliance, as well as green point checklists for single family and multi-family development. The checklists are used to score proposed development projects based on their use of recycled building materials, energy conserving construction methods, bay-friendly landscaping, water-conserving plumbing fixtures, and other elements which reduce heating and cooling costs. Many of the checklist items are optional, but some – such as construction and demolition debris recycling and central collection areas for recycled waste – are mandatory. New Title 24 energy efficiency requirements became effective on July 1, 2014, improving the prior standards for new construction, additions, and alterations. In addition, after January 1, 2020, all new residential buildings, and residential alterations above certain thresholds, will be required to be zero net energy. A net zero energy building produces as much energy on-site as it consumes on an annual basis.

The green building guidelines and standards generally result in lower costs, rather than higher costs, as they help reduce utility bills. The City has added a number of local incentives to the checklists, such as extra points for projects which accommodate electric vehicles or additional street trees. The green building guidelines are an important part of the City's Climate Action Plan implementation and help support achievement of the State greenhouse gas reduction goals under AB 32. They are not considered a housing constraint.

Currently, the Community Development Department does not have a full-time professionally staffed code enforcement division. As a result, City staff work on code enforcement activities is secondary to other responsibilities, and thus not all code violations can realistically be addressed. The City's general philosophy in obtaining code compliance has been through education, dialogue between parties, and other cooperative efforts.

In an effort to improve the City's code enforcement efforts, the City adopted Chapter 18 ("Nuisances") of the Albany Municipal Code in 2003. The purpose of this section is to address serious and/or persistent health and safety hazards resulting from the neglect, misuse or deterioration of property. In 2008, the City adopted, by reference, the Uniform Code for the Abatement of Dangerous Buildings published by the National Conference of Building Officials. In addition, in 2009, the City adopted an administrative citation ordinance that authorizes monetary penalties in significant code enforcement situations.

The City prioritizes code enforcement activities first to those situations where an immediate risk to health and safety of individuals exists. Second priority is given to situations related to improving the quality of life or preventing substantial property

damage. In determining code enforcement activities, City staff must consider the resources required to address the situation relative to the amount of improvement expected. The City generally does not become involved in situations that are regulated and enforced by other government agencies, nor do they resolve private nuisances and civil matters between adjoining property owners.

Albany's current code enforcement structure ensures that the quality of housing in the City is maintained. It does not pose a constraint to the development of new housing, nor does it increase housing costs. Code enforcement promotes the maintenance of the existing housing stock by mandating standards of health and safety. In a number of recent cases, the City's code enforcement efforts resulted in uninhabitable homes being repaired and made available for occupancy.

Processing and Permit Procedures

Processing and permit procedures can be a constraint to the production and improvement of housing due to the time they add to the development process. Unclear permitting procedures, layered reviews, multiple discretionary review requirements, and costly conditions of approval can increase the final cost of housing, create uncertainty in the development process, and increase the overall financial risk assumed by the developer.

The time required to process a project varies depending on the size and complexity of the proposal, and the volume of projects being reviewed. Not every project must complete every possible step in the process. In addition, certain review and approval procedures may run concurrently.

Tables 5-4 and 5-5 identify the typical processing time for project entitlement. Most projects move from initial submittal to approval in 90 days or less. A new single family home can usually go through the permitting, design review, and approval process in 90 days. A large home addition, which is the most common type of project in the City, usually takes 30 to 75 days. Larger projects that require environmental impact reports may take up to a year or more. Single family additions and individual homes are categorically exempt from CEQA under Section 15303, "New Construction or Conversion of Small Structures." Irrespective of the size of the project, City staff are available for pre-application meetings at no cost. In addition, preliminary study sessions are routinely scheduled with the Planning and Zoning Commission to get preliminary feedback, also at no cost to the applicant.

The City of Albany has limited staff resources, with only one planner, one permit technician, and one inspector. However, staff manages its caseload efficiently and can process the volume of permit applications within the parameters established by the Permit Streamlining Act. Additional staff may be retained on a contract basis for projects requiring specialized expertise or additional manpower. The City regularly seeks ways to expedite processing and improve the timeliness of its services. At this point in time, permitting and processing time is not considered a constraint.

**Table 5-4:
Timelines for General Permit Procedures**

Type of Approval or Permit	Typical Processing Time
Ministerial Review	60 days
Conditional Use Permit	90 days
Zone Change	120 days
General Plan Amendment	120 days
Site Plan Review	N/A
Design Review	60 days
Tract Maps	120 days
Parcel Maps	90 days
Initial Environmental Study	90 days
Environmental Impact Report	360 days

Source: Albany Community Development Department, 2013

**Table 5-5:
Typical Processing Procedures by Project Type**

	Single Family Addition	New Single Family Unit	Subdivision	Multifamily Units
Typical Approval Requirements	Design Review	Design Review	Subdivision Map	Design Review
				Planned Unit Development
Est. Total Processing Time	30-75 days	90 days	120 days	270 days

Source: Albany Community Development Department, 2013

Site Improvement Requirements

In many 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. This is particularly true in newer communities where development is occurring on sites that were not previously developed. Because Albany is completely built out and all development opportunities are on infill sites with a full complement of existing services, site improvement requirements are minimal. Subdivisions are relatively uncommon and construction of new streets is extremely rare, with the exception of the master planned development at UC Village.

All of the Housing Opportunity sites listed in Chapter 4 have 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 each parcel with the electric, gas, sewer, water, drainage, and telecommunication facilities in the adjacent public right of way. Some of the City's sewer system consists of aging clay pipes. Depending on the nature and location of a residential development project, it is possible that sewer replacement could be required as a project component. Projects may also be required to improve sidewalks, plant trees, and provide similar on-site amenities. The City has not adopted any requirements above and beyond those authorized by the Subdivision Map Act.

Fees and Exactions

Housing development is typically subject to two types of fees:

- Permit processing fees to defray all or a portion of the City's labor costs related to reviewing applications for compliance with planning and building standards; and
- Impact fees, imposed to defray all or a portion of the capital costs related to the development project.

For owners of existing homes, high permitting fees can affect the property owners' ability to make improvements or repair, especially for lower-income households. For new home construction, fees can make a project less affordable, since the costs are often passed on through rents or sales prices. In addition, subdivisions and multifamily projects may incur the cost of preparing environmental impact reports, traffic studies, soil reports, and filing fees for tentative and final maps.

Table 5-6 illustrates the price range of the typical fees for a new housing unit. Planning and Zoning Commission Design Review fees for a new home are typically just over \$2,000. Additional costs are incurred if Variances or Parking Exceptions are needed. The cost of the building permit is based on the value of the project. For a new home

**Table 5-6:
Typical Housing Development Fees (Per new unit)**

Type of Fee	Price Range
Minor Use Permit	\$1,101
Major Use Permit	Min. \$2,072(*)
Residential Parking Exception	Min. \$2,072(*)
Variance	Min. \$2,072(*)
Design Review-Staff	\$1,101
Design Review-P&Z Comm.	\$2,072
Building Permit	
Value of work < \$25,000	1.25% of project
Value \$25-\$50,000	1.00% of project
Value \$50,000-\$250,000	0.75% of project
Value over \$250,000	0.50% of project
Residential Sewer Connection	\$1,166/unit
School Fees	\$2.97/SF for projects over 500 SF
Capital Impact Fees	
Residential additions	\$0.65/SF
New unit 600 SF or less	\$375/unit
601-1000 SF	\$840/ unit
1001 SF or over	\$1,365/ unit
Park Dedication Fee	Required for subdivisions only
Public Art Fee	1.75% of project value
Second Unit Fee	\$1,101
Plan Checking Fee	\$97.50/hr , at cost
Grading Permit (> 50 CY)	\$114 + 5% of cost of retaining walls

Source: Albany Community Development Department, 2014.

() Items are charged at cost, based on actual staff hours at standard rates plus consultant costs or contract city staff and outside legal services.*

with permit value of \$400,000, the cost would be \$2,000. Plan checking fees would be added to this total, and are based on a \$97.50 hourly rate for plan checking services.

The school impact fee is one of the largest components of permitting costs. For a 2,000 square foot new home, the fee would be \$5,940. For a 500 SF second unit, the fee would be \$1,495. Projects smaller than 500 SF, including smaller additions and small second units, are exempt from the school fee. The City also collects a capital facilities fee, which is calculated on a sliding scale based on the size of the project. The fee is usually \$1,365 for a single family home, \$840 for a 600-1000 square foot unit, and \$375 for a unit less than 600 SF. Other fees include sewer collection and public art fees. The typical permitting cost for a new single family home is approximately \$15,400.

The City's multi-family housing fees generally parallel those for single family homes, but the smaller unit sizes and economies of scale associated with multi-family construction tend to result in a lower cost per housing unit. Table 5-7 indicates the actual costs for two multi-family projects completed during the last planning period: Portland Gardens and Villa de Albany. Since the projects were completed several years ago, the bottom row of the table includes an adjustment to 2013 dollars based on the consumer price index (CPI). The City's fees are generally adjusted to reflect CPI changes, so the revised figure provides an estimate of the fees these projects would pay today. A fee increase of approximately 2.2 percent took place in FY 2014-15.

The table indicates fees of approximately \$7,500 per housing unit in both instances. In each case, the school impact fee represents about one-third of the total permit cost, while the sewer connection fee and capital facilities fee together represent about another one-third.

Art in Public Places Program

The City adopted a Public Art Ordinance in 2007. The Ordinance requires that any public or private development with a construction cost of greater than \$300,000 (as calculated based on International Code Council building valuations, and excluding single family homes) must include a public art component equal to 1.75% of the total construction costs. The contribution percentage is greater than most local cities, but to date, applicants have not indicated that the requirement is affecting the financial feasibility of proposed projects.

The Art in Public Places Program includes exemption and hardship procedures for publicly-assisted projects in which the public source of funding, or other applicable regulation or policy, prohibits the use of funds for public art. There also is a hardship in which applicants may seek reduction in requirements. The City also could consider amending the ordinance to explicitly exempt affordable housing projects.

Table 5-7: Typical Multi-Family Permitting Fees in Albany

	Villa de Albany (2006)	Portland Gardens (2001)
Number of Residential Units in Representative Projects	25	12
Project Value, as stated on permit application	\$3,844,000	\$1,855,490
Plan Checking Fees (including fire)	\$7,853	\$1,412
Building Permit Fees		
Construction	\$19,248	\$10,090
Plumbing, Electrical, Mechanical	\$5,549	\$2,546
Energy Calculation	\$3,070	\$1,516
Permit Fee Surcharges (7%)	\$1,347	\$706
Strong Motion Instrument Program (SMIP) Seismic Fee	\$332	\$213
Public Work		
Encroachment Fee	\$8,156	NA
Storm Drain Impact Fee	\$993	\$930
Other Fees		
Sewer Connection	\$28,050	\$12,000
Capital Facilities	\$26,775	\$11,651
School Fee	\$57,814	\$26,618
Administrative Fee/Other Fees	\$1,788	\$835
Miscellaneous Fees		
Grading Permit	\$2,136	NA
Total Permit Fees Collected	\$163,111	\$68,517
<i>Average Fee Per Unit</i>	<i>\$6,524</i>	<i>\$5,709</i>
<i>Adjusted Fee Per Unit in 2013 dollars (based on CPI)</i>	<i>\$7,542</i>	<i>\$7,517</i>

Source: City of Albany, 2013.

Note: Fees for the commercial portion of the projects is included on some rows (e.g., building permit fees) so actual average fee per unit amounts (bottom two rows) may be somewhat lower.

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints include the availability and condition of infrastructure, environmental factors, the cost of land and construction, the availability of financing, and public opinion. These are discussed below.

Infrastructure

In some communities, the availability of water, sewer, storm drainage, and other utility services may be a constraint to housing production. This is less applicable in Albany, as the City is compact and built out, with housing sites that are already fully served by infrastructure. There may still be infrastructure needs associated with changing the use of a site from commercial to residential, as well as issues associated with the age and condition of the water and sewer network.

Albany receives its water and sewer services from East Bay Municipal Utility District. The City represents approximately 1.4 percent of the EBMUD Service Area population. EBMUD has prepared an Urban Water Management Plan which includes capital improvement plans to serve its 1.3 million customers located in Alameda and Contra Costa Counties for the next three decades. The District is also implementing plans to supplement its water supply to meet long-term growth forecasts, and is carrying out seismic upgrade projects throughout the distribution system to replace aging lines and storage tanks. The utility has accounted for Albany's projected growth in its forecasts and capital improvement programs and has the capacity to meet expected needs.

Like all cities in the EBMUD service area, Albany faces the ongoing challenge of conserving water in response to drought, changing climate conditions, increasing population in California, and the high costs and environmental impacts of creating new water sources. The City works with EBMUD on an on-going basis to promote public education on conservation, bay friendly landscaping practices, and other measures to reduce water consumption.

EBMUD provides wastewater treatment services to Albany and operates regional wastewater collection interceptor lines through the City. The Albany Public Works Department maintains the local sewer system, which includes approximately 35 miles of sewer mains and 14 miles of lower laterals. The City has been systematically rehabilitating its wastewater collection system since the late 1980s. Over the last 25 years, approximately one third of the total length of mainline and a proportionate length of lower laterals have been rehabilitated or replaced. Sewer mains that have not yet been replaced or rehabilitated are predominantly six inch vitrified clay pipe (VCP) with cement mortar joints. As of 2012, the average age of the collection system was about 60 years.

The City requires that non-compliant sewer laterals (e.g., clay pipes) on private property be repaired or replaced when a property is sold or when a building permit which exceeds five percent of the building value is issued. Licensed plumbing contractors typically perform an inspection of the lateral to determine the need for replacement. These types of measures are essential to reducing wet weather sanitary sewer overflows to streets and local creeks, in order to achieve regional clean water goals.

In conclusion, the availability of water and sewer services is not considered a constraint to housing production. The City will continue to work with EBMUD and local property owners to ensure that capacity remains adequate, and that capital investment projects are directed to those areas where system improvements are needed most. The City completed a Sewer Systems Master Plan in June 2014 to guide continued improvement to its sanitary sewer lines.

Pursuant to Government Code 65589.7, EBMUD has established policies and procedures which ensure that affordable housing is given priority in the delivery of water and sewer services. The City will submit its Housing Element to EBMUD following its adoption so that EBMUD is apprised of its housing opportunity site locations and housing policies.

Environmental Constraints

Potential environmental constraints to development include attributes such as steep slopes, landslide hazards, flooding, seismic hazards, and the presence of hazardous materials. While such constraints can usually be mitigated through design, they can add to the cost of construction and make housing less affordable.

A number of residentially zoned properties on Albany Hill have steep slopes and landslide hazards, potentially making them more costly to develop. These sites have not been included as prospective higher density housing sites in this Element for this reason. Current zoning standards favor the clustering of buildings on such sites through planned unit developments, enabling higher densities and a more affordable housing product while preserving the most sensitive areas as open space.

Flooding constraints in the City are associated with the five creeks that flow within and along Albany's borders from the Berkeley Hills to San Francisco Bay: Cerrito, Codornices, Marin, Middle, and Village. Three of these creeks are predominantly underground and run through private property. Flooding problems are most commonly associated with the area along the railroad tracks, where culverts may constrain water flow. The housing opportunity sites are not located in flood prone areas.

Seismic constraints, particularly the potential for ground shaking in major earthquakes, are present throughout the City. As noted earlier in this chapter, the City administers and enforces building codes which are intended to mitigate seismic hazards. These codes are required throughout the Bay Area to protect life and property.

Hazardous materials issues may be associated with prior uses on designated housing opportunity sites. For instance, the recently built multi-family (mixed use) development at the corner of Portland and San Pablo Avenues took place on a former gas station site. Remediation of soil contamination associated with underground fuel tanks took place prior to the site's development. As part of the Housing Element site inventory, the California Department of Toxic Substances Control Envirostor data base was reviewed to determine the presence of hazardous materials on the listed sites. The following information is relevant:

- The Goodyear Tire site (431 San Pablo) was considered a Leaking Underground Storage Tank (LUST) site until 1996. At that time, the cleanup status was deemed complete and the case was closed.
- The Plaza Car Wash / Norge Cleaners site (398-400 San Pablo) is listed as a Leaking Underground Storage Tank (LUST) site. Underground tanks were removed in 1990, and the site has had monitoring wells to track groundwater contaminants since that time. Additional remediation could be required prior to development.
- The former Blockbuster Video Store (501-505 San Pablo) had a sheet metal operation on the site more than 25 years ago. A leaking underground storage tank on that site was fully remediated following the closure of that business.

None of the other housing sites appear in the Envirostor database.

Land and Construction Costs

As a dense and already developed city, land costs in Albany are high. A search of local real estate websites indicated there were no *vacant* (e.g., raw land) residential or commercial properties listed for sale within the city. Properties listed for sale are already improved, with structures that would either need to be rehabilitated, or demolished and replaced for residential development. For example, a 2,200 square foot retail building at 625 San Pablo, situated on a 5,000 square foot lot, was recently offered for \$689,000. A 13,200 square foot parcel at 949-953 San Pablo with four recently renovated buildings totaling 3,780 square feet is listed at \$1,000,000.

The absence of raw, developable land for sale represents a constraint to affordable housing development in Albany, just as it does in the neighboring cities of Berkeley and El Cerrito. For multi-family developers, a variety of subsidies, tax credits, and development incentives may be needed to offset the high cost of buying a developed site, demolishing and removing existing uses, and building a new structure.

Construction costs in Albany also are high, as they are throughout the Central Bay Area. According to the Building Standards Building Valuation Data, the total cost of constructing a wood frame single-family residence in the Bay Area rose from \$85.00 per square foot in 2000 to \$107.18 per square foot in 2009. This represents an increase of 26 percent during this time period. For multi-family housing construction, Building Standards Building Valuation Data indicates that the cost of construction for a typical three-story frame and stucco apartment house rose from \$80.00 per square foot in 2000 to \$95.12 per square foot in 2009. This represents a 19 percent increase in construction costs over this time period.

Comparable figures in Albany are even higher, since most work is custom-built on individual infill parcels rather than mass produced in large subdivisions or projects with hundreds of units. For residential remodels and additions, costs in excess of \$250 a square foot are common. The high cost of land and construction provides a compelling argument for an affordable housing strategy which includes secondary units, particularly where such units can be created within the footprint of existing homes. Although renovation may still be required to create a second unit, the cost is likely to be less than building an entirely new structure. Similarly, some of Albany's older apartment complexes could potentially be acquired and rehabilitated by private and non-profit developers who can obtain tax credits and low interest loans in exchange for affordability restrictions on the remodeled units.

Financing Costs and Availability of Funds

Housing affordability is affected by interest rates, mortgage lending practices, and the availability of credit. As of mid-2014, mortgage interest rates for a 30 year fixed loan were as low as 4.23 percent. This compares to an average rate of over 8 percent in 2000, and rates as high as 17 percent in 1982. The decline in interest rates have somewhat offset the inflation of housing and construction costs. Low mortgage rates have created opportunities for first-time buyers and homeowners of all incomes seeking to re-finance existing mortgages.

The drop in interest rates has been counterbalanced by more restrictive lending terms following the drop in housing prices and increase in foreclosures in 2008 and 2009. Financing may be more difficult to secure now than it was six years ago, particularly for low and moderate income buyers. Credit history is now more rigorously investigated. Higher down payments may now be required for mortgages and higher incomes may be required to qualify for loans. Requirements for a 15 or 20 percent downpayment could be equivalent to an entire year's salary for a moderate income household. Programs to assist first-time buyers (such as the federal Mortgage Credit Certificate program and downpayment assistance programs) can be a helpful way to make housing more affordable in such instances.

The limited availability of funds for affordable housing is also a constraint. In particular, the abolition of redevelopment agencies in 2012 removed a potential funding source for affordable housing in Albany, as it did in cities throughout the Bay Area. Affordable housing developers have had to turn to other sources for gap financing, and some of these sources also have been reduced or jeopardized. For instance, HOME Investment Partnership and CDBG funds have declined in recent years

Public Opinion

Another non-governmental constraint is community opposition to higher-density or affordable housing. Such objections may be based on legitimate concerns about traffic, parking, school overcrowding, police and fire response times, and similar issues. However, these concerns also may be based on misinformation and misconceptions about affordable housing. Some residents associate affordable housing with buildings that are cheaply constructed, poorly managed, and out of scale with the community. Acceptance can be improved by increasing public awareness of the many excellent examples of affordable housing that have been built in the East Bay in recent years, and profiling the tenants of those buildings. In many cases, the tenants are seniors and young professionals not unlike those who live and work in Albany today.

Chapter 6 – Housing Goals, Policies, and Programs

Section 65583(b)(1) of the California Government Code requires the Housing Element to contain “a statement of goals, quantified objectives, and policies relative to the maintenance, preservation, and development of housing.” This chapter fulfills that requirement. Its policies and action programs are based on state law and the findings of the previous four chapters.

Five goals are presented, corresponding to the following topics:

- Housing Conservation
- Housing Production
- Special Needs Housing
- Elimination of Housing Constraints
- Fair Housing

As required by law, quantified objectives have been developed for housing production, rehabilitation, and conservation. These are presented at the end of this chapter. The quantified objectives provide metrics for evaluating the effectiveness of the Element and also provide guidance for allocating resources.

Three types of statements are included in this chapter. The **goals** (paraphrased in the bulleted list above) express broad, long-term statements for desired outcomes. Each goal is followed by multiple policies. The **policies** are intended to guide day to day decisions by the City Council, the Planning and Zoning Commission, Staff, and other City representatives. They are general statements that describe the City’s position on specific housing issues related to each goal. Some of the policies require specific **programs** to ensure their effective implementation. Other policies are implemented through standard operating procedures, or are used to guide day to day decisions. They do not require specific Housing Element actions. The link between policies and programs is annotated in the Housing Element by listing the specific policy or policies carried out by each program.

The programs are the most detailed statements in the Housing Element. They are the specific actions the City will take after the Element is adopted. Each program is accompanied by descriptive text providing the context for the program and additional detail on how it will be carried out. Responsible parties, timelines, and funding sources are listed for each program. Some of the programs are on-going, and others will require an allocation of staff time or funding during the planning period.

Unless otherwise indicated, references to “affordable housing” in this chapter refer to housing that requires no more than 30 percent of a household’s income for extremely low, very low, low, or moderate income households. Occupancy of such housing is typically limited to persons with incomes below thresholds set by the US Department of Housing and Urban Development and the California Department of Housing and Community Development, although some smaller and/or older units may be considered “affordable by design” as their market rents or sales prices place them within the affordability ranges of lower and moderate income households.

GOAL 1: HOUSING CONSERVATION

Preserve, maintain, and improve Albany’s existing housing stock.

POLICIES

- Policy 1.1: Housing Re-Investment.** Support continued maintenance and improvement of Albany’s existing housing stock. City zoning regulations, permitting practices, and code enforcement procedures shall support reinvestment in the housing stock.
- Policy 1.2: Housing Rehabilitation.** Continue to participate in housing rehabilitation programs and pursue funding to rehabilitate older housing units. Albany’s supply of low and moderate income market-rate housing units shall be conserved to the greatest extent feasible.
- Policy 1.3: Protecting the Rental Housing Stock.** Continue to conserve affordable rental housing by limiting the conversion of existing multi-family rental units to condominiums.
- Policy 1.4 UC Village.** Recognize the newly reconstructed University of California Village as an important housing resource for graduate students and their families. Work with the University of California to sustain a supply of student housing in this location.

- Policy 1.5 Bulk Limits.** Maintain floor area ratio limits, height limits, and other zoning provisions which discourage “teardowns” of smaller single family homes and their replacement with larger, less affordable single family homes. Albany’s supply of smaller single family bungalows and cottages should be recognized as an important housing resource.
- Policy 1.6 Restoration of Damaged Structures.** Continue zoning provisions which allow the restoration of multi-unit structures in single family zones where they would not otherwise be permitted under current zoning regulations, in the event such structures are damaged by fire, earthquake, or other natural disaster.
- Policy 1.7 Reducing Home Energy Costs.** Encourage the weatherization of existing homes, the use of energy-efficient appliances, and the development of renewable energy systems to reduce energy costs and thereby provide more disposable income for housing.
- Policy 1.8 Short Term Rentals.** Conserve rental housing opportunities by limiting the use of existing or potential rental properties, such as second units, for short-term stays.
- Policy 1.9 Shared Housing.** Support the concept of co-housing and shared household living as a way to maximize the utility of the existing housing stock, reduce housing costs for lower income and senior households, and adapt to changing household structures and demographics in the city.

IMPLEMENTATION PROGRAMS

- Program 1.A: Code Enforcement.** Maintain building and housing code enforcement programs.

Description:

Enforcement of planning and building codes is important to protect Albany’s housing stock and ensure the health and safety of those who live in the city. Typical code enforcement actions relate to life safety and public health violations, unpermitted construction, and deteriorated buildings. Code enforcement is performed on a complaint basis, with staff responding to public inquiries as needed.

Responsible Parties: Community Development Director
Timing: Ongoing
Funding: General Fund (staff time)
Implements: Policy 1.1, 1.6

Program 1.B: Housing Rehabilitation Programs. Continue to work with the Alameda County Housing and Community Development Department in the implementation of neighborhood preservation and sustainability programs, including housing rehabilitation grants and low interest loans, the minor home repair program, accessibility grants, and the major rehabilitation loan program.

Description:

Albany is one of several communities in Alameda County that participates in the County's Housing Rehabilitation and Minor Home Repair Program. The program provides minor home repair grants for emergency repairs of plumbing, carpentry, electrical, grab bars, railings, toilets, water heaters, furnaces, and doors, along with grants to retrofit homes to meet the needs of persons with mobility impairments (ramps, counter height modifications, etc.). In 2013-14, Albany received \$27,519 from the County to be disbursed for this purpose. In 2014-15, the amount decreased to \$20,356. The County program also offers low interest loans of up to \$60,000 for major repairs, with repayment deferred until the property is sold or refinanced.

Responsible Parties: Community Development Director/ Human Services Manager
Timing: Annual
Funding: Alameda County HCD
Implements: Policy 1.1, 1.2

Program 1.C: Affordable Housing Monitoring. Monitor housing units with affordability restrictions to ensure that prices are maintained at affordable levels and that occupants meet approved affordability criteria.

Description:

Since the adoption of Inclusionary Zoning in 2005, the City of Albany has created four owner-occupied inclusionary units. Sale of these units is limited to low and very low income buyers, and sales prices are capped to meet affordability criteria for these groups. In Spring 2014, the City initiated a monitoring program to ensure that owners were aware of the income and resale restrictions. This process will continue in the future, with City

notification required if a unit is listed for sale. Similar provisions will be applied when future inclusionary units or other units subject to a regulatory agreement that restricts rents or sales prices are created. As appropriate, the City will allow third party enforcement of such agreements.

Responsible Parties: City Planner
Timing: Ongoing
Funding: General Fund
Implements: Policy 1.3

Program 1.D: Energy Assistance for Lower Income Households. Use the Albany website and other means to encourage the participation of local residents in programs aimed at reducing home energy bills.

Description:

A number of programs are available for residents to reduce their home energy costs. These include online tools, home energy audits, rebates for energy efficiency retrofits and the use of energy efficient appliances, and the federal Low Income Home Energy Assistance Program (LIHEAP), which offers financial assistance to low income households for energy bills. The California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs also provide rate discounts for lower income households. In addition, PG&E sponsors the Relief for Energy Assistance through Community Help (REACH) program, which provides one-time payments for households needing assistance with their gas and electric bills. Other financial assistance programs are available for persons with high medically-related electric bills.

Responsible Parties: Environmental Planner
Timing: Ongoing
Funding: Federal (LIHEAP), State (CARE, FERA),
County and regional energy partnerships
Implements: Policy 1.7

Program 1.E: Weatherization Program. Continue the partnership with the cities of Berkeley and Emeryville to provide weatherization assistance to low income Albany households.

Description:

The cities of Albany, Berkeley, and Emeryville have partnered to carry out a federally funded weatherization program benefiting low income households. The Berkeley Energy Office administers the program. It provides free attic

insulation, weather-stripping, water-efficient showerheads, heater duct insulation, high efficiency lighting, window repairs and replacement, furnace repairs, water heater blankets, ceiling fans, energy efficient appliances, and other improvements which reduce home energy costs. Participants must meet specific income criteria to ensure that the program benefits low income households.

Responsible Parties: Environmental Planner
Timing: Ongoing
Funding: Weatherization Assistance Program and County and Regional Energy Partnerships
Implements: Policy 1.7

Program 1.F: Regulation of Short Term Rentals. Evaluate Albany Municipal Code provisions for rentals of 30 days or less and determine if changes are needed to avoid the loss of potential affordable units, particularly second units. In the event the City determines that such units are being used as short-term rentals or could be used as short-term rentals in the future, pursue appropriate Code amendments or enforcement actions to prevent such use.

Description:

The use of individual rooms, entire homes and second units as short-term (vacation) rentals has become popular in the last five years. A review of Air BNB listings for Albany in September 2014 indicated 21 listings, including 10 rooms within homes, three entire apartments, and nine entire homes. Other cities in the Bay Area are moving to regulate short-term rentals or enforce existing regulations as a way to limit the loss of rental units and ensure that appropriate fees are collected. This action calls for an evaluation of existing regulations on short-term stays, an assessment of the extent to which the supply of long-term rental housing is being impacted, and a strategy for addressing any adverse impacts.

Responsible Parties: City Planner
Timing: Fall 2015
Funding: General Fund
Implements: Policy 1.8

Program 1.G: Remodels for Shared Housing. On a case by case basis, allow well designed remodels to single family homes which make it easier for multiple households to share the home. Such remodels should be consistent with applicable Building Code and Zoning Regulations.

Description:

Shared housing is defined as an arrangement in which two or more unrelated people or households share a house or an apartment. It may occur naturally when a group of individuals decide to pool their resources or an individual decides to rent rooms in their home, or it may occur through the guidance of an agency. Shared housing is permitted in Albany and there are no specific regulatory constraints to increasing the number of shared homes in the city. The intent of this program is simply to make clear the City's support for shared housing as a practical, effective solution to meeting local housing needs. The program complements similar programs supporting second units and programs supporting the construction of larger housing developments with units specifically reserved for persons of low, very low, and extremely low incomes.

*While the City recognizes its obligation to support production of new housing units to meet the Regional Housing Needs Allocation (RHNA), it also recognizes the opportunity to create housing opportunities more affordably through home sharing, co-housing, and other solutions that are principally designed to accommodate **households** rather than **housing units**. The anticipated surge in senior residents, extraordinary recent increases in Bay Area housing costs, and emergence of a "sharing economy" create unique opportunities for shared housing in Albany. The City recognizes the potential for co-housing, shared housing, and similar models to meet housing needs flexibly, affordably, and quickly. Albany will work with proponents of co-housing and shared housing to evaluate and remove obstacles to such development, while addressing neighborhood concerns and seeking broader community input on the shared housing model.*

Responsible Parties: City Planner
Timing: Ongoing
Funding: General Fund
Implements: Policy 1.9

See also Program 3.C on room rentals

GOAL 2: HOUSING PRODUCTION

Provide a variety of housing types, densities, designs, and prices which will meet the needs of all economic segments of the community while maintaining and enhancing the character of existing development.

POLICIES

- Policy 2.1: Housing Diversity.** Encourage a mix of unit types, including attached and detached single family homes, second units, large and small multi-family developments, live-work units, and mixed use development, to respond to the diverse needs of Albany's households, and to provide housing for residents of all incomes and ages.
- Policy 2.2: Housing Tenure.** Strive to maintain Albany's roughly equal balance of rental and ownership housing in the construction of new units. When considering future development, the City should aim for a housing mix that includes new rental apartments, as well as new owner-occupied units such as condominiums, cooperatives, and single family homes.
- Policy 2.3: Housing Affordability.** Continue to encourage the construction of housing affordable to very low, low, and moderate income households, in addition to market rate housing. Projects which combine market rate housing and affordable housing, using mechanisms such as the City's inclusionary ordinance, are encouraged.
- Policy 2.4: Home Ownership.** Support local home ownership opportunities for Albany renters.
- Policy 2.5: Second Units.** Encourage development of attached and detached secondary dwelling units, taking into consideration the need to provide parking and protect existing neighborhood character.
- Policy 2.6: Manufactured Housing.** Continue to allow manufactured and mobile homes on lots zoned for single family homes, subject to design review standards prescribed by zoning.
- Policy 2.7: Mixed Use.** Encourage development of rental housing above commercial development along Solano and San Pablo Avenues.

- Policy 2.8: Context-Sensitive Design.** Design new affordable housing to blend with the existing community context. Affordable units should be developed to the same architectural and urban design standards as market rate units and should be indistinguishable from market rate units in terms of their design and construction quality.
- Policy 2.9: Live-Work.** Encourage opportunities for live-work development, particularly on former industrial and commercial sites where traditional housing may be infeasible.
- Policy 2.10: Planned Unit Development.** Continue to allow Planned Unit Developments as a way to adjust zoning standards in exchange for public amenities.
- Policy 2.11: Cooperatives and Innovative Community Housing.** Encourage limited equity cooperatives, co-housing, community land trusts, and other innovative housing proposals which are affordable to low and moderate income households.¹
- Policy 2.12: Scattered Site Affordable Housing.** Encourage small affordable housing developments consisting of 1-4 unit buildings located on scattered sites, in addition to encouraging traditional affordable housing developments on larger, higher-density mixed use sites.²
- Policy 2.13: Additional Housing Sites.** Continue to explore possibilities for housing on sites not specifically listed in the Housing Element site inventory. This includes land within UC Village, consistent with the UC Village Master Plan, as well as other public properties not committed to park, open space, or public facility use, where consistent with adopted master plans for these sites.

¹ A Community Land Trust is a non-profit corporation that develops affordable housing, typically on smaller sites and at a smaller scale than is done for traditional non-profit development corporations. CLTs may also purchase existing buildings and operate them as affordable housing or co-housing.

² "Scattered-site" refers to a form of housing in which affordable, low-density units are scattered throughout lower density neighborhoods. This can take the form of individual single-family homes on conventional lots, manufactured units, or small (2-4 unit) multi-family buildings that blend with adjoining buildings in multi-family zones. The units may be owner or renter occupied. One of the best examples would be the acquisition and rehabilitation of foreclosed properties and their conversion to affordable units. Scattered site housing is intended to complement a strategy that is primarily focused on larger properties. It would not preclude the need to develop larger affordable developments.

Policy 2.14: Tax Credit Projects. Encourage the use of state and federal low income housing tax credits by developers as a way to improve the financial feasibility of affordable housing development and affordable housing acquisition and rehabilitation projects in Albany.

IMPLEMENTATION PROGRAMS

Program 2.A: Inclusionary Zoning. Continue implementation of an inclusionary housing program which requires 15% of proposed units in for-sale projects with seven units or more to be made affordable to low income households, and which requires payment of an in-lieu fee for 5-6 unit projects. Explore revisions to the program to ensure that it is achieving desired outcomes, is compliant with inclusionary zoning case law and statutes, and is responsive to changes in the housing market.

Description:

Albany adopted an Inclusionary Zoning ordinance in 2005. The intent of the Ordinance is to ensure that affordable units are included in larger market-rate development projects. As noted in the Constraints Analysis, the exemption of projects with four units or less may be having an unintended consequence, which is that a number of 4-unit developments have been proposed (or built) on sites which could have potentially supported a larger number. The City will develop remedies for any loopholes in the Ordinance, such as requiring an in-lieu affordable housing fee for three and four unit buildings. Other revisions to the ordinance also will be explored to ensure that it is achieving its desired outcome (see the Constraints Chapter of the Housing Element for additional detail).

Responsible Parties: Community Development Director
Timing: 2016
Funding: General Fund (staff/consulting time)
Implements: Policy 2.1, 2.3

Program 2.B Affordable Housing Nexus Study and Potential Impact Fee. Complete a nexus study, either independently or collaboratively with one or more other jurisdictions in the East Bay, to determine the cost and feasibility of an affordable housing impact fee

Description:

For the past decade, Albany has used inclusionary zoning to ensure that 15 percent of all units in market-rate projects with five units or more were set

aside as affordable units, or that the project developer paid a pro-rated fee that supported affordable housing development. A 2009 court decision (“Palmer”) constrained the City’s ability to apply this requirement to rental housing. This has created an inequity among housing developers, with the developers of for-sale units facing a cost burden not faced by rental developers.

In response, this action would conduct a study of the “nexus” between the development of market rate rental housing (and potentially other types of development, such as retail and office space) and the need for affordable housing. The City will take a specific course of action based on the findings of the study, either proceeding to implement a fee, deciding not to implement a fee, or taking an alternative course of action.

To offset the cost of the nexus study, the City will explore a collaborative study with one or more other communities facing the same challenge. Preparation of a work plan, funding plan, and request for proposals should begin after the General Plan is adopted in 2015. The timing of the study itself is contingent on funding and is estimated as taking place in 2016.

Responsible Parties: Community Development Director
Timing: Develop work plan in 2015. Initiate study in 2016. Take action, if appropriate, by 2018.
Funding: General Fund (staff/consulting time)
Implements: Policy 2.1, 2.3

Program 2.C: Density Bonuses. Maintain a density bonus ordinance consistent with state requirements. Encourage applicants to apply for density bonuses as a tool to produce affordable housing and to promote new housing which is subject to parking standards defined by state law rather than the requirements set by Albany Measure D.

Description:

Projects that provide affordable housing are eligible to use parking standards established by the State of California under Sec 65915(p). The Government Code parking standards establish a sliding scale for projects incorporating affordable units based on the number bedrooms per unit, and require fewer spaces per unit for one-bedroom and studio apartments than would otherwise be required under voter-approved Measure D.

See also Program 4.F and 4.G under Constraints.

Responsible Parties: City Planner
Timing: Ongoing
Funding: General Fund (staff time)
Implements: Policy 2.3, 2.7

Program 2.D: Affordable Housing Incentive Program. Evaluate, and if feasible implement, an Affordable Housing Incentive Program (AHIP) focused on the SC and SPC zoning districts.

Description:

The AHIP would establish a set of zoning incentives to new projects in which at least 49 percent of the units are affordable to low or very low income households. It would differ from the state-mandated density bonus program in that: (a) it would provide a guaranteed set of specific zoning incentives, rather than the discretionary incentives associated with the state density bonus program; (b) it would provide relief from the ground floor commercial requirement, without a use permit; and (c) it would allow higher densities than those offered through the state density bonus requirements. The AHIP would be designed so that it augments the state density bonus program, and in no way conflicts with state density bonus standards. If the City determines that an AHIP program will be an effective catalyst for development of affordable housing based on program costs, community feedback, affordable housing development feasibility, and other factors, it will implement the program. The City may also use the findings of the study to make other changes to its zoning standards in order to improve the viability of housing affordable to low, very low, and extremely low income households.

Responsible Parties: City Planner
Timing: 2017
Funding: General Fund (staff time)
Implements: Policy 2.3, 2.7

Program 2.E: Public Information Campaign. Continue to develop and implement a Housing Opportunities Public Information Campaign. The purpose of this action is to disseminate information to Albany residents and business and commercial property owners about housing programs and the need for affordable housing, special needs housing, and emergency shelter. Typical campaign actions would include publication and distribution of flyers, workshops and town meetings, creation of committees or working groups addressing housing issues, participating in an annual "Affordable Housing Week", and

information on the City's website and Albany Newsletter, among other ideas.

Description:

The following types of housing needs and programs should be incorporated into the Public Information Campaign, in addition to others identified as appropriate by the Community Development Director: (1) Encourage development of rental units in the commercial district through communication with commercial property owners; (2) Provide information about development of new second units; (3) Increase public awareness about County HCD Housing Preservation Programs and PG&E weatherization programs; (4) provide information on resources for persons who are homeless or at risk of becoming homeless; (5) increase community education on the need for affordable housing, the benefits it provides, and examples of successful affordable housing projects in the area. This should include participating in East Bay Housing Organization's "Affordable Housing Week" or developing an equivalent annual local campaign; (6) increase communication with non-profit developers regarding site opportunities in Albany; and (7) maintain a dialogue with Albany residents on housing opportunities and actions. Information should be accessible via a dedicated "Housing Programs" link on the City of Albany's website.

A special focus should be included on web-based information for those interested in adding a second unit. The Planning Division's website currently includes links for residents interested in starting a home business, understanding design review requirements, paying permitting fees, completing a planning application, and similar activities. It does not have a dedicated link with information on how to develop a second unit, or the standards and requirements for second units. As funding allows, a page on the City's website should be developed for this purpose. Such a page could also include information on "model" second units in the city, and provide guidance on siting and design.

The public education efforts should also seek to improve community understanding of homelessness and the need for emergency shelter. The community dialogue on this topic, including ideas for more effective solutions and programs, should be continued. An overarching goal should be to create a positive, respectful, and welcoming attitude toward people from all economic levels and walks of life. The City should play a leadership role by working with community groups to recognize issues of poverty and homelessness as challenges to the entire community.

Community groups, residents, local businesses, social justice advocates, and the local faith community also have a role in these efforts. The City will support the efforts of such groups to develop “toolkits” indicating how Albany residents can address homelessness and assist Albany residents facing homelessness. The City will use its communication resources (such as its website, newsletter, and City Commissions) to help disseminate information and provide access to these resources.

Another component of the public information campaign is to raise awareness of the benefits of increased housing density along transportation corridors. These benefits not only include housing production, but also increased viability of transit, reduced greenhouse gas emissions, additional jobs and retail opportunities, and greater street vibrancy. The City will continue to disseminate information about housing remedies and available resources to facilitate development while addressing community concerns. As funding and staff resources allow, this could include the creation of committees or working groups that disseminate information, assist in the marketing of available sites, and provide grass roots support and public relations for local housing initiatives.

Responsible Parties: Community Development Director
Timing: Develop Housing webpage by 2016
Funding: General Fund (staff time)
Implements: Policy 2.1, 2.3, 2.5, 2.8, 2.11

Program 2.F: Mortgage Credit Certificate Program. Continue to participate in the Alameda County HCD Mortgage Credit Certificate Program, which provides home ownership opportunities for moderate income first time home buyers.

Description:

The Mortgage Credit Certificate (MCC) is a federal program to assist first-time buyers in purchasing a home. The program allows homeowners to take a tax credit of 15% of their annual mortgage interest. Homeowners adjust their federal withholding to reflect the value of the MCC, resulting in thousands of dollars in tax savings each year. This substantially increases the affordability of the home, and makes purchases possible for persons who might not otherwise qualify. A limited number of MCCs are available to low and moderate income Albany residents through a County program. Home purchase prices must be no more than \$592,765 for new units and \$569,632 for resale units.

Responsible Parties: Community Development Director
Timing: Annual
Funding: Alameda County MCC program (federal)
Implements: Policy 2.4

Program 2.G: Technical Assistance. Work with local non-profit developers to identify potential housing sites, and to pursue available funding, including CDBG and HOME funds, for the construction of affordable housing.

Description:

A number of non-profit developers are active in the East Bay area. Over the past few decades, they have collectively built thousands of units of affordable housing in the region, providing an essential resource for the region's lower income households. Albany is committed to working with such developers to encourage the construction of affordable housing within the city. The City will provide technical assistance in the completion and/or co-sponsoring of applications for funds, and will work with non-profit developers to address issues of concern and to explore incentives to reduce project costs. This could also include assistance with lot consolidation, notification when development opportunities arise, and information about local development standards and density bonus laws. The City will provide outreach to non-profit housing advocates and developers at least once a year to discuss needs and opportunities for affordable housing in Albany and to identify potential funding opportunities.

Responsible Parties: Community Development Director
Timing: Annual
Funding: General Fund (staff time)
Implements: Policy 2.3, 2.7, 2.8, 2.11

Program 2.H: Land Assembly and Lot Consolidation. Continue to work with interested property owners to encourage the assembly of underutilized parcels and their consolidation into single parcels in order to create larger, more marketable potential housing sites, especially along the San Pablo Avenue corridor.

Description:

The City has adopted lot consolidation policies which allow higher densities on larger lots. This is the most effective means to encourage lot consolidation in Albany, and has helped make lot consolidation a feature of most recent multi-family development projects in the City. Both the Villa de Albany and Albany Gardens projects involved the private sector aggregating multiple lots, with the City providing technical assistance and supporting the application.

Several of the City's housing sites consist of relatively small adjoining parcels. Formalizing lot consolidation procedures and reducing the fees associated with mergers for affordable housing developments on these sites may create an incentive for future applications. The City will implement lot consolidation procedures which facilitate the creation of larger sites that are more suitable for affordable housing and other multi-family development projects.

Components of this program may include waivers of the lot merger fee for projects which include affordable housing units, expedited processing for lot merger applications, notification of adjacent commercial property owners in the event a site becomes available for sale, and the City's existing provisions which enable higher densities on larger (e.g., consolidated) lots. The lot consolidation procedures will be formalized through a memorandum and brought to the Planning and Zoning Commission and City Council for further discussion.

The focus will be on the properties identified as "Housing Opportunity Sites" in this Element, and on other sites where property owners inquire about the feasibility of future development.

Responsible Parties:	Community Development Director
Timing:	Establishment of lot consolidation assistance guidelines by Fall, 2015
Funding:	General Fund (staff time), private
Implements:	Policy 2.3, 2.7, 2.8, 2.10

Program 2.I: Second Unit Amnesty Program. Continue implementation of the recently approved second unit amnesty program. The intent of the program is to formally register second units which may have been illegally constructed in the past or which are otherwise exempt from zoning requirements, and to ensure that such units meet health and safety standards.

Description:

The City approved a second unit amnesty program in July 2014. The program provides a step by step guide for property owners interested in legalizing units that were never officially permitted. Such units are subject to an inspection and enforcement of the building codes that were in effect at the time the unit was created. Units must meet current Health and Safety Codes. The program will be ongoing, and is not limited to a specific time period. During the 12 months following Housing Element adoption, the City will publicize the program through its website, articles in the local press, and direct communication with residents.

Responsible Parties: Community Development Director
Timing: Publicity campaign for 12 months following Housing Element adoption
Funding: General Fund, Permit Fees (staff time)
Implements: Policy 2.5

Program 2.J: Second Unit Rents. Conduct a survey of second unit rents every three years to determine the extent to which they may be counted as affordable to lower and moderate income households for the purposes of the Regional Housing Needs Allocation.

Description:

The City completed a survey of second unit rents in August 2014. This action would repeat that survey in 2017 and 2020 as a way of identifying the likely number of units offered at rents affordable to very low, low, and moderate income households. The City will also annually review business license data to gather additional information on second unit rents and occupancy trends.

Responsible Parties: Community Development Director
Timing: Survey in 2017 and 2020
Funding: General Fund (staff time)
Implements: Policy 2.5

Program 2.K: Affordable Housing Fund. Create a City of Albany Affordable Housing Fund which becomes a repository for funds that will be used to help support affordable housing development in the City.

Description:

The City is currently researching the best accounting structure for establishing a local Affordable Housing Fund. Potential sources of revenue

for this fund include the residual redevelopment funds returned to the City (e.g., “boomerang” funds, see Program 3.J), in-lieu fees collected from the City’s inclusionary zoning program, grants, and other sources. A priority will be placed on using these funds in a manner which benefits extremely low income (ELI) and very low income (VLI) households. Input from ELI and VLI households will be solicited in establishing funding priorities.

Responsible Parties: Community Development Director
Timing: Spring 2015
Funding: “Boomerang” Funds, In-Lieu Fees
Implements: Policy 2.3

Program 2.L: No Net Loss of Housing Capacity. Monitor development activity on the Housing Opportunity Sites to ensure that the City maintains sufficient land to accommodate the Regional Housing Needs Allocation (RHNA) during the planning period. In the event a housing site listed in Chapter 4 is redeveloped with a non-residential use or at a lower density than shown in Chapter 4, ensure that the City has adequate capacity to meet the RHNA by making the findings required by Government Code Section 65863 and identifying alternative site(s) within the City if needed.

Description:

Because many of the City’s Housing Opportunity Sites are zoned in a manner which allows commercial uses as well as residential uses, the City will monitor development activity to ensure that its housing objectives can be met on the sites listed in Chapter 4. Should approval of development on these sites result in a reduction of capacity below the amount needed to accommodate the RHNA, the City will identify alternative sites zoned at densities of at least 20 units per acre to accommodate the shortfall. This should not require rezoning, since the City presently has excess capacity, but it would require the identification of other underutilized sites where multi-family/mixed use housing is a viable use based on the criteria outlined in the Housing Element.

Responsible Parties: City Planner
Timing: Initiate Upon Adoption of Element
Funding: Staff time (General Fund)
Implements: Policy 2.1, 2.3, 2.7

GOAL 3: SPECIAL HOUSING NEEDS

Expand housing opportunities and related supportive services for the elderly, the disabled, persons experiencing homelessness, and other persons with special housing needs.

POLICIES

- Policy 3.1: Senior Housing.** Encourage the production of housing for Albany seniors. This should include both for-profit, market-rate housing with amenities for seniors, and affordable below market rate housing specifically designed to meet the needs of seniors.
- Policy 3.2: Aging in Place.** Facilitate retrofits to Albany homes which enable residents to “age in place.” This could include providing assistance to residents who wish to add grab bars, wheelchair ramps, and other devices which respond to decreased mobility among senior residents.
- Policy 3.3: Group Housing and Residential Care.** Provide opportunities for group homes and residential care facilities, consistent with State law.
- Policy 3.4: Universal Design.** Encourage the concept of universal design in new housing, so that all housing units are responsive to the needs of persons with different mobility needs and physical limitations.
- Policy 3.5: Persons with Disabilities.** Strive to meet the housing needs of Albany residents with physical and developmental disabilities, including the provision of housing and supportive services serving disabled residents.
- Policy 3.6: Extremely Low Income Households.** Facilitate a variety of programs, partnerships, and activities which meet the housing needs of Albany households earning 30 percent or less of area-wide median income. The City will pursue funding opportunities for affordable housing, with a priority on meeting the needs of extremely low income households.
- Policy 3.7: Homelessness.** Undertake programs to assist Albany residents who are homeless or are at risk of becoming homeless with securing emergency shelter and finding appropriate permanent housing with supportive services.
- Policy 3.8: Transitional and Supportive Housing.** Continue recently adopted zoning provisions which explicitly state that transitional and supportive housing are permitted as a residential use, and are only subject to those

requirements that apply to other residential uses of the same type in the same zone.

Policy 3.9: Connecting Persons in Need. Support programs that connect seniors, disabled residents, single parents, extremely low income persons, and other persons with special housing needs with persons in Albany who may be able to provide them with temporary or permanent housing.

IMPLEMENTATION PROGRAMS

Program 3.A: Units for Persons with Disabilities. Encourage the inclusion of units for persons with disabilities within new development, and require the inclusion of such units when necessary to meet state and federal requirements.

Description:

The 2008-2012 American Community Survey (ACS) indicates that approximately 7.2 percent of Albany's residents have a disability. According to the ACS, approximately 407 residents have a hearing disability, 151 have a vision disability, 480 have a cognitive disability, and 580 have an ambulatory (mobility) disability. These totals include residents with more than one disability. The ACS estimates that approximately 264 residents have disabilities which prevent them from living independently. The City will continue to work to meet the needs of residents with disabilities, both by permitting and facilitating home retrofits and by encouraging the inclusion of units for disabled residents in new development. In addition, the City will continue to support the programs associated with the California State Orientation Center for the Blind, which is located in Albany.

This program will primarily be implemented through enforcement of Americans with Disabilities Act (ADA) and California Building Code requirements. ADA requires that projects receiving federal funds set aside 5 percent of the units or at least one unit, whichever is greater, for persons with disabilities. There are also requirements to set aside 2 percent of the units for residents with sight or hearing impairments. Additional accessibility requirements apply for private multi-family units. In addition to these requirements, the City will continue to use its CDBG funds for accessibility improvements – as it has in the past – and it will continue to assist those seeking to “age in place” with funding requests through the County’s Minor Rehab Program.

Responsible Parties: City Planner/Community Development
Director
Timing: Ongoing
Funding: General Fund (staff time)
Implements: Policy 3.3, 3.4, 3.5

Program 3.B: Developmental Disabilities. Support the construction and rehabilitation of housing to meet the needs of Albany residents with developmental disabilities, including group homes and units within affordable housing developments designed for developmentally disabled residents, consistent with fair housing law.

Description:

Developmentally disabled residents include children with mental or physical impairments and adults who were born with a disability or developed a disability before age 18. Many developmentally disabled persons can live and work independently, but some require a group living environment with supervision, or living units with special features.

The City of Albany will continue to support the development of group homes which serve developmentally disabled adults, and will work with service providers to encourage the inclusion of units for persons with developmental disabilities in future housing developments, including CDBG Urban County Consortium funding of the development of specialized housing to serve disabled residents, consistent with fair housing law. It will also coordinate with the Regional Center of the East Bay to inform Albany residents of the resources available to them and to explore incentives so that a larger number of future housing units include features that meet the needs of persons with developmental disabilities.

Responsible Parties: City Planner/Community Development
Director/Human Services Manager
Timing: Ongoing
Funding: General Fund (staff time)
Implements: Policy 3.3, 3.4, 3.5

Program 3.C: Room Rentals and Home Sharing. Continue to allow the renting of rooms in private homes to provide affordable housing opportunities for students, seniors, non-traditional households, extremely low income households, and others. Support the use of home-sharing services to pair those seeking housing with those with available space.

Description:

The City currently permits the renting of up to four rooms in a single family home. It does not limit the number of people that may occupy a house or apartment.

Room rentals and home shares are one of the most affordable types of housing in Albany and an important resource for students, seniors, and extremely low income households. The rentals can also provide a source of income for lower income homeowners, including seniors on fixed incomes. The City will continue to allow and encourage shared housing in the future. Programs that “match” persons with special needs with one another, and with Albany residents who seek assistance with personal services or home upkeep, should also be supported.

As part of Program 3.C, the City will support local participation in a Home Sharing Program similar to the HIP Housing program in San Mateo County and the ECHO Shared Housing program in Pleasanton and Livermore. While the City itself cannot serve as coordinator of such a network due to funding and staffing limitations, it can encourage its existence and support its activities. Home Sharing Programs typically provide criminal background checks, income verifications, mediation, living together agreements, and long-term case management to ensure the best matches possible. The City’s role would include listing the Home Sharing Program on its website and including it in housing resource documents.

See also Program 1.G on remodels to facilitate shared housing.

Responsible Parties:	City Planner
Timing:	Ongoing
Funding:	General Fund (staff time)
Implements:	Policy 3.2, 3.6

Program 3.D: Section 8 Program. Continue to participate in the Section 8 voucher program, which provides assistance to very low income tenants through rent subsidies paid directly to landlords. Provide outreach and informational materials to residents eligible to participate in the

program and encourage the Alameda County Housing Authority to expand the availability of vouchers for Albany residents.

Description:

HUD Section 8, also called the Housing Choice Voucher Program, is the largest affordable housing program in the country. It provides tenant based rental assistance based on the family's household income. Seventy-five percent of the new vouchers issued must be made available to families earning less than 30 percent of the areawide median income. The tenant pays roughly 30 to 40 percent of their monthly adjusted gross income toward rent, and the balance is covered by the voucher.

Section 8 recipients must locate rental units in the private market with landlords willing to accept the voucher. The City of Albany will encourage the participation of local residents and landlords in the Section 8 program and work with the Housing Authority for the benefit of Albany residents. According to the Alameda County Housing Authority, there were 30 Albany households using tenant based Section 8 vouchers in 2014, down from 36 in 2013 and 39 in 2012.

Responsible Parties:	Community Development Director/Human Services Manager
Timing:	Ongoing
Funding:	HUD Section 8 (federal)
Implements:	Policy 3.6

Program 3.E: CDBG Funds. Continue to prioritize programs which benefit extremely low income households in the disbursement of funds through the annual CDBG program.

Description:

The City of Albany is a member of the "Urban County" Consortium of five small cities and unincorporated areas of Alameda County, which participates as a group in the Community Development Block Grant (CDBG) program. Staff with the Alameda County Housing and Community Development administers the program for the consortium.

The consortium provides funding for affordable housing development projects and social service programs in Alameda County. In addition, the City receives an annual disbursement of CDBG funds to serve senior citizens, residents with disabilities, and residents in census tracts that meet Federal income

guidelines. Eighty-five percent (85%) of the consortium funds must be spent on capital improvements and the City is provided with a limited amount of discretion in how they are spent. For instance, in 2014-2015, funds were allocated to meals on wheels for house-bound seniors, homeless outreach and engagement, owner-occupied housing rehabilitation, and curb ramps serving persons with disabilities.

Most of these programs benefit very low and extremely low income residents. The City will continue to prioritize its CDBG disbursement to benefit extremely low income Albany residents.

See also Program 2.G on outreach to affordable housing developers.

Responsible Parties: Community Development Director/Human Services Manager
Timing: Annual
Funding: Alameda County HCD (federal CDBG disbursement)
Implements: Policy 3.6, 3.7

Program 3.F: Emergency Shelter. Continue to allow emergency shelter by right (e.g., without a Conditional Use Permit) in the Commercial Mixed Use (CMX) zoning district and the San Pablo Commercial (SPC) zoning district. Seek additional public input on allowing emergency shelter with a conditional use permit in the Solano Commercial (SC) and R-3 zoning districts, and amend the zoning if there is broad support.

Description:

The City amended its zoning regulations in January 2014 to permit emergency shelters by right in the CMX and SPC zoning districts. Emergency shelters will be subject to the same development and management standards as other permitted uses in these zones. During the Housing Element outreach process, it was suggested that the City also allow shelters (with a CUP) in the R-3 and SC zoning districts. During the next two years, the City will solicit additional public input on this suggestion and determine if it is feasible.

Responsible Parties: City Planner
Timing: Complete feasibility assessment by December 2016
Funding: General Fund (staff time)
Implements: Policy 3.6, 3.7

Program 3.G: Everyone Home Program. Continue to work with Alameda County to address the housing and supportive service needs of Albany’s population experiencing homelessness, taking a “Housing First” approach.

Description:

Albany has joined the other 13 cities in Alameda County and the County itself in the implementation of a countywide plan to alleviate homelessness. The Countywide Plan responds to a federal mandate and recognizes the regional nature of homelessness. Everyone Home is a funding program which provides support to non-profit organizations that address chronic homelessness in Alameda County and that provide more secure and permanent housing for low income people with mental illness, HIV/AIDS, and other disabilities, or with a high risk of homelessness. It includes a 10-year action plan and a 15-year implementation plan. Endorsement of the Plan by the City of Albany established general agreement with its strategies and ensures that the City’s programs to assist residents experiencing homelessness are consistent with those of nearby cities. Everyone Home incorporates the “Housing First” approach to addressing homelessness. The concept promotes the idea that persons experiencing homelessness should be provided with permanent stable housing as quickly as possible rather being moved through a continuum from emergency shelter to transitional and independent housing.

Responsible Parties:	Community Development Director/Human Services Manager
Timing:	Ongoing
Funding:	General Fund (staff time)
Implements:	Policy 3.6, 3.7

Program 3.H: Homeless Outreach and Engagement Program. Continue outreach and engagement efforts to assist Albany residents experiencing homelessness in securing a place to live and access to the services they require. Explore alternatives to continue outreach and engagement in future years so that residents experiencing homelessness continue to be assisted with permanent shelter and supportive services.

Description:

This program was initiated in July 2013 in anticipation of enforcement of Section 8.4-4 of the Albany Municipal Code on the Albany Bulb. It was subsequently extended for an additional year in January 2014, including efforts to obtain permanent housing for former Bulb residents. Its intent is to assist homeless residents through a continuum of care, including community meals and programs, emergency shelter, transitional housing, permanent supportive housing, and case management. It is funded through a combination of CDBG and General Fund revenues. Services are being provided collaboratively with Solano Community Church.

The City will also support the efforts of community groups and local businesses to provide additional supportive services in the future. This could include development of a homeless shelter or “drop in center” that offers self-help opportunities, social services, and a place to eat, rest, bathe, and access a telephone and computer. If such a center is established, the City would use its communication tools to promote participation, including providing information on the City website and distributing flyers in the lobby of City Hall and Community Center. The City would also connect potential volunteers to the center.

Responsible Parties: Human Services Manager, City Council
Timing: Evaluate annually through the budget process
Funding: CDBG, General Fund
Implements: Policy 3.6, 3.7

Program 3I: Use of Residual Redevelopment Funds Returned to City. Continue to explore the use of former tax increment affordable housing set-aside funds distributed to the City of Albany and ensure that any future funds are used to support affordable housing initiatives. High priority for the use of such funds should be given to programs benefiting extremely low income households.

Description:

When the Albany Community Reinvestment Agency was dissolved in February 2012, redevelopment funds that had been set aside for affordable housing were required to be given to the County Auditor Controller for distribution to taxing entities. As one of the taxing entities, the City of Albany received a portion of these funds. The law did not impose a restriction on the use of these funds and they were recorded as revenue in the General Fund. The monies coming back to local jurisdictions in this manner have been informally dubbed "boomerang funds."

In February 2014, Alameda County reported the total amount returned to Albany from the initial \$679,000 in swept housing funds was approximately \$122,000. The feasibility of using these funds for affordable housing continues to be discussed. The City has spent in excess of this amount on supportive services and relocation assistance to residents experiencing homelessness during the past year, without the benefit of redevelopment dollars. Future residual payments will be assigned to the Affordable Housing Fund (Program 2K), as fiscal conditions allow. Since the funds are limited, the City should consider their use as loans or grants for individual households to undertake projects that advance the goals of the Housing Element (home sharing, rent-restricted second units, etc.)

Responsible Parties:	City Manager, City Council
Timing:	Resolve boomerang funding commitment by Summer 2015
Funding:	Former tax increment distributed to City of Albany ("boomerang funds")
Implements:	Policy 3.5, 3.6, 3.7

GOAL 4: REDUCING HOUSING CONSTRAINTS

Reduce constraints that add to the cost of producing and conserving housing in Albany or that create barriers to meeting local housing needs.

POLICIES

Policy 4.1: Zoning. Ensure that Albany’s zoning regulations and permitting requirements continue to accommodate a diverse mix of housing types.

Policy 4.2: Residential Development on Commercially Zoned Sites. Maintain floor area ratio bonuses and other regulatory standards which incentivize the development of residential uses above commercial uses on San Pablo and Solano Avenues.

Policy 4.3: Parking. Work toward parking regulations that respond to the characteristics of different housing types and unit sizes, and the varying parking conditions that exist on Albany’s streets. Parking regulations should balance the need for convenient off-street parking with other City goals, including housing affordability, sustainability, and a transportation system that accommodates all modes of travel.

Policy 4.4: Fees. Ensure that Albany’s fees are appropriately structured to conform with all applicable state and federal laws.

Policy 4.5: Infrastructure and Services. Continue to maintain City-owned infrastructure consistent with the General Plan, including the Housing Element. At the same time, work with EBMUD, the Albany Unified School District, and other service providers to ensure that utilities and services not operated by the City remain adequate to serve the City's land use needs.

Policy 4.6: Communication and Education. Continue to promote broader public understanding of planning and building requirements using the City’s website, brochures, and other outreach tools.

Policy 4.7: Innovative Housing Types. Ensure that local planning and building codes allow for innovative and nontraditional housing types, including modular and pre-fabricated homes, live-work and work-live, “tiny” homes, “micro” units, and homes constructed with sustainable, non-traditional building materials. Local codes should also enable

collaborative living arrangements among unrelated individuals or households.

Policy 4.8: Car-Free Living. Coordinate affordable housing initiatives with active transportation programs, car-sharing programs, and parking initiatives so that it is easier to live in Albany without owning a private automobile. Foregoing auto ownership can reduce household transportation expenses and create more disposable income for housing.

Policy 4.9: Staffing. Maintain sufficient staffing levels to implement local housing programs, including the designation of a staff person as the City's "Housing Coordinator." Seek ways to expand staff resources and capacity in the future, potentially including a dedicated housing staff person as budget allows and workload conditions require.

IMPLEMENTATION PROGRAMS

Program 4.A: Modifications to Residential Development Standards. Consider, and if appropriate adopt, changes to the City's residential development standards, as described in the discussion below, which would facilitate home improvement and expansion.

Description:

This action would consider two specific zoning amendments:

The first is an amendment to the R-1 zone to allow applications for floor area ratios (FARs) between 0.55 and 0.60 to be approved by staff, rather than by the Planning and Zoning Commission, when they affect lots smaller than 3,000 square feet. This amendment would also give the Commission the authority to approve FARs between 0.60 and 0.65, subject to the same findings now required for projects between 0.55 and 0.60. This change could accommodate growing families without dramatically increasing building footprints (on a 2,500 square foot lot, 0.65 FAR would allow 125 square feet more than 0.60 FAR). There are roughly 730 parcels in the City that are between 2,500 and 3,000 square feet. R-1 amendments to facilitate second unit construction also should be evaluated.

The second is an amendment to the setback standards for R-3 lots. Currently, R-3 requires 15-foot front and 15-foot rear setbacks. While these setbacks may be reasonable on larger lots, they make it difficult to achieve the maximum allowable densities on smaller parcels. For example, a 50 x 100 lot would only have 2800 square feet of developable area after the front, side, and rear lot

requirements are subtracted out. This is 56 percent of the lot area, which is below the 70 percent coverage allowed. Some reduction in setbacks should be considered for R-3 lots adjacent to commercially zoned land or other R-3 lots.

Responsible Parties: City Planner
Timing: Spring 2016
Funding: General Fund (staff time)
Implements: Policy 4.1

Program 4.B: Second Units. Explore, and if feasible adopt, additional changes to the City's second unit regulations and permitting policies to facilitate the construction of both attached and detached units, including manufactured, modular, and pre-fabricated dwellings. In addition, consider provisions for reduced fees, fee waivers, and other concessions for owners who agree to rent-restrict their units to a very low income household for a period of at least 10 years.

Description:

As noted in the "Constraints" chapter of the Housing Element, the City amended its second unit regulations in July 2014 to remove constraints identified in the 2007-2014 Housing Element. The new regulations permit secondary units in the R-2 and R-3 zones, allow tandem parking on sites where a total of two parking spaces are required (for the primary unit and the second unit), allow detached units within the side and rear setbacks (subject to various standards), allow 16' height for detached units, and allow units with two bedrooms. These changes have already resulted in an increase in applications for second units, and are likely to result in a larger inventory of such units in the future.

This action would pursue additional measures to encourage second unit construction. Some of these measures relate to development standards, some relate to permitting and processing procedures, and some relate to public outreach and education.

With respect to development standards, the City will explore allowing detached second units to exceed 30% of the rear yard area on smaller lots. It will also pursue a reduction in the number of required parking spaces for second units in homes built after 1978 (in conjunction with the ballot measure referenced in Action 4.F). With respect to permitting procedures, the City will explore fee reductions for owners who agree to deed restrict their units to

very low income households for a period of 10 years.³ This could include reductions or waivers of second unit fees, capital facilities fees, sewer fees, arts fees, annual business license fees, and similar fees. With respect to education and outreach, Program 2.E notes the City’s intent to establish a webpage on second units with information on the development standards and the process for applying. The City will continue to promote the benefits of second units as a context-sensitive way to provide affordable housing and meet the needs of multi-generational and non-traditional households. Ideas such as second unit open home “tours” (similar to AIA architectural tours or East Bay garden tours), annual awards for good second unit design, and plaques which recognize high-quality second units, should be supported and pursued.

Responsible Parties: City Planner
Timing: Complete assessment of additional regulatory and fee changes by 2017
Funding: General Fund (staff time)
Implements: Policy 4.1

Program 4.C: San Pablo-University Village Overlay District. Maintain a zoning overlay for selected commercial properties in which residential uses must be included as a complement to commercial uses in any future development application.

Description:

The City has adopted a special zoning overlay for the portion of University Village which fronts San Pablo Avenue. Properties in this overlay are required to be developed with mixed uses, including residential development and residential care (assisted living) uses, as well as commercial space. The overlay ensures that high density housing will be an integral part of any development constructed on this site. The overlay zone is an important tool to implement the approved UC Village Master Plan and should be used to support additional types of housing in the future.

Responsible Parties: City Planner
Timing: Ongoing
Funding: None required
Implements: Policy 4.1, 4.2

Program 4.D: Evaluation of Mixed Use Standards. Consider, and if appropriate adopt, additional modifications to the development standards for

³ The City can require that occupancy of such units be limited to very low income households (in exchange for regulatory incentives), but it cannot require that the units are actually occupied once they are created.

mixed use development (e.g., residential over commercial) to further incentivize the development of housing, including housing affordable to low, very low, and extremely low income households, on commercially zoned sites.

Description:

At the time of production of the 2015-2023 Housing Element, the City was considering a zoning amendment that would allow projects that are entirely residential on sections of San Pablo Avenue outside the Solano Avenue commercial node. This provision would apply only to projects in which at least 49 percent of the units were affordable to low or very low income households. This particular amendment had not been completed at the end of the 2007-2014 planning period and is being carried forward to 2015-2023. Completion of the zoning amendment is a high priority and should be completed by 2016. In the interim period, developers of low and very low income housing may apply for an exemption to the ground floor retail requirement through the density bonus ordinance (the exemption would be considered a zoning incentive).

Additional changes will be considered in the 2015-2023 period. This could include an exception process for daylight plane requirements in the SPC zone where the abutting use is already a three-story structure. The current regulations could result in situations where buildings along San Pablo Avenue must “step down” in height toward the rear lot line, even when the adjacent property (to the rear) contains a taller building. The step down requirements are intended to protect sunlight and privacy on lower density single family lots, and are less effective where adjacent zones have the same height allowances.

Other changes could include a higher minimum density standard (such as 30 units per acre instead of 20 units per acre) and allowances for taller structures on parcels fronting San Pablo Avenue within 500 feet of the Solano Avenue intersection (e.g., the “commercial node”). The City could also consider establishing a minimum depth for ground floor commercial space in mixed use projects (or a minimum percentage of the ground floor that must be commercial), to ensure that such space is functional and marketable. The City will also consider allowing interim uses for such spaces (i.e., “pop-up retail”) and will amend the Code to clarify that the ground floor commercial requirement only applies to SPC zoned parcels that front on San Pablo Avenue and not those with frontage only on Kains Avenue and Adams Street. There are a few parcels in the SPC zone with no frontage on San Pablo Avenue, and such parcels should be encouraged to have residential uses on the ground floor.

Responsible Parties: City Planner
Timing: 2016
Funding: General Fund (staff time)
Implements: Policy 4.1, 4.2

Program 4.E: Parking Study. Complete a citywide parking study, including recommendations for managing parking supply and demand and reducing residential parking requirements. The recommendations will help inform a future ballot measure (See Program 4.F).

Description:

The City recently received grant funding through the Alameda County Transportation Commission to do a citywide parking study. The study will include the collection of data on of-street and off-street parking in the San Pablo Avenue and Solano Avenue corridors, and an evaluation of parking requirements in these areas. The scope of the study includes an estimate of future parking demand based on anticipated development, including buildout of the Housing Opportunity Sites. Various program options for managing parking will be considered, taking into account factors such as cost, availability of car sharing, and strategies to reduce demand. The outcome of the study will be a set of recommendations for managing parking, including new standards for residential uses. These standards could be incorporated in a ballot measure, as noted in Program 4.F.

Responsible Parties: City Planner/ Transportation Planner
Timing: Complete in 2015
Funding: MTC Grant
Implements: Policy 4.3

Program 4.F: Parking Ballot Measure. Pursue a 2016 ballot measure to revise the two space per unit residential parking standard required by Measure D (1978). This revision would recommend more proportional ways to calculate parking requirements (e.g., based upon unit size, number of bedrooms, unit type, and the population served, with special exemptions for senior housing, proximity to transit, or available land for parking in the immediate neighborhood).

Description:

As noted in the Constraints chapter of this Element, Measure D was approved by Albany voters 35 years ago in response to concerns about on-street

parking. The voter initiative may no longer reflect the best solution to managing parking on City streets, and may make it more difficult and costly to construct housing.

A program to amend Measure D through a subsequent ballot measure has been in the Albany Housing Element since 1992. Following discussion of this issue in the context of the 2007-2014 Housing Element update (as well as implementation of the City's Climate Action Plan and Active Transportation Plan), the City Council established an ad hoc committee to evaluate alternatives to the voter-mandated requirements in November 2013. The committee provided recommendations to the City Council in May 2014. The City is pursuing a November 2016 ballot measure to adopt new parking standards that better reflect parking supply and demand, and reduce the constraint posed by the current requirements. As noted in Program 4.E, a parking study to develop new requirements is underway.

In the interim period, the City will take steps to ensure that the parking requirements do not constrain affordable housing development at the high end of the allowable density range. The Planning and Zoning Commission is already authorized to approve parking exceptions, and may reduce the parking requirement to 1.5 spaces per unit where it finds that sufficient on-street parking exists. Changes to the dimensional standards for parking spaces also may be considered. The Community Development Department will further inform prospective developers of the opportunity to use the parking standards for one bedroom units and studios authorized by the State density bonus standards in lieu of the City's standards for projects which contain affordable housing. The State standards provide a strong incentive for the inclusion of affordable one-bedroom and studio units in future multi-family development.

Amendments to Measure D should ensure that resident concerns about parking impacts are still addressed. However, more nuanced solutions should be developed to account for the different demand characteristics of different housing types as well as parking conditions on local streets.

Responsible Parties:	City Manager, Planning Division, Public Works
Timing:	November 2016
Funding:	General Fund (staff time)
Implements:	Policy 4.3

Program 4.G: Incentives for Affordable Housing. Continue to provide reduced fees and expedited processing procedures for affordable housing. Review the impact of these incentives every four years and revise them as necessary.

Description:

The City is in the process of establishing a fee reduction request form, along with criteria for allowing fee reductions for housing serving extremely low, very low, and low income persons. The City will also continue to provide technical assistance to developers of affordable housing, including technical support in funding and grant applications.

Under the proposed process, applications for fee reductions will be evaluated on a case by case basis, depending on the attributes of each project. Among the fees that could potentially be reduced would be the public art fee, planning and building fees, and other local or agency fees.

Responsible Parties: Finance Department, Planning Division, City Manager
Timing: Complete fee reductions and expedited processing procedures by Spring 2015
Funding: General Fund (staff time)
Implements: Policy 4.4

Program 4.H: Capital Improvement Plan (CIP) Updates. Prepare and periodically update a Capital Improvement Plan to define upcoming projects and funding needs.

Description:

Albany's current CIP covers FY 2013 to 2018. The CIP assists the Council in prioritizing its investment in public works projects, including road repair and maintenance, traffic signals, sewer and drainage improvements, park improvements, creek restoration, and other infrastructure projects. These improvements are essential to enable the City to maintain service levels and expand capacity in areas where growth is anticipated. The City will continue to update the CIP in response to changing conditions, emerging needs, and plans for long-term growth.

Responsible Parties: Public Works Director
Timing: Annual
Funding: General Fund (staff time)
Implements: Policy 4.5

Program 4.I: General Plan Consistency. Ensure that future amendments to the General Plan consider potential impacts on the Housing Element, particularly the viability of development on the Housing Opportunity Sites. Conversely, ensure that any future amendments to the Housing Element include amendments to other elements of the Plan as necessary to maintain internal consistency.

Description:

The California Government Code requires all elements of the general plan to be internally consistent. If any part of the General Plan is amended, the Housing Element must be reviewed to ensure that the consistency standard is met. This includes decisions which could affect housing opportunity sites, as well as those affecting housing policies and programs. Conversely, amendments to the Housing Element must be reviewed in the context of the other Elements, with changes to the other Elements made as needed to maintain consistency. Future changes to the Housing Element should trigger a review of the entire General Plan, especially the Land Use Element, to ensure that internal consistency is maintained.

Albany is currently undergoing a General Plan Update. Because the Housing Element is being adopted in advance of the other elements, it provides a benchmark for evaluating potential changes to land use, transportation, and open space policies. In drafting the other Plan elements, the City will preserve that the housing opportunities identified in this Element. Policies in the other elements should support the City's housing goals and advance the objective of increasing the number of affordable housing units. In the event that conflicts emerge, the City will resolve them in a way that does not diminish the City's housing capacity.

Responsible Parties: Community Development Director
Timing: Complete General Plan Update by Spring 2015
Funding: General Fund (staff time)
Implements: Policy 4.1

Program 4J: Standards for Non-Traditional Housing Types. Evaluate Planning and Building Code provisions for non-traditional housing types such as "tiny homes," "micro" units, container homes, straw bale homes, and other homes constructed of sustainable building materials. As appropriate, develop Code provisions which accommodate such housing types and support their construction in Albany.

Description:

During the community outreach process for the 2015-2023 Housing Element, participants suggested the City encourage the use of non-traditional building materials and housing types as a way to reduce housing costs and provide new housing opportunities. This program includes a review of current Building Code and Zoning Code provisions for various alternative structure types, and a “report out” to the Planning and Zoning Commission on the findings. As appropriate, this program could also include Code amendments and other steps to support alternative housing in the future.

Responsible Parties: Community Development Director
Timing: 2016
Funding: General Fund (staff time)
Implements: Policy 4.7

GOAL 5: FAIR HOUSING

Promote housing opportunities for all persons regardless of age, race, marital status, ancestry, family status (presence of children), disability, national origin, or color.

POLICIES

- Policy 5.1: Ending Housing Discrimination.** Support programs which effectively end housing discrimination and provide recourse for residents who feel they are being denied fair housing access or rights.
- Policy 5.2: Landlord-Tenant Dispute Resolution.** Continue to support landlord-tenant dispute resolution and housing counseling services provided by CDBG funded organizations.
- Policy 5.3: Reasonable Accommodation.** Maintain reasonable accommodation provisions in the Albany zoning code, which ensure that persons with disabilities can make the alterations necessary to keep their residences accessible.
- Policy 5.4: Partnerships.** Support and engage in partnerships with surrounding communities, including Berkeley, Richmond, El Cerrito, Alameda County and Contra Costa County to address housing issues that cross jurisdictional boundaries. Where local housing efforts may be infeasible due to Albany's small size and limited resources, consider collaborative efforts with other communities to achieve more effective results.
- Policy 5.5: Non-English Speaking Residents.** Provide multi-lingual, multi-cultural outreach on housing programs so that all Albany residents have access to information on housing resources, without language or cultural background serving as a barrier.
- Policy 5.6: Community Engagement.** Engage Albany residents in developing solutions to housing issues through measures such as the formation of task forces, convening of workshops and hearings, surveys, and other mechanisms which solicit public input. The City will also encourage local organizations and individuals to implement and/or help to implement appropriate solutions.
- Policy 5.7: Displacement.** Work proactively to avoid the displacement of tenants due to rising rents, temporary financial hardship, demolition or conversion of rental housing, and other factors. During the planning

period, the City will consider measures to protect tenants from indirect displacement due to very steep rent increases and arbitrary evictions. The risk of direct displacement through demolition is less likely since Albany's housing opportunity sites have very few existing units. However, the City will also work to avoid displacement in the event that lower-cost units are redeveloped with new units at higher costs or densities.

IMPLEMENTATION PROGRAMS

Program 5.A: Fair Housing Services. Continue to work with Eden Council for Hope and Opportunity (ECHO) in the administration of fair housing services to Albany residents. Publicize these services in the quarterly Albany newsletter, on the website and through direct mail if feasible, and through other media at City Hall, the Albany Library, the Albany Community Center, and other important social centers in the city. Make fair housing materials available to local organizations for distribution to their members and those who they serve.

Description:

The City of Albany has an Agreement with ECHO to administer fair housing services. Residents may contact ECHO if they feel they have experienced housing discrimination, or if they have questions about fair housing laws and legal rights.

Responsible Parties: Community Development Director
Timing: Ongoing
Funding: General Fund
Implements: Policy 5.1, 5.3, 5.5, 5.6

Program 5.B: Landlord-Tenant Mediation. Continue to work with Eden Council for Hope and Opportunity (ECHO) in the administration of landlord-tenant mediation services to Albany residents.

Description:

ECHO provides services to tenants who are experiencing a conflict with their landlords. Their services include housing rights counseling, mediation, advocacy, and information.

Responsible Parties: Community Development Director
Timing: Ongoing
Funding: General Fund
Implements: Policy 5.2

Program 5.C: Removal of Impediments to Fair Housing. Implement appropriate recommendations from the 2010 Alameda County Analysis of Impediments to Fair Housing Choice report.

Description:

The Analysis of Impediments to Fair Housing was published by the Alameda County HOME Consortium (which includes Albany) in 2010. The report examines policies and practices that may limit residents' abilities to choose housing in an environment free from discrimination. It evaluates barriers to housing choice, along with actions to overcome those barriers. Actions are individually itemized for each community in the Consortium.

Most of the actions listed in the Impediments report for Albany are already being implemented or are listed elsewhere in this Housing Element. In addition to those listed elsewhere, the City will continue to respond to fair housing concerns and complaints in a timely fashion, work with ECHO housing to consider fair housing testing, support organizations that provide financial literacy for residents, facilitate outreach by the County Housing Authority to Albany residents, and facilitate communication between special needs service providers, residents, and affordable housing developers. The definition of "family" in the City's existing zoning regulations is consistent with current state and federal law and does not require amendment.⁴

Responsible Parties: Community Development Director
Timing: Ongoing
Funding: General Fund
Implements: Policy 5.1, 5.2, 5.3, 5.4

Program 5.D: Fair Housing Training Programs. Engage a local housing advocacy group or non-profit housing rights organization to conduct at least one free training and educational program on fair housing laws, including laws for reasonable accommodation. If feasible, the training should be done annually.

Description:

The program would consist of an evening or weekend seminar led by an instructor trained in fair housing law. Its purpose would be to educate attendees on fair housing issues and requirements, and to respond to questions related to such topics as reasonable accommodation and tenant

⁴ The City's current definition of "family" is consistent with fair housing laws and *Adamson v. Santa Barbara*, in that it does not distinguish between related and unrelated persons

rights. The program would potentially benefit City staff, elected officials, contractors, landlords, service providers, and interested residents.

Responsible Parties: Community Development Director
Timing: Convene at least one seminar by 2017
Funding: General Fund
Implements: Policy 5.1, 5.3, 5.6

Program 5.E: Rent Review Board Feasibility. Evaluate the feasibility of creating a rent review board to mediate instances of rapid rent increases.

Description

Several cities in Alameda County, including Alameda, Fremont, and San Leandro have established rent review or rent mediation boards. Rent review is different from rent control in that the focus is on mediation rather than administration of annual limits on rent increases. Multi-family tenants facing steep increases in rents (for example, more than 10 percent or multiple increases in a single year) may present their case to an appointed board of citizens, who include tenant representatives and landlord representatives. The program is based on the use of mediation and non-binding arbitration to work jointly to respond to complaints. It provides a neutral setting for discussing such complaints. This action would explore the feasibility of such a program in Albany, taking into consideration input from tenants, landlords, owners, and City officials.

Responsible Parties: Community Development Director
Timing: 2018
Funding: General Fund
Implements: Policy 5.1, 5.3, 5.6

QUANTIFIED OBJECTIVES BY INCOME CATEGORY, 2015-2023

The following quantified housing objectives have been established for the 2015-2023 planning period. The new construction objectives correspond to the City’s Regional Housing Needs Allocation for the planning period, and include an allocation for extremely low income households as well as very low income households. The rehabilitation targets are principally associated with minor rehabilitation loans through Alameda County programs. The conservation programs are aimed at the protection of existing housing resources in the City of Albany, including units with affordability restrictions and units which are affordable “by design.”

Income Group	New Construction	Rehabilitation	Conservation
Extremely Low	40	16	120 (second units)
Very Low	40		16 (Creekside Apts)
Low	53	16	4 (Inclusionary)
Moderate	57		973 (UC Village)
Above Moderate	145		
TOTAL	335	32	

Housing Element Implementation and Progress Reporting

Section 65400 of the California Government Code requires cities to file annual reports with the State Department of Housing and Community Development (HCD). The report must cover the status and progress in implementing the jurisdiction’s housing element, including the progress the jurisdiction is making toward meeting its Regional Housing Needs Allocation. In addition to the annual report, the Planning and Zoning Commission will also receive mid-term updates from staff on Housing Element implementation for the next two years. The need for future mid-term updates in years (in addition to the annual update) will be evaluated in 2017. Each annual and mid-term update should include a hearing before the Planning Commission, and a staff report published on the City’s website.