



## IV. Housing Resources

The previous chapter evaluates the potential constraints confronting the City in the development, improvement, and maintenance of housing, particularly affordable housing. This chapter provides an account of the various land, financial, and administrative resources available to the City for meeting its housing challenges. The progress toward meeting the City's share of regional housing needs for the 2014-2022 period is also discussed.

### A. Availability of Sites for Housing

The Regional Housing Needs Assessment (RHNA) allocation represents the minimum number of housing units each community is required to plan for by providing "adequate sites" through the general plan and zoning ordinance. An important component of the Housing Element is the identification of adequate sites for future housing development and evaluation of the adequacy of these sites in fulfilling the City's share of the RHNA allocation. Walnut Creek has a RHNA allocation of 2,235 units distributed among the following income groups: 302 extremely low-income, 302 very low-income; 355 low-income; 381 moderate-income; and 895 above moderate-income units.

The City plans to fulfill its share of the RHNA allocation through approved residential development proposals, developments currently under construction, and focused development of key opportunity sites.

## **Units Under Construction or Approved**

Since the RHNA planning period starts on January 1, 2014, jurisdictions may count toward the RHNA any new units approved or under construction as of January 1, 2014.

The following projects, shown in Table IV-1, contain units affordable to very low-, low-, and/or moderate-income households:

- **Pleasant Creek Homes** is a project by Habitat for Humanity that consists of 10 deed-restricted lower income attached ownership units on a 0.65-acre site at the terminus of Barkley Avenue. The units are located on a small lot formerly owned by Caltrans, which was acquired and assembled by the City. The City awarded the project a \$550,000 BEGIN grant as well as CDBG funds that were used to partially fund the public improvements needed to support housing on the site.
- **Third Avenue Apartments** is an affordable, supportive housing project by Satellite Housing providing 48 deed-restricted affordable units (5 low and 43 very low) on a 0.84-acre site on Baldwin Lane. The project will include a subgrade parking area, on-site management, and resident support facilities for people with developmental disabilities. The City used CDBG and RDA funds to assist in the acquisition of land for the Third Avenue Apartments.
- **Cambridge Place Subdivision** is an above moderate income 7-unit subdivision that includes one second unit. The second unit is inventoried as moderate-income.

**TABLE IV-1  
KEY RESIDENTIAL DEVELOPMENT SITES WITH UNITS APPROVED OR UNDER CONSTRUCTION  
CITY OF WALNUT CREEK  
2013**

Site #	Location/ Project Name	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Capacity Requested	Existing Units	Net New Above Moderate	Net New Moderate	Net New Low	Net New Very Low
<b>Under Construction</b>												
A-1	Overlook Homes	M3	Multi-family Low (MFL)	6.1-14.0 du/ac	1.09	7-15 units	9 units	1 unit	8 units			
	2245 Overlook Drive											
	APN: 174-110-003											
A-2	The Paragon Apartments (Now "BRIO")	OC	Office (OF)	n/a	5.07	n/a	300 units	None	300 units			
	141 North Civic Drive											
	APN: 173-150-028											
A-3	Camelot Apartments	M2	Multi-family Medium (MFM)	14.1-22.0 du/ac	1.44	20-32 units	8 units	1 single family	7 units			
	2330 Westcliffe Lane											
	APN: 173-090-053											
A-4	Overlook Homes	M3	Multi-family Low (MFL)	6.1-14.0 du/ac	0.60	4-8 units	7 units	1 unit	6 units			
	2275 Overlook Drive											
	APN: 174-110-002											
A-5	Pleasant Creek Homes	M3	Multi-family Low (MFL)	6.1-14.0 du/ac	0.61	4-8 units	10 units	None			10 units	

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Site #	Location/ Project Name	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Capacity Requested	Existing Units	Net New Above Moderate	Net New Moderate	Net New Low	Net New Very Low
	1935 Barkley Avenue APN: 174-120-025 174-200-007											
A-6	The Village 1500 Newell Avenue APN: 184-070-001 184-070-002 184-070-003 184-070-004	CR	Mixed Use – Commercial Emphasis	n/a	1.89	n/a	49 units	None	49 units			
A-7	North Main Apartments (Mill Creek) 1960 North Main Street APN: 178-411-019	OC	Mixed Use – Residential Emphasis	n/a	1.20	n/a	126 units	None	126 units			
A-8	Villagewalk II Condos 1725-1727 Lacassie Avenue APN: 178-080-017 178-080-018	M1	Multi-family Very High (MFVH)	30.1-50.0 du/ac	0.30	9-15 units	12 units	2 units	10 units			
A-9	Cambridge Place Subdivision	R10	Single-Family	3.1-6.0 du/ac	4.0	12-24 units	8 units	None	7 units	1 unit		

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CITY OF WALNUT CREEK  
2013**

Site #	Location/ Project Name	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Capacity Requested	Existing Units	Net New Above Moderate	Net New Moderate	Net New Low	Net New Very Low
	500 Minert Road APN: 145-030-021		Medium (SFM)									
A-10	Eckley Lane Residence 23 Eckley Lane APN: 179-091-010	R15	Single-Family Medium (SFM)	3.1-6.0 du/ac	0.63	2-4 units	1 unit	None	1 unit			
A-11	Third Avenue Apartments 1534-1544 Third Avenue 2618 Baldwin Lane APN: 171-191-029 171-191-030 171-191-031 171-191-032	M-2	Multi-family Medium	14.1-22.0 du/ac	A--0.83	11-18 units (More allowed w/ density bonus)	48 units (58 du/ac)	13 units	-13 units		5 units	43 units
<i>Subtotal</i>									<i>501 units</i>	<i>1 unit</i>	<i>15 units</i>	<i>43 units</i>
<b>Approved (Not Yet Built)</b>												
B-1	BART Transit Village 200-220 Ygnacio Valley Road APN: 174-180-001 174-190-037	C-F	Mixed Use – Residential Emphasis	n/a	10.57	n/a	596 units (57 du/ac)	None	596 units			
B-2	Cobble Lane	M-3	Multi-family	6.1-14.0	0.41	2-5 units	4 units	1 unit	3 units			

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CITY OF WALNUT CREEK  
2013**

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	2155 Overlook Drive APN: 174-110-011		Low	du/ac			(10 du/ac)					
B-3	Shadelands <sup>5</sup>	BP-100	Business Park	n/a	3.8 acres	n/a	200 units (53 du/ac)	None	200 units			
B-4	Springbrook Lofts Condominiums	OC	Office (OF)	n/a	0.48	n/a	9 units	None	9 units			
	1250 Springbrook Road APN: 177-210-012											
B-5	Trailside Glen Subdivision	R10?	Single Family Medium (SFM)	3.1-6.0 du/ac	3.77	11-22 units	7 units	2 units	5 units			
	2637 Larkey Lane APN: 171-150-001											
B-6	Kingsbury Terrace	M2	Multi-family Medium (MFM)	14.1 -22 du/ac	1.35	19-29 units	18 units	1 unit	17 units			
	1601 Third Avenue APN: 171-220-019											
B-7	Bonanza Heritage Condominiums	OC	Office (OF)	n/a	0.40	n/a	15 units	2 units	13 units			
	1874 and 1882 Bonanza Street, 1826 Sharp Avenue											
	APN: 178-040-014 178-040-015 178-040-016											

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CITY OF WALNUT CREEK  
2013**

Site #	Location/ Project Name	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Capacity Requested	Existing Units	Net New Above Moderate	Net New Moderate	Net New Low	Net New Very Low
B-8	1500 N. California Blvd.	PR	Pedestrian Retail (PR)	n/a	1.23	n/a	140 units	None	140 units			
	APN: 178-180-020 178-180-023 178-020-041											
B-9	Parkview Condos 1665 Carmel Drive	M1	Multi-family Very High (MFVH)	30.1-50.0 du/ac	0.27	8-13 units	8 units	1 unit	7 units			
	APN: 178-290-008											
B-10	Geary/Hall Residential Development 1579 Geary Road	M3	Multi-family Low (MFL)	6.1-14.0 du/ac	0.97	5-13 units	13 units	2 units	11 units			
	APN: 171-061-001 171-061-002											
B-11	Homestead Terrace Homes 1279 Homestead Avenue	M15	Multi-family Medium High (MFMH)	22.1-30.0 du/ac	0.73	16-21 units	12 units	4 units	8 units			
	APN: 179-260-003 172-260-004											
B-12	Cole Terrace Subdivision/Condo miniums 1756 Cole Avenue	M1	Multi-family Very High (MFVH)	30.1-50.0 du/ac	0.35	10-17 du/ac	12 units	1 unit	11 units			
	APN: 178-080-012											
<i>Subtotal</i>									<i>1,020 units</i>	<i>0 units</i>	<i>0 units</i>	<i>0 units</i>

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CITY OF WALNUT CREEK  
2013**

Site #	Location/ Project Name	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Capacity Requested	Existing Units	Net New Above Moderate	Net New Moderate	Net New Low	Net New Very Low
<b>TOTAL</b>									<b>1,521 units</b>	<b>1 unit</b>	<b>15 units</b>	<b>43 units</b>

<sup>1</sup> Approval is expected in mid-2014.



As of April 2014, there are 11 residential projects under construction and 12 residential projects that have received planning approval but have not yet begun construction totaling 1,580 units. Of those units, 59 are affordable to lower- and moderate-income households, while the remainder is expected to be affordable to above moderate-income households.

The remaining RHNA allocation is 1,281 units of housing affordable to lower- and moderate-income households, and a surplus of units for above moderate-income households, for a total remaining RHNA allocation of 1281 units. The surplus of units for above moderate-income households are not counted toward the RHNA. It should be noted that while the developments that are approved and under construction are primarily above moderate-income developments, the City's requirements for above moderate-income developments to pay an Affordable Housing Impact Fee (for rental projects) and the optional Inclusionary Housing In-Lieu Fee (for ownership projects) has resulted in a significant amount of funding available for lower-income developments during this Housing Element planning period.

The availability of land able to accommodate multi-family, mixed use, and higher density residential projects within downtown and transit-oriented areas will be key to meeting the RHNA for lower-income housing.

<b>TABLE IV-2 SUMMARY OF PROGRESS TOWARD RHNA CITY OF WALNUT CREEK 2013</b>			
<b>Income</b>	<b>RHNA</b>	<b>Units Approved and Under Construction</b>	<b>Remaining RHNA</b>
Extremely Low <sup>1</sup>	302	0	302
Very Low	302	43	259
Low	355	15	340
Moderate	381	1	380
Above Moderate	895	1,521	N/A
<b>Total</b>	<b>2,235</b>	<b>1,580</b>	<b>1,281</b>

Source: City of Walnut Creek, April 2014.

<sup>1</sup>Note: Extremely low income RHNA is calculated as 50 percent of the very low income RHNA of 604 units.

## Residential and Mixed Use Sites Inventory

The city of Walnut Creek is relatively built out, with a limited amount of vacant residential land available for new development. However, some underutilized residential and commercial lands provide opportunity for additional housing through infill redevelopment.

Underutilized parcels are lots that are zoned for a higher residential density than the development that currently exists on the site. For example, some areas in the city are zoned for higher density multi-family housing uses but are developed with single-family

dwellings. If these lots were redeveloped at higher densities, more units could be developed on the site. Also, some areas are currently developed with non-residential uses, but the zoning allows for mixed-use or multi-family residential developments. In addition to areas that are zoned for higher density residential uses than currently exist on the site, the City's General Plan designates several areas for higher-intensity mixed-use development. Included in these areas are properties that are currently zoned primarily for commercial uses, but which the General Plan designation calls for mixed-use development where either: a) residential use is to be the primary use, or b) commercial use is to be the primary use, but additional floor area is allowed for developments that include residential uses.

Rather than preparing a theoretical/statistical inventory of vacant or underutilized parcels based on Assessor's records, the City has instead prepared a focused inventory that identifies specific properties that are most appropriate for residential or mixed-use development under the City's General Plan and Zoning Ordinance and that are also most likely to be developed within the 2014-2022 planning period given their size, location, level of existing development, and environmental constraints.

The goals and policies of the 2025 General Plan guide most new residential development within the city to within the Core Area, generally defined as the portion of the city close to downtown and the Walnut Creek BART station. Furthermore, most of this new residential development is expected to consist of multi-story, multi-family residential apartments, condominiums, and mixed-use projects. With few exceptions, the General Plan does not envision much new residential development outside of the Core Area or in the form of single-family dwellings.

### **Key Residential Opportunity Sites**

Table IV-3 summarizes the inventory of residential "opportunity sites" identified as being most suitable for development during the planning period; a more detailed discussion of these sites is included in Appendix A. A total of 13 key development opportunity sites have been identified, providing capacity for 1,606 net new multi-family and mixed-use residential units. This Housing Element Update contains several of the opportunity sites included in the 2009 Housing Element. The 2009 Housing Element included 10 opportunity sites. Two of those sites were removed from the list, one because a residential project was built, and one because a 178-unit project was proposed. Five new opportunity sites were added to this Housing Element.

The City has identified 13 key underdeveloped sites that have realistic opportunities for significant amounts of new residential or mixed-use development. Under conservative estimates, these 13 opportunity sites have the potential for providing nearly 1,700 additional dwelling units. Additionally, 12 sites can accommodate residential development at 30 dwelling units per acre or more, thereby providing development opportunities for housing that is affordable to low- and very low-income households. These sites are summarized in

Table IV-4, and in greater detail in Appendix A. Their locations are shown on Figures IV-1 and IV-2.

Seven of the 13 sites are in areas where the General Plan land use designation was changed to one of two mixed use designations when *General Plan 2025* was adopted in April of 2006: Mixed Use – Commercial Emphasis (MU-C) and Mixed Use – Residential Emphasis (MU-R). Residential uses are optional under the MU-C designation, however they are mandatory and must be the primary use under the MU-R designation. Residential density is not regulated under either of these designations per se; rather the overall intensity of development is regulated through floor area ratios (FAR). Under the MU-C designation, additional floor area is allowed for developments that include a residential component. Under the MU-R designation, the maximum FAR allowed for the commercial component of a mixed-use development is a small percentage of that allowed for the primary residential component. Furthermore, purely residential developments are allowed under the MU-R designation without an attendant loss of permitted floor area.

There is not a specific Zoning District for the MU-C and MU-R General Plan land use designations. However, in each case the current underlying zoning (P-R, Pedestrian Retail; C-R, Central Retail; and O-C, Office Commercial) allows multi-family residential uses upon the issuance of a Conditional Use Permit, and the City has a long history of issuing Conditional Use Permits for such residential uses in these areas. Furthermore, pursuant to Section 65103 of the California Government Code (and as affirmed by the California Supreme Court in *Leshar Communications, Inc. v. City of Walnut Creek*, 52 Cal. 3d 531, 540 (1990)), the General Plan always takes precedence over the Zoning Ordinance when there is an inconsistency between the two. Additionally, the General Plan, rather than the Zoning Ordinance, regulates height, FAR, and in some cases setbacks for each of these opportunity sites, and there are no specific limits on residential density contained in either the General Plan or the Zoning Ordinance. The City anticipates updating the zoning ordinance in 2015.

For each of the seven sites that are located within zones and General Plan land use designations where residential density is not regulated, the capacities for residential development were calculated using an assumed density that was based on several factors, including maximum height and FAR limits, minimum parking requirements, the history of recent nearby development, and market assumptions related to construction types (such as podium development as opposed to townhomes). In the case of mixed use areas where residential uses are optional, factors such as the likelihood that not all of the sites will be developed with a residential component were also taken into account. Unit size (floor area) also plays a significant role in the calculation of assumed density due to the fact that residential developments with larger unit sizes are generally built at lower residential densities because a smaller number of dwelling units can be constructed under the maximum FAR limits specified by the General Plan and Zoning Ordinance. It has been the City's experience that multi-family residential developments that primarily contain above moderate-income ("market rate") dwelling units have larger overall unit sizes (sometimes as large as 2,500 to 3,500 square feet) than do residential developments that primarily

contain moderate-, low-, or very low-income units. When calculating the realistic net new capacity of each opportunity site, the assumed density was conservatively estimated based on densities expected for above moderate-income units; consequently, it is anticipated that projects with a significant number of moderate-, low-, and very low-income units would be built at higher densities. While some of the opportunity sites have an assumed density as low as 18 dwelling units per acre, each site is reasonably and realistically capable of accommodating residential densities in excess of 30 dwelling units per acre (the “default density” for low- and very low-income units), particularly for developments that contain a significant number of below market rate units, as is described in detail for each site in Table IV-3 and in Appendix A.

The City has a history of supporting and approving high density residential projects in commercial and mixed-use zones where residential density is not regulated. A total of 1,071 units ranging in density from 26 to 105 dwelling units per acre, and located within zones where density is not regulated and are currently under construction or are approved but have not yet started construction. By not regulating maximum densities in commercial and mixed use zones, developers of affordable housing projects are given a greater amount of freedom to build at economically feasible densities, rather than being limited by an arbitrary cap on density.

In addition to the summary provided in Table IV-3 a more detailed discussion of each of the 13 opportunity sites can be found in Appendix A, including a description of the parcels, the applicable zoning and General Plan regulations, and the opportunities and constraints for residential development.

**TABLE IV-3  
KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL  
DEVELOPMENT  
CITY OF WALNUT CREEK  
2013**

Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>Mt. Diablo Boulevard, north side properties</b>								
	North side of Mt. Diablo Blvd. between Bonanza St. and Oakland Blvd.	C-R	Mixed Use – Com. Emphasis	No max density; FAR: 1.30	7.23 acres	n/a	1 unit	129 units (18 du/ac)
C-1	<p>The Mt. Diablo Boulevard north side properties are eight properties consisting of a total of 11 adjacent parcels (several parcels have been aggregated under common ownership), and all are located within an area where the General Plan land use designation was changed to Mixed Use – Commercial Emphasis (MU-C) when the City’s General Plan 2025 was adopted in April 2006.</p> <p>Based on the 50-foot height limit and 1.30 FAR limit, as well as the recent history of nearby development, all but one of the properties are large enough to accommodate new development at densities significantly higher than what is existing, without the need for further consolidation of parcels. There is no maximum density limit for these properties.</p> <p>Existing development on these properties consists almost entirely of low- to medium-quality one-story buildings with large surface parking lots. A majority of the buildings were built in the 1950s and 1960s (the newest building is 21 years old; the median year built is 1955).</p> <p>These properties are strategically located along an arterial road within the City’s Core Area, between the traditional downtown and the 680/24 freeway interchange, and approximately three-quarters of a mile walking distance from the Walnut Creek BART station. This site is counted in the inventory as feasible for lower-income housing.</p>							

<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-2	<b>CVS/former Marie Callendar site</b>							
	West side of California Blvd. between Mt. Diablo Blvd. and Olympic Blvd.	C-R and O-C	Mixed Use – Com. Emphasis	No max density; FAR: 1.30	5.04 acres	n/a	None	91 units (18 du/ac)
	<p>The CVS/former Marie Callendar site consists of three adjacent parcels where the General Plan land use designation was changed to Mixed Use – Commercial Emphasis (MU-C) when the City’s General Plan 2025 was adopted in April 2006.</p> <p>Of the three parcels, two contain one-story retail buildings, one contains a two-story office building, all are approximately 40 years old, and there is a very large shared surface parking lot. The maximum height limit ranges between 35 and 50 feet. The site is considerably underdeveloped when compared to similar nearby properties that are also located within the City’s Core Area and adjacent to the traditional downtown. There is no maximum residential density or residential FAR limits for these properties.</p> <p>The Walnut Creek BART station is located less than three-quarters of a mile away walking distance. This site is counted in the inventory as feasible for lower-income housing.</p>							

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KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL  
DEVELOPMENT  
CITY OF WALNUT CREEK  
2013**

Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>South California Boulevard, west side properties</b>								
	West side of California Blvd. between Botelho Dr. and Newell Ave.	C-R and P-D	Mixed Use – Com. Emphasis	No max density or FAR	4.60 acres	n/a	None	83 units (18 du/ac)
C-3	<p>The S. California Blvd. west side properties are five properties consisting of a total of 11 adjacent parcels (several parcels have been aggregated under common ownership) all located within an area where the General Plan land use designation was changed to Mixed Use – Commercial Emphasis (MU-C) when the City’s General Plan 2025 was adopted in April 2006. Las Trampas Creek passes through the site; however, the creek area has not been included as part of the site’s analysis or area calculations.</p> <p>Based on the 35- to 50-foot height limit, as well as the recent history of nearby development, all of the properties are large enough to accommodate new development at densities significantly higher than what exists, without the need for further consolidation of parcels, although the quarter-acre Keshishian property could more easily be redeveloped if consolidated with one or more adjacent parcels. There is no maximum residential density or residential FAR limits for these properties. The Kaiser property is located within a Planned Development (P-D Zone), which requires a rezoning for any change in use (this is common).</p> <p>Existing development on these properties consists almost entirely of low- to medium-quality one-story buildings with large surface parking lots. A majority of the buildings were built in the 1960s (the newest building is 35 years old; the median year built is 1963).</p> <p>These properties are located within the City’s downtown and Core Area, one mile walking distance from the Walnut Creek BART station (a free downtown shuttle that serves the BART station with 15-20 minute headways stops two blocks away from these properties).</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-4	<b>South Main Street, west side properties</b>							
	West side of S. Main St. between Botelho Dr. and Newell Ave.	P-R and C-R	Mixed Use – Com. Emphasis	No max density; FAR: 1.50	7.62 acres	n/a	None	138 units (18 du/ac)
<p>The S. Main St. west side properties are six adjacent parcels with five different owners all located within an area where the General Plan land use designation was changed to Mixed Use – Commercial Emphasis (MU-C) when the City’s General Plan 2025 was adopted in April 2006. Las Trampas Creek passes through the site; however, the creek area has not been included as part of the site’s analysis or area calculations.</p> <p>Based on the 50-foot height limit and 1.50 FAR limit, as well as the recent history of nearby development, all of the properties are large enough to accommodate new development at densities significantly higher than what exists, without the need for further consolidation of parcels.</p> <p>These properties consist almost entirely of low- to medium-quality one-story buildings with large surface parking lots; the one exception being a vacant lot where an eight-story office building was recently demolished due to seismic issues. A majority of the buildings were built in the 1960s (the newest building is 18 years old but is only 5,700 sq. ft. in size; the median year built is 1963).</p> <p>These properties are located within the City’s downtown and Core Area, one mile walking distance from the Walnut Creek BART station (a free downtown shuttle that serves the BART station with 15-20 minute headways has multiple stops adjacent to the site).</p> <p>The adjacent Essex Alamo property was included in this opportunity site in the 2009 Housing Element, but has been removed since a new mixed use development containing 49 condominium units has been approved and is now under construction on this site. The project is called The Village @ 1500 Newell Avenue (site A-6 in Table IV-1 above). The residential density for this new development is approximately 26 du/ac.</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>								



**TABLE IV-3  
KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL  
DEVELOPMENT  
CITY OF WALNUT CREEK  
2013**

Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>North Main Street / Ygnacio Valley Road properties</b>								
	East side of N. Main St. between Ygnacio Valley Rd. and Arroyo Way	O-C	Mixed Use – Res. Emphasis	No max density; FAR: 2.60	3.06 acres	n/a	None	221 units (72 du/ac)
C-5	<p>The N. Main St. / Ygnacio Valley Rd. properties are five parcels (one of which consists of 12 commercial condominium units) all located within an area where the General Plan land use designation was changed to Mixed Use – Residential Emphasis (MU-R) when the City’s General Plan 2025 was adopted in April 2006. Additionally, the area is located within the boundaries of the North Main Street &amp; Ygnacio Valley Road Specific Plan, which, along with the General Plan, calls for dense transit-oriented development.</p> <p>Based on the 35- to 50-foot height limit and 2.60 FAR limit, as well as the recent history of nearby development, all of the properties are large enough to accommodate new development at densities significantly higher than what exists, without the need for further consolidation of parcels. A new condominium development built at a density of 86 du/ac was recently completed immediately adjacent to this site.</p> <p>Existing development on these properties consists almost entirely of low- to medium-quality one- and two-story buildings with large surface parking lots. A majority of the buildings were built in the 1960s and 1970s (the newest building is a 35-year-old gas station; the median year built is 1970). The JD Harney Inc property consists only of a parking lot. These properties are located within the City’s Core Area, just four blocks north of the traditional downtown, and just two blocks east of the Walnut Creek BART station.</p> <p>The adjacent Green/Green property was included in this opportunity site in the 2009 Housing Element, but has been removed from this opportunity site because a new multi-family development containing 126 apartment units has been approved and is now under construction on this site. The project is called North Main Apartments (Mill Creek) and is listed as A-7 in Table IV-1 above. The residential density for this new development is 105 du/ac. The realistic net new capacity for the Simas property, which is adjacent to the Green/Green property has been reduced to an assumed density of 40 du/ac, as this is a smaller parcel that no longer retains any opportunities to be consolidated into a larger project. Since it can no longer be consolidated, the sites inventory assumes that the capacity for 10 units on this property would be affordable to moderate-income households, whereas the capacity on the other properties on this site would be affordable to lower-income households.</p>							

<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>Kaiser Foundation parking lot</b>								
	1275 Newell Ave.	M-1.5	Multi-family Medium High	22.1-30.0 du/ac	5.19 acres	115-156 units	None	135 units (26 du/ac)
C-6	<p>The Kaiser Foundation parking lot property consists of a single parcel that contains a remote surface parking lot and some undeveloped hillside. Based on the 50-foot height limit and the allowable residential density, the parking lot portion of the property (approximately 40 percent of the site) can accommodate new residential development at densities approaching 50 du/ac, while lower density development is possible on the more gently sloped portions of the undeveloped hillside (approximately 30 percent of the site).</p> <p>The property is located within the City’s Core Area and adjacent to the downtown, slightly less than one and a quarter miles walking distance from the Walnut Creek BART station (a free downtown shuttle that serves the BART station with 15-20 minute headways stops two-and-a-half blocks away from the site).</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-7	<b>Walnut Creek Presbyterian Church parking lot</b>							
	1801-1857 Lacassie Ave.	M-1	Multi-family Very High	30.1-50.0 du/ac	1.75 acres	53-88 units	None	70 units (40 du/ac)
	<p>The Walnut Creek Presbyterian Church parking lot site consists of a portion of two adjacent parcels under common ownership and is located one block from the Walnut Creek BART station, within the City's Core Area and two blocks from the traditional downtown. The church has expressed an interest in redeveloping the large parking lot portions of their property into affordable multi-family housing, with structured parking for the church.</p> <p>Based on the 50-foot height limit and the allowable residential density, and the nature of recent nearby development, this property can reasonably accommodate densities over 40 du/ac.</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>Sharp Avenue properties</b>								
	1805-1928 Sharp Ave.	M-1	Multi-family Very High	30.1-50.0 du/ac	2.50 acres	75-125 units	15 units	85 units (40 du/ac)
C-8	<p>The Sharp Avenue properties consist of two groups of eight contiguous parcels each, all under common ownership, located on either side of the end of a dead-end street. The site is located three-quarters of a mile walking distance from the Walnut Creek BART station, within the City’s Core Area, and one block from the traditional downtown.</p> <p>Based on the 30-foot height limit and the allowable residential density, and the nature of recent nearby development, this property is expected to be redeveloped at densities in excess of 40 du/ac. The site currently contains one duplex and 13 single-family dwellings (built between the 1870s and 1959 – most date from the 1930’s to the 1950s) all of which are in general need of maintenance and repair. At least two of the dwellings may possess historical significance that warrants preservation; however, the City may also entertain the option of vacating the dead-end right-of-way that splits the site, which would provide over one-third of an acre of additional developable land.</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

**TABLE IV-3  
KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL  
DEVELOPMENT  
CITY OF WALNUT CREEK  
2013**

Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>Walden Road properties</b>								
	1374-1424 Walden Rd., 51-81 Shady Ln., 2524-2534 Jones Rd.	M-2.5	Multi-family Medium	14.1-22.0 du/ac	4.82 acres	74-99 units	14 units	64 units (16 du/ac)
C-9	<p>The "Walden Road properties" opportunity site consists of 14 parcels under individual ownership. The current multi-family zoning allows residential densities up to 17.4 du/ac, but the General Plan allows up to 22.0 du/ac with a rezoning. The site is subject to a 30-foot height limit and a maximum FAR of 0.35 to 0.50, depending on the size of the parcel (this is meant to incentivize the aggregation of smaller lots). It is assumed that these properties would redevelop at the maximum permissible density under the current zoning, however it is also likely that developers would seek a rezoning up to the maximum density permitted by the General Plan. Additional density can also be accommodated by-right for projects that provide apartments or condominiums that are affordable to below moderate-income households.</p> <p>The existing single-family dwellings range in age from 20 to approximately 100 years (most date from the late 1940s to the early 1950s), and generally appear to be in good repair. These dwellings would need to be demolished and/or relocated in order for the site to accommodate new residential development, something which recently happened on land immediately adjacent to this opportunity site, where a developer purchased 10 single family dwellings from their respective owners, combined the lots, and constructed 65 townhomes.</p> <p>This site is counted in the inventory as feasible for moderate-income housing.</p>							

<b>TABLE IV-3 KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT CITY OF WALNUT CREEK 2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
<b>North Main Street/Parkside Drive properties</b>								
	1511 Riviera Ave, 2211-2329 N. Main St.	M-U	Mixed Use Golden Triangle	No max density or residential FAR	2.74 acres	n/a	None	207 units (75 du/ac)
C-10	<p>The “North Main Street / Parkside Drive properties” opportunity site consists of 11 parcels, five of which are under common ownership. The properties range in size from a third of an acre to three-quarters of an acre – large enough to accommodate higher density development, but some aggregation of parcels may be necessary to achieve the highest densities on the smaller properties. The opportunity site is located one block from the Walnut Creek BART station, and the mixed-use zoning for this area encourages high density transit-oriented development and the aggregation of smaller parcels.</p> <p>There is no maximum residential density or residential FAR, all of the properties are subject to a 50-foot height limit, and the zoning requires a residential component for all new developments. Consequently, these properties can accommodate residential and mixed-use projects with residential densities ranging from 50 to 100 dwelling units per acre, depending on the size of the units. With density incentives, such as reduced parking requirements or increased height limits, additional density can be accommodated by-right for projects that provide apartments or condominiums that are affordable to below moderate-income households. An average density of 75 dwelling units per acre has been used in calculating the realistic capacity of these properties based on an assumption of larger unit sizes for above-moderate income dwelling units, and the possibility of a range in project sizes.</p> <p>All of these properties are underdeveloped; existing uses are generally limited to older commercial buildings with large amounts of surface parking and low FARs. New development is expected to be urban in nature, including multi-story buildings and structured parking as is found with recent nearby development on similarly sized parcels. For example, a mixed use development containing 115 apartments over ground floor office (with a residential density of 83 du/ac) is located immediately to the rear of this opportunity site, under the same zoning and General Plan land use designation.</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

**TABLE IV-3  
KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL  
DEVELOPMENT  
CITY OF WALNUT CREEK  
2013**

Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-11	<b>Riviera Avenue properties</b>							
	1620-1738 Riviera Ave.	M-U	Mixed Use Golden Triangle	No max density or residential FAR	1.10 acres	n/a	18 units	65 units (75 du/ac)
	<p>The “Riviera Avenue properties” opportunity site consists of six parcels, two of which are under common ownership. The properties are relatively small, ranging in size from a sixth of an acre to a quarter of an acre – large enough to accommodate higher density development, but aggregation of parcels will be necessary to achieve the highest densities. The opportunity site is located less than half a block from the Walnut Creek BART station, and the mixed-use zoning for this area encourages high density transit-oriented development and the aggregation of smaller parcels.</p> <p>There is no maximum residential density or residential FAR, all of the properties are subject to a 50-foot height limit, and the zoning requires a residential component for all new developments. Consequently, these properties can accommodate residential and mixed-use projects with residential densities ranging from 50 to 100 dwelling units per acre, depending on the size of the units. With density incentives such as reduced parking requirements or increased height limits, additional density can be accommodated by-right for projects that provide apartments or condominiums that are affordable to below moderate-income households. An average density of 75 dwelling units per acre has been used in calculating the realistic capacity of these properties based on an assumption of larger unit sizes for above-moderate income dwelling units, and the possibility of a range in project sizes.</p> <p>All of these properties are underdeveloped, and contain single family dwellings and small apartment buildings that generally appear to be in poor to moderate condition. New development is expected to be urban in nature, including multi-story buildings and structured parking as is found with recent nearby development. The 115-unit mixed use development referenced in the discussion of the “North Main Street /Parkside Drive properties” opportunity site is located across the street from this opportunity site, and under the same zoning and General Plan land use designation.</p> <p>This site is counted in the inventory as feasible for lower-income housing.</p>							

<b>TABLE IV-3 KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT CITY OF WALNUT CREEK 2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-12	<b>Mt. Diablo Boulevard/Olympic Boulevard/Alpine Road/Bont Lane properties</b>							
	1900-1910 Olympic, 1111-1243 Alpine, 1125-1145 Bont, 1813-2099 Mt. Diablo	C-R, O-C	Mixed Use – Commercial Emphasis	No max density; FAR: 1.30	13.75 acres	n/a	3 units	250 units (18 du/ac)
<p>This opportunity site consists of 40 adjacent parcels, many under common ownership. With the exception of a relatively small number of parcels that are approximately one-fifth to one-tenth of an acre in size, each of the remaining parcels (or groups of parcels under the same ownership) range in size from over a third of an acre to over one and a half acres – large enough to accommodate moderate to higher density development.</p> <p>All but one parcel (designated for multi-family residential uses) are part of a larger area that was changed to the Mixed Use – Commercial Emphasis (MU-C) land use designation in 2006 with the adoption of General Plan 2025. The MU-C designation requires that the primary use be commercial (generally retail, restaurants, and offices – at a minimum occupying the ground floor), with additional floor area allowed for residential uses. The maximum FAR allowed for commercial uses is 0.85, while the maximum total FAR is 1.30 (parking garages and shared common areas such as hallways and lobbies are not included in the FAR for a project). Mixed Use development is allowed more than one and a half times the amount of floor area as is commercial development that does not include a residential component. With a 50-foot height limit (except for the multi-family parcel which has a 30-foot height limit), these properties can accommodate mixed-use with residential densities approaching 30 units per acre, depending on the size of the units, and additional density can be accommodated by-right for projects that provide apartments or condominiums affordable to below moderate-income households through the density incentives. An average density of 18 units per acre has been used in calculating the realistic capacity of these properties based on an assumption of larger unit sizes for above-moderate income dwelling units, and the possibility that some of the properties may be redeveloped without a residential component.</p> <p>Most of these properties are either underdeveloped or contain buildings that appear to be nearing the end of their functional life; existing uses are generally limited to older one-story commercial buildings with large amounts of surface parking and low FARs, with some older two- and three-story office buildings located along Olympic Boulevard and the southern half of Alpine Avenue. New development is expected to be more urban in nature, including multi-story buildings and structured parking as is found in recent nearby development on similarly sized parcels. This site is counted in the inventory as feasible for moderate-income housing.</p>								



<b>TABLE IV-3                      KEY RESIDENTIAL DEVELOPMENT SITES WITH OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT                      CITY OF WALNUT CREEK                      2013</b>								
Site #	Location	Zone	General Plan	Allowable Density	Size (acres)	Allowable Capacity	Existing Units	Realistic Net New Capacity
C-13	<b>Quail Court</b>							
	31-45 Quail Ct.	P-D	Mixed Use – Commercial Emphasis	No max density; FAR: 1.50	3.75 acres	n/a	None	68 units (18 du/ac)
<p>The “Quail Court” opportunity site consists of a single large parcel currently developed as an office park. The General Plan land use designation was changed to Mixed Use – Commercial Emphasis (MU-C) in 2006 with the adoption of the 2025 General Plan. The MU-C designation requires that the primary use be commercial (generally retail stores, restaurants, and offices, with additional floor area allowed for residential uses. The maximum floor area ratio (FAR) allowed for commercial uses is 0.85, while the maximum mixed use FAR is 1.50. Mixed-use development is allowed almost twice the amount of floor area as is commercial development that does not include a residential component. With a 50-foot height limit, this property can accommodate mixed-use projects with residential densities exceeding 30 dwelling units per acre, depending on the size of the units (both horizontal and vertical mixed-use projects appear viable for this site). With density incentives such as reduced parking requirements for projects that provide apartments or condominiums that are affordable to below moderate-income households, additional density can be accommodated by-right. An average density of 18 dwelling units per acre has been used in calculating the realistic capacity of these properties based on an assumption of larger unit sizes for above-moderate income dwelling units, and the possibility that some of the properties may be redeveloped without a residential component.</p> <p>The office park may have reached the end of its functional life, and the owners have submitted multiple preliminary proposals over the past few years that would include a significant amount of new residential development.</p>								
								<b>TOTAL 1,606 units</b>

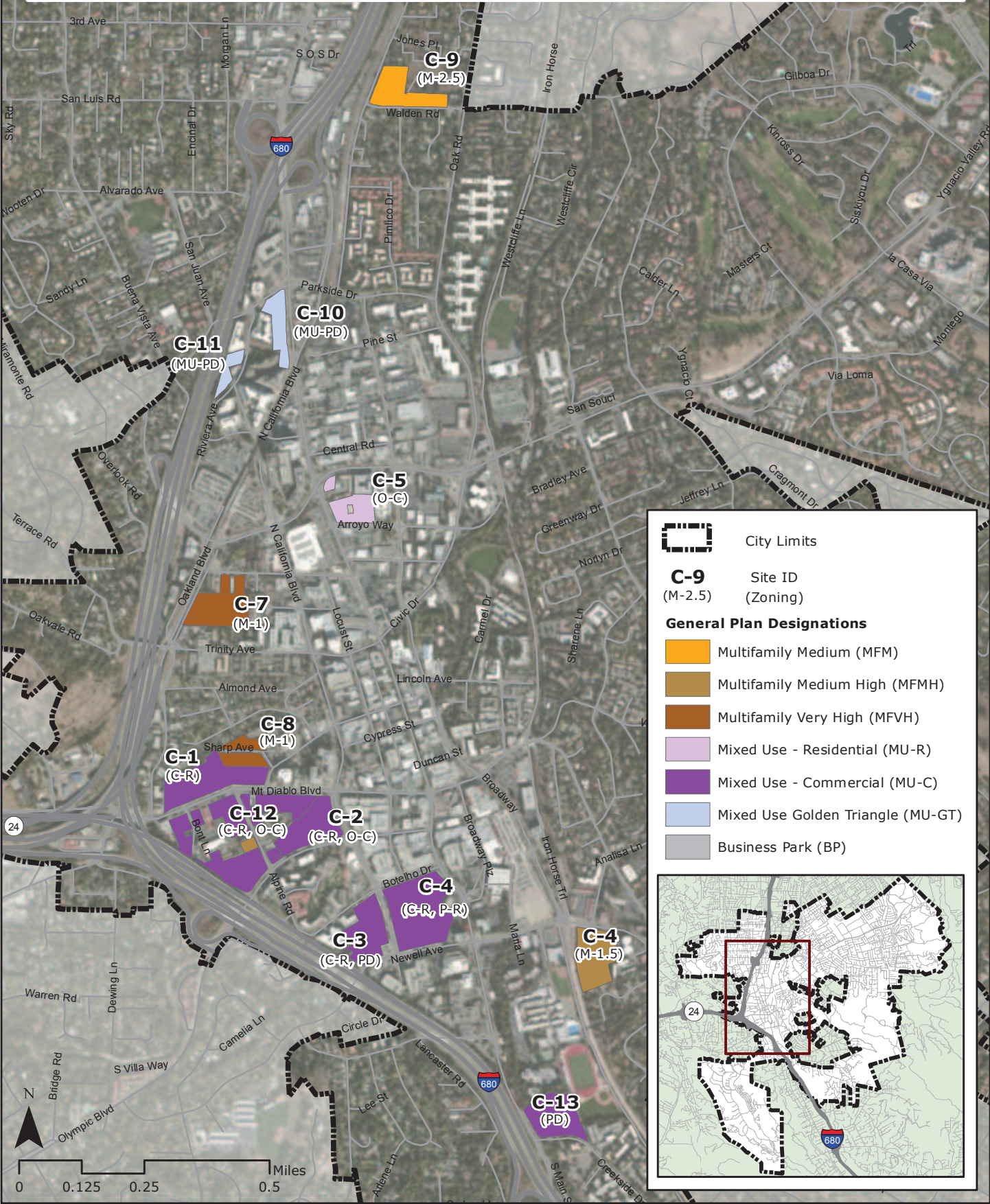
## Comparison of Sites Inventory with RHNA

As presented in the sections above and summarized in the table below, Walnut Creek's new construction need (RHNA) for the 2014-2022 period is 2,235 new units. There are 1,580 units approved or under construction, and the City has identified sites that can accommodate an additional 1,606 net new units, thereby exceeding the City's RHNA requirements.

TABLE IV-4 COMPARISON OF SITES INVENTORY WITH 2014-2022 RHNA CITY OF WALNUT CREEK 2013						
	TOTAL	Above Moderate	Moderate	Low	Very Low	Extremely Low
2014-2022 RHNA	2,235	895	381	355	302	302
Units Approved and Under Construction	1,580	1,521	1	15	43	0
Remaining RHNA*	1,281	-626	380	340	259	302
Opportunity Sites	1,606	-	392	1,214		
Capacity Surplus (+)/Deficit (-)	+325	+626	+12	+313		

Note: \*The total remaining RHNA is a sum of the remaining RHNA for moderate-, low-, and very low-income units. The City has already exceeded its RHNA for above moderate-income units through units that are approved or under construction.

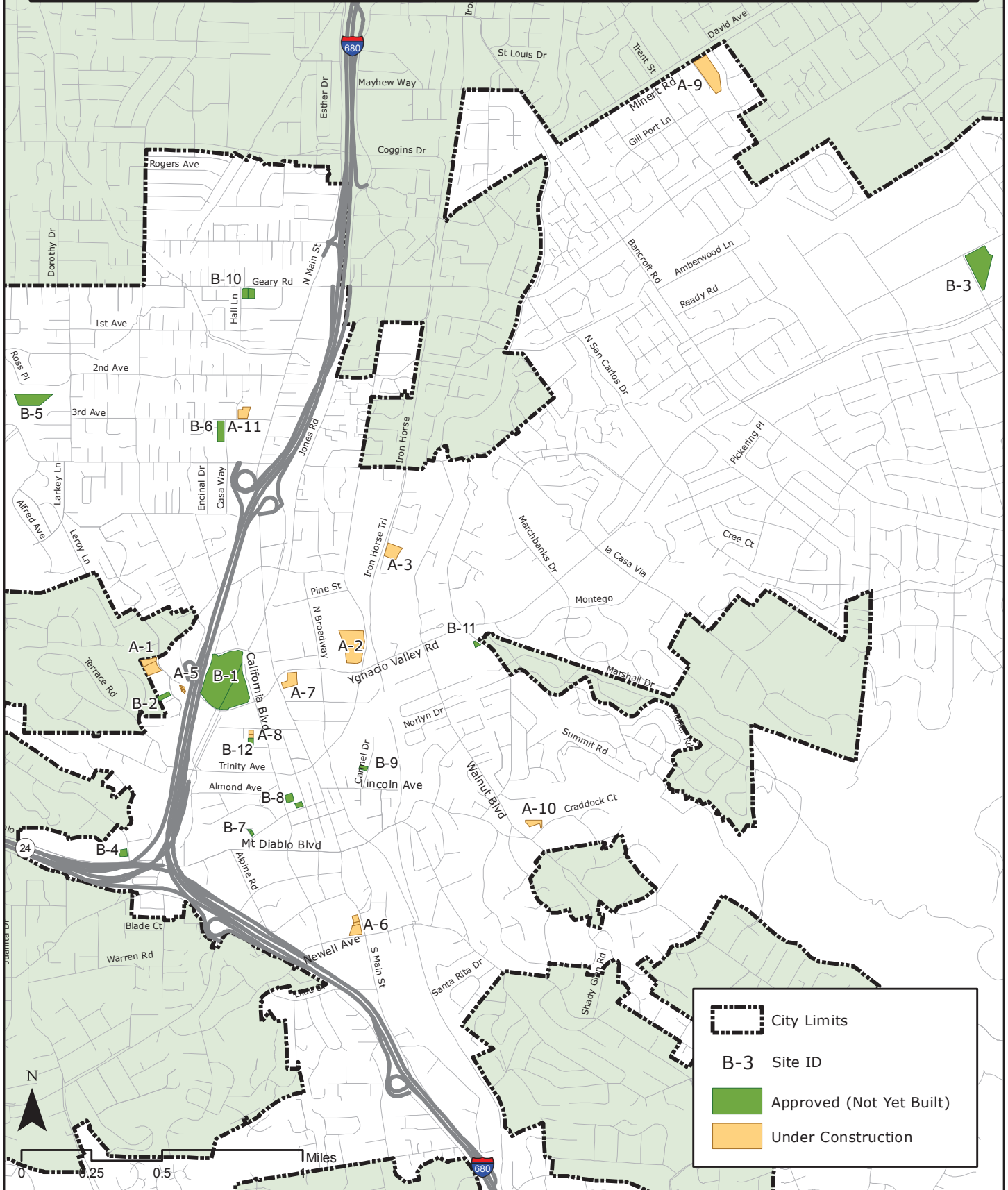
# Figure 4.1 Walnut Creek Housing Opportunity Sites



Source: Esri, City of Walnut Creek (2013)  
Map Date: 11/25/2013

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# Figure 4.2: Key Residential Development Sites With Units Approved or Under Construction



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## **B. Resources for Housing Production**

The production of affordable housing, both ownership and rental, requires the use of many resources. A single affordable housing development typically requires many layers of housing financing, each with its own funding requirements. This section describes a variety of the resources provided through Federal, State, local, and private sources to support the development of affordable housing and related programs and services.

### **City-Administered Resources**

The City has five primary sources of funds for implementing its affordable housing programs: Federal Community Development Block Grant (CDBG) funds, City Revolving Bond funds, Inclusionary Housing Impact Fees, Inclusionary Housing In-Lieu Fees, and Commercial Linkage Fees. In 2010, the City Council adopted the Contra Costa Consortium's Consolidated Plan, a 5-year Affordable Housing Implementation Plan (AHIP) covering 2010 to 2015, to appropriate the use of these funds to various programs and activities.

### **Community Development Block Grant (CDBG) Program Funds**

Through the CDBG program, the Federal Department of Housing and Urban Development (HUD) provides funds to local governments to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Cities with populations over 50,000, including the City of Walnut Creek, are entitled to receive CDBG funds directly from HUD. The City is allocated approximately \$245,000 in CDBG funds each year.

The program and service priorities for use of CDBG funds are established and implemented through the Contra Costa Consortium Consolidated Plan Five-Year Strategy. The current Strategy has identified eight high priority housing needs, including the following:

- Expand housing opportunities for extremely low-income, very low-income, low-income, and moderate-income households through an increase in the supply of decent, safe, and affordable rental housing;
- Maintain and preserve the affordable housing stock;
- Assist the homeless and those at risk of becoming homeless by providing emergency and transitional housing, permanent affordable housing, and appropriate supportive services; and
- Increase the supply of appropriate and supportive housing for special needs populations.

The City Council has adopted a policy of allocating a minimum of 50 percent of each annual CDBG allocation for affordable housing programs. The City has used CDBG funds for

acquisition of real property, preservation of affordable rental units at risk of converting to market rate, rental and owner-occupied rehabilitation, relocation costs, predevelopment costs, first-time homebuyer assistance, foreclosure prevention and counseling, and fair housing counseling and activities.

### **Redevelopment Agency Housing Set-Aside (RDA) Funds**

As a part of California's 2011 Budget Act, the Legislature approved the dissolution of all of the State's Redevelopment Agencies (RDAs). This eliminated a large, flexible funding stream for affordable housing. For the fiscal year 2011-2012, the City's housing budget included \$1.5 million in redevelopment funds from the RDA, including money from Housing Set Aside Fund. This funding source is no longer available. The City elected to become the Successor Housing Agency and retained \$8 million in housing assets. The City receives loan repayments of approximately \$200 per year to use towards housing affordable to low-income (80% AMI or less).

### **City Revolving Bond Funds**

In 1984, the Concord-Walnut Creek Home Finance Authority issued Home Mortgage Revenue Bonds. Over time, many of the outstanding mortgages have been refinanced, resulting in an accumulation of revenues. In 1992, the City Council authorized the proceeds from these early-retired single-family mortgage revenue bonds to be deposited into an Affordable Housing Fund for use on affordable housing projects and activities. The City has used these City Revolving Bond Funds for first-time homebuyer assistance, new construction of affordable rental units, preservation of affordable rental units at risk of converting to market rate, and homeowner rehabilitation grants. Currently there is annual revenue of \$5,400 which is used to fund affordable housing programs and projects.

### **Inclusionary In-Lieu Fees and Housing Impact Fees**

In 2004, the City adopted an Inclusionary Housing Ordinance, which requires all residential developments to either provide affordable units or pay an affordable housing impact fee. In 2009, the inclusionary housing ordinance was revised to allow ownership projects of up to 26 units to pay in-lieu fees. In 2010, in response to the Palmer court case and the Costa Hawkins Act, the City revised its ordinance to require housing impact fees for all rental projects based upon a nexus study for new development, to allow payment of housing impact fees for ownership projects. Currently, ownership projects of any size can opt for providing inclusionary units on-site, or payment of the affordable housing impact fee. To date, the Inclusionary Housing Ordinance has generated over \$3.6 million of affordable housing in-lieu fees. Funds have been used primarily for the development of new 100 percent affordable housing projects for low- and very-low income residents. Funds may also be used for the First Time Homebuyer Assistance Program, the Home Rehabilitation Loan Program, program administration, and land acquisition for affordable housing projects.



## Commercial Linkage Fees

In 2005, the City adopted a Commercial Linkage Fee ordinance, which requires all commercial development projects to pay a housing linkage fee based on the number of square feet of net new commercial development. Since Walnut Creek is a jobs-rich city with a jobs-to-employed residents ratio of 1.27 there is a strong nexus for imposing a housing linkage fee for commercial developments that are creating new jobs within the city. Commercial Linkage Fees are used exclusively to fund the City's Acquisition/New Construction Program. By leveraging commercial linkage fees to create new affordable units, the City moves closer toward having a balanced jobs/housing ratio, thereby reducing traffic congestion, improving regional air quality conditions, and enhancing the community economic base.

## General Fund

The City commits general funds each year to the Affordable Housing Program. General funds are used to fund community service grants. The community grant program is intended to supplement the public services portion of the CDBG program and provides small grants to non-profit and community organizations that provide critical services to the city's lowest income populations.

## Projection of City Funds

Table IV-5 shows the projected funding for the major affordable housing programs undertaken by the City of Walnut Creek. Most of the local resources for housing will be invested in the construction or acquisition of new affordable housing. Home Rehabilitation and the First Time Homebuyer programs are projected to receive \$3.6 million in resources over the next eight years. The resources to fund the programs in Table IV-5 come from several sources, including approximately \$18 million from Housing Impact Fees, over \$3 million from Commercial Linkage Fees, nearly \$2 million from CDBG funds, and nearly \$3 million from other local and state sources (all totals are from revenue projections for the next eight years).

TABLE IV-5 8-YEAR PROJECTION OF LOCAL RESOURCES CITY OF WALNUT CREEK 2015-2023	
Projected 8-year Allocation	Funds
Home Rehabilitation	\$1,200,000
First Time Homebuyer Program	\$2,400,000
Public Services	\$560,000
Other Programs	\$200,000
New Construction/Acquisition	\$18,055,956

Source: City of Walnut Creek 2013.

## **County-Administered Resources**

Contra Costa County is responsible for administering several Federally-funded programs that address housing and community development needs. In general, the programs are available countywide, including the City of Walnut Creek.

### **HOME Investment Partnerships Act (HOME)**

The purpose of the Federal HOME Program is to improve and expand the supply of affordable housing opportunities for low-income households. Contra Costa as the Urban County and the cities of Antioch, Concord, Pittsburg, and Walnut Creek formed the Contra Costa Consortium for purposes of participating in the HOME Program. The County administers the program on behalf of the Consortium. Approximately \$3 million in HOME funds are allocated to the Consortium on an annual basis through HUD. Consortium HOME Program priorities include: 1) acquisition, rehabilitation, and new construction of affordable multi-family rental housing; 2) owner-occupied housing rehabilitation programs for low-income households; and 3) first-time homebuyer's assistance for low-income households.

### **Housing Opportunities for Persons with AIDS Program (HOPWA)**

The Housing Opportunities for Persons with AIDS (HOPWA) Program, a Federal program managed by HUD, provides funding for housing development and related support services for low-income persons with HIV/AIDS and their families. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs including the acquisition, rehabilitation, or new construction of housing units, costs for facility operations, project or tenant-based rental assistance, and short-term payments to prevent homelessness. Locally, the HOPWA Program is administered by Contra Costa County and typically receives an annual allocation of approximately \$500,000.

### **Mortgage Credit Certificates**

As an alternative to issuing single-family mortgage revenue bonds (discussed later in this chapter), state and local agencies may elect to exchange its bond allocation for authority to issue mortgage credit certificates (MCCs) to individual homebuyers. Eligible homebuyers use the MCCs to reduce their Federal tax liability by applying the credit to the net tax due. The tax credit creates an effective reduction in monthly housing costs, and therefore increases the ability of a household to afford a mortgage payment. The Contra Costa County Community Development Department administers the MCC Program for all of Contra Costa County, including the City of Walnut Creek.

### **Section 8 Assistance**

The Section 8 program is a Federal program that provides rental assistance to very-low income households. The Section 8 program provides a voucher that pays for the difference between current Fair Market Rent and what a tenant can afford to pay, which is defined as

30 percent of the household income. The Contra Costa County Housing Authority administers Section 8 assistance in Walnut Creek. Approximately 340 families living in Walnut Creek were receiving Section 8 assistance.

## State-Administered Resources

The State of California recognizes that the availability of housing is of vital statewide importance and has established the early attainment of decent housing and a suitable living environment for every Californian as a priority of the highest order. State agencies play an important role in affordable housing development both by providing leadership and policies to preserve and expand safe and affordable housing opportunities, through allocating Federal housing funds, and making state funds available.

## Tax-Exempt Bond Financing

The California Debt Limit Allocation Committee (CDLAC), an agency within the State Treasurer's Office, administers the tax-exempt private activity bond program available annually for California. Agencies and organizations authorized to issue tax-exempt private activity bonds, such as cities and redevelopment agencies, must receive an allocation from CDLAC. Currently, there are six programs for the issuance of tax-exempt private activity bonds, including the following:

- **Multi-family Rental Housing:** State and local agencies can issue tax-exempt housing revenue bonds to assist developers of multi-family rental housing units acquire land and construct new projects or purchase and rehabilitate existing units. The tax-exempt bonds lower the interest rate paid by developers, which enhances the financial feasibility of a project. In exchange, a specified number of units are required to remain affordable to eligible, lower-income households for a specified number of years after the initial financing is provided.
- **Single-Family Housing:** State and local agencies can issue tax-exempt mortgage revenue bonds (MRBs) to fund mortgages for homebuyers. Homebuyers may purchase single-family homes, either free-standing detached homes or condominiums/townhouses. The tax-exempt source of funds reduces the interest rate paid by purchasers by approximately 1 percent or more depending upon current market conditions.

In addition to private activity bonds, where the project is owned by a partnership or other profit motivated sponsor, there are 501(c)(3) bonds, which may be available if the project is owned solely by a non-profit corporation. Essential function bonds may be used when a public body, such as a housing authority or redevelopment agency, owns the project. CDLAC is also responsible for allocating 501(c)(3) and essential function bond authority.

### **Low-Income Housing Tax Credits (LIHTC)**

The Low-Income Housing Tax Credit (LIHTC) was created by Congress in 1986 and made permanent in 1993. The California Tax Credit Allocation Committee (TCAC), an agency within the State Treasurer's Office, administers both the state and Federal low-income housing tax credit programs. Both programs were authorized to encourage private investment in rental housing for low- and lower-income families and individuals. The LIHTC Program allows owners of qualified low-income rental housing developments to receive a tax credit against their Federal income tax liability for a period of ten years. Most developers of a tax credit-eligible project sell or "syndicate" the credits to an investor who has income tax liability. The proceeds of the sale of the tax credits become a cash equity contribution to help finance the low-income housing project.

### **California Housing Finance Agency (CalHFA)**

The California Housing Finance Agency (CalHFA), a state agency, provides below-market rate loans to create safe, decent, and affordable rental housing and to assist first-time homebuyers in achieving homeownership. CalHFA offers a variety of programs to accomplish this goal, including Rental Development Finance Programs to provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of affordable rental housing; Single Family Programs offering below-market interest rate mortgage loans to very low- to moderate-income first-time homebuyers; and Down Payment Assistance Programs to assist the first-time homebuyer with down payment and/or closing costs.

### **Department of Housing and Community Development (HCD)**

The State Department of Housing and Community Development (HCD) is California's principal housing agency, with a mission to provide leadership, policies and programs to expand and preserve safe and affordable housing opportunities and to promote strong communities for all Californians. HCD administers more than twenty programs that award loans and grants to hundreds of local public agencies, private non-profit and for-profit housing developers, and service providers every year, including programs that support the construction, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, homeless shelters, and transitional housing.

### **Federal Resources**

Many of the programs described above involve Federal subsidies or regulations but are administered by another government agency, such as CDBG funds administered by the City of Walnut Creek and HOME funds administered by Contra Costa County. In addition to these aforementioned programs, many other Federal funding programs are available for affordable housing including:

- The Section 202 program provides grants to non-profit developers of multi-family rental housing for the elderly.
- The Section 811 program provides grants to non-profit developers of supportive rental housing for persons with physical disabilities, traumatic brain injury, and other disabilities. Eligible housing options include group homes, independent living facilities, and intermediate care facilities.
- The Section 203(k) program is a single-family home mortgage program allowing acquisition and rehabilitation loans to be combined into a single mortgage.

Federal programs can vary with different legislative priorities and economic circumstances. Information about other Federal funding sources and programs can be obtained from HUD.

## **Private Resources**

Private resources also play a key role in the production, improvement, preservation, financing, and management of affordable housing. Key players include affordable housing developers (both non-profit and for-profit), lenders and intermediaries, non-profit service organizations, and community and business foundations.

## **Affordable Housing Developers**

The City actively seeks to partner with developers, both non-profit and for-profit, to construct or substantially rehabilitate affordable housing units in Walnut Creek. Affordable housing projects can include multi-family developments, single-family developments, rental or ownership housing, sweat-equity developments, mixed-income projects, mixed-use projects, and special needs housing. The City often provides direct financial assistance to the project, which the developers can use to leverage other funding sources. In partnering with the development community through the use of public grant and loan funding sources, the City can ensure that housing units remain affordable for the longest feasible time and can establish property maintenance and management standards.

The City has partnered with several affordable housing developers to construct, preserve, and improve housing in Walnut Creek, including Mid-Peninsula Housing Coalition (MPHC), Satellite Housing, Inc., Resources for Community Development, East Bay Habitat for Humanity, Satellite Affordable Housing Associates (SAHA) – a merger of Affordable Housing Associates and Satellite Housing-, Ecumenical Association for Housing, and Walnut Creek Housing Partners. There are also a large number of other successful non-profit housing developers that are active in the Bay Area, including Eden Housing, BRIDGE Housing Corporation, Mercy Housing, and Shelter, Inc. Information on additional affordable housing developers can be obtained from the Non-profit Housing Association of Northern California (NPH).

## Lending Community

A key component of affordable housing development is access to reasonably-priced and flexibly underwritten capital. There are several organizations involved in providing financing for affordable housing development, including non-profit lenders, government agencies, and conventional, for-profit lenders. Some of the organizations involved include Absolute Mortgage Banking, Banc Home Loans, Citibank, Civic Center Home Loans, Envoy Mortgage, First California Mortgage Company, Land Home Financial, Landmark Mortgage, Platinum Mortgage, Platinum Mortgage, PNC Mortgage, Prospect Mortgage, Summit Funding, Inc, Wall Financial, and Wells Fargo Home Mortgage.

Conventional lenders, such as banks and savings and loan associations, also play a role by making construction and/or permanent loans to developers of affordable housing. These lenders may receive credit for making such loans under the Community Reinvestment Act (CRA), a Federal law intended to encourage regulated financial institutions to help meet the credit needs of entire communities, including low- and moderate-income neighborhoods. The City works with representatives from Bank of America, Wells Fargo Home Mortgage, JP Morgan Chase, Residential Pacific Mortgage, and Bay to Bay funding to implement the City's First Time Homebuyer Assistance Program.

## C. Sustainability and Energy Conservation

Residential development impacts the environment in a number of ways. Building construction and demolition in the U.S. accounts for:

- 65 percent of electricity consumption
- 30 percent of greenhouse gas emissions
- 30 percent of raw materials use
- 30 percent of landfill waste
- 12 percent of potable water consumption

Interest in addressing these impacts at all levels of government has been growing. In 2004, the State of California adopted legislation requiring LEED (Leadership in Energy and Environmental Design) certification for new and renovated public buildings. Some local jurisdictions have not only adopted similar standards for their public buildings, but have also required LEED certification for larger commercial and residential developments. In July 2010, the California Building Standards Commission (CBSC) adopted the 2010 California Green Building Standards Code, otherwise known as "CALGreen", which became effective January 1, 2011. CalGreen includes optional "tiers" with higher standards for green building. As of February 2014, the City has not adopted any of the tiers or more stringent standards.

LEED certification building standards are one piece of a coordinated green building program. One of the primary goals behind establishing a green building program is to create a holistic, integrated design approach to green building. The purpose for this is because while most local building standards already consider energy and stormwater issues, and many jurisdictions have programs related to energy, recycling, water conservation, stormwater management, land use, and public health, these programs are often overlapping and uncoordinated.

A green building program considers a broad range of issues including community and site design, energy efficiency, water conservation, resource-efficient material selection, indoor environmental quality, construction management, and building maintenance. The end result will be buildings that minimize the use of resources, are healthier for people, and reduce harm to the environment. Both the public and private sectors currently offer grants, refunds, and other funding for green building. In addition, developments built to green standards assist both the owners and tenants with energy and maintenance costs over time.

The following presents a variety of ways in which Walnut Creek can promote energy conservation and green building:

- Develop green (energy-efficient and environmentally-sensitive) building standards for public buildings.
- Provide incentives, such as expedited plan check, for private developments that are building green.
- Encourage higher densities and mixed use development within walking distance of commercial development, thereby reducing vehicular trips and reducing greenhouse gas emissions.
- Promote financial resources available through the California Energy Commission for use of solar panels.
- Provide resource materials and training opportunities regarding green building and energy conservation.

Apply green building criteria to rehabilitation of single- and multi-family buildings. The Walnut Creek City Council adopted a Climate Action Plan (CAP) in 2012. The primary goal of the plan is to reduce Walnut Creek's greenhouse gas (GHG) emissions to 15 percent below 2005 levels by the year 2020. The plan outlines measures to reduce municipal GHG emissions, as well as measures the community can take to reduce their emissions. Community measures include a Residential Energy Conservation Program and a renewable energy strategy that makes it easier for residential developers to get permits for solar panels. The program partners the City with business and real estate stakeholders and leverages financial incentives, local partnerships, and education for voluntary home energy efficiency improvements, with a target of achieving an average 20 percent in energy savings for 6

percent of the existing housing stock by 2015, 13 percent of the existing housing stock by 2020, and 27 percent by 2030.

As an organization, Walnut Creek has initiated many emissions reduction measures to varying extents. Actions include conversion of traffic signals to light emitting diodes (LED); energy-efficient lighting retrofits; green building certification of City buildings; heating, cooling, and ventilation system retrofits; replacement of incandescent lighting with compact fluorescent lighting; installation of computer power management software; implementation of paperless records management system; encouraging use of electronic documents and online business transactions; etc.

Goals set out in Walnut Creek's *General Plan 2025*, adopted in 2006, expressly address sustainability and conservation in development. Chapter 4, the Built Environment, has the following relevant goals.

*Goal 2: Encourage housing development that helps reduce the increase in traffic congestion.*

*Goal 3: Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic.*

*Goal 10: Coordinate the location, intensity, and mix of land uses with transportation resources.*

*Goal 12: Make more efficient use of the regional and subregional transportation system, including: Policy 12.1. Promote the use of park-and-ride lots to maximize use, and Policy 12.2. Support infill and redevelopment in existing urban areas.*

Other related goals include:

*Goal 27: Promote "green" development and redevelopment.*

*Goal 28: Promote Energy Conservation.*

Policies under these goals include:

*Policy 27.1. Encourage resource-efficient building techniques, materials and technologies in new construction and renovation.*

*Policy 28.1. Implement energy conservation measures in City facilities and operations.*

*Policy 28.2. Promote energy conservation throughout the city.*

Other goals and policies that embody the tenets of sustainability and conservation are integrated throughout the General Plan, as the following illustrate:



*Goal 2: Encourage housing development that helps to reduce the increase in traffic congestion.*

*Goal 3: Encourage housing and commercial mixed-use development in selected locations that enhances pedestrian access and reduces traffic.*

*Goal 29: Promote water conservation.*

*Goal 30: Meet or exceed State goals for source reduction and waste diversion.*

## **Energy Conservation Programs Offered through Local Utilities**

In addition to green building, Walnut Creek promotes energy conservation by advertising utility rebate programs and energy audits available through Pacific Gas and Electric, particularly connected to housing rehabilitation programs. Lower-income households are also eligible for State-sponsored energy and weatherization programs.

### **Pacific Gas & Electric**

Pacific Gas & Electric provides both natural gas and electricity to residential consumers in Contra Costa County, including Walnut Creek. The company provides a variety of energy conservation services for residents and also participates in several other energy assistance programs for lower-income households, which help qualified homeowners and renters conserve energy and control electricity costs. These include the following:

- **The California Alternate Rates for Energy (CARE) Program** - Provides a monthly discount on gas and electric rates to income qualified households, certain non-profits, facilities housing agricultural employees, homeless shelters, hospices and other qualified non-profit group living facilities.
- **The Relief for Energy Assistance through Community Help (REACH) Program** - Provides one-time emergency energy assistance to low income customers who have no other way to pay their energy bill. REACH aims to assist those who are in jeopardy of losing their electricity services, particularly the elderly, disabled, sick, working poor, and the unemployed, and those who experience severe hardships and are unable to pay for their necessary energy needs. Customers who have experienced an uncontrollable or unforeseen hardship may receive an energy credit up to \$200.
- **The Balanced Payment Plan (BPP)** - Designed to eliminate big swings in a customer's monthly payments by averaging energy costs over the year. On enrollment, PG&E averages the amount of energy used by the household in the past year to derive the monthly BPP amount. PG&E checks the household's account every four months to make sure that its estimated average is on target. If the

household's energy use has increased or decreased dramatically, PG&E will change the amount of monthly payment so that the household does not overpay or underpay too much over the course of a year.

- **The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant** Funded by the Federal Department of Health and Human Services, it provides two basic types of services. Eligible low-income persons, via local governmental and nonprofit organizations, can receive financial assistance to offset the costs of heating and/or cooling dwellings and/or to have their dwellings weatherized to make them more energy efficient. This is accomplished through these three program components:
  - The Weatherization Program provides free weatherization services to improve the energy efficiency of homes, including attic insulation, weather-stripping, minor home repairs, and related energy conservation measures.
  - The Home Energy Assistance Program (HEAP) provides financial assistance to eligible households to offset the costs of heating and/or cooling dwellings.
  - The Energy Crisis Intervention Program (ECIP) provides payments for weather-related or energy-related emergencies.
- **The Family Electric Rate Assistance (FERA) Program** - PG&E's rate reduction program for large households of three or more people with low- to middle-income. It enables low income large households to receive a Tier 3 (131 percent to 200 percent of baseline) electric rate reduction on their PG&E bill every month.
- **Medical Baseline Allowance Program** - PG&E offers additional quantities of energy at the lowest (baseline) price for residential customers that have special medical or heating/cooling needs because of certain medical conditions.
- **Energy Works Program/Energy Partners Program** - The Energy Works Program provides qualified low-income tenants free weatherization measures and energy-efficient appliances to reduce gas and electricity usage. In order to qualify for the program, a household's total annual gross income cannot exceed the income as set in the income guidelines ([http://www.hacsc.org/energy\\_works\\_program.htm](http://www.hacsc.org/energy_works_program.htm)); households must receive gas and/or electricity from PG&E; and the residence cannot have participated in the Energy Partners Program in the past 10 years.
- **PG&E's SmartAC™ program** - This program offers a simple and convenient way to help prevent power interruptions. When customers sign up, PG&E installs a free SmartAC device that slightly reduces the energy the air conditioner uses automatically in case of a state or local energy supply emergency. PG&E customers receive \$50 for signing up for the SmartAC™ program.