



## CONCORD HOUSING ELEMENT UPDATE 2014-2022

# What is a Housing Element?

- **California State Law requires that each city & county create a plan to meet projected housing needs**
  - ▣ California HCD identifies the total projected housing need for each region
    - Called Regional Housing Need Allocation (RHNA)
  - ▣ In the Bay Area, ABAG and MTC work with local jurisdictions to distribute the RHNA total between cities and counties
  - ▣ RHNA figures account for projected need among households at all income levels
  - ▣ Each city and county must update its Housing Element to plan for projected need by income level

# 5<sup>th</sup> Cycle Housing Element Update

- **The 5<sup>th</sup> Cycle of the Housing Element Update covers the 2014-2022 period**
- **Due to SB 375, the RHNA for the 5<sup>th</sup> Cycle has an increased emphasis on infill development, particularly near transit**
- **The RHNA for Concord between 2014 and 2022 totals 3,478 units**

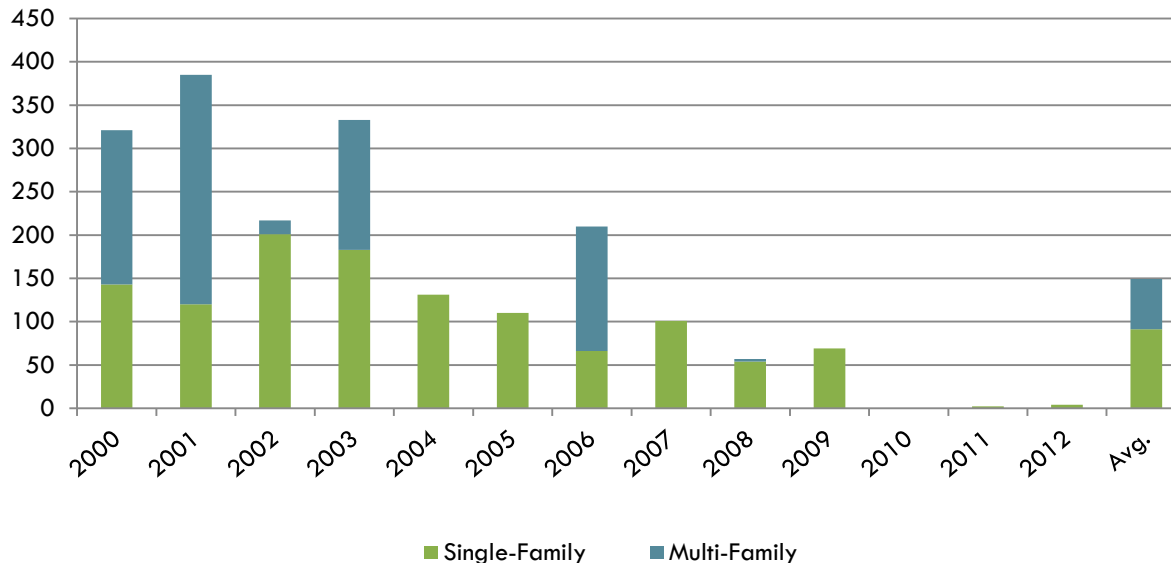
<b>Income Category</b>	<b>Projected Need</b>	<b>Percent of Total</b>
Very Low (0-50% AMI)	798	22.9%
Low (51-80% AMI)	444	12.8%
Moderate (81-120% of AMI)	559	16.1%
Above Moderate (over 120% of AMI)	<u>1,677</u>	<u>48.2%</u>
<b>Total Units</b>	<b>3,478</b>	<b>100.0%</b>

Sources: ABAG, 2013; BAE, 2013.

# Building Permit Trends

- **On average, Concord issued building permits for 149 residential units per year between 2000 and 2012**
  - ▣ Units permitted in individual years ranged from zero in 2010 to 385 in 2001
- **An average of 435 units per year will be needed to meet Concord 2014-2022 RHNA goals**

**Residential Building Permits by Total Units, Concord**



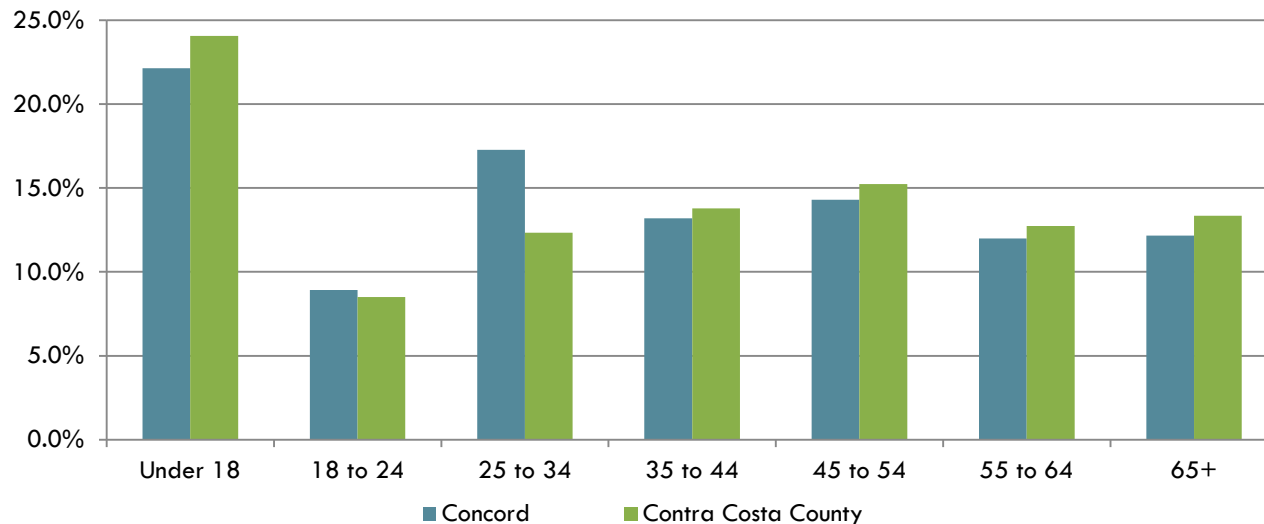
# Demographic Trends

- **Concord has approximately 123,800 residents and 44,600 households**
- **Between 2000 and 2012, Concord had limited growth**
  - ▣ Population increased only 2.4%
  - ▣ Households increased only 1.4%
  - ▣ During the same time period, Contra Costa County had a 14% increase in population and an 11% increase in households
- **Household size increased between 2000 and 2012**
  - ▣ In Concord, average size increased from 2.74 to 2.77 people per household
  - ▣ Larger household sizes may be partly due to the effects of the recession

# Demographic Trends

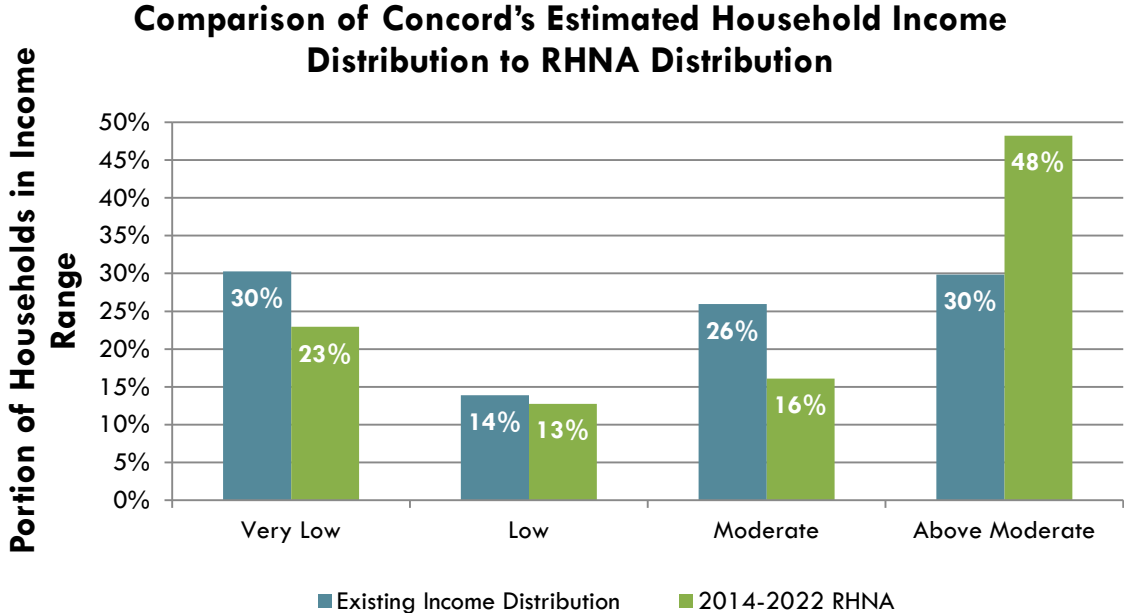
- **Concord has a young population, due mostly to large concentration between age 25 and 34 (17% of Concord's population)**
  - ▣ Median age is 36 years in Concord, 39 years for County overall

**Age Distribution for Concord and Contra Costa County  
2012**



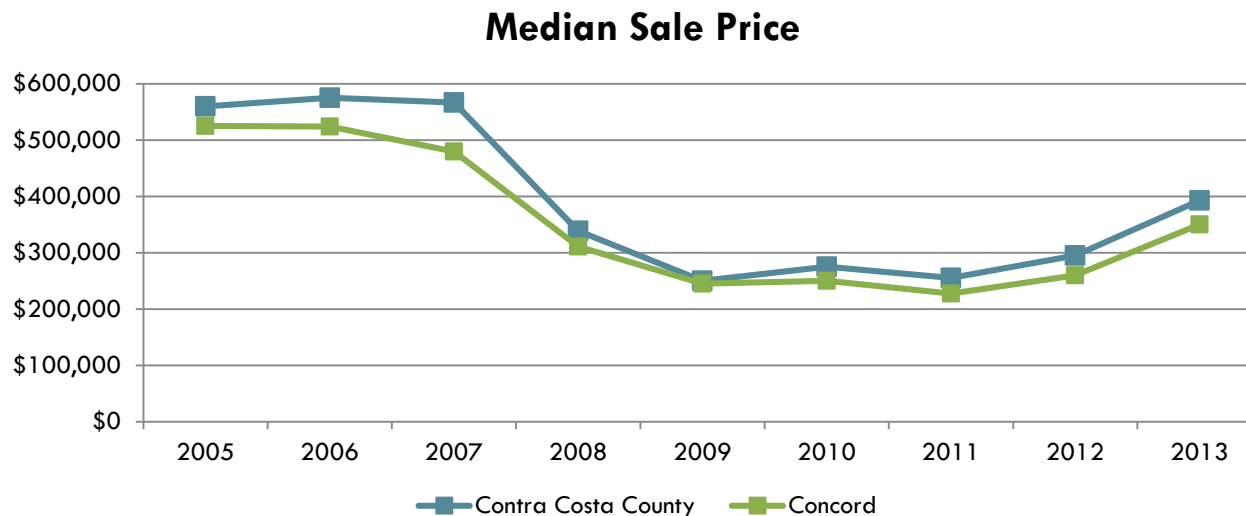
# Demographic Trends

- **Household incomes slightly lower in Concord, compared to surrounding areas**
  - ▣ Median household income is roughly \$64,000 in Concord compared to \$74,000 Countywide
- **Concord's existing distribution of households (estimated for 3-person households) aligns relatively well with 2014-2022 RHNA goals**



# Housing Trends – Sale Prices

- **Concord home sale prices dropped significantly during the recession**
  - ▣ The median sale price peaked at \$525,000 in 2005, then declined to a low of \$227,500 in 2011
  - ▣ Concord median was slightly lower than the County median during this period
- **However, recent data suggest the beginning of a recovery**
  - ▣ Median sale price for Concord was \$350,000 in 2013

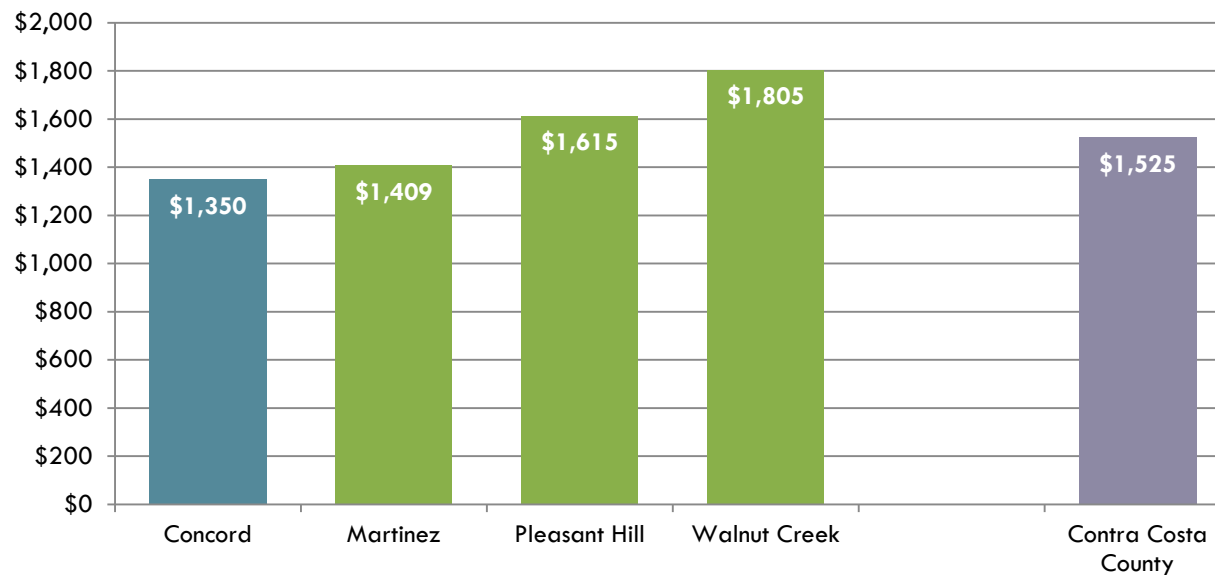




# Housing Trends – Rental Rates

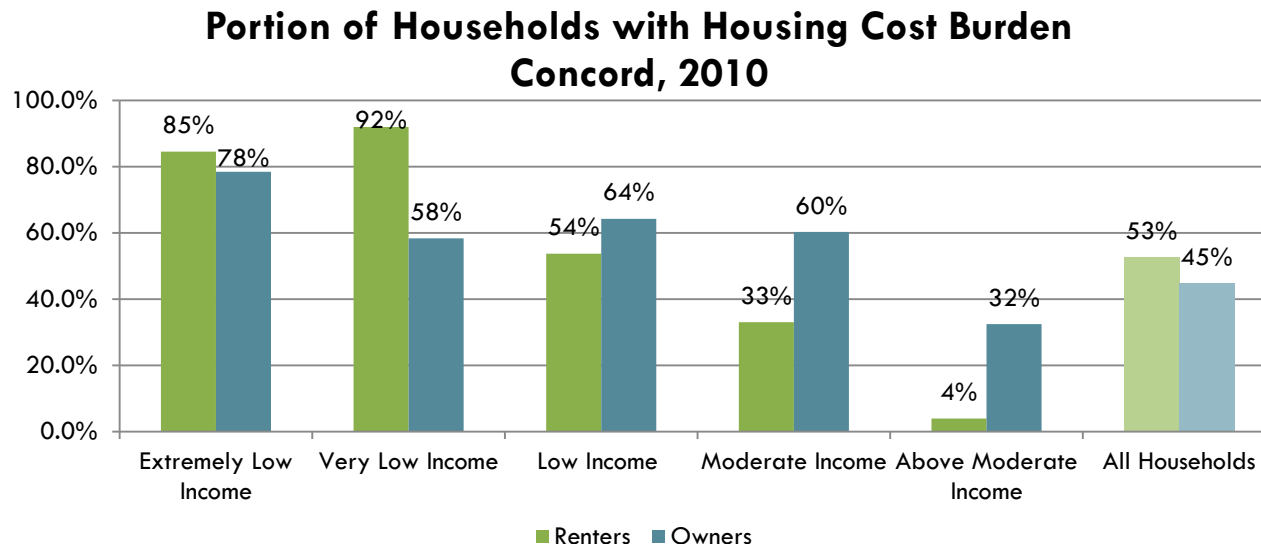
- **Concord has relatively low residential rents compared to neighboring cities**
  - ▣ Concord's comparatively low rental rates are consistent with the City's younger population and lower household incomes

**Average Monthly Rent, Q3 2013**



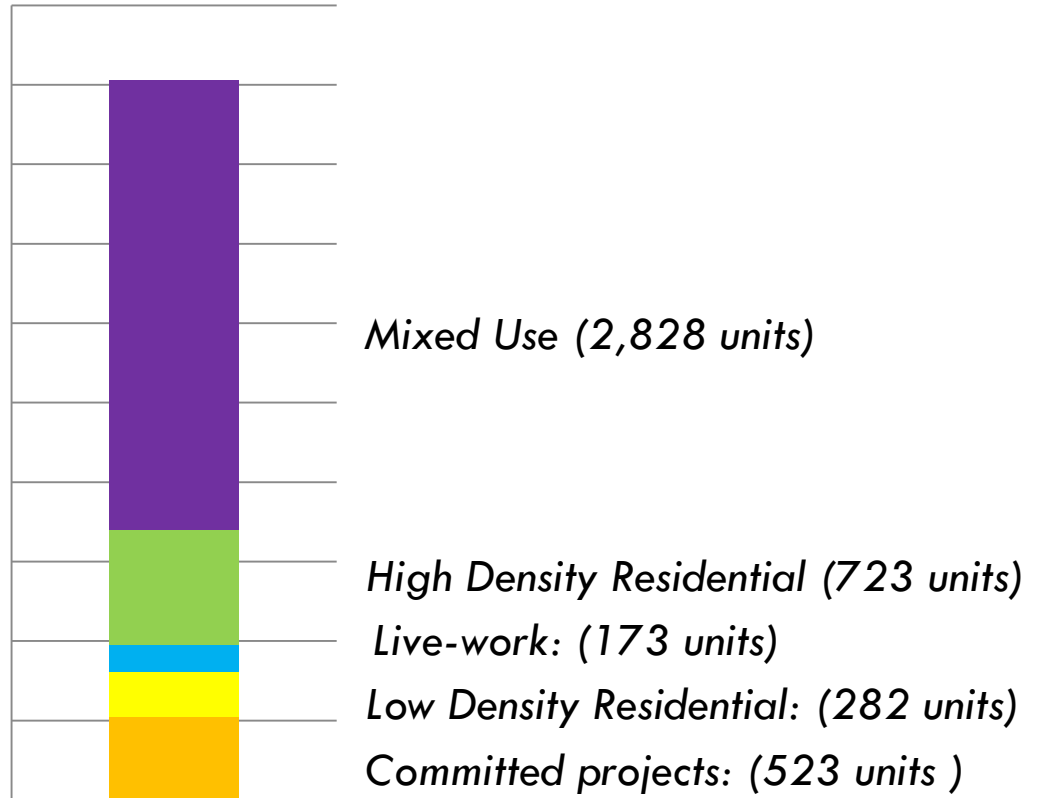
# Housing Trends – Cost Burden

- **Cost-burdened households spend more than 30% of household income on housing costs**
  - ▣ A large portion of Concord households experience a housing cost burden
  - ▣ Cost burden is more prevalent among renter households and lower-income households



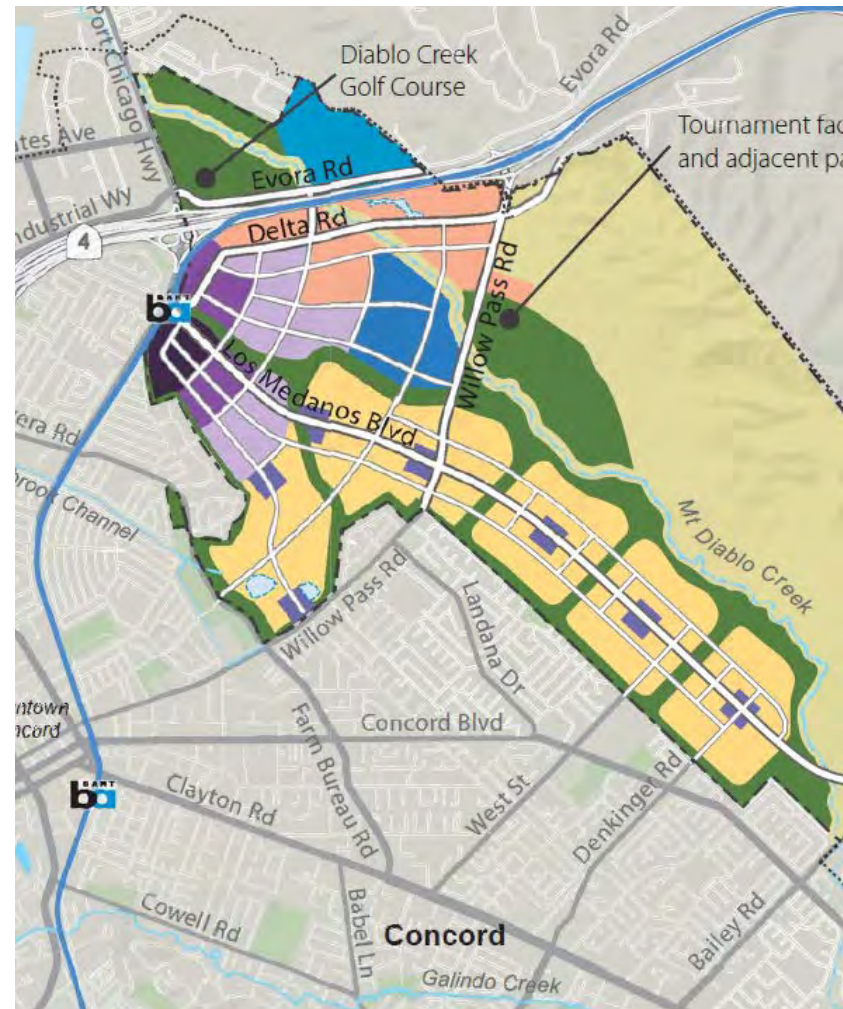
# Potential for Residential Growth

- **187 sites**
- **4,529 potential units**
- **Most housing potential is on sites zoned for 30+ DU/AC**
- **Many sites are in Downtown Specific Plan Area, near BART, or along corridors**



# Other Housing Opportunities

- **Concord Reuse Project**
  - ▣ 12,200 units, including 25% affordable
- **Coast Guard Housing**
- **BART Station parking lots**
  - ▣ Downtown
  - ▣ North Concord
- **Neighborhood Commercial zoned sites**
  - ▣ 0.35 FAR makes multi-family less feasible here



# Research: Lagging Housing Production in Concord

- **Concord hosted three roundtable discussions with housing developers to discuss the City's lag in housing production**
- **Factors cited by market-rate developers included:**
  - ▣ Low residential rents and sale prices
  - ▣ A need for improved retail and community amenities
  - ▣ A perception of a crime
  - ▣ Problems with the public school districts
- **Additional factors cited by affordable housing developers included:**
  - ▣ Lack of City funding sources
  - ▣ Need for sites that will score well for tax credits

# Discussion

- 1. Concord has a TOD overlay that allows for reduced parking for commercial uses within ½ mile of BART, but the reduced parking requirements do not apply to residential uses.**

## Potential program changes:

- Offer reduced parking for residential projects on identified catalyst sites
- Offer reduced parking for residential projects within ¼ mile of BART
- Parking reductions could be coupled with requirements for the builder to provide Zipcar access on site or offer transit passes to tenants

# Discussion

- 2. Concord charges an inclusionary in-lieu fee to market-rate residential projects to generate funding for affordable housing. Current fee rate is \$5,043 per unit. This is less than the dollars needed to subsidize affordable units. Some cities charge double or triple this amount.**

**Should Concord increase this fee?**

Potential programs:

- Conduct nexus study to increase fee rate
- Concord could set threshold to allow development activity to start before initiating nexus study

# Discussion Questions

- 3. Concord allows secondary dwelling units, subject to City ordinance, but has received few applications.**

**Should Concord consider modifying its ordinance to encourage more second units?**

Potential ordinance modifications:

- Eliminate owner-occupancy requirement in 2<sup>nd</sup> unit, within the transit overlay zone?
- Review current requirements based on lot size, lot dimensions, and unit size to facilitate an increase in secondary dwelling units
- Work with water district to reduce fees for secondary units



# Discussion Questions

- 4. New residential developers report that Concord's retail amenities appear less appealing than surrounding communities, which impacts residential market demand (esp. for new units).**

**Should Concord assist retail owners/tenants to stimulate market demand for new housing units?**

Potential program:

- Enhance code enforcement efforts, coupled with a rehab program to help retailers pay for upgrades