



CITY OF NEWARK

CITY COUNCIL

City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org



AGENDA and NOTICE

Special Meeting with Planning Commission

Thursday, May 12, 2022
5:00 P.M

HYBRID IN-PERSON/VIRTUAL MEETING
REFER TO THE END OF THE AGENDA TO REVIEW OPTIONS FOR PARTICIPATING
IN THE MEETING REMOTELY OR IN-PERSON.

IF YOU ATTEND THE MEETING IN PERSON, A FACE COVERING
IS RECOMMENDED BUT NOT REQUIRED.

A. ROLL CALL

B. CITY MANAGER REPORTS

- 1. Special Joint Meeting with City Council and Planning Commission on the Housing Element Update**

C. ADJOURNMENT

HYBRID IN-PERSON/VIRTUAL MEETING NOTICE

This meeting is being conducted utilizing teleconferencing and electronic means consistent with Assembly Bill 361(2021). Members of the public may attend the meeting in person, virtually via Zoom, or watch it via YouTube. If you attend the meeting in person, a face covering is recommended but not required.

Mayor Nagy, Vice Mayor Hannon, and Council Members Bucci, Collazo, and Freitas may be attending this meeting via teleconference. Teleconference locations are not open to the public. In the event that any members of the City Council elect to attend this meeting via teleconference, all votes conducted during the teleconferencing session will be conducted by roll call vote.

How to view the meeting remotely:

Livestream online at YouTube <https://www.youtube.com/channel/UC383NGSxaPwZP1IkJbo2T8A>

Copy/paste the YouTube URL into your browser if the link does not automatically open.

How to participate in the meeting remotely, via Zoom Webinar:

From a PC, Mac, iPad, iPhone or Android device: Zoom Meeting <https://us06web.zoom.us/j/88042474655>

From a telephone dial 1 669 900 9128, Webinar ID Number 880 4247 4655

Provide live, remote public comments, when the Mayor calls for comments. Use the raise your hand feature in

Zoom to be called upon by the City Clerk.

For frequently asked Zoom questions, please go to [Agendas and Minutes](#) and select the Frequently Asked Questions link.

No question shall be asked of a council member, city staff, or an audience member except through the Mayor. No person shall use vulgar, profane, loud or boisterous language that interrupts a meeting. Any person who refuses to carry out instructions given by the Mayor for the purpose of maintaining order may be guilty of an infraction and may result in removal from the meeting.

Council Meeting Access/Materials:

The agenda packet is available for review at [Agendas and Minutes](#). The packet is typically posted to the City website the Friday before the meeting, but no later than 24 hours before a special meeting.

Pursuant to Government Code 54957.5, supplemental materials distributed less than 72 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and will be posted, if time allows, at [Agendas and Minutes](#). Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection. For those persons who require special accommodations, please contact the City Clerk at least two days prior to the meeting at [City Clerk](#) or 510-578-4266.



STAFF REPORT

Item B. 1.

DATE 05/12/2022
TO Honorable Mayor and City Council Members
FROM Steven Turner, Community Development Director
SUBJECT Special Joint Meeting with City Council and Planning Commission on the Housing Element Update

Introduction

In advance of the joint City Council/Planning Commission Study Session planned for May 12, this report provides an informational update on the 6th Cycle Housing Element Update process with a focus on the sites that will be included in the Housing Element to satisfy the City's Regional Housing Needs Allocation (RHNA) for the 2023-2031 Planning Period. Through the City's existing Specific Plans and related planning efforts, Newark appears to have an adequate supply of suitable sites to accommodate its RHNA across income categories for the upcoming planning period. There are, however, several new laws and related regulations that must be factored into the sites selection process and related policies and programs that the City may consider to facilitate the production of housing to meet the full range of community needs.

In addition to providing a preliminary list of sites for consideration, this report provides an overview of the major planning and policy considerations that must be included in the analysis of sites for this Housing Element update.

6th Cycle Housing Element Update Overview and RHNA

The Housing Element is part of Newark's General Plan and identifies policies and programs to meet the housing needs of the city's current and future residents. State law (Government Code Sections 65580-65589.8) requires that every city and county in California adopt a Housing Element approximately every eight years. In addition, the State Department of Housing and Community Development (HCD) reviews and certifies that each jurisdiction's Housing Element meets all the requirements of the law. Newark's previous Housing Element was adopted in 2015 and the new document must be adopted by January 2023.

As in most Bay Area jurisdictions, Newark's RHNA has increased significantly compared to the previous planning cycle: 1,874 units proposed compared to 1,078 units for the current cycle (a 73.8 percent increase). As shown in Table 1 below, this increase was significantly less than for Union City & Fremont, both of which received increases of 135 percent or more in line with the regional average, but significantly higher than the County average of 102.1%.

Table 1: Regional Housing Needs Allocation Increase: Newark & Neighboring Cities

	RHNA 5	RHNA 6	# Increase	% Increase
Newark	1,078	1,874	796	73.8%
Union City	1,161	2,728	1,567	135.0%
Fremont	5,455	12,897	7,442	136.4%
Alameda County (All Jurisdictions)	44,036	88,999	44,963	102.1%
9-County Region	187,990	441,176	253,186	134.7%

Source: ABAG, 2021.

In terms of the distribution of RHNA by Area Median Income (AMI) level, as shown in Table 2 below, Newark received a somewhat lower percentage allocation of very low-income, and low-income households compared to the County as a whole, while at the same time receiving larger allocations of moderate-income and above moderate-income units.

Table 2: City of Newark Draft RHNA 6 Housing Allocations, May 2021

Income Category	Newark		Alameda County (All Cities)	
	# Units	Percent	# Units	Percent
Very Low Income (up to 50% AMI)	464	24.8%	23,608	26.5%
Low Income (51-80% AMI)	268	14.3%	13,591	15.3%
Moderate Income (81-120% AMI)	318	17.0%	14,438	16.2%
Above Moderate Income (121 AMI+)	824	44.0%	37,362	42.0%
Total	1,874	100.0%	88,999	100.0%

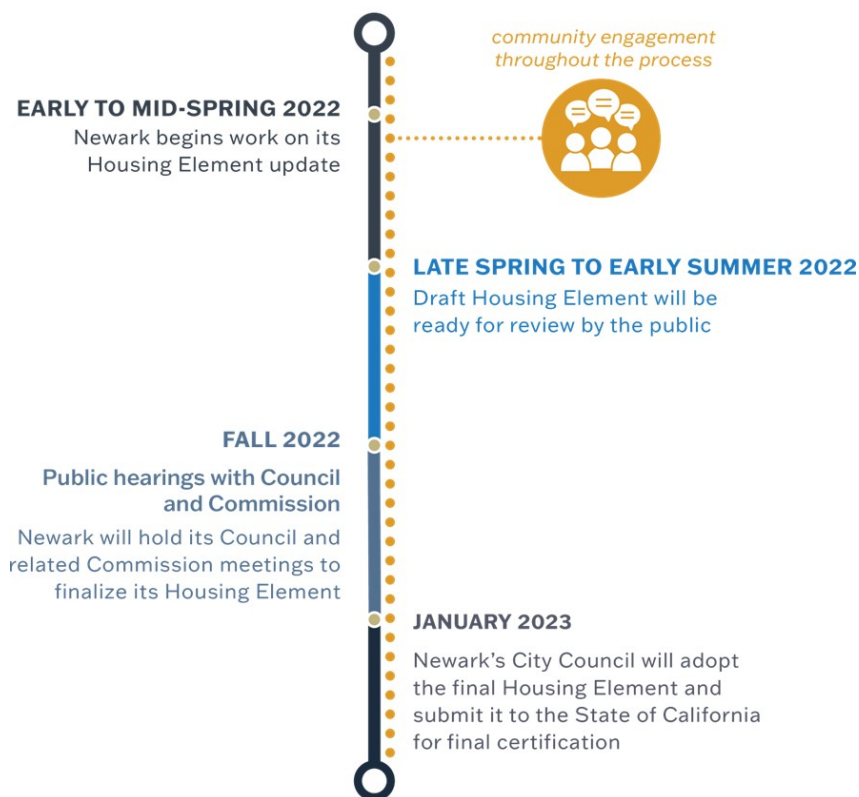
Source: ABAG, 5/21.

https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf

Housing Element Update Progress To-Date

The City retained a consulting team consisting of Baird + Driskell Community Planning (B+D), Environmental Science Associates, Inc. (ESA) and ESA's transportation sub-consultant, Fehr and Peers, to complete an update of the Housing Element, as well as the City's Safety Element, as required under State law. In addition, ESA will be creating a new Environmental Justice Element to be prepared later this calendar year.

The overall Housing Element update schedule is presented as follows in Figure 1:



Per this timeline, staff and the consulting team have been actively engaged in updating the Housing Element with a focus on community engagement and a review of the City's existing housing programs and policies.

Community Engagement. At the core of the Housing Element update is a robust community engagement and participation effort. Through the City's Housing Element website (<https://newarkhousingupdate.org>), an online community survey, and numerous meetings with key stakeholders and community groups representing the full diversity of the Newark community, the Housing Element update community engagement effort has already reached hundreds of Newark households. The online survey ended on April 30, and preliminary results will be available for Council and Planning commission consideration on May 12. In addition, numerous in-person meetings with community groups and individuals are being completed by staff and consultants to gather feedback on community housing needs and priorities. This feedback will be integrated into the policies and programs to be further developed in the updated Draft Housing Element and should also be considered in the selection of key housing sites, as further described below.

Policies and Programs. Building on the 5th Cycle Housing Element, the City's current housing policies and programs are further enumerated in the City's two-year Affordable Housing Workplan as adopted by the City Council in May 2021. This workplan was shaped through a process of consultation with the Council, Planning Commission and Community Development Advisory Committee that identified the following key housing priorities for the Newark Community:

- Young families
- Key workers (teachers, first responders, etc.)
- People and families at risk of homelessness

- People with disabilities and other special housing needs
- Low-income senior citizens

The adopted Work Plan presented for Council's consideration and approval was developed to respond directly to these priorities and includes the following major elements.

1. Updating the City's General Plan Housing Element (underway)
2. Conducting an Inclusionary Housing Policy Feasibility Analysis and Adopting a New Inclusionary Ordinance
3. Issuing a Notice of Funding Availability ("NOFA") from the City's Affordable Housing Impact Fee Fund to Identify Affordable Housing Development Partners (to be released in May or June 2022)
4. Developing a Feasible Local Preference Policy for Newark Residents and Workers to Receive Priority in New Rental Housing (underway)
5. Creating a New First-time Homebuyer Program for Newark Residents and Workers
6. Exploring an Affordable Housing Sites Acquisition Program and Other Ongoing Programs and Strategies

These and the other policies and programs will be integrated into the 6th Cycle Housing Element, including specific policies and programs to facilitate the development of affordable housing on key sites identified by the City.

Key Sites by Type and AMI Level

Staff and consultants are continuing to refine the full set of housing sites to be included in the Draft Housing Element, but in general they fall into three major categories: planned and proposed projects; vacant and underutilized sites; and accessory dwelling units (ADUs). Table 3 below summarizes the total potential units that could be developed during the planning period in comparison to the City's RHNA plus a 20 percent "buffer." Per HCD guidance, this buffer is added to address the so called "no net loss" requirement which provides that jurisdictions anticipate the possibility that certain sites identified for lower-income housing might be acquired and developed by market-rate developers at higher AMI levels. By adding the buffer, Newark further ensures an adequate supply of residential sites to accommodate the full range of housing needs across income categories for the 2023-2031 planning period.

Each of these categories of types of sites have slightly different planning and policy considerations as follows:

Planned and Proposed/Pipeline Projects: These are developments for which the City has received either a preliminary or full planning application. The AMI levels reported for these units (for example for Brookfield Phase 1A) are the actual affordability levels proposed by the project sponsors in their representations to the City. Only units which receive a certificate of occupancy on or after June 30, 2022, can be included in pipeline units for the Housing Element sites inventory. In total, at present the City has 2,463 units in the planning pipeline, of which 343 will be available to moderate-income, lower-income or very-low-income households.

Vacant and Underutilized Sites. Beyond units in the pipeline, the City also has a

supply of either vacant sites or underutilized sites that will be suitable for residential development during the planning period. These sites are primarily in the Newpark Place Specific Plan, Dumbarton TOD and Old Town Specific Plan areas, with scattered other sites throughout the City. For this planning period, HCD has emphasized the need to identify sites that can accommodate lower-income RHNA housing needs in areas of high opportunity near services, transit, employment, and other key amenities.

The City's existing planning framework as implemented through the Specific Plans listed above, already advances these broad goals by planning for vibrant, mixed-use and mixed-income neighborhoods in the areas best suited to accommodate growth based on existing and planned infrastructure and amenities.

In terms of sites to accommodate very-low and low-income households, State law provides a set of "default densities" under which it is assumed that affordable developers can feasibly create new housing developments using typical affordable housing financing and funding sources. For jurisdictions in Alameda County, this default density is 30 dwelling units to the acre (du/a); any site larger than 0.5 acres and less than 10 acres with this zoning can typically be included in the sites inventory as meeting very-low and low-income housing needs.

As shown below, the city currently has capacity for nearly 3,000 new residential units, of which at least 1,200 are located on sites with the appropriate densities to accommodate affordable housing. The majority of these 30 du/a sites are in the Newpark Place Specific Plan Area.

Accessory Dwelling Units (ADU). Jurisdictions in California may also count ADU production towards satisfying overall housing needs and based on a recently completed Statewide survey ADU affordability completed by UC Berkeley in partnership with Bird and Driskell, cities can also assume a certain distribution of affordability levels in new ADUs. Per City Annual Progress Reports (APRs) to HCD, the City has averaged 10 new ADUs per year over the past three years. This average projects an ADU yield of 80 units over the 8-year planning period, of which all but 8 would be affordable to moderate-income and below households.

Table 3: RHNA Summary

	Very Low Units	Low Units	Mod Units	Above Mod Units	Total Units
RHNA	464	268	318	824	1,874
RHNA with 20% buffer	557	322	382	989	2,249

Type	Very Low Units	Low Units	Mod Units	Above Mod Units	Total Units
Pipeline Projects	234	109	0	2,120	2,463
ADUs (based on high projection)	24	24	24	8	80
Key Vacant/Nonvacant Sites	600	600		1,746	2,946
Total	858	733	24	3,874	5,489

Major Planning and Policy Considerations

As mentioned above, new State laws and related regulatory guidance from HCD must be taken into consideration for the sites inventory. Although in general, the City's planned capacity for accommodating its 6th Cycle RHNA appears sufficient, further analysis and policy development will be required before submitting the inventory to HCD.

Major planning and policy considerations for sites include the following:

- **Realistic Capacity.** For this planning period, there is increased scrutiny of the realistic capacity of sites to accommodate the number of units listed in the sites inventory. For example, if more than one use is allowed on a given site, cities should not assume without detailed feasibility analysis that 100% of the site can accommodate housing. Using the Housing Element Sites Selection (HESS) tool from ABAG as well as additional feasibility analysis to be conducted by the consultant team, all the sites included in Newark's draft inventory will be screened for realistic capacity based on updated State HCD guidance.
- **Underutilized Sites to Accommodate Lower-Income RHNA.** Unlike previous Housing Element planning cycles, if a Housing Element relies on non-vacant/commercial sites to accommodate 50 percent or more of its RHNA for lower-income households, existing uses are presumed to impede additional residential development, unless the Housing Element describes findings based on substantial evidence that the uses will likely be discontinued during the planning period. For Newark, this means that the sites inventory will need to include detailed feasibility of analysis of sites identified in the Newpark Place and other areas to show that existing uses will likely to be discontinued during the planning period and the factors used to make that determination. For this analysis, supporting letters and related documentation from developers and property owners will be helpful. In addition, the City may want to consider additional regulatory or other incentives or standards to encourage additional residential development on these sites.
- **Sites identified in Previous Housing Elements.** Pursuant to AB 1397, another new requirement for this Housing Element update is that sites previously identified in either RHNA 4 or 5 must be rezoned to be developable "by right" with just ministerial review and no discretionary or conditional use permit. This requirement may affect one or more sites in the Old Town and Dumbarton TOD Specific Plan areas.
- **Programs to Rezone.** For by-right and other sites requiring rezoning, if the Draft Housing Element is found in substantial compliance with State law by January 31, 2023, Newark will have up to three years to complete rezoning for identified sites along with any necessary CEQA review. If the Housing Element is not found in compliance by January 31, 2023, then the period for completing required rezoning

and related environmental review is just one year.

- Affirmatively Furthering Fair Housing (AFFH). A final critical planning consideration for this Housing Element is the need to integrate concerns around Affirmatively Furthering Fair Housing per AB 686. This law asks jurisdictions to go beyond tracking fair housing complaints and enforcing fair housing rules to proactively plan for affordable housing to address long-standing issues of inequality. Although the guidance on AFFH is extensive and complex, when thinking about key sites for housing four major issue areas should be considered:
 - Racially and ethnically concentrated areas of poverty
 - Integration and segregation patterns
 - Disparities in access to opportunity
 - Disproportionate housing needs including displacement risk

Key Questions

At this stage in the Housing Element Update process, staff and consultants are seeking guidance and feedback from the Planning Commission and Council on the following key questions:

- Are there key sites and/or areas of the city not included in the draft inventory that should be considered?
- Considering AFFH requirements, are sites well distributed throughout the community to equitably meet future housing needs?
- Are there areas of the City with environmental and/or infrastructure constraints that should not include future housing development?
- What other questions or guidance around housing sites should staff and consultants take into account?

Attachments

Presentation



Joint City Council/Planning Commission Study Session

Housing Element Update and Preliminary Housing Element Sites

May 12, 2022

Agenda

- **Housing Element Overview**
- **Progress on Update**
- **Community Engagement Survey Results**
- **Housing Sites by Area**
- **Key Policy Considerations**
- **Discussion**



6th Cycle Housing Element Update Overview

Newark Housing Element

- **A part of Newark's General Plan**
- **Identifies policies & programs to meet the city's housing needs**
- **Updated every 8 years**
- **Must be adopted by January 2023**
- **Reviewed and certified by HCD**



Newark's RHNA

Table 1: Regional Housing Needs Allocation: Newark & Neighboring Cities				
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Source: ABAG, 2021.				

RHNA by AMI Level

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https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf				

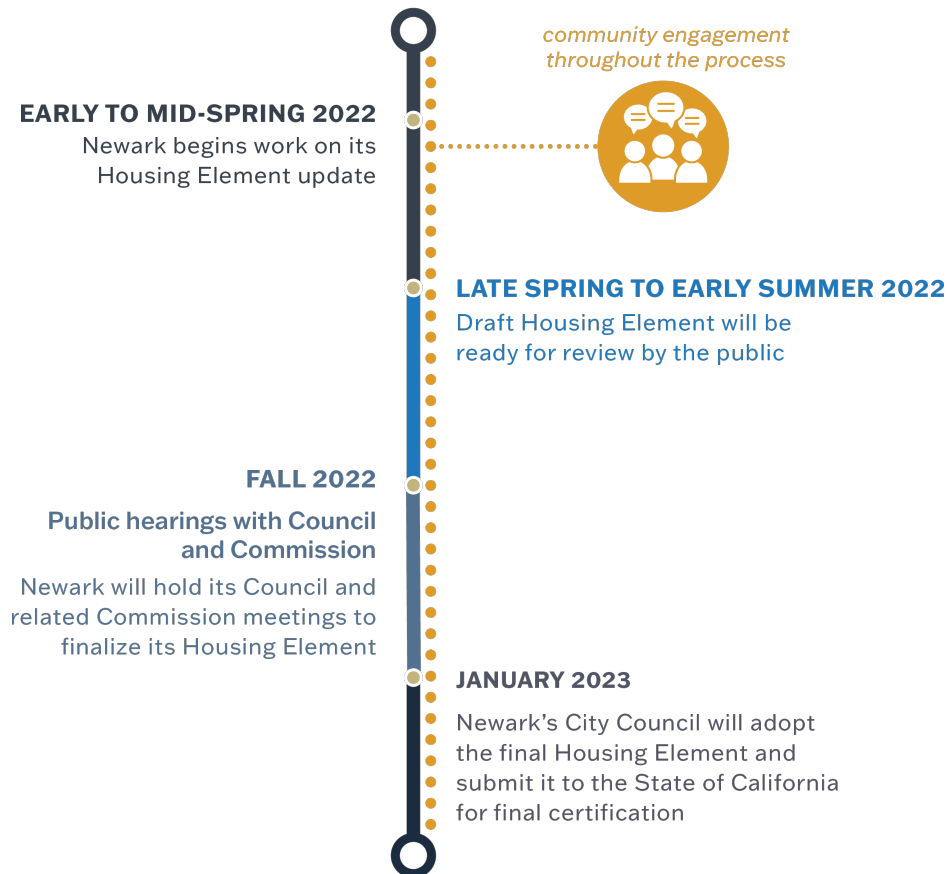
RHNA Methodology

- Final RHNA methodology emphasized “planning for housing” in:
 - “high opportunity” areas
 - “job-rich” areas
 - areas with strong “jobs-transit proximity”
- Included an “equity adjustment” to ensure an equitable distribution of lower-income housing across the region



Housing Element Update Progress To-Date

Housing Element Update Timeline



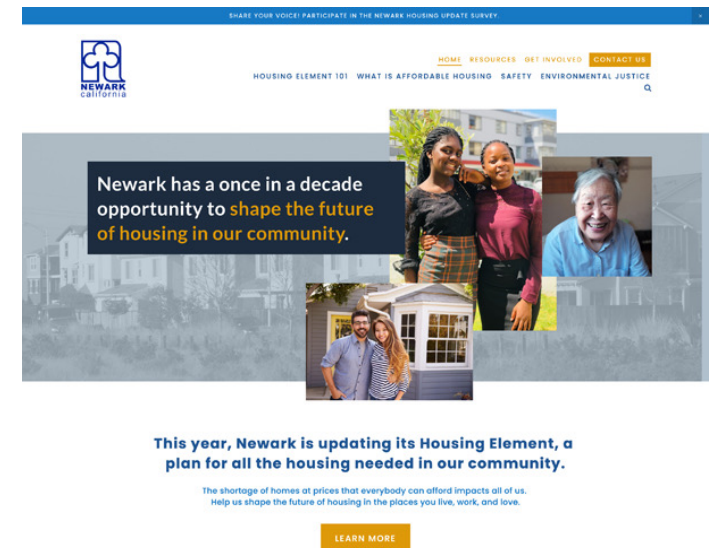
Key Components of the Housing Element

1. Community Engagement	Significant outreach early 2022; Ongoing
2. Needs Assessment	Draft
3. Review of Existing Housing Element	Draft Complete
4. Housing Constraints	In Progress
5. Sites Inventory	Preliminary Draft
6. Identify Rezoning Needed	TBD
7. Goals, Policies, Programs, & Objectives	In Progress

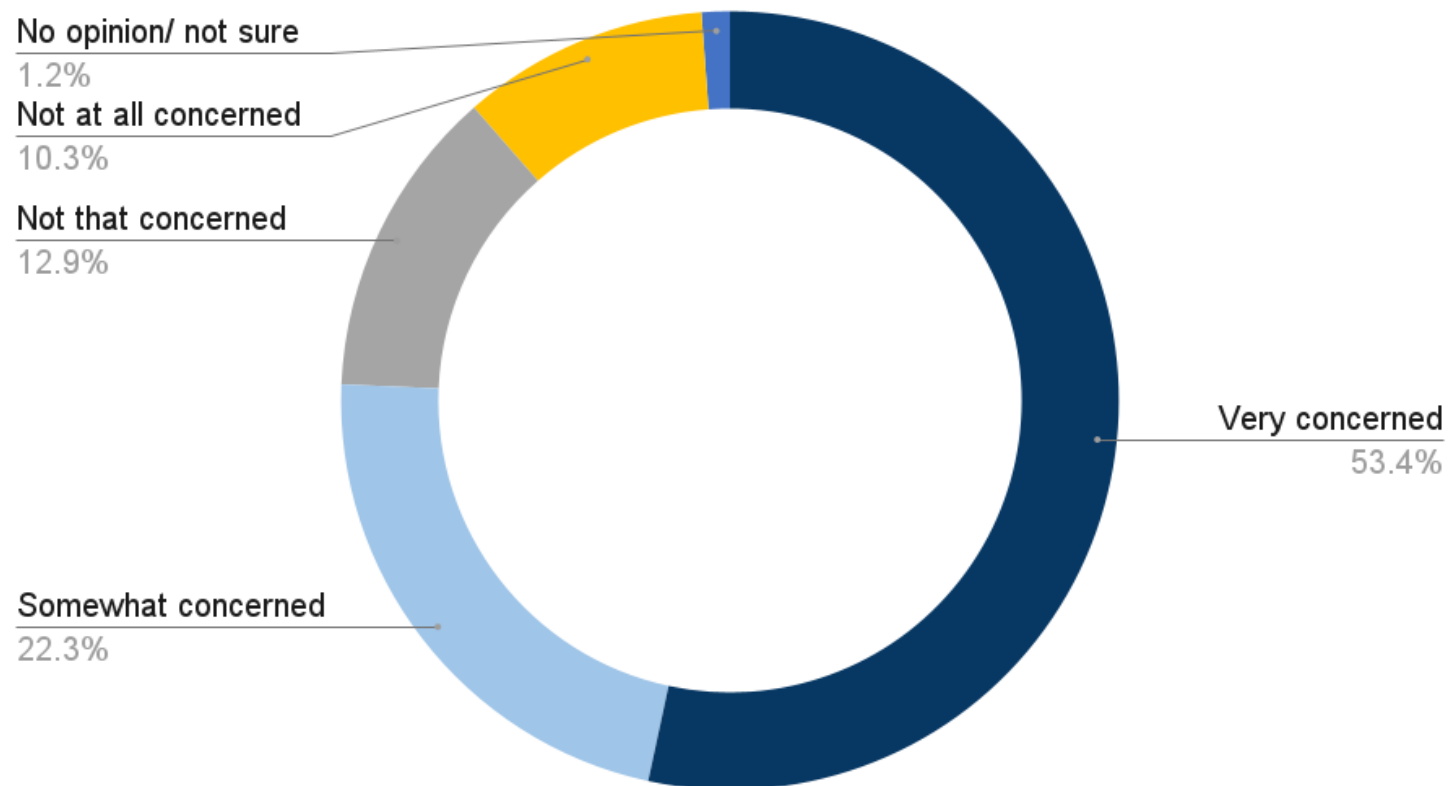
Plan to have full draft of the Housing Element by **June 23rd**

Community Engagement

- City's Housing Element website
<https://newarkhousingupdate.org>
- Online community survey:
300 English, 38 Spanish, 4
Chinese responses
- Meetings with key stakeholders &
community groups



How concerned are you about the availability of affording housing in Newark?



334 responses

Major Housing Issues to Address

- 1. More homeownership opportunities, especially for first time homeowners**
 - Opportunity for renters to purchase
 - Affordable homeownership opportunities
 - Local preference policy for rental and ownership
- 2. We need more affordable rental opportunities**
 - Housing for single parents
 - Housing for key workers (retail, trades, manufacturing)
 - Housing for those with barriers to housing (Veterans, disabled)
- 3. We need low-cost home improvement programs for seniors and those on limited incomes**

Access to opportunity

Not all residents feel they live in a neighborhood that is high in opportunity. Residents would like to see:

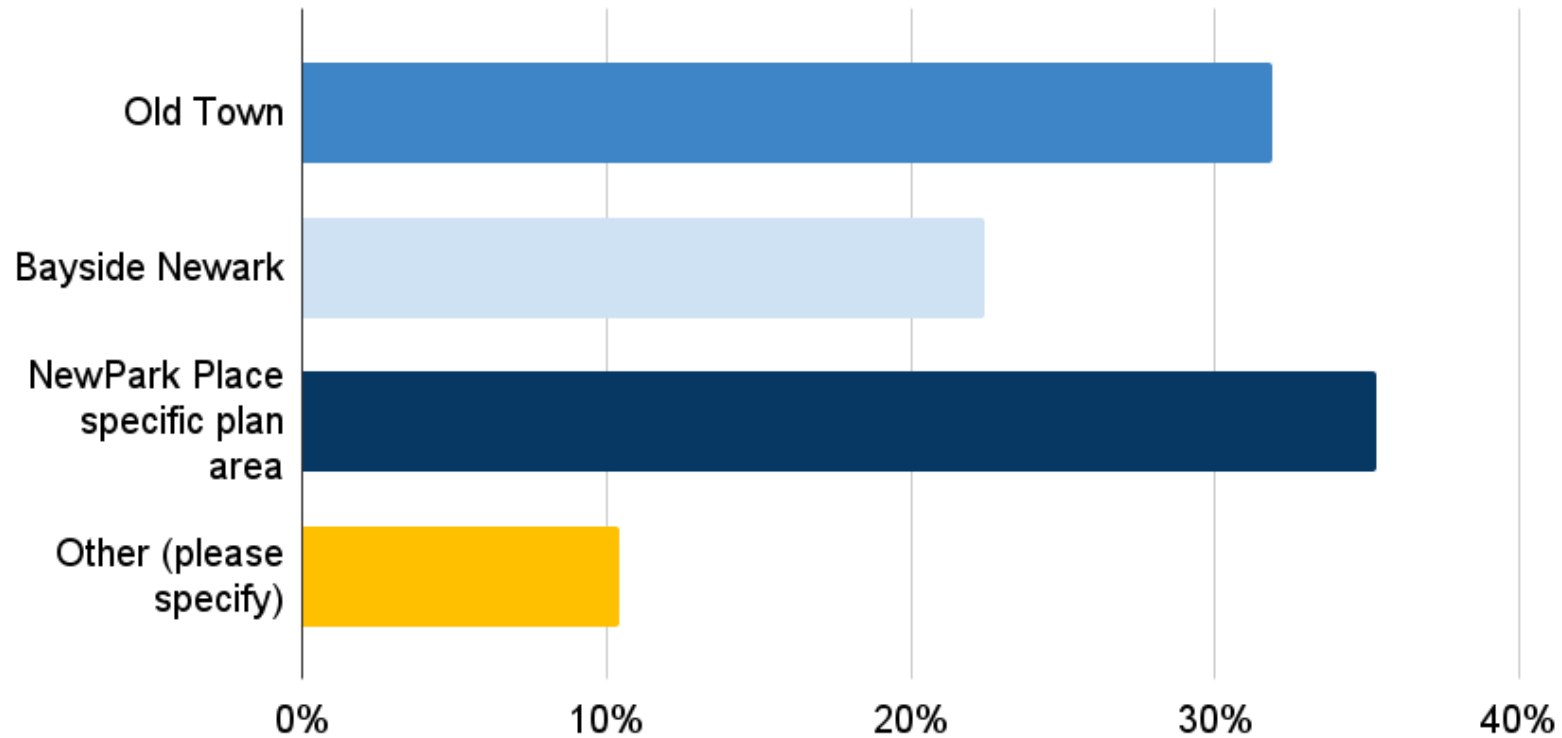
1. Improved Infrastructure

- Sidewalks, Bike lanes, improved roads and Parks were frequently mentioned

2. Safe, Affordable and Healthy Housing options

3. Quality of educational opportunity Educational opportunities that are academically and culturally supportive

Where should new housing go?



Check all that apply: 342 responses

Survey: Where should housing go?

- "**Four Corners area** has many derelict plots that could be developed. The old hardware store, the old supermarket next to CVS. **The area already has required services for future residents, there is a park, schools are not far. A safe school corridor could be developed**"
- "the school sites closing down."
- "Anywhere and everywhere for **housing that's affordable for families and single parents**"



Preliminary Housing Sites by Area

Building a Sites Inventory

**Units in the Pipeline
+
ADUs
+
Conversion/Preservation
+
Vacant and Non-vacant
Sites
(Under 30 DU/A/Over 30
DU/A)**

Types of Sites

Planned & proposed projects

- Projects for which City received preliminary or full application
- Require a certificate of occupancy on or after 06/30/2022

Vacant & underutilized sites

- Primarily in Newpark Place Specific Plan, Dumbarton TOD & Old Town Specific Plan
- Identify sites to accommodate lower-income RHNA housing needs (default density 30 du/a)

Accessory dwelling units (ADUs)

- 10 new ADUs per year

Preliminary Sites Inventory Summary

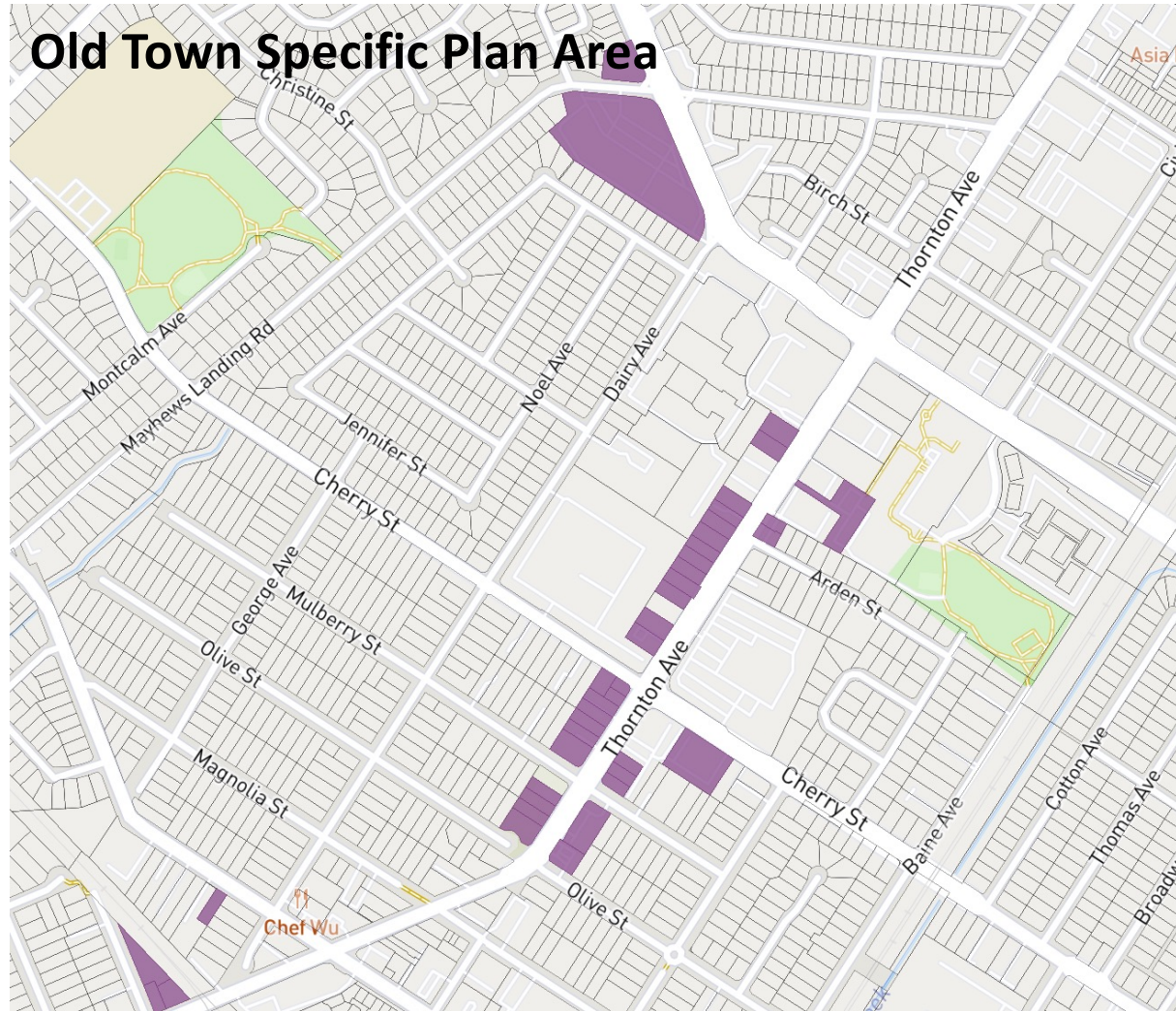
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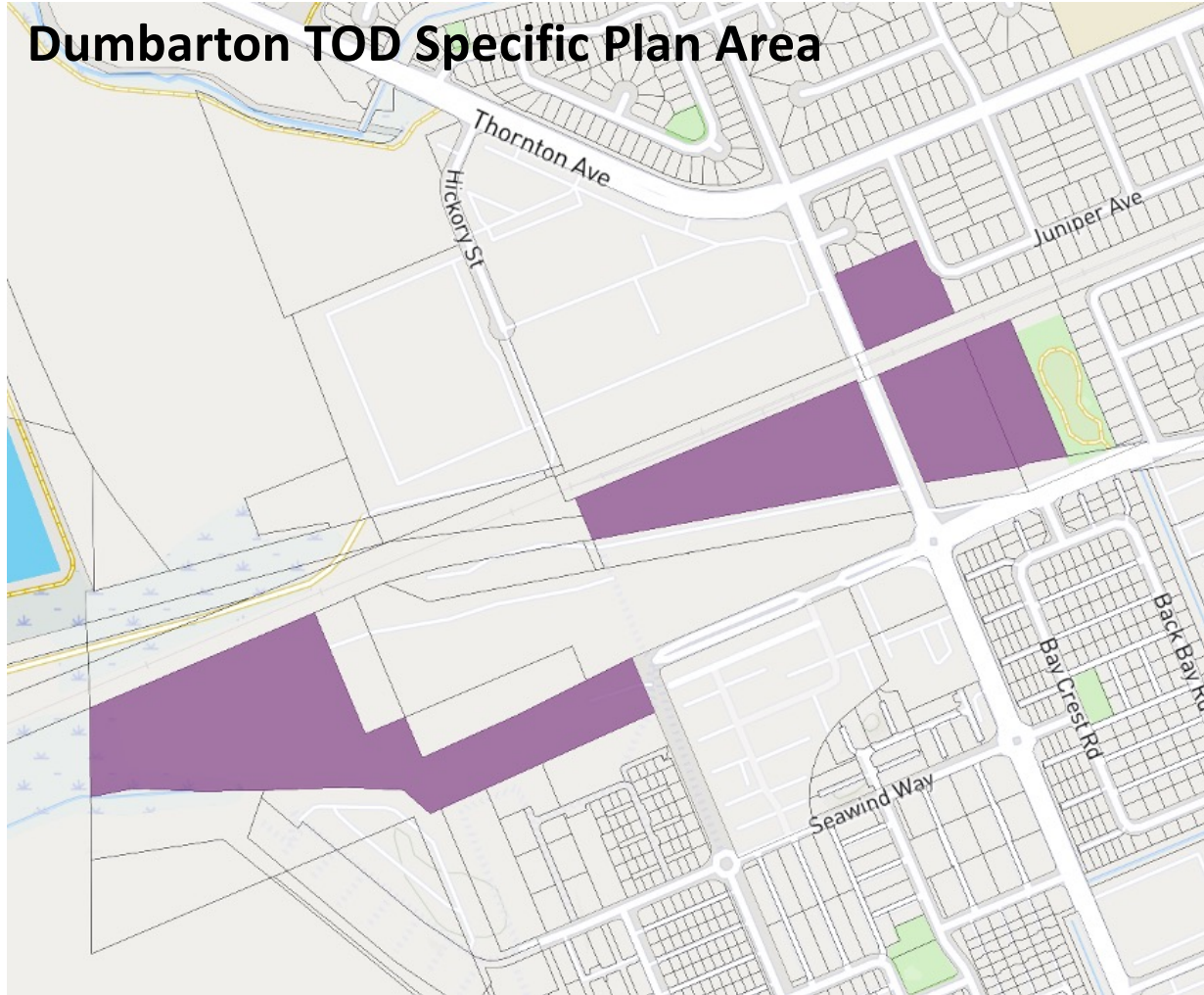
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Total	858	733	24	3,874	5,489



Old Town Specific Plan Area



Dumbarton TOD Specific Plan Area





Major Planning & Policy Considerations

1. Realistic Capacity

- If more than one use is allowed on a site, cannot assume without detailed feasibility analysis that 100% of the site can accommodate housing

2. Underutilized Sites to Accommodate Lower-Income RHNA

- If relying on non-vacant/commercial sites for 50% or more of RHNA for lower-income households, existing uses are presumed to impede residential development
- Require substantial evidence of discontinuation of existing uses

3. Sites Identified in Previous Housing Elements

- RHNA 4 or 5 sites must be rezoned to be developable “by right”

4. Programs to Rezone

- If the Housing Element is found to be in compliance with State law by 01/31/2023, then given 3 years for rezoning/CEQA review
- If not, then given 1 year

5. Affirmatively Furthering Fair Housing (AFFH)

- 4 issues areas:
 - racially and ethnically concentrated areas of poverty
 - integration/segregation patterns
 - disparities in access to opportunity
 - disproportionate housing needs

Key Questions

- Are there key sites and/or areas of the city not included in the draft inventory that should be considered?
- Considering AFFH requirements, are sites well distributed throughout the community to equitably meet future housing needs?
- Are there areas of the City with environmental and/or infrastructure constraints that should not include future housing development?