City of Clayton
2009-2014
Housing Element

City of Clayton
6000 Heritage Trail
Clayton, CA 94517-1250

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1.0 INTRODUCTION

OVERVIEW OF STATE REQUIREMENTS

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a comprehensive, long-term general plan for the physical development of the city or county. The Housing Element is one of the seven mandated elements of the local general plan. State law requires that local governments plan to address the existing and projected housing needs of all economic segments of the community through their Housing Elements. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in the state rests largely upon the effective implementation of local general plans and, in particular, local Housing Elements.

OVERVIEW OF CLAYTON HOUSING ELEMENT

This document is a comprehensive update of the Housing Element adopted in November 1993 and amended in February 1995, June 2000, and September 2005. This element covers the planning period commencing July 1, 2009, and ending June 30, 2014.

The Housing Element consists of thirteen sections. Sections 2.0 to 6.0 of the Background Report document Clayton's population and household characteristics, employment and economic trends, housing stock, and existing and future housing needs. Section 7.0 describes potential governmental and non-governmental constraints on the production of affordable housing. Section 8.0 identifies the City's current and past housing programs, and Sections 9.0 and 10.0 assess available sites and services to meet the City's regional housing needs allocation. Section 11.0 reviews past and current housing efforts in Clayton.

Section 12.0 includes the goals, policies, implementation measures, and quantified objectives for the 2009–2014 Housing Element periods. The purpose of this section is to state the community's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs and to define the policies and programs that the community will implement to achieve the stated goals and objectives. Section 12.0 divides housing goals and policies into six categories. The first category addresses the provision of adequate sites to accommodate Clayton's fair share housing allocation. The second category addresses regulatory relief and incentives. The third category addresses rental and homeownership assistance. The fourth category addresses equal access to housing. The fifth and sixth categories address energy conservation and regional planning, respectively. Each of the categories is followed by housing goals, policies, and implementation measures. Following the housing goals, policies, and implementation measures section, the City has included a quantified objectives table for the 2009–2014 planning period.

Section 13.0 provides a description of the City's Housing Element public outreach efforts and summarizes each of the public meetings and hearings associated with drafting this Housing Element. A full description of the comments received at each of the meetings is located in Appendix A.

These sections draw on a broad range of informational sources. Information on population, housing stock, and economics comes primarily from the 1990 and 2000 U.S. Census, the California Department of Finance (DOF), the Association of Bay Area Governments (ABAG), and City records. Information on available sites and services for housing comes from various public agencies. Information on constraints on housing production and past and current housing efforts in Clayton was provided by City staff, other public agencies, and a number of private sources.

RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

State law requires that the Housing Element be consistent with the community's general plan. The Clayton General Plan comprises eight elements: Land Use, Circulation, Housing, Community Design, Open Space/Conservation, Safety, Noise, and Community Facilities. All of the goals, policies, and programs contained in these elements are consistent with the Housing Element. In the 2009 Housing Element update, no significant changes other than those required by state law were made, thus maintaining consistency with other elements of the Clayton General Plan.

HOUSING NEEDS ASSESSMENT

Under the requirements of state law, the Housing Element must document in detail the existing housing stock and existing and projected housing needs. Specifically, the Housing Element must include all of the following:

- An analysis of population/employment trends, documentation of projections, and a quantification of the locality's existing and projected housing needs for all income levels;
- An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition;
- An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites;
- An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures;
- An analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction;
- An analysis of any special housing needs, such as those of the disabled, single-parent families, elderly, large families, and families and persons in need of emergency shelter;

- An analysis of opportunities for energy conservation with respect to residential development; and
- An analysis of assisted housing development eligible to change to non-low-income housing.

2.0 POPULATION CHARACTERISTICS

This section describes Clayton's population, employment characteristics, and special needs populations in terms of current conditions, trends, and projections. The information in this section comes primarily from the U.S. Census Bureau, the DOF, and ABAG.

Historic Population Growth

Clayton experienced consistent growth from 1970 to 2000, reaching its peak population in 1999. According to the DOF, Clayton's population grew slightly from 10,730 to 10,990 between 2000 and 2008 but during that time, the City experienced some population loss. Population growth from 1970 to 2008 is shown in **Table 1**.

TABLE 1
HISTORIC POPULATION GROWTH
1970–2008

Year	Total Population	% Change in Total Population	Population per Household
1970	1,385	--	--
1980	4,325	212.3%	--
1990	7,317	69.2%	3.14
1995	8,745	19.5%	2.96
1996	9,422	7.7%	2.96
1997	10,120	7.4%	2.98
1998	10,666	5.4%	3.02
1999	11,191	4.9%	3.05
2000	10,762	-3.8%	2.77
2001	10,938	1.6%	2.79
2002	10,962	0.2%	2.80
2003	10,953	-0.1%	2.79
2004	10,990	0.4%	2.78
2005	10,906	-0.8%	2.76
2006	10,788	-1.0%	2.73

Year	Total Population	% Change in Total Population	Population per Household
2007	10,728	-0.6%	2.71
2008	10,778	0.5%	2.72
2009	10,864	0.8%	2.73

Sources: U.S. Census Bureau, 2000; California Department of Finance (E-5 Reports), 2009

PROJECTED POPULATION GROWTH

According to ABAG projections, Clayton's population will increase by 400 (3.6 percent) to a population of 11,500 between 2010 and 2035. During the same period, Contra Costa County's population is expected to increase by over 21 percent to 1,322,900 persons (see **Table 2**).

TABLE 2
POPULATION PROJECTIONS
2000–2035

Year	Clayton		Contra Costa County	
	Population	% Change	Population	% Change
2000	10,762	--	948,816	--
2005	11,000	2.2%	1,023,400	6.5%
2010	11,100	1.0%	1,090,300	3.7%
2015	11,200	0.9%	1,130,700	3.7%
2020	11,300	0.9%	1,177,400	4.1%
2025	11,400	0.9%	1,225,500	4.1%
2030	11,400	0.0%	1,273,700	3.9%
2035	11,500	0.9%	1,322,900	3.7%

Source: Association of Bay Area Governments, 2009

POPULATION AGE STRUCTURE

Current and future housing needs are usually determined in part by the age characteristics of a community's residents. Each age group has distinct lifestyles, family type and size, incomes, and housing preferences. Consequently, evaluating the age characteristics of a community is important in determining its housing needs.

As shown in **Table 3,** the teenage and young adult population (ages 15–44) constitutes the largest share of the City's population at 37.9 percent. The population under 15 declined as a portion of the City's total population by 8.3 percent from 1990 to 2000, while all other age groups increased in

number. This may indicate the presence of fewer residents with children under the age of 15 in 2000 than in 1990.

TABLE 3
POPULATION AGE DISTRIBUTION
1980–2000

Age	1990		2000	
	Number	Percentage	Number	Percentage
Under 15	1,866	30.0%	2,333	21.7%
15–44*	2,146	34.4%	4,070	37.9%
45–59	1,553	25.0%	2,874	26.7%
60–74	551	8.8%	1,157	10.7%
75+	110	1.5%	328	3.0%
Total	**6,226**	**100.0%**	**10,762**	**100.0%**

In 2000 the Census Bureau changed its method of reporting age distributions. It added a 24–34 grouping. In order to eliminate the possible confusion that this may cause, the data has been aggregated from several groupings into one, 15–44.
Source: U.S. Census Bureau, 2000

ETHNICITY

Table 4 compares the racial and ethnic composition of Clayton in 1990 and 2000. According to the U.S. Census, Clayton's population was 87.9 percent white in 2000, compared to 92.6 percent in 1990. The largest minority population is in the Asian/Pacific Islander category with 5.4 percent of the population in 2000. The next largest racial group were among those individuals identifying themselves as being of some "other" race or of "two or more" races, comprising 5.2 percent of Clayton's population.

TABLE 4
RACIAL PROFILE
1990–2000

Race/Ethnicity	1990		2000	
	Number	Percentage	Number	Percentage
One Race				
White	6,779	92.6%	9,465	87.9%
Asian, Native Hawaiian, or Pacific Islanders	363	5.0%	590	5.4%
Black or African American	73	1.0%	120	1.1%
American Indian and Alaska Native	17	0.2%	20	0.3%
Other	85	1.2%	166	1.5%
Two or more races*	--	--	401	3.7%
TOTAL	**7,317**	**100.0%**	**10,762**	**100.0%**

"Two or more races" is a new category in the 2000 Census and includes three or more races.
Source: U.S. Census Bureau, 2000

EMPLOYMENT

Clayton is a residential community with relatively few jobs. ABAG reported that in 2000, there were 1,350 jobs in Clayton. Between 2000 and 2035, ABAG projects jobs within the City will increase by 34 percent to approximately 1,810 jobs. **Table 5** shows employment estimates and projections for Clayton for the period 2000 through 2035.

TABLE 5
TOTAL EMPLOYMENT,
CITY OF CLAYTON
2000–2035

Year	City of Clayton
2000	1,350
2005	1,400
2010	1,390
2015	1,480
2020	1,560
2025	1,640
2030	1,740
2035	1,810

Source: Association of Bay Area Governments, 2009

JOBS/HOUSING BALANCE

The analysis of jobs/housing balance is used to measure the degree to which communities and subregions are inducing commuter travel as growth occurs. A community with a balance of jobs and housing has as many jobs as residents that are able to work. For example, a city with 5,000 employed residents requires 5,000 jobs to be in balance. A community is out of balance if it either has more jobs than employed residents or has more employable residents than jobs. When a community has more employed residents than jobs, it is a sign that a number of residents are commuting out of the community for work, which can have a number of negative impacts on the community including traffic congestion and loss of revenue for local businesses. Nonetheless, the Clayton community strongly values its residential land use orientation and character. Opportunities exist for a growing number of Clayton's employed residents to reduce their daily vehicle trips by telecommuting.

In 2000, Clayton had a jobs-to-employed-residents ratio of 0.23 (1,390 jobs/5,988 employed residents). In 2005 this ratio slightly increased to 0.26 (1,440 jobs/5,620 residents); ABAG has projected the ratio will steadily increase through 2035 up to 0.31. As mentioned, a community with a higher number of employed residents than available jobs is out of balance, which may have negative impacts on the community. However, Clayton is considered a "bedroom" community, meaning that it is part of a larger community in which employed residents of Clayton support neighboring communities by providing a supply of workers in the workforce. Clayton is surrounded by much larger communities with available employment and is situated along transportation corridors connected to those communities, making it an important contributor to the overall Bay Area workforce. The low ratio of jobs to employed residents is an important factor driving the character of the Clayton community, which is an important characteristic to Clayton residents.

Table 6 shows the City's Sphere of Influence estimated and projected jobs/housing balance for the years 2000 through 2035.

TABLE 6
JOBS/HOUSING BALANCE,
CLAYTON SPHERE OF INFLUENCE
2000–2035

Year	Number of Jobs	Number of Employed Residents	Ratio of Jobs to Employed Residents
2000	1,390	5,988	0.23
2005	1,440	5,620	0.26
2010	1,430	5,700	0.25
2015	1,520	5,780	0.26
2020	1,600	5,880	0.27
2025	1,680	5,930	0.28
2030	1,780	5,980	0.30
2035	1,850	6,050	0.31

Sources: Association of Bay Area Governments, 2009

SPECIAL HOUSING NEEDS

Within the general population there are several groups of people who have special housing needs. Their special needs can make it difficult for members of these groups to locate suitable housing. The following subsections discuss the special housing needs of six groups identified in state housing element law (Government Code, Section 65583(a)(6)). Specifically, these include senior households, persons with disabilities, large households, single-parent households, the homeless, and farmworkers. Where possible, estimates of the population or number of households in Clayton falling into each group are presented.

Senior Households

Senior households are defined as households with one or more persons over the age of 65 years. **Table 7** shows information from the 2000 Census on the number of persons over the age of 65 years as well as the number of households in which a person over the age of 65 resides. Nearly 18 percent of all households in Clayton included one or more senior individual, and 9 percent of all persons living in Clayton are seniors. The senior population is split equally between males and females.

In general, most senior households consist of a single, elderly person living alone or a couple. In comparison, among non-senior households, a smaller percentage of households live alone. This

information suggests that housing developments for senior households should contain larger proportions of smaller housing units than projects intended for the general population.

TABLE 7
NUMBER OF SENIORS
2000

Senior Characteristics	Population
Number of Persons 65 years and Over	974
Number of Households with Individuals 65 Years and Over	686
Seniors as a Percentage of the Total Population	9.1%
Percentage of All Households	17.7%
Percentage Male	49.9%
Percentage Female	50.1%

Source: U.S. Census, 2000

As of 2000, the majority of senior households in Clayton were homeowners. Of all households headed by a person 65 years or older, 97.4 percent owned their homes and 2.6 percent rented. This percentage is significantly lower than the number of non-seniors that rent in Clayton, 6.9 percent (see **Table 8**).

TABLE 8
HOUSING TENURE OF HOUSEHOLDS

Household Type and Tenure (1)	1990		2000	
	Number	Percentage	Number	Percentage
Senior-Headed Households	207	100%	1,168	100.0%
Renter	23	11.1%	30	2.6%
Owner	184	88.9%	1,138	97.4%
Households Headed by a Non-Senior Person	2,125	100.0%	2,715	100.0%
Renter	144	6.8%	186	6.9%
Owner	1,981	93.2%	2,529	93.1%

(1) Based on occupied housing units.
Source: U.S. Census, 1990 and 2000

As is the case among the general population, a larger percentage of senior renter households (52.2 percent) than senior owner households (20.1 percent) paid 30 percent or more of their incomes for housing costs in 1990 (see **Table 9**). In 2000 those same figures slightly decreased for senior renters (50 percent) and slightly increased (26.7 percent) for senior homeowners. However, in 2000, 30 percent of the non-senior households paid 30 percent or more for rent, down from over 60 percent in 1990.

TABLE 9
COST BURDENS BY AGE AND TENURE

Age Category	1990			2000		
	Total Renters	Cost Burden Greater Than 30%		Total Renters	Cost Burden Greater Than 30%	
	Number	Number	Percentage	Number	Number	Percentage
15–64 years	144	93	64.6%	222	67	30.2%
65 years and over	23	12	52.2%	10	5	50.0%
Total	**167**	**105**	**62.9%**	**232**	**72**	**31.0%**
Age Category	**Total Home-owners**	**Cost Burden Greater Than 30%**		**Total Home-owners**	**Cost Burden Greater Than 30%**	
	Number	**Number**	**Percentage**	**Number**	**Number**	**Percentage**
15–64 years	1,943	640	32.9%	2,937	792	27.0%
65 years and over	184	37	20.1%	619	165	26.7%
Total	**2,127**	**677**	**31.8%**	**3,556**	**957**	**26.8%**

Sources: U.S. Census, 1990 and 2000

This data indicates that there is a need in Clayton for programs to assist senior renters. Although there are more senior homeowners, it is the renters who experience the greatest housing needs due to fixed incomes. Senior homeowners, however, do face the problem of maintaining their homes, often on fixed incomes as well.

According to statistics from the Social Security Administration, as of May 2009 and within Clayton's postal code 94517, there were 1,550 Old-Age, Survivors, and Disability Insurance (OASDI) recipients 65 years and over in Clayton. SSI is a needs-based program that pays monthly benefits to persons who are 65 or older, blind, or have a disability. Seniors who have never worked or who have insufficient work credits to qualify for Social Security disability often receive SSI benefits. In fact, OASDI is the only source of income for a number of low-income seniors. With the average monthly benefit in California at approximately $906, OASDI recipients are likely to have difficulty in finding housing that fits within their budgets. If a senior living on the maximum OASDI payment spends 30 percent of his income on housing, approximately $272 would be for housing expenses.

Diamond Terrace is the only senior housing development in Clayton. Diamond Terrace has a total of 86 units, two of which are reserved for on-site managers. Diamond Terrace offers affordable housing with an array of support services (including meals) available as needed. There are 26 one-bedroom and 2 two-bedroom units reserved for very low-income residents (28 total) and 25 one-bedroom and 6 two-bedroom units available for low-income residents (31 total). There are a total

of 15 units reserved for moderate-income residents: 2 studios, 13 one-bedroom units, and 2 two-bedroom units. Diamond Terrace does rent some of the units at market rate.

The Concord Housing and Community Services Department responds to elderly needs in Clayton by publishing a list of housing facilities for the elderly, providing low interest loans for household repairs, and paying an emergency rebate for home repairs. The department also provides referrals to nonprofit organizations such as Meals-on-Wheels.

Persons with Disabilities

Table 10 presents information derived from the 1990 and 2000 U.S. Census. With regard to disability status, the 1990 and 2000 Census provides information on whether persons 16 years of age or older have a mobility problem, self-care limitation, or both.

TABLE 10
MOBILITY/SELF-CARE LIMITATION –
PERSONS 16 YEARS AND OLDER

1990						
Age	**16–64 Years**		**65 and Over**		**Total Population 16 Years and Older**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Mobility/ Self Help Limitation	110	2.2%	78	20.4%	188	3.4%
No Limitation	4,960	97.8%	303	79.6%	5,263	96.6%
Total Persons	5,070	100.0%	381	100.0%	5,451	100.0%
2000						
Age	**16–64 Years**		**65 and Over**		**Total Population 16 Years and Older**	
	Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Mobility/ Self Help Limitation	726	9.0%	153	31.4%	1,059	12.8%
No Limitation	7,300	91.0%	334	68.6%	7,218	87.2%
Total Persons	**8,026**	**100%**	**487**	**100.0%**	**8,277**	**100%**

Sources: U.S. Census, 1990 and 2000

Between 1990 and 2000, the percentage of those 16 years old and older with a mobility or self-help limitation grew as a percentage of the total population. In 2000, approximately 91.0 percent of Clayton's population 16 years of age or older had no self-care or mobility limitation. However, when this same information is separated by age group, it is clear that as the population ages, the incidence of disability increases. Among the population that is age 65 and older, 31.0 percent experienced either a self-care or mobility limitation or both. In summary, a total of 1,059 persons who were 16 years or older in 2000 had a mobility limitation, a self-care limitation, or a combination of these conditions.

The statistics for the SSI program also provide information on the number of persons with disabilities who may have housing needs because of their low incomes. As of May 2009, there were 180 SSI recipients in Clayton who were receiving benefits because they are disabled. Although these figures can give a sense of the proportion of the population with different types of disabilities, a much smaller proportion of the population may actually require specially adapted housing to accommodate disabilities. In addition to the mobility and self-care limitations, there are also developmental disabilities and mental illness. Affordability and services on-site are required elements of adequate housing for a major portion of this population. Information on disabled people and the resources available to them was obtained from social service organizations and is presented below.

Information from Service Providers

The Regional Center of the East Bay, which serves developmentally disabled people, reported that 46 of its clients lived in Clayton as of April 2009.

Independent Living Resources, a nonprofit organization that serves people with physical, mental, and developmental disabilities throughout Contra Costa County, has noted that people with disabilities have difficulties in finding affordable housing in the area. Most have low incomes because they are unable to work and a large number of them rely on SSI as an income source. Providing housing that is accessible for those who have mobility problems is important, and some units in new developments could be reserved for persons with disabilities. Universal design concepts could be incorporated into new housing developments, or the City could encourage a shared housing program to increase housing options for seniors and persons with disabilities (Implementation Measure IV.3.3).

The State Independent Living Council's (SILC) 1998 report, "Independent Living," provides a perspective on the housing needs of persons with disabilities. SILC polled the independent living centers across the state to determine the major factors that hinder people with disabilities from living independently. The SILC identified housing as a critical issue, as follows:

Housing is a significant problem for most people with disabilities. Not only is there a scarcity of low-income housing located in each community, there is even less barrier-free low-income housing. For individuals who are receiving a total gross income of $870 on Supplemental Security Income, paying market rate for any type of apartment or house is a virtual impossibility.

There is one special affordable housing project solely for persons with disabilities in Clayton, Kirker Court (20 units).

Large Households

Large households require housing units with more bedrooms than housing units needed by smaller households. In general, housing for these households should provide safe outdoor play areas for children and should be located to provide convenient access to schools and childcare facilities. These types of needs can pose problems, particularly for large families that cannot afford to buy or rent single-family houses, as apartment and condominium units are most often developed with childless, smaller households in mind.

The U.S. Department of Housing and Urban Development (HUD) defines a large household or family as one with five or more members. According to the 2000 Census, 403 households, or 10.3 percent of the total households in Clayton, had five or more members.

Single-Headed Households

According to the U.S. Census Bureau, a single-headed household contains a household head and at least one dependent, which could include a child, an elderly parent, or non-related child. The 2000 Census information (detailed in **Table 11**) indicates that there were 198 households headed by a female, representing 5 percent of all Clayton households. More than one-half of these female-headed households (108) have children living with them that are under 18 years of age. According to the 2000 Census, there were 107 male-headed households, representing 2.7 percent of all households. Of these male-headed households, 65 had children under the age of 18. The number of female-headed households with children under the age of 18 is nearly double the number of male-headed households with the same circumstance. Overall, single-headed households do not represent a substantial number of the total households in Clayton.

TABLE 11
SINGLE-PARENT-HEADED HOUSEHOLDS

	Number	% of Total Households
Female-Headed Households	198	5.0%
Female Heads with Children Under 18	108	2.8%
Female Heads with No Children Under 18	90	2.9%
Male-Headed Households	107	2.7%
Male Heads with Children Under 18	65	1.7%
Male Heads with No Children Under 18	42	1.1%
Total Households	3,926	100.0%

Source: U.S. Census, 2000

Often with only one source of income, single-headed households have more difficulties finding adequate, affordable housing than families with two adults. Also, single-parent households with small children may need to pay for child care, which further reduces disposable income. This special needs group would benefit generally from expanded affordable housing opportunities. More specifically, the need for dependent care also makes it important that housing for single-headed families be located near childcare facilities, schools, youth services, medical facilities, or senior services.

Homeless

It is very difficult to quantify the homeless population in a given community due to the lack of current census data. However, the Contra Costa County Homeless Program completed its biannual point-in-time homeless count on January 28, 2009. The count was conducted in 5 districts comprising 31 areas within the county and identified 1,872 persons without shelter. Of the identified persons, no persons were identified as residents of Clayton. According to City staff, on occasion one or two homeless persons appear in the community, but they soon move to areas where there are needed services. Overall, the count will assist in the implementation of the County's ten-year plan to end homelessness. Specifically, the count will inform the County regarding its progress in accomplishing goals related to ending homelessness.

The most notable findings of the homeless count for the county as a whole are:

- An 8 percent decrease in homeless persons.
- Fifty-seven (57) percent of homeless persons live in encampments.
- The number of single adults accessing services increased by roughly 20 percent.
- The number of homeless individuals in alcohol and drug treatment programs doubled.
- The number of homeless individuals utilizing food programs increased.

In addition to the County's plan, "Ending Homelessness in Ten Years," the County also completed the "Contra Costa Homeless Continuum of Care Plan 2001–2006." The five-year plan is a good source of information on homelessness and available programs. The following information is from the five-year plan.

Contra Costa County community members are not immune from the threat of homelessness. Rather, at least 14,757 people in the county experience homelessness each year. More than two-thirds of them are members of a family, including almost 7,000 children. On any given night, more than 4,800 people are homeless, living on the streets or in temporary accommodations, such as in an emergency shelter, a motel, or on a relative's couch. In addition, many others are at risk of becoming homeless, such as the nearly 17,000 extremely low-income households in the county who are paying over 30 percent of their income for rent and struggling to make ends meet.

As elsewhere in the nation, homelessness is usually the end result of multiple factors that converge in a person's life. The combination of loss of employment, inability to find a job because of the need for retraining, and the high housing costs in Contra Costa County lead to some individuals and families losing their housing. For others, the loss of housing is due to chronic health problems, physical disabilities, mental health disabilities, or drug and alcohol addictions along with an inability to access the services and long-term support needed to address these conditions.

The plan identifies three primary causes of homelessness as follows:

- Shortage of affordable housing,
- Lack of access to support services, and
- Low incomes.

The Homeless Continuum of Care Advisory Board (CoCB) and the Contra Costa County Office of Homeless Programs held a series of community meetings between October 2000 and January 2001 to identify unmet service and housing needs and obtain feedback about ongoing programs. Unmet needs continue into 2010. The needs for all segments of the homeless population included the following:

- Affordable Housing – Rental units in the county are not affordable to people with extremely low incomes, such as those who depend on General Assistance, Temporary Assistance to Needy Families, or SSI. Over 2,000 households are on the waiting list for Section 8 assistance. In addition, many cannot come up with the money required to move into an apartment (first and last months rent plus security deposit).
- Employment at a Living Wage – The high cost of housing makes it difficult to find housing that is affordable for those working minimum wage jobs.
- Dignity – Participants expressed their desire to be treated with respect when accessing services.
- Transportation – Lack of transportation makes it difficult for people to get to jobs as well as services.
- Early Intervention: Timely Prevention and Emergency Services – Providers stressed the importance of identifying people at risk of homelessness early and then providing services to them immediately.
- Community Education, Involvement, and Advocacy – Providers and community members felt that community education is an important way to increase the public's understanding of homelessness and build support for programs that prevent and alleviate homelessness.

Farmworkers

The 2000 Census reported that no Clayton residents were employed in farming, forestry, or fishing industries. Since agricultural areas are relatively distant from Clayton, it is unlikely there are any farmworkers living in Clayton.

3.0 HOUSING STOCK CHARACTERISTICS

This section describes Clayton's housing stock and its characteristics, with comparisons to surrounding cities, Contra Costa County, and the Bay Area as a whole. The information in this section comes primarily from the U.S. Census Bureau, the California Department of Finance, and the Association of Bay Area Governments, but is supplemented by information from the City and other sources.

HOUSING STOCK GROWTH AND COMPOSITION

In 1970, Clayton was a small town with only 354 housing units, all of which were single-family homes. During the 1970s, the town underwent dramatic change. In the mid-1970s, Seeno Construction Company initiated a surge of new development in Clayton with the Regency Woods project, Clayton's first large subdivision development. As a result of this and other development in the mid and late 1970s, Clayton's housing stock nearly quadrupled to 1,377 units by 1980. Building activity then slowed during the early 1980s. In 1987, the City annexed a large area north of the city, and the Presley Company began developing the Oakhurst Country Club area. Also in 1987, Clayton annexed several existing unincorporated neighborhoods (i.e., Clayton Woods, Dana Hills, and Dana Ridge), which together added approximately 700 housing units to the City. In 1995, Clayton adopted a specific plan for a 475-acre area to the east along Marsh Creek Road. The Marsh Creek Specific Plan calls for a part of this area to be annexed to the City. Annexation and development of this area would add approximately 310 new units and 20 existing units to the City's housing stock. The 1990s saw the approval/development of over 1,700 residential units. This included the completion of the Oakhurst development which added 1,474 units to the City over a seven-year period (1992 to 1999), Diablo Village which added 33 units, Stranahan development which added 54 units, and Diamond Terrace which added 86 units.

According to the U.S. Census Bureau, Clayton's housing stock in 2000 consisted of 3,926 units. While Clayton's housing stock increased by over 58 percent between 1990 and 2000 (based on Census counts), the composition of the housing stock between 2000 and 2009 remained virtually unchanged. There were approximately 82 additional single-family detached units built between 2000 and 2009, and no single-family attached units built during that time. The only decrease in the number of units came between 2006 and 2007 when the City lost four single-family detached units. **Table 12** summarizes the number and type of units in Clayton for the period 1990 and 2000 through 2009.

TABLE 12
NUMBER AND TYPE OF DWELLING UNITS
1990–2008

Year	Total Units	Single-Family	Percentage	Single-Family Detached	Percentage	Single-Family Attached	Percentage
1990 (Census)	2,263	--	--	--	--	--	--
1990 (DOF)	2,361	2,357	99.83%	2,263	96.01%	94	3.99%
2000 (DOF)	3,805	3,801	99.9%	3,265	85.9%	536	14.1%
2000 (Census)	3,924	--	--	--	--	--	--
2001 (DOF)	3,949	3,898	98.7%	3,217	81.5%	681	17.3%
2002 (DOF)	3,952	3,901	98.7%	3,220	81.5%	681	17.2%
2003 (DOF)	3,953	3,902	98.7%	3,221	81.5%	681	17.2%
2004 (DOF)	3,980	3,929	98.7%	3,248	81.6%	681	17.1%
2005 (DOF)	3,980	3,929	98.7%	3,248	81.6%	681	17.1%
2006 (DOF)	3,988	3,937	98.7%	3,256	81.7%	681	17.0%
2007 (DOF)	3,984	3,933	98.7%	3,252	81.6%	681	17.1%
2008 (DOF)	3,995	3,944	98.7%	3,263	81.7%	681	17.1%
2009 (DOF)	4,006	3,953	98.6%	3,274	81.7%	681	17.1%

Note: The discrepancy between total units and single-family units include one mobile home and three multi-family units that have not been verified.
Source: California Department of Finance, 2009; U.S. Census Bureau, 2000

AGE AND CONDITION OF HOUSING

According to the U.S. Census Bureau, the median age of Clayton's housing was only 15 years old in 2000. As a result, most of Clayton's housing stock is in good condition. There are, however, numerous older structures, some of which may need rehabilitation.

In May 2009 an extensive windshield survey of housing conditions was conducted throughout the City. The survey consisted of 300 randomly selected residential parcels in specific neighborhoods. A map displaying the areas surveyed is available (see Appendix B).

Detailed Survey Results

The majority of the homes surveyed in the City of Clayton were categorized in the sound or minor categories. **Table 13** illustrates the overall condition of all of the homes surveyed in the City. Eighty-seven (87) percent of the homes surveyed in the City of Clayton were in sound condition and 12 percent were in need of minor repairs. A house in sound condition is well maintained and structurally intact. This includes a good foundation, straight roof lines, good exterior paint condition and siding, and windows and doors that are in good repair. Homes in sound condition may have minor maintenance needs or require some paint or siding repair. Homes deemed to be in need of minor repairs require general maintenance or one major repair such as a new roof.

The remaining 1 percent of homes surveyed were found to be in need of moderate repair. There were not any homes found in the survey that were in substantial or dilapidated condition.

TABLE 13
HOUSING CONDITIONS SURVEY RESULTS

Condition	Number of Units Surveyed	Percentage
Sound	256	87%
Minor	34	12%
Moderate	4	1%
Substantial	0	0%
Dilapidated	0	0%
Total	294	100%

Source: PMC Housing Conditions Survey, May 2009

Table 14 illustrates that 98 percent of the single-family homes surveyed were in sound or minor condition. This means little maintenance, if any, was needed. The remaining 2 percent of the single-family homes required moderate repairs.

TABLE 14
SINGLE-FAMILY ATTACHED/DETACHED

Condition	Number of Units Surveyed	Percentage
Sound	195	84%
Minor	33	14%
Moderate	4	2%
Substantial	0	0%
Dilapidated	0	0%
Total	232	100%

Source: PMC Housing Conditions Survey, May 2009

Three (3) percent of the housing units surveyed were duplexes. All of the duplex units surveyed were found to be in sound condition. **Table 15** provides a summary of the conditions of duplex units.

TABLE 15
DUPLEXES

Condition	Number of Units Surveyed	Percentage
Sound	9	100%
Minor	0	0%
Moderate	0	0%
Substantial	0	0%
Dilapidated	0	0%
Total	9	100%

Source: PMC Housing Conditions Survey, May 2009

Table 16 depicts the condition of the multi-family structures surveyed. The majority of multi-family units (98 percent) that were observed were found to be in sound condition requiring very minor to no repairs. Two (2) percent of the multi-family structures surveyed needed minor repairs or one major repair.

TABLE 16
MULTI-FAMILY HOUSING

Condition	Number of Units Surveyed	Percentage
Sound	52	98%
Minor	1	2%
Moderate	0	0%
Substantial	0	0%
Dilapidated	0	0%
Total	53	100%

Source: PMC Housing Conditions Survey, May 2009

Survey Conclusion

The survey of the City's housing stock found that the overall condition of homes in the City is sound. Less than one-sixth of the homes surveyed were found to be in need of minor or moderate repairs, which is likely the result of the high rate (94 percent) of homeownership in the City as well as the large proportion of new housing units (40 percent) added to the housing stock in the past two decades.

HOUSING TENURE AND OCCUPANCY

Clayton is overwhelmingly a city of homeowners, with only 5.6 percent (i.e., 216 units) of its housing stock occupied by renters in 2000. The percentage of renters dropped slightly from 7.2 percent (i.e., 167 units) in 1990. By contrast to Clayton, 30.7 percent of Contra Costa County's housing stock was renter-occupied in 2000.

Vacancy rates are often an indicator of existing housing need and over- or under-supply. The difference between current vacancy rates and the optimal vacancy rates is a good measure of whether the market is responding to overall housing needs. Optimal vacancy rates differ between rental housing and ownership housing. The Association of Bay Area Governments has set two rates as the regional vacancy objective. For rental housing, a 5 percent vacancy rate is considered necessary to permit ordinary rental mobility. For ownership housing, a 2 percent vacancy rate is considered the threshold to permit ordinary mobility. If vacancy rates are below these levels, residents will have a difficult time finding appropriate units and competition for units will drive up housing prices.

The U.S. Census Bureau reports that Clayton's housing stock contained 3,883 year-round housing units in 2000 and that of these, 41 (i.e., 1.0 percent) were classified as vacant. In 2000, the homeowner vacancy rate for Clayton was 0.4 percent and the vacancy rate for rental units was 0.9 percent. Both of these rates fall significantly below ABAG's threshold. Considering California's 2000 vacancy rate was 7.41 percent in 2000, Clayton's vacancy rate is considered very low.

High demand and short supply may result in continued use of units which are overcrowded, unsafe, unsanitary, or otherwise unsuitable for residential use. It also generally results in high prices and rents which most severely affect lower-income households, people on fixed incomes, families with children, and other special needs groups. Overcrowding and discrimination are also more likely to occur when the rental vacancy rate is low. **Table 17** shows 2000 housing occupancy and housing tenure in Clayton.

TABLE 17
HOUSING OCCUPANCY AND TENURE
2000

	Clayton		Contra Costa County	
Housing Occupancy				
	Number	**Percentage**	**Number**	**Percentage**
Total Housing Units	3,924	100.0%	354,577	100.0%
Occupied Housing Units	3,883	99.0%	344,129	97.1%
Vacant Housing Units	41	1.0%	10,448	2.9%
For seasonal, recreational, or occasional use	4	0.1%	1,849	0.5%
Homeowner Vacancy Rate	--	0.4%	--	0.8%
Rental Vacancy Rate	--	0.9%	--	2.7%
Housing Tenure				
	Number	**Percentage**	**Number**	**Percentage**
Occupied Housing Units	3,883	100.0%	344,129	100.0%
Owner-Occupied Housing Units	3,667	94.4%	238,449	69.3%
Renter-Occupied Housing Units	216	5.6%	105,680	30.7%
Average Size of Owner-Occupied Units	2.76	--	2.78	--
Average Household Size of Renter-Occupied Units	2.81	--	2.59	--

Source: U.S. Census Bureau, 2000

From 2000 to 2008, the vacancy rate in Clayton has gone nearly unchanged, shifting only slightly between 2003 and 2004 from 1.03 to 1.04 percent. **Table 18** shows gross vacancy rates for Clayton and Contra Costa County from 2000 through 2008. Contra Costa's vacancy rate is considerably higher at approximately 2.9 to 3 percent. This considerable difference is likely due to the high amount of owner-occupied housing in Clayton, which generally has lower vacancy rates than rental housing.

TABLE 18
VACANCY RATES
2000–2008

Year	Clayton	Contra Costa County
2000	1.04	2.95
2001	1.04	2.95
2002	1.04	2.95
2003	1.04	2.95
2004	1.03	2.95
2005	1.03	2.96
2006	1.03	2.97
2007	1.03	3.03
2008	1.03	2.96

Source: California Department of Finance, 2008

OVERCROWDING

An overcrowded housing unit is defined as one in which more than 1.01 persons per room resides (excluding bathrooms, kitchens, and hallways). The 2000 Census reported that 25 housing units (0.6 percent) were overcrowded in Clayton. This is a relatively small number of homes experiencing overcrowding. In 2000, 25,477 housing units (7.4 percent) in Contra Costa County had more than 1.01 persons per room, indicating that households in the county experienced overcrowding at a rate more than 12 times greater than those in Clayton.

4.0 CONVERSION TO MARKET-RATE HOUSING (AT RISK)

Housing elements are required by state law to include an inventory and analysis of assisted multi-family housing units due to convert to market-rate housing. The inventory is to cover all units for which affordability restrictions are due to expire within a ten-year period from the start of the planning period (January 2007). According to the California Housing Partnership Corporation (CHPC), the Kirker Court Apartments are at risk of converting to market-rate units in November of 2013.

The Kirker Court Apartments were made affordable through a combination of HUD funding programs 202 and 162, Community Development Block Grant (CDBG) funding, and Clayton Redevelopment Agency (RDA) funding sources. The units are renter-occupied and serve persons with disabilities. The complex consists of 20 units that are rented to extremely low-income households at a rental rate that is based on 30 percent of their monthly income.

According to the 2009 household income limits, a single-person household earning less than $18,750 per year in Contra Costa County is considered extremely low-income and would qualify to live in Kirker Court Apartments. Rental rates are restricted to 30 percent of a household's income, which means that the maximum a single-person household would be required to pay is $469 per month. The highest rent a 2-person household would be obligated to pay is $536 per month, while for a 3-person household the maximum is $603 per month. Rental rates for households larger than 3 persons are not presented here because the complex only offers one- and two-bedroom units.

Preservation

Generally, the cost of preserving assisted housing units is estimated to be significantly less than replacing units through new construction. Preservation of units entails acquiring the building and potentially rehabilitating the units and finally subsidizing the unit rents to cover the difference between market and assisted rental rates. New construction tends to be less cost-efficient because of the cost of land, which is often a limiting factor in the development of affordable housing.

Purchasing an existing multi-family complex to replace units lost to market-rate conversion involves purchasing an existing complex and making improvements necessary to ensure the units are safe and sound. Local real estate agencies indicate that it is difficult to estimate the cost of purchasing a multi-family housing project in Clayton, due to a small inventory of multi-family developments. However, in the neighboring City of Concord, multi-family housing projects are resold for roughly $165,000 per unit, which means that the acquisition price of Kirker Court is equal to $3.3 million.

Kirker Court was first occupied in 1993 and upon expiration of the affordability restrictions in 2013, the units will be 20 years old. According to the property manager, the units have been well maintained and are not in need of significant repairs, which lowers the total cost of preservation (which often includes rehabilitation). Assuming that each unit would require roughly $10,000 in repairs ($200,000 for the entire complex), the combined cost of acquisition ($3.3 million) and rehabilitation ($200,000) is $3.5 million.

The City is also planning to enter into discussions with Habitat for Humanity to establish a cooperative program that is aimed at rehabilitating housing units throughout the City. Part of the cooperative agreement may include rehabilitation assistance of Kirker Court.

Tenant-Based Subsidy

The cost to preserve the affordability of the Kirker Court Apartments may also based on the amount of funding needed to subsidize the difference between the market rental rate and the rental rates restricted to extremely low-income households. **Table 19** shows the restricted rental rates at Kirker Court, the market rates for similar sized apartments, and the subsidy needed to preserve the affordability of the units

A survey of market-rate rental units in the City found that one-bedroom apartment units rent for $1,045 and two-bedroom units for $1,180. The difference between the market rental rates found in the survey and the restricted rental rates currently offered at Kirker Court is the cost that must be

subsidized in order for the apartment complex to remain affordable. This can be accomplished through either preservation of the affordability restrictions or replacement of the affordable units.

TABLE 19
MAXIMUM AFFORDABLE HOME PRICE BY INCOME CATEGORY

Income Category	Number of Bedrooms	
	1	2
Kirker Court Apartments	$469–$536	$536–$603
Market-Rate Units	$1,045	$1,180
Preservation Cost	$576–$509	$644–$577

Source: 2009 Income Limits, Department of Housing and Community Development
Note: Affordability for Kirker Court is based on 30 percent of income for extremely low-income households.

As shown in **Table 19,** the cost to preserve the affordability of the Kirker Court Apartments ranges from $509 to $644 per unit per month. The annual cost to preserve affordability for all 20 units in the complex ranges between $122,160 and $154,560.

Replacement

Replacing affordable units requires constructing new units or purchasing existing units of the same size and affordability restrictions. Constructing new units involves purchasing land and constructing a new complex. The cost associated with acquiring land adds significant cost to each multi-family unit, making it more difficult to sustain affordability restrictions. According to local developers, the price per unit to construct a new multi-family project is between $248,000 and $345,000 per unit. The estimated cost to replace the 20 units at Kirker Court is between $4.96 million and $6.9 million.

The City's RDA Five-Year Implementation Plan identifies expected uses of RDA funding for the preservation of affordable units throughout the City. The plan states that the Agency will seek to preserve existing affordability restrictions of affordable housing units. Historically, RDA has not replaced but has preserved affordable housing units in the City. The City anticipates that funding will be used to preserve the affordability restrictions of Kirker Court Apartments if necessary. According to CHPC and Eden Housing (the property management firm for Kirker Court), the project is at low risk of converting to market-rate units. The City will continue to monitor the risk of affordable housing units to conversion and take necessary steps to preserve the affordability of the Kirker Court units (Implementation Measure III.2.1). Other nonprofit entities that may be available to assist in the preservation of Kirker Court according to the California Department of Housing and Community Development's list of qualified organizations are Senior Housing Foundation in Clayton, Phoenix Programs in Concord, Eden Housing in Hayward, Bridge Housing in San Francisco, and Satellite Housing Inc. in Berkeley, among others.

Household and Income Characteristics

As demonstrated in **Table 20**, Clayton is a primarily owner-occupied community. There are few multi-family units in the City and this contributes to a very low proportion of renter-occupied households. The share of owner-occupied households as a percentage of all households increased from 92.8 percent in 1990 to 94.1 percent in 2000. The number of owner-occupied households increased by 70 percent over that same time period. The proportion of owner- versus renter-occupied households in the City differs from that of Contra Costa County as a whole, which has a higher proportion of renter-occupied households (69.3 percent owner versus 30.7 percent renter). Overall, the City experienced very little household growth between 2000 and 2009, with only 82 additional households. Therefore, the percentage share of owner- and renter-occupied households is assumed to have remained constant.

TABLE 20
HOUSEHOLDS BY TENURE

	City of Clayton			
	1990		2000	
	Number	Change in Percentage Share	Number	Change in Percentage Share
Owner Occupied	2,165	92.8%	3,698	94.1%
Renter Occupied	167	7.2%	232	5.9%
Total	**2,332**	**100%**	**3,930**	**100%**

Source: U.S. Census Bureau, 1990 and 2000

Household Composition

Clayton is a traditional family city. According to the 2000 Census, 74.6 percent of all households in Clayton are married-couple families, down from 80.1 percent in 1990. Not only have single-person households increased from 7.9 to 13.0 percent, but households headed by men increased from 2.7 to 12.3 percent. Additionally, non-family households increased from 3.0 to 17.4 percent. Female-headed households decreased from 6.3 to 5.5 percent over the same period. These trends are consistent with the empty nest phenomenon and possibly, changes in parent-child custodial relationships due to divorce where the father is taking on greater child-rearing responsibilities. **Table 21** compares household composition in Clayton for 1990 and 2000.

TABLE 21
HOUSEHOLD COMPOSITION, 1990–2000

Category	1990		2000	
	Number of Households	Percentage	Number of Households	Percentage
Family	2,094	89.7%	3,208	82.62%
Two or more person				
Married-Couple Family	1,868	80.1%	2,898	74.63%
Other Family				
Male Householder	63	2.7%	479	12.34%
Female Householder	148	6.3%	214	5.5%
Non-Family Household	69	3.0%	675	17.4%
Single Person	184	7.9%	506	13.0%
Total	2,332	100.0%	3,883	100.0%

Source: U.S. Census Bureau, 1990 and 2000

Tenure

Table 22 provides a summary of tenure for Clayton and Contra Costa County as reported by the 2000 Census. As shown in the table, Clayton has a much larger percentage share of owners (94 percent) than the county (69 percent).

TABLE 22
HOUSEHOLD TENURE, 2000

Tenure	City of Clayton		Contra Costa County	
	Number	Percentage	Number	Percentage
Renters	232	5.9%	105,716	30.7%
Owners	3,698	94.1%	238,413	69.3%
Total	3,930	100.0%	344,129	100.0%

Source: 2000 U.S. Census

5.0 HOUSEHOLD INCOME AND AFFORDABILITY CHARACTERISTICS

Each year the California Department of Housing and Community Development (HCD) publishes State Income Limits for each county in the state. The 2009 State Income Limits were released on April 2, 2009, and provide income limits for all household sizes. The following income limits have been established for Contra Costa County and therefore apply to the City of Clayton:

- Extremely Low Income: A household whose combined income is at or lower than 30 percent of the median income as established by HCD. A household of four is considered to be extremely low-income in Clayton if its combined income is $26,800 or less for the year 2009.

- Very Low Income: A household whose combined income is at or below 50 percent of the median income as established by HCD. A household of four is considered to be very low-income in Clayton if its combined income is $44,650 or less for the year 2009.

- Low Income: A household whose combined income is at or between 50 percent and 80 percent of the median income as established by HCD. A household of four is considered to be low-income in Clayton if its combined income is $66,250 or less for the year 2009.

- Median Income: A household whose combined income is at or between 81 percent and 100 percent of the median income as established by HCD. A household of four is considered to be median-income in Clayton if its combined income is $89,300 or less for the year 2009.

- Moderate Income: A household whose combined income is at or between 101 percent and 120 percent of the median income as established by HCD. A household of four is considered to be moderate-income in Clayton if its combined income is $107,150 or less for the year 2009.

- Above Moderate Income: A household whose combined income is above 120 percent of the median income as established by HCD. A household of four is considered to be above moderate-income in Clayton if its combined income exceeds $107,150 for the year 2009.

Affordable units are affordable if households do not spend more than 30 percent of income on rent (including a monthly allowance for water, gas, and electricity) or monthly mortgage. Since above moderate-income households do not generally have problems in locating affordable units, affordable units are frequently defined as those reasonably priced for households that are low- to moderate-income.

Clayton is an affluent community that had a median household income of $101,651 in 2000. **Table 23** shows the distributions of income by tenure for Clayton in 2000. The table lists income ranges as they are reported by the Census Bureau. These income range groups do not directly correspond with the income limits that are established by HCD on an annual basis. Therefore, some approximations are made to estimate the number of households within each of the five income categories: extremely low-, very low-, low-, moderate-, and above moderate-income.

In 2006, Government Code (GC) Section 65583(a) was amended and requires jurisdictions to quantify the existing number of extremely low-income households. An extremely low-income household is defined as a household earning less than 30 percent of median household income. In 2000 this was $30,496 for Clayton households. **Table 23** shows the total number of households by income ranges as reported by the 2000 Census. The Census does not provide a quantification of households for those earning less than $30,496, but it does show households earning less than $34,999. This range has been used to estimate the number of existing extremely low-income households. According to the Census data, there were approximately 380 extremely low-income households in the City. Of those, 298 are owners and 82 are renters.

Table 23 has also been arranged to quantify the number of households that overpay for the cost of housing. The table shows the number of households within each income range (by tenure) that overpay for housing and the proportion of all households in the same income range.

According to 2000 Census data, 27 percent of all households in the City overpaid for housing in 2000. **Table 23** shows the number of households by income range that pay between 30 and 34 percent (constituting a cost burden) for housing and also those that pay more than 35 percent for housing in the City (this includes those that pay more than 50 percent, which constitutes a severe cost burden).

The Census reports that the median household income in the City in 2000 was $101,651. Accordingly, households earning less than 80 percent of the City's median income or up to $81,321 are considered low-income households. The first five income range groups shown in **Table 23** comprise the low-income household category (those earning up to $74,999 annually). A total of 636 households fall into this group and pay more than 30 percent for housing cost.

Households that earn up to 50 percent of the median income, or $50,826 in Clayton, are considered very low-income households. Refer to approximately the first four rows of **Table 23** for the tenure and overpayment statistics for this group. Approximately 56 percent of very low-income households that are owner-occupied overpaid for housing. Nearly 60 percent of very low-income households that rent overpaid for housing.

Households that earn less than $30,495, or 30 percent of the median income, are considered extremely low-income households. The first three income categories in each section of **Table 23** provide an approximation of the number of extremely low-income households by tenure that overpay for housing. Close to 60 percent of extremely low-income owner-occupied households overpaid for housing, while 57 percent of extremely low-income renter-occupied households overpaid for housing.

TABLE 23
HOUSEHOLDS OVERPAYING

Housing Cost as a Percentage of Household Income				
Owner-Occupied Households				
Income Range	**Households Paying 30–34% of Income**	**Households Paying > 35% of Income**	**Total Households**	**% of Total Households Overpaying**
$0–$10,000	0	15	29	52%
$10,000–$19,999	0	83	89	93%
$20,000–$34,999	30	47	180	43%
$35,000–$49,999	23	112	259	52%
$50,000–$74,999	87	176	564	47%
$75,000+	223	161	2,435	16%
Subtotal	363	594	3,556	27%
Renter-Occupied Households				
$0–$10,000	0	6	24	25%
$10,000–$19,999	0	0	17	0%
$20,000–$34,999	7	34	41	100%
$35,000–$49,999	0	5	5	100%
$50,000–$74,999	5	6	39	28%
$75,000+	15	0	106	14%
Subtotal	27	51	232	34%
TOTAL	**390**	**645**	**3,788**	**27%**

Source: U.S. Census Bureau, 2000

Ability to Pay

Table 24 displays the monthly income limits by household size for each of the five income groups (based on HCD's annually set income limits). The monthly income limits are used to calculate maximum affordable monthly rents as well as the maximum affordable purchase prices for homes. For example, a 2-person household earning a combined monthly income of no more than $1,788 per month is considered an extremely low-income household that can afford a maximum monthly rent of $536 or purchase a home for $63,400. The rental and sales price figures represent an affordable housing amount (30 percent of monthly income). As shown in the section regarding overpayment, a large proportion of Clayton residents in lower-income categories pay in excess of 30 percent of their monthly income on housing.

TABLE 24
HOUSING AFFORDABILITY IN CLAYTON, 2009

Income Group	Housing Affordability Levels			
	1-Person	2-Person	3-Person	4-Person
Extremely Low				
Annual Income Limit	$18,750	$21,450	$24,100	$26,800
Monthly Income	$1,563	$1,788	$2,008	$2,233
Monthly Rent	$469	$536	$603	$670
Max. Sales Price	$54,170	$63,400	$72,424	$81,655
Very Low				
Annual Income Limit	$19,550	$21,450	$24,100	$26,800
Monthly Income	$2,604	$2,975	$3,350	$3,721
Monthly Rent	$781	$893	$1,005	$1,116
Max. Sales Price	$96,873	$112,092	$127,476	$142,695
Low				
Annual Income Limit	$46,350	$53,000	$59,600	$66,250
Monthly Income	$3,863	$4,416	$4,967	$5,521
Monthly Rent	$1,159	$1,325	$1,490	$1,656
Max. Sales Price	$148,520	$171,205	$193,808	$216,534
Moderate				
Annual Income Limit	$75,000	$85,700	$96,450	$107,150
Monthly Income	$6,250	$7,142	$8,038	$8,929
Monthly Rent	$1,875	$2,142	$2,411	$2,679
Max. Sales Price	$246,439	$283,030	$319,785	$356,336
Above Moderate				
Annual Income Limit	>$75,000	>$85,700	>$96,450	>$107,150
Monthly Income	>$6,250	>$7,142	>$8,038	>$8,929
Monthly Rent	>$1,875	>$2,142	>$2,411	>$2,679
Max. Sales Price	>$246,439	>$283,030	>$319,785	>$356,336

Source: 2009 Income Limits, Department of Housing and Community Development, April 2009. Monthly mortgage calculation: http://www.realtytrac.com/vcapps/calculator_popup.asp?calc=AF
Note: Affordable housing cost for renter-occupied households assumes 30% of gross household income, not including utility cost.
Note: Affordable housing sales prices are based on the following assumed variables: 10% down payment, 30-year fixed rate mortgage at 5.25% annual interest rate.

Rental Housing Costs

Table 25 displays the results of a survey conducted in April 2009 of rental rates in and around Clayton. The supply of rental housing in Clayton is relatively low as 94 percent of all households are owner-occupied and the demand for rental housing is low. The median rents displayed in the table include communities that are within 5 miles of Clayton as a means of estimating the cost of rental housing in the greater Clayton area.

Unlike other communities, the range in rental rates is small in and around Clayton, so the median rents in **Table 25** are likely very representative of most rents paid in the City. Households considered to be extremely low- or very low-income would find it difficult to secure housing that is affordable and would likely have little option but to overpay for housing. For example, a 3-person very low-income household earning a monthly income of $3,350 would be able to afford $1,005 per month for rent. According to the results of the survey, a two-bedroom (minimum size to avoid overcrowding) apartment rents for $1,180. Without rental assistance, the 3-person household would pay $175 in excess of what is affordable for them, or 35 percent of their monthly income.

TABLE 25
RENTAL SURVEY

Number of Bedrooms	Single-Family		Multi-Family	
	Median Rent	Number of Units Surveyed	Median Rent	Number of Units Surveyed
Studio	--	--	$895	2
1 bedroom	--	--	$1,045	9
2 bedroom	$1,850	4	$1,180	13
3 bedroom	$1,950	5	$1,320	6
4 bedroom	$2,100	4	--	--
5+ bedroom	$2,220	2	--	--
Total	$2,025	15	$1,113	30

Source: Rental Survey, April 2009

Home Purchase Cost

According to DQ News, which is Data Quick's public data resource, in March 2009 there were 6,325 homes sold in the Bay Area. Of those, 973 homes were sold in Contra Costa County. **Table 26** displays housing sales data for jurisdictions in Contra Costa County. The data is compiled from public records for sales activity in the months of February 2008 and February 2009. The median sales price for each year provides an indication of home sale trends. As shown in **Table 26**, the median sales price for homes in Clayton in February 2008 was $598,500. By 2009, the median sales price had declined 30 percent to $417,000. The county as a whole experienced a 50 percent decline in median home sale prices in both years, indicating that the decline in sales prices is not unique to Clayton.

Comparing the median sold price of homes with the maximum affordable home prices that each income level can afford (shown in **Table 24** above), above moderate-income households are the only income group in the City that is not cost burdened by the market sales price of homes in Clayton.

TABLE 26
MEDIAN SOLD PRICES OF HOMES IN CONTRA COSTA COUNTY, FEBRUARY 2009

Jurisdiction	Units Sold	2009 Median Price	2008 Median Price	Percentage Change
Alamo	4	$1,242,500	$1,700,000	-26.91%
Antioch	214	$189,000	$315,000	-40.00%
Bethel Island	2	$430,500	n/a	n/a
Brentwood	92	$332,500	$441,000	-24.60%
Byron	2	$211,500	$170,000	24.41%
Clayton	8	$417,000	$598,500	-30.33%
Concord	125	$205,000	$365,000	-43.84%
Danville	23	$740,000	$815,000	-9.20%
Discovery Bay	26	$301,500	$513,000	-41.23%
El Cerrito	8	$458,000	$600,000	-23.67%
El Sobrante	32	$225,000	$410,000	-45.12%
Hercules	26	$275,000	$457,500	-39.89%
Lafayette	6	$777,500	$1,281,500	-39.33%
Martinez	29	$310,000	$460,000	-32.61%
Moraga	5	$358,000	$557,500	-35.78%
Oakley	75	$216,000	$386,500	-44.11%
Orinda	4	$1,050,500	$1,132,000	-7.20%
Pinole	19	$315,000	$417,000	-24.46%
Pittsburg	189	$149,000	$328,000	-54.57%
Pleasant Hill	17	$450,000	$550,000	-18.18%
Richmond	123	$90,000	$400,000	-77.50%
Rodeo	11	$227,500	$587,500	-61.28%
San Pablo	77	$130,000	$375,000	-65.33%
San Ramon	67	$560,000	$680,000	-17.65%
Walnut Creek	43	$450,000	$630,500	-28.63%
Contra Costa County	1,231	$215,000	$450,000	-52.22%

Source: DQ News, "California Home Sale Price Medians by County and City," February 2009

Occupations and Incomes

Table 27 identifies housing affordability for a variety of occupations in Contra Costa and Alameda counties. The projected growth and annual income for each of the occupations identified is provided by the Employment Development Department (EDD). The annual income for each of the occupations is shown to illustrate the maximum affordable rent and maximum affordable home purchase price for each occupation. As shown in the table, it is difficult for households with one wage earner to afford housing in the City of Clayton.

TABLE 27
AFFORDABILITY FOR FASTEST GROWING OCCUPATIONS, 2006–2016

Category	2006–2016 Projected Growth	Annual Income	Affordable Rent (1)	Affordable House Price (2)
Veterinary Technician	93%	$40,670	$1,017	$107,577
Personal and Home Care Aides	52%	$24,470	$612	$73,697
Service Station Attendants	39%	$20,297	$507	$59,421
Pharmacy Technicians	35%	$38,004	$950	$119,969
Computer Software Engineers	32%	$96,353	$2,409	$319,416
Manicurists and Pedicurists	27%	$22,441	$561	$66,764

Source: Employment Development Department, 2006-2016 Fastest Growing Occupations, State Income Limits, 2009
(1) Assumes 30% of income devoted to monthly rent, including utilities
(2) Assumes 30% of income devoted to mortgage payment, property taxes, mortgage insurance and homeowner's insurance, 90% loan at 5.25%, 30-year term.

Table 28 displays income and housing affordability data for households on fixed incomes that are typically burdened by the cost of housing. As shown in the table below, retired individuals receiving Social Security benefits can afford roughly $300 a month in rent without overpaying and retired couples can afford up to $563 a month for housing. Housing prices in and around the City are generally not affordable to those on limited fixed incomes.

TABLE 28
AFFORDABILITY FOR FIXED-INCOME HOUSEHOLDS

	Annual Income	Affordable Rent (1)	Affordable Sales Price (2)
Retired – Average Social Security			
Retired Worker, Individual	$13,836	$346	$37,352
Retired Worker, Couple	$22,512	$563	$67,010
SSI (Aged or Disabled)			
One-person household with only SSI	$10,884	$272	$27,260

Source: National Low Income Housing Coalition, State Income Limits, 2009
(1) Assumes 30% of income devoted to monthly rent, including utilities.
(2) Assumes 30% of income devoted to mortgage payment, property taxes, mortgage insurance and homeowner's insurance, 90% loan at 5.25%, 30-year term.

6.0 ENERGY CONSERVATION OPPORTUNITIES

Part 6, Title 24 of the California Uniform Building Code, effective June 1, 2001, requires the implementation of construction standards and other energy efficiency techniques that will result in improved use of energy in newly built residences. In addition, Pacific Gas and Electric (PG&E) offers, through state-authorized rebate programs, the ability for homeowners to replace energy-inefficient appliances with state-of-the-art energy-conserving systems. Further, in many areas rooftop photovoltaic generation systems and window shade screens may be purchased through PG&E. Lastly, planting of shade trees can reduce, if not eliminate, the need to cool through mechanical means.

In December of 2005, the City of Clayton adopted a Project Construction and Demolition Debris Recycling Ordinance which requires recycling and reuse of construction and demolition debris. This ordinance has been codified in Chapter 15.80 of the Clayton Municipal Code. Otherwise, the City has not adopted any special policies, ordinances, or provisions pertaining specifically to "energy conservation." However, during the first quarter of 2008, the City of Clayton did adopt the 2007 edition of the California Building Standards Code (Title 24). Consequently, applicable construction projects in the City must conform to Title 24.

Residents may employ simple measures in an effort to reduce energy consumption and, hence, overall demand. The measures include:

- A massive shift from incandescent lighting to fluorescent or compact fluorescent lighting;
- Installation of whole house cooling fans to rapidly cool warm houses in the summer;
- Installation of rooftop solar power-generating panels to supply hot water and electricity for daily needs (see Solar and Energy Efficiency District discussion below);

- Use of fans to reduce the need for energy-guzzling air conditioners;
- Replacement of all household appliances that do not meet state SEER guidelines with more efficient ones;
- Implementation of more traditional methods of conservation such as:
  - Modification of thermostat levels;
  - Weatherization;
  - Shifting demand to non-peak consumption periods; and
  - Installation of shade screens and planting of shade trees.

Residential structures must meet all requirements of the Uniform Building Code (Part 6, Title 24) with respect to energy-saving materials and designs. City policies, together with the General Plan Land Use Diagram, can encourage the location of higher-density residential projects within walking distance of transit stops, commercial centers, and employment sites, thereby reducing consumption of gasoline.

While the addition of a number of electrical generating plants may alleviate short-term supply problems, this will not solve long-term problems. First, additional natural gas-fired power plants will compete with residential users on the spot market, driving prices higher, usually benefiting the large purchasers. Second, much of the power supplied to the west coast of the United States is hydroelectric. Weather variability combined with the increasing demand from water by farming and urban interests is sure to decrease the availability of hydroelectric power and increase its price. The result is decreased affordability.

In addition the City will encourage and maintain energy efficiency in new and existing housing through the performance of Implementation Measures V.1.1 and V.1.2 to provide energy conservation brochures at City Hall and the Community Library and to develop standards to allow energy self-sufficiency and generation projects.

ABAG Solar and Energy Efficiency (SEE) District

On March 4, 2009, ABAG staff presented the Solar and Energy Efficiency Financing Report to the ABAG Executive Board. The report calls for the urgent need to reduce residential greenhouse gas emissions and lower the cost of residential energy use through the creation of a special tax financing district that would alleviate the initial up-front cost of solar panel installation. Once established, the district would encompass the entire Bay Area, including Clayton, meaning that all residents in the Bay Area would be eligible to participate.

7.0 HOUSING CONSTRAINTS

LAND USE CONTROLS AND GOVERNMENTAL CONSTRAINTS

While local governments have little influence on such market factors as interest rates, their policies and regulations can affect both the amount of residential development that takes place and the affordability of housing. Since governmental actions can constrain development and affordability of housing, state law requires the Housing Element to "address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Government Code Section 65583(c)(3)).

The City's primary regulations affecting residential development and housing affordability include the Land Use Element of the General Plan, the Zoning Ordinance, and the City's processing procedures, standards, and fees related to development.

General Plan

The City's principal land use policy document is the General Plan. The City adopted the first General Plan in July 1971. The General Plan was updated in 1985 with periodic amendments, most recently in February 2008. The General Plan includes the following land use designations that allow for residential uses.

- Rural Estate: This category allows single-family detached estates at a density of 0 to 1.0 unit per gross acre.

- Single-Family Low Density: This category allows single-family detached houses at a density of 1.1 to 3.0 units per gross acre.

- Single-Family Medium Density: This category allows planned unit developments and single-family subdivisions at a density of 3.1 to 5.0 units per gross acre.

- Single-Family High Density: This category allows urban single-family units at a density of 5.1 to 7.5 units per gross acre. Patio homes, zero lot line homes, and cluster homes in a Planned Unit Development development are permitted.

- Multi-Family Low Density: This category allows multi-family residences at a density of 7.6 to 10.0 units per gross acre. This designation is intended for and allows cluster units such as townhouses, garden units, and other types of PUDs, including single-family detached dwellings.

- Multi-Family Medium Density: This category allows multi-family residences at a density of 10.1 to 15.0 units per gross acre. This designation allows for multi-family units in an area with the infrastructure necessary to accommodate increased density.

- Multi-Family High Density: The City will create this category to allow multi-family residences at a density of 20.0 units per gross acre. This designation will allow for multi-family units in an area with the infrastructure necessary to accommodate increased density.

- Institutional Density: This category allows various forms of elderly housing. The density of elderly projects is not always equivalent to standard concepts of density; therefore a density range of 7.6 to 20 units per acre may be permitted.

In summary, the General Plan provides for single- and multi-family housing in a range of densities from 1.0 to 20 units per gross acre. The relatively low residential densities (i.e., maximum 20 units per gross acre) require that any housing built for lower-income families be subsidized. Without such subsidies, these low-density limitations may constrain the development of affordable housing in Clayton.

Town Center Specific Plan

In 1990, the City adopted the Town Center Specific Plan and subsequently amended it in 1998, 2001, 2004, 2007, and 2008. The Specific Plan designates a combination of commercial and residential land uses for the Clayton Town Center. Such residential designations include Multi-Family Low Density (7.6 to 10 dwelling units per acre [du/acre]), Multi-Family Medium Density (10.1 to 15 du/acre), and Institutional Residential (7.6 to 20 du/acre). In addition to the sites designated for residential uses, the Specific Plan also permits residential uses to be constructed on all floors, except ground level, in mixed-use developments. The City will also promote mixed-use and affordable housing development in the Town Center Specific Plan area through Housing Element Implementation Measure I.5.1 and Implementation Measure I.5.2.

Town Center Commercial

The Town Center has been the historic commercial center since Clayton's inception with characteristics important to the community, which the Town Center Specific Plan aims to preserve while encouraging new development. Limited Commercial areas outside of the Town Center Specific Plan boundaries do not permit residential development. Limited Commercial (LC) areas within the Town Center Specific Plan are designated as Town Center (TC) Commercial and permit second-story residential development. Land within the TC designated areas is subject to the development review standards set forth in the Town Center Specific Plan.

Development standards for the TC Commercial area do not specifically regulate residential densities of commercial sites, rather applicants submit development proposals that must satisfy various requirements, including those pertaining to open space, stormwater compliance, and parking. The remaining available space is available for development. An example of a project (Creekside Commons, formerly Rivulet) located in the TC zone is described below.

Creekside Commons (formerly Rivulet)

The Creekside Commons project on Oak Street in the Town Center area encompasses 20,500 square feet and includes a plan for seven residential units on the second floor and approximately

7,000 square feet of commercial space on the ground floor. This project is in the initial entitlement phase. An initial environmental study/mitigated negative declaration (IES/MND) has been prepared for the project. The IES/MND 30-day review period ended on April 2, 2009. Responses to comments are being finalized at this time. It is expected that the requested Disposition and Development Agreement (DDA), Development Plan Permit, and Tentative Subdivision Map application will go before the Planning Commission and the City Council for consideration and action this spring (May–June 2010). The requested Tentative Map approval is to subdivide the seven residential units to create a sale option for those units and to subdivide the commercial space into three to four spaces for ownership purposes.

Zoning

In accordance with state law, cities have broad latitude in establishing zoning standards and procedures. Outside of a general requirement for open space zoning and several special requirements governing residential zoning, state law establishes only broadly the scope of zoning regulation and sets minimum standards for its adoption and administration. Clayton's Municipal Code permits residential development in the districts identified below.

- Single-family residential district – The following designations are included in the single-family zones: R-10, R-12, R-15, R-20, R-40, R-40-H.

- Multi-family residential district – The following designation is used to denote multi-family residential zones: M-R.

- Multi-family residential district (high density) – The City will create the following designation to denote multi-family residential (high density zones): M-R-H.

- Planned development district – The following designation is used to denote planned development districts: PD.

Residential Zoning

The City's Municipal Code governs development standards for residential uses as well as for the types of residential uses in each zoning district. Development standards protect the welfare of the City's residents as well as preserve community character. Development standards can also constrain the development of affordable housing and are explored in the next section. Following the discussion of development standards, the variety of residential uses allowed in the City's zoning districts are presented. In addition, the PD zoning standards and the City's Affordable Housing Opportunity (AHO) designation are presented.

Development Standards

The Zoning Ordinance includes eight zoning districts which allow residential development. The maximum residential density allowed is one unit per 3,000 square feet of lot area in the M-R District, which is approximately 15 dwelling units per net acre. The City will create an M-R-H District (Implementation Measure I.1) which will allow a maximum residential density of one unit per 2,000

square feet of lot area, approximately 20 dwelling units per net acre. The Zoning Ordinance requires a site plan permit for multi-family development in the M-R District and preliminary and final plan approval for PD development. Multi-story single-family development requires a site plan permit; single-story single-family development requires only a building permit. The Zoning Ordinance provides for small lot and zero lot line development in the PD District. **Table 29** summarizes the development standards for each residential zoning district.

TABLE 29
RESIDENTIAL DEVELOPMENT STANDARDS, APRIL 2009

District	Minimum Lot Area per Dwelling	Front Yard Setback	Minimum Rear Setback	Minimum & Aggregate Side Yard Setback	Maximum Height	Minimum Open Space Require-ment	Secon-dary Units Allowed [1]
R-10	10,000 s.f.	20 feet	15 feet	10 / 20 feet	35 feet	n/a	Yes
R-12	12,600 s.f.	20 feet	15 feet	10 / 25 feet	35 feet	n/a	Yes
R-15	15,000 s.f.	20 feet	15 feet	10 / 25 feet	35 feet	n/a	Yes
R-20	20,000 s.f.	25 feet	15 feet	15 / 35 feet	35 feet	n/a	Yes
R-40	40,000 s.f.	40 feet	15 feet	20 / 40 feet	35 feet	n/a	Yes
R-40-H	40,000 s.f.	40 feet	15 feet	20 / 40 feet	35 feet	n/a	Yes
M-R	3,000 s.f.	20 feet	15 feet	20 / 35 feet	35 feet, 20 feet [2]	25%	Yes
PD	Under-lying GP design-nation	n/a	n/a	n/a	35 feet	20% [3]	Yes

Source: City of Clayton Municipal Code, April 2009
[1] In the residential and Planned Development districts, "Secondary Units" refers to second dwelling units, while in the L-C District it refers to second-story units.
[2] Twenty feet when M-R District abuts (within 50 feet) any single-family residential district.
[3] Ten percent required for commercial and mixed-use parcels less than one acre.*

Variety of Residential Use Types

Table 30 provides a summary of the residential use types that are permitted and restricted in the City's zoning districts. Use types denoted with a "P" are classified as permitted ("by right"). Use types denoted with a "UP" classification require a use permit (not allowed by right). Use types denoted with an "NP" classification are not permitted.

TABLE 30
PROVISION FOR A VARIETY OF HOUSING TYPES

Residential Use Type	RR-10	RR-12	RR-15	RR-20	RR-40	RR-40-H	M-R
Single-Family Dwelling	P	P	P	P	P	P	P[1]
Second Dwelling Unit	P	P	P	P	P	P	P
Duplex Residential	NP	NP	NP	NP	NP	NP	P
Multi-Family Residential	NP	NP	NP	NP	NP	NP	P
Residential Care Homes (≤6 persons)	P	P	P	P	P	P	P
Residential Care Homes (>6 persons)	UP	UP	UP	UP	UP	UP	UP
Manufactured Dwelling Unit [2]	P	P	P	P	P	P	NP
Emergency Housing	NP	NP	NP	NP	NP	NP	NP
Transitional and Supportive Housing	NP	NP	NP	NP	NP	NP	NP
Single-room Occupancy (SRO)	NP	NP	NP	NP	NP	NP	NP

Source: Clayton Municipal Code, April 2009

[1] *Currently the City's Zoning Code allows for the development of single-family homes in the Multiple Family Residential (M-R) District. The City will consider amending the Zoning Code to allow single-family homes in the Multiple Family Residential (M-R) District only with a conditional use permit so that these remaining sites can be used to accommodate multi-family housing (Implementation Measure II.2.1).*

[2] *The City amended the Zoning Code in December 2009 to include a definition for manufactured housing and clarified the language to allow manufactured housing on a permanent foundation in all residential zones that allow for single-family homes (Implementation Measure I.3.1).*

Planned Development Districts

A Planned Development (PD) District requires a subsequent development-level permit. The permit request must meet the requirements set forth in Section 17.28 of the Clayton Municipal Code and be approved by the City Council. An approved PD District provides applicants with flexibility in land use controls, including residential land use controls. Allowed uses and the applicable development standards are determined upon PD application approval. The City recently redesignated two sites as PD sites with an Affordable Housing Opportunity (AHO) designation.

Affordable Housing Opportunity (AHO)

The City has redesignated and rezoned the High Street parcel site as well as the Old Fire Station site as PD sites under an AHO designation. A description of each AHO site is available in **Table 42** as sites V-2 and V-5, respectively. In addition each site is shown on the Residential Opportunity Sites Map located in Appendix C. The redesignation/rezone of both sites allows for multi-family medium-density development, which allows for a minimum density of 10.1 du/acre and a maximum of 15 du/acre. The City does not have a density bonus program but does comply with state density bonus law. Under state density bonus law, the sites would be approved with a minimum of 12

du/acre and a maximum of 16 du/acre. The City will promote the development of affordable housing on these sites through Implementation Measure I.1.

Affordable Housing Plan

Implementation Measure I.2.1 commits the City to the development of a written Affordable Housing Plan requirement. The requirement would apply to residential projects of two or more units and developers would have to draft an Affordable Housing Plan that requires a certain percentage of units be built as affordable housing units for very low- and low-income households. The City has established the following guidelines to provide direction for the review of Affordable Housing Plans associated with individual development projects and to provide direction for the preparation of an Affordable Housing Plan. These criteria do not present a constraint to the development of housing but help to ensure a variety of housing types are built in the community. As described below, the City will offer a variety of incentives to developers and will consider incentives not listed in the adopted ordinance.

The Affordable Housing Plan shall be approved in conjunction with the earliest stage of project entitlement, typically with the City Council approval of the Development Agreement or other primary land use entitlement.

The Affordable Housing Plan shall specify and include the following:

- The number of dwelling units that will be developed as affordable to very low-, low-, moderate-, and above moderate-income households (the City's desire would be that at least 5 percent of all project units be built as very low-income housing units and at least 5 percent of all project units be built as low-income housing units).

- The number of affordable ownership and rental units to be produced. Such split shall be approved by the City Council based on housing needs, market conditions, and other relevant factors. The split of ownership and rental units shall be addressed within the Plan of each individual project.

- Program options within project-specific Affordable Housing Plans may include, but are not limited to, the following:

    - Actual production (on-site or off-site) of affordable units (including ownership and rental opportunities in the form of corner units, halfplexes, duplexes, cottages, creative alternative housing products, etc.)

    - Land dedication (on-site and off-site).

    - Payment of in-lieu fees.

- The timing for completion of affordable housing obligations.

- At the City Council's discretion, land or other contributions provided by developers as specified within project Affordable Housing Plans may be utilized to augment City efforts and the efforts of its nonprofit partners to provide affordable housing opportunities to all income levels throughout the community. The City will pursue supplemental funding to allow affordability to households earning less than 50 percent of area median income.

- In order to ensure the production and preservation of housing affordable to the City's workforce, no productive, reasonable program or incentive option will be excluded from consideration within project-specific Affordable Housing Plans. Possible incentives may include, but are not limited to:

  - Density bonuses
  - Fee waivers or deferrals (as reasonably available)
  - Expedited processing/priority processing
  - Reduced parking standards
  - Technical assistance with accessing funding
  - Modifications to development standards (on a case-by-case basis)

An inclusionary affordable housing requirement typically necessitates a developer to substantially subsidize the required affordable units, particularly those in the extremely low-, very low-, and low-income categories. The subsidy generally is spread to the market-rate units, as possible, given the surrounding market conditions. The size of property, the surrounding land uses, the purchase price of the property, and the current market conditions (i.e., competition) are all among the factors that would be considered in preparing the proposed individual Affordable Housing Plans. Each development project would be unique in terms of the factors mentioned and the group of incentives and specific affordable housing requirements applied. The flexibility of the menu approach of the individual Affordable Housing Plans being considered allows the opportunity to vary incentives, such as reduced parking requirements, as well as the target affordability group and number of units to obtain affordable housing opportunities with each individual residential development project, while not making the residential development project infeasible as could be the case with an across–the-board inclusionary affordable housing mandate.

Analysis of Potential Land Use Constraints for a Variety of Housing Types

The City has enacted land use controls in order to protect the health and safety of residents, and recognizes that an examination of such controls is important to ensure they are not barriers to housing for all income levels. Land use controls for a variety of housing types that meet the needs of a variety of income groups are analyzed in this section. The City has drafted programs as part of this update for mitigating identified land use control barriers.

Second Dwelling Units

A second dwelling unit is an additional self-contained living unit, either attached to or detached from the primary residential unit on a single lot. It has cooking, eating, sleeping, and full sanitation facilities. To encourage establishment of second dwelling units on existing developed lots, state law requires cities and counties to either adopt an ordinance based on standards set out in the state law or allow second units ministerially per state requirements.

In April 2004, the City adopted a second dwelling unit ordinance that follows the requirements of state law (Government Code Section 65852.1) in allowing second dwelling units on any residential lot subject to ministerial review (or Planning Commission review, as applicable). The second dwelling unit ordinance has the following requirements:

Zoning Districts Allowed:	Allows second dwelling units in all residential districts that allow single-family dwellings
Setback Requirements:	Same as the principal structure
Height:	Not to exceed principal structure (i.e., 2 stories or 24 feet)
Off-Street Parking:	One uncovered space
Unit Size:	Between 250 and 750 square feet (one bedroom) requires ministerial review
	1,000 square feet maximum (up to two bedrooms) requires Planning Commission review
Architectural Compatibility Requirements:	Must incorporate similar or complementary architectural features as the principal and surrounding structures

Second dwelling unit applicants must pay a fee of $250 upon application. For larger second dwelling unit applications that require Planning Commission review, the fee is $1,000. Second unit development is not constrained by the City's land use controls. However, the Contra Costa Water District charges a fee of $18,000 for second unit water hookups. The connection fee has been a constraint to the development of second units, as there have been no permits processed since the 2004 amendment of the Municipal Code. The City will continue to support efforts to construct second dwelling units on new and existing single-family-zoned lots (see Policy I.4). Implementation Measure I.4.1 commits the City to publicizing information about second unit development in the City's general application packet as well as on the City's website. In addition, Implementation Measure I.4.2 commits the City to develop a program by December 2012 that utilizes RDA set-aside funds to encourage the development of second dwelling units, including a review and possible reduction of development fees that deter the development of such units.

Accommodation of Persons with Disabilities

On April 1, 2008, the City Council approved the Americans with Disabilities Act (ADA) Transition Plan. The plan includes an evaluation of current barriers for persons with disabilities and includes steps to remove such barriers. Included in the plan is a process to request accommodations for persons with disabilities. Accommodations are reviewed and approved by the ADA Coordinator. The plan meets ADA compliance procedures and does not constrain the development of housing for persons with disabilities.

Even prior to the adoption of the ADA Transition Plan, the City had a history of accommodating persons with disabilities. The City has approved two special needs facilities that cater to persons with disabilities. In 1992, the City approved the Kirker Court (also known as Housing for Independent People (HIP)) development, which provided 20 units for persons with mental disabilities. In 1999, the City approved the Diamond Terrace project, which created 86 units for seniors, many of whom have disabilities and require special accommodations in their housing units and other project facilities.

The City has reduced parking standards for persons with disabilities by lowering the number of required parking spaces per residential unit. The residential parking requirement for seniors or persons with disabilities is one parking space per dwelling unit, while standard residential units require four parking spaces per unit. Other pertinent considerations regarding the City's regulations, procedures, and programs for persons with disabilities include:

- The City Community Development and Engineering departments periodically evaluate their procedures for land use permit processing and public participation to ensure that reasonable accommodations are made for individuals with disabilities and all are in compliance with fair housing laws. The ADA Transition Plan has established these periodic reviews as mandatory.

- Reasonable accommodation requests are processed on a case-by-case basis. Information is provided to interested person on an ad hoc basis. All ADA retrofit requirements are processed in the same manner as other types of improvements requiring building and/or planning permits. The City will incorporate a more formalized reasonable accommodations procedure through the development of Implementation Measure IV.3.1.

- All City facilities, offices, and meeting rooms have been upgraded to be accessible and compliant with ADA requirements.

- The City has adopted the 2007 Uniform Building Code (UBC), as amended by the California Building Standards Commission. Several minor UBC amendments adopted by the City involve substandard housing units and do not reduce accommodations for disabled persons.

- Group dwellings with seven or more beds are conditionally permitted pursuant to architectural and site plan approval and the development standards of the zone in question.

- Group dwellings for less than seven persons do not trigger a public hearing or require community input; group dwellings for more than seven persons require a public hearing and property owners within a 300-foot radius of the proposed home would be notified.

- Under the City's definition of "family," the Zoning Ordinance allows up to six unrelated persons to occupy a residence. As a result, the City's occupancy standards comply with fair housing laws. The City defines a "family" as one person or group of persons related by birth or marriage, or no more than six (6) persons not related by birth or marriage, living together in a building or part of it designed for occupation as a residential domestic unit as distinguished from a hotel, club, fraternity or sorority house, dormitory, or boardinghouse. A family includes servants employed by the family. Implementation Measure IV.1.2 commits the City to removing the restriction of family to less than six unrelated individuals in order to comply with state law.

- As part of the ADA Transition Plan, the City has a program for installation of wheelchair-accessible ramps at street intersections.

- There are no minimum distance requirements for group homes. Licensed group homes with fewer than seven beds are permitted by right within all of the City's residential zoning districts. Group homes with seven or more beds are conditionally permitted pursuant to architectural and site plan approval of group dwellings and the development standards of the zoning district in question. Furthermore, the City does not specifically regulate the siting of special needs housing in relationship to one another. The City has no siting requirements other than those dictated by state law. Per state law, community care facilities of the same type cannot be located within 300 feet of one another.

- The City has no particular conditions or use restrictions for group homes of any kind. Any restrictions would be determined during the conditional use permit approval process.

- In addition, the City will also consider creating a universal design ordinance that will provide greater adaptability and accessibility of housing for persons with disabilities (Implementation Measure IV.3.3).

Residential Care Facilities

Residential care facilities or group homes for persons with disabilities are allowed in the City. Facilities for six or fewer persons are allowed in all residential districts pursuant to the State Health and Safety Code Section 1566.3. Facilities for seven or more persons are allowed with a use permit in accordance with Chapter 17.46 of the Zoning Ordinance and must meet the following standards:

- The applicant must maintain an operating license from the applicable state and county agencies.

- The residential care home shall be located within a detached single-family dwelling.

- Sufficient off-street parking spaces shall be provided in addition to the required off-street parking to serve the dwelling.

- Signs are not allowed.
- Each residential care facility shall be located at least 1,000 feet from another such facility.
- The dwelling must comply with the Uniform Building Code and state standards for accessibility by disabled persons.

Manufactured Housing

The Zoning Ordinance makes no specific provision for manufactured houses or mobile home parks. However, in accordance with state law, manufactured housing is allowed on any residential lot subject to the standards applicable to site-built housing. The Municipal Code treats manufactured housing as a single-family use type. The City amended the Zoning Code in December 2009 to include a definition for manufactured housing and clarified the language to allow manufactured housing on a permanent foundation in all residential zones that allow for single-family homes (Implementation Measure I.3.1).

Emergency Shelters and Transitional/Supportive Housing Types

Senate Bill (SB) 2 (Statutes of 2007) requires jurisdictions to identify and mitigate constraints on the development of emergency shelters and transitional/supportive housing. Specifically, SB 2 requires that jurisdictions review land use controls for shelters targeted toward meeting the needs of those without shelter. Emergency shelters offer temporary housing intended for persons without shelter. The City's Municipal Code does not define emergency shelters and consequently does not have land use controls governing emergency shelters. SB 2 requires that jurisdictions allow emergency shelters as a permitted use in at least one zone within the jurisdiction. In order to meet the needs of those without shelter and remain in compliance with state law, the City developed Implementation Measure II.1.1, which provides a timeline for the City to amend the Municipal Code to include a definition of emergency shelters as well as create a Planned Development Emergency Shelter Overlay Zone in the Planned Development (PD) zone that will allow them by right. This area is currently designated Kirker Corridor in the City's General Plan and is close to services including doctors offices and along a transit corridor. In the newly created PD Emergency Shelter Overlay Zone there are approximately 5 acres, which is sufficient land for the development of emergency shelters.

Kirker Corridor

The Kirker Corridor area identified for permitting emergency shelters measures more than 5 acres and includes three parcels. These parcels measure .37, 3.67, and 1.61 acres in size. Presently, this area is improved with the 20-unit Kirker Court apartment development and the Clayton Valley Presbyterian Church. A substantial amount of this property, approximately 50 percent, is either open for parking or unimproved. This portion of the property can be characterized as underutilized.

A bus stop is immediately in front of this property on Kirker Pass Road, making transit services immediately available. The Clayton Station neighborhood shopping center is located immediately to the south, offering both goods and services. Overall, surrounding land uses include a multi-family

residential development located to the north, a 15-acre neighborhood shopping center located on the property to the south, single-family residential development to the east; and a garden center and storage facility across Kirker Pass Road to the west. Generally, this property can be characterized as "transitional" from commercial to institutional and multi-family residential/single-family residential. The underutilized area of this overall property measures a minimum of 1.5 acres. This area abuts Kirker Pass Road and extends along the property's eastern and northern boundaries. This underutilized area of this property would be suitable to accommodate an emergency shelter.

SB 2 also dictates the regulation of transitional and supportive housing types. Transitional facilities offer short-term housing (at least 6 months stay) and supportive housing types are those that offer permanent housing situations that are occupied by a target population (persons with AIDS, persons with mental or development disabilities, persons with chemical dependency, etc.) and may have on- or off-site services linked to the housing. Currently, the City's Municipal Code does not recognize either use type as defined by the state.

SB 2 requires the City to treat transitional and supportive housing types as a residential use and these housing types must be treated the same as any other residential use of the same type in the same zone. To comply with this requirement, the City will define transitional and supportive housing in alignment with the state's definitions and will list each use type as it is allowed in each zone (see Implementation Measure II.1.2).

Extremely Low-Income Households

Assembly Bill (AB) 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. The existing need is demonstrated in **Table 23** and the projected need is shown in **Table 38.** Housing Elements must also identify zoning to encourage and facilitate housing for extremely low-income persons, of which two common types are supportive housing and single-room occupancy units (SROs).

Extremely low-income households typically include persons with special housing needs, including but not limited to persons experiencing homelessness or near-homelessness, persons with substance abuse problems, and persons with mental illness or developmental disabilities.

The City's Municipal Code does not explicitly define SRO housing. According to the Housing Resource Center, an SRO is defined as a type of residential hotel offering one-room units for long-term occupancy by one or two people. SROs may have kitchen or bath facilities but not both. The City plans to update the current Zoning Code to define an SRO as well as to establish provisions for allowing the development of SROs according to AB 2634 (see Implementation Measure II.1.3).

Growth Management Program (Measure C)

In 1988, Contra Costa County voters approved a half-cent sales tax to fund a transportation improvement and growth management program. This program addresses congestion problems by funding transportation improvement projects and establishing a process involving all of the cities in Contra Costa County, including Clayton, to cooperatively manage the impacts of growth.

The overall goals of the program are to relieve congestion created by past development through road and transit improvements funded by the sales tax increase and to prevent future development decisions from resulting in deterioration of services in the county. To be eligible for sales tax funds, the Growth Management Program requires each participating city and town and the County to take several actions including:

- Adopt a growth management element of the general plan to address the impacts of growth;
- Establish a commitment to manage congestion by adopting and applying traffic service standards to ensure that new development will not significantly worsen traffic on streets, roads, and regional routes;
- Reduce dependency on the single-occupancy automobile through use of transportation systems management (TSM) for each jurisdiction's large employers or an alternative mitigation program for areas that are primarily residential in character;
- Ensure that new development pays its own way through mitigation and fee programs;
- Reduce the number and/or length of automobile commute trips by addressing housing options and job opportunities at the local, regional, and countywide level; and
- Adopt a housing element certified by the California Department of Housing and Community Development.

The Contra Costa Transportation Authority is responsible for ensuring that these objectives and requirements are met. Periodically, it evaluates whether each city, town, and the County is participating fully, based on a compliance checklist. Each year that a locality is found in compliance with the Growth Management Program, it receives a share of the sales tax increase that will be used for local street improvements and related activities.

In 1992, the City adopted the Growth Management Element of the General Plan pursuant to the requirements of Measure C. This element establishes goals, policies, and standards for traffic service and other public facilities and services. Specifically, the element requires large developments to prepare traffic studies and prohibits the City from approving projects that will cause levels of service at any designated intersection to fall below the standards set in the element (i.e., level of service D). The element also sets standards for police emergency response time, parks, fire emergency response time, sanitary sewers, water services, and flood control. In effect, the standards contained in the Growth Management Element formalize mitigation measures that are typically required under the California Environmental Quality Act (CEQA) on a project-by-project basis. None of these standards are expected to constrain housing development in Clayton beyond the level currently imposed by state environmental regulation.

In November 2004, Contra Costa County voters approved Measure J by over a two-thirds majority. Measure J extended the half-cent sales tax for transportation improvements until 2034. Measure J requires jurisdictions to demonstrate progress on providing housing opportunities by comparing the

number of units approved within the previous five years with the number of units needed to meet the objectives established in the jurisdiction's housing element.

The adopted Growth Management Element does not restrict the number of new homes that are permitted to be built. The element intends to use the increased tax revenue for transportation improvements to ensure that development and growth are orderly and not restricted. Measure J requires that the City monitor progress toward meeting Clayton's housing objectives. The City has determined that the Growth Management Element does not constrain the maintenance, improvement, or development of housing for all income levels.

Design Review

Residential development projects in Clayton are subject to a basic design review process that is a component of the site plan review process. This process ensures that new residential development is compatible with surrounding residences and protects solar rights, privacy, safety, and views of existing development. The requirements for design review are contained in three sources: (1) design guidelines contained in the Town Center Specific Plan and the Marsh Creek Road Specific Plan; (2) the Zoning Ordinance; and (3) the General Plan. The sources are described as follows:

- **Marsh Creek Road Specific Plan:** The Marsh Creek Road Specific Plan contains design and development standards that require designers and builders to retain and enhance the character of the planning area as it develops. The guidelines address site planning, creek corridors, ridgeline and hillside protection, streetscape and landscape architecture, residential architecture, energy and resource conservation, and commercial development.

- **Town Center Specific Plan:** The Town Center Specific Plan contains design guidelines that provide guiding principles rather than strict requirements to ensure flexibility in meeting the intent of the guidelines. The guidelines address several topics such as site design, architectural character, landscape character, preservation of historic buildings, relationship of new to existing development, parking, and signage.

- **General Plan:** The General Plan contains a Community Design Element with objectives, policies, and implementation measures that address overall community design, scenic highways, and design standards for the Town Center.

- **Zoning Ordinance:** The Zoning Ordinance protects solar rights, privacy, safety, and views of existing development through height and setback restrictions.

The design review process ensures that new residential development preserves basic aesthetic principles and does not affect entitlements by allowing additional conditions to be placed on the project. The design review process adds proportionately insignificant costs to residential development and therefore is not a constraint to affordable housing.

Development Processing Procedures, Standards, and Fees

Government policies and ordinances regulating development affect the availability and cost of new housing. Land use controls have the greatest direct impact, but development approval procedures, permit fees, building code requirements, and permit processing time can affect housing costs as well.

Permit Processing Procedures

Permit processing requirements at all levels of government continue to increase. Like every jurisdiction, the City has a number of procedures it requires every developer to follow. Housing development projects proposed in Clayton are subject to one or more of the following review processes or permits: environmental review, zoning, subdivision review, planned unit development, site plan review, use permits, and building permits.

A single-family residential subdivision requires approval of a Tentative Subdivision Map and a multi-family project requires the approval of a Development Plan Permit. Both proposals require actions by the Planning Commission and the City Council. If the level of environmental review is a negative declaration (ND) or a mitigated negative declaration (MND) for these proposals, then the typical processing time for these planning entitlements is four to six months from the time an application is deemed complete. If the level of environmental review is an environmental impact report (EIR), then the typical processing time from the time the application is deemed complete is approximately 12 months.

Unlike its larger neighbors, the City does not have a building department and instead contracts with the Contra Costa County Building Inspection Department to administer the building permit process. The residential development process works as follows. The developer obtains any discretionary approvals from the City. The developer then submits their construction plans for zoning compliance review. The developer then applies for sewer and water service. The City of Concord provides sewer service in Clayton under contract with Clayton. The Contra Costa Water District (CCWD) provides water service. Once the developer has obtained these approvals, the developer submits their plans to the County Building Inspection Department for plan check and a building permit. The County also provides building inspection services and grants certificates of occupancy for the project.

The City has recently updated building permit applications, which has assisted with streamlining project approval. In addition, the City is finishing a Development Handbook guide that will provide applicants with an overview of the development approval process. The intent of the guide is to be proactive in minimizing the time applicants spend seeking development approval. The Clayton Planning Department also encourages pre-application meetings so that the City can provide assistance and direction to applicants prior to application review. The City has found that the pre-application meetings reduce the time spent approving development applications and create opportunities for public/private development ventures. For example, the City Manager and Community Development Director have recently held several meetings with a nonprofit builder interested in developing affordable housing in the City through a partnership with the Clayton Redevelopment Agency.

Table 31 shows typical permit processing times for the City.

TABLE 31
TYPICAL PERMIT PROCESSING TIMES
2009

Type of Application	Estimated Approval Time Period * (Following Formal Acceptance)
General Plan Amendment	20 Weeks
Rezoning	20 Weeks
Use Permit	6 Weeks
Variance	6 Weeks
Planned Development	20 Weeks
Subdivision (Tentative Map)	20 Weeks
Subdivision (Final Map)	Variable
Site Plan Review	6 Weeks
Zoning Review (City staff)	1 Week
Building Permit (County Building Inspection Dept.)	2 Weeks

**These times assume environmental review is not required.*
Source: City of Clayton; Contra Costa County

The typical processing times reported in **Table 31** include both discretionary and non-discretionary permit processing times and take into account the time required to obtain permits from both Contra Costa County and the City. For example, a "typical" development project that requires a use permit and a site plan from the City and a building permit from Contra Costa County would take approximately eight weeks to process (i.e., six weeks for the use permit and site plan which would be processed concurrently, and two weeks for a building permit).

The City's permit processing procedures include an assessment of the potential environmental impacts of the proposed project. If a project requires environmental review, additional processing and time is required. State law under CEQA mandates these review procedures. Many of the environmental regulations have protected the public from significant environmental degradation and from development of certain projects on inappropriate sites, and have given the public an opportunity to comment on project impacts. This process does, however, increase the time needed for approval of a project. Recognizing the additional development cost that can potentially occur during plan review and processing, the City is developing a Development Handbook guide to assist applicants with this process. In addition, the City has updated their permit applications and made them available on the City's Web page. The City also encourages pre-application meetings in an effort to reduce application review time.

On- and Off-Site Improvement Requirements

The City requires the installation of certain on- and off-site improvements to ensure the safety and livability of its residential neighborhoods. On-site improvements typically include streets, curb, gutter, sidewalk, and utilities, and amenities such as landscaping, fencing, street lighting, open space, and park facilities. Off-site improvements typically include:

- Road improvements, including construction of sections of roadway, medians, sidewalks, bicycle lanes, and street lighting.
- Drainage improvements, including improvement to sections of channel, culverts, swales, and pond areas (Contra Costa County Flood Control District requirements).
- Sewage collection and treatment (City of Concord, Central Sanitation District requirements).
- Water system improvements, including lines, storage tanks, and treatment plant (Contra Costa Water District requirements).
- Public facilities for fire, school, and recreation.
- Geological hazard repair and maintenance where appropriate.

Improvements required of any particular residential project depend upon the improvements that exist prior to development. If, for example, a vacant lot is improved with curb, gutters, and sidewalks, then the developer is not required to reinstall these. All typical improvements discussed above are required for residential development if they are absent prior to development.

The Zoning Ordinance requires two covered parking spaces and two uncovered parking spaces for each single-family unit. The Zoning Ordinance also requires two parking spaces, one of which must be covered, for each multi-family unit. These parking requirements have been reduced in PD developments (e.g., Oakhurst provides only 1.5 parking spaces for its zero lot line units) and may be reduced for Affordable Housing Opportunity sites.

Typically, on- and off-site improvement costs are passed on to the homebuyer as part of the final cost of the home. Clayton does not require on- and off-site improvements beyond what is typically required in other jurisdictions and therefore does not consider the required improvements a constraint to the development of housing for all income levels.

Development Plan Review

The Planned Development (PD) District provides developers and the City with the flexibility to accommodate projects on sites which are constrained by various physical factors such as flooding, slopes, restricted access, or cultural resources. The development plan process allows the City to waive various standard development requirements including setbacks, height limitations, lot coverage, vehicular access, parking, and architectural design. Since development plans involve the relaxation of various standards, City Council and Planning Commission review is required. The

standards of review are listed in the Zoning Ordinance and focus upon ensuring that a better development will result than would occur with a non-flexible zone and ensuring protection of usable and natural open areas.

Site Plan Review

Site plan review is required for single-family dwellings, multi-family dwellings, and certain types of residential additions. Typically, the process is initiated by staff meeting with the applicant to review the project. The applicant submits an application and the processing fee/deposit. Neighboring property owners are notified and a staff report is prepared. The Planning Commission reviews the project at a public hearing with regard to compatibility with surrounding residences, solar rights, privacy, safety, and views. Projects conforming with these criteria are approved. The site plan review process involves approximately six weeks of processing time. Following site plan approval, the applicant submits their construction drawings to the County Building Inspection Department, after an initial conformance review by the City's Community Development staff.

Since specific criteria listed in the Zoning Ordinance are used in the evaluation and approval of projects, the site plan review process is fairly predictable for projects which address the specified criteria. The site plan review process also applies to commercial projects in the Town Center Specific Plan planning area.

Construction and Housing Codes

Code Enforcement

The City has two individuals that are assigned part-time code enforcement duties for the City of Clayton. One individual is employed by the City of Clayton directly; approximately one-third of her time is assigned to code enforcement. In this capacity, her title is Code Enforcement Officer. As Code Enforcement Officer she receives and follows up on complaints from citizens about matters ranging from poorly maintained properties, including foreclosed properties, to boats, recreational vehicles, and trailers being illegally parked on private properties. She uses the Clayton Municipal Code as the reference document to seek compliance and correction of the violation(s). Her efforts include verbal contacts, written courtesy notices, and formal notices of violation. Her efforts are very beneficial in helping to maintain the quality and appearance of the built environment in Clayton. She will coordinate as needed with other agency representatives, including, representatives from the Contra Costa County Building Department, the Clayton Police Department, the Housing Authority of Contra Costa County, Vector Control of Contra Costa County, and the Environmental Health Department of Contra Costa County.

Additionally, the City of Clayton contracts with the Contra Costa County Building Department to provide building plan check, inspection, and code enforcement services related directly to construction projects. The construction-related code enforcement function is part time, as needed. Essentially, the individual assigned to this work effort travels through the Clayton community on a regular basis looking for possible construction activities occurring without the benefit of a building permit and, upon identifying such an occurrence, seeks compliance with the applicable codes and

requirements. Additionally, this individual responds to complaints received by the City about possible illegal structures or construction occurring without needed permits and approvals.

Table 32 shows the construction and housing codes adopted and administered by Contra Costa County for Clayton.

TABLE 32
CONSTRUCTION AND HOUSING CODES
2009

Code	Code Section	Title	Remarks
Clayton Municipal Code incorporates these code sections by reference	15.01	Construction Regulations, 2001	No major impacts on cost of housing
	15.02	Uniform Building Code with Amendments, 2007	Will not have major impacts on the cost of housing
	15.03	California Electric Code with Amendments, 2007	Will not have major impacts on the cost of housing
	15.04	California Plumbing Code with Amendments, 2007	Will not have major impacts on the cost of housing
	15.05	California Mechanical Code with Amendments, 2007	Will not have major impacts on the cost of housing
	15.06	Uniform Housing Code with Amendments, 2007	Will not have major impacts on the cost of housing
	15.07	Building Security Construction Codes	Will not have major impacts on the cost of housing
	15.08	Uniform Building Code for Sign Provisions, 2007	Will not have major impacts on the cost of housing
	15.56	Moving Buildings regulations	Will not have major impacts on the cost of housing
	15.58	Flood Damage Prevention practices	Will not have major impacts on the cost of housing
	15.60	Grading Rules	Will not have major impacts on the cost of housing
	15.70	Tree Protection regulations	Will not have major impacts on the cost of housing
	15.80	Project Construction & Demolition Debris Recycling regulations	Will not have major impacts on the cost of housing, although cost savings from recycling material may provide a cost savings for construction which would be passed along to tenants

Code	Code Section	Title	Remarks
California Uniform Building Code	Part 6, Title 24	Residential Building Efficiency Standards, June 2001	Will reduce the demand for household energy and therefore decrease the cost of maintaining a household

Sources: City of Clayton, County Building Inspection Department, and County Fire Protection District

Development Fees

The City collects development fees to help cover the costs of permit processing, inspections, and environmental review. The City and applicable districts collect development fees for the provision of services such as water, sewers, storm drains, schools, and parks and recreation facilities. These fees are generally assessed based on the number of units in a residential development with the exception of the school district fee ($2.97 per square foot) collected by the Mount Diablo Unified School District (MDUSD), which determines permit fees based on square footage. Fees charged for building permits are based on the construction values as prescribed by the Uniform Building Code. Fees collected by the City in the review and development process do not exceed the City's costs for providing these services. When raising fees, the City complies with all applicable state laws. **Table 33** shows development fees for the City as of April 2009.

TABLE 33
DEVELOPMENT FEES
2009

Item	Responsible Agency	Fee per Unit	
		Single-Family	Multi-Family
Building Permit, Plan Check and Building Inspection [1]	County Building Inspection Dept.	$2,008	$1,399
School Fees ($2.97/s.f.)	Mt. Diablo Unified School District	$5,940 [2]	$3,564 [2]
Fire Fees	County Fire Protection District	$300	$200
Community Facilities Development	City of Clayton	$450	$125
Parkland Dedication	City of Clayton	$2,569	$1,666
Off-Site Improvement	City of Clayton	$1,456	$1,019
Child Care [3]	City of Clayton	$205	$205
Sewer Connection	City of Concord	$4,447	$4,447 [4]
Water Connection	Contra Costa Water District	$21,389	$21,389
Total		$38,764	$33,942

[1] Fees are based upon building valuation and square footage. Assumes a 2,000 sq ft single-family house and a 1,200 sq ft multi-family unit.
[2] Assumes the construction of a 2,000 sq ft single-family home and a 1,200 sq ft multi-family unit.
[3] Senior housing, second-dwelling units, affordable housing units, and churches are exempt.
[4] Fee is $3,291 per unit for a two-bedroom multi-family unit and $2,446 for a one-bedroom multi-family unit.
Sources: City of Clayton; Contra Costa County; Contra Costa Water District; City of Concord; Mount Diablo Unified School District

As presented in **Table 33,** a developer can expect to pay roughly $38,764 in fees for the construction of a 2,000 square foot single-family home and $33,942 for each 1,200 square foot multi-family dwelling unit. The fees presented in **Table 33** are typical for fees associated with residential development in the Bay Area. A large share ($21,389) of the total fees associated with residential development in the City is for water connections, which are provided by the Contra Costa Water District (CCWD) for jurisdictions located in Contra Costa County. The City also depends on the County's Conservation and Development Department for building permit and plan review services. The City's pre-application meetings assist with expediting the permit review period at the County level.

Conclusion

As noted above, the regulations and fees applicable to new development increase housing costs and to some degree may constrain the availability of affordable housing. Yet these regulations and fees are mandated by state law or are deemed necessary to protect the health, safety, and welfare of the community and to protect existing residents from the otherwise external costs of new development.

The City has not formally amended the Zoning Code to include a provision for waived or reduced fees for the development of affordable housing; however the City evaluates the scope of each project and determines whether reducing or waiving fees provides a greater public benefit.

NON-GOVERNMENTAL CONSTRAINTS

The availability and cost of housing is strongly influenced by market factors over which local government has little or no control. State law requires that the Housing Element provide a general assessment of these constraints. This assessment can serve as the basis for actions which local governments might take to offset the effects of such constraints. The primary market constraints to the development of new housing are the costs of constructing and purchasing new housing. These costs can be broken down into three categories: land, construction, and financing. For the most part, housing cost components in Clayton are comparable to those in other parts of the Bay Area.

Land Costs

Costs associated with the acquisition of land include the market price of raw land and the cost of holding land throughout the development process. These costs can account for as much as half of the final sales prices of new homes in very small developments or in areas where land is scarce. Among the variables affecting the cost of land are its location, its amenities, the availability of public services, and the financing arrangement made between the buyer and seller.

Land costs vary significantly in accordance with a variety of factors, including proximity of urban services. Due to a low inventory of land for sale in Clayton, it is difficult to estimate the cost per acre of land in the City. The inventory of vacant land parcels in the neighboring City of Concord includes properties that are near the Clayton boundary line. Undeveloped land zoned for residential development on these properties is listed from $600,000 per acre to as high as $4 million per acre. It is recognized that the high cost of land constrains developers' ability to develop affordable housing. Unfortunately there is little the City can do to lower the cost of land in the private market.

Construction Costs

The National Building Cost Manual (NBCM) estimates that the cost to construct a new single-family home in Clayton is approximately $126 per square foot. This estimate assumes the construction of a 2,000 square foot home with a 500 square foot attached garage, built with average-quality building materials, and does not include custom-quality materials or design. At $126 per square foot, a 2,500 square foot home would cost $315,000 to construct. The NBCM estimates that 38 percent of the construction cost is materials, 47 percent is for labor and equipment, and 15 percent is the contractor's markup. The construction cost does not include related costs associated with land, permits, or financing. Also, many new homes in Clayton include custom materials and design, which also increase the total construction cost. Factoring in related cost and custom materials, the construction of a new single-family home in the City would range between $800,000 and $1.2 million.

Due to the high price of land in the City, the cost to develop multi-family housing is also high. According to local developers, the cost to develop multi-family housing (excluding land cost) in the

City ranges between $148,000 and $172,500 per unit. The cost to develop each unit is roughly 20 percent of the cost to develop a single-family home, making multi-family housing the more affordable housing development option.

Availability of Financing

State Housing Element law requires an analysis of potential and actual non-governmental constraints upon the availability of financing for the maintenance, improvement, or development of housing for all income levels. This section will provide an analysis of the availability of financing for home purchases as well as refinancing and improvement loans. Data provided by the Federal Financial Institutions Examinations Council (FFEIC) under the Home Mortgage Disclosure Act (HMDA) is presented and analyzed to determine the extent to which the availability of financing constrains home purchase loans and refinancing/home improvement loans.

Availability of Financing for Home Purchase Loans

Table 34 presents data as reported by the FFEIC under HMDA regulations. The data is organized and presented for the years 2004, 2005, 2006, and 2007 by loans that were either approved, denied, or withdrawn/incomplete. In an effort to determine the extent to which financing constrains access to housing in Clayton, the data is compared with the broader Oakland-Fremont-Hayward metropolitan statistical area (referred to as MSA). HMDA reports loan applications by designated census tracts, which in Contra Costa County are shared among jurisdictions. The data displayed in **Table 34** is comprehensive for Clayton and includes partial data for jurisdictions which share census tracts with Clayton (Antioch and Concord).

As seen in **Table 34**, there were a total of 7,327 loan applications between 2004 and 2007 in Clayton. In the MSA for the same time period, there were 382,439 loan applications. Of the total loan applications in Clayton, 69 percent were approved, the same as in the MSA. Also, the share of denied loans in Clayton and the MSA were roughly even. Taking into account that the share of approved and denied applications was similar in both Clayton and the overall MSA, it does not appear that there is a lack of financing availability for Clayton residents.

In 2004 there were 2,159 loan applications processed in Clayton and 107,433 in the MSA. In 2007 the total number of loan applications in Clayton declined to 1,055 applications (51 percent decline) and in the MSA the number of loan applications declined to 62,201 (42 percent decline). The sharp decline in total loan applications is not unique to Clayton and the MSA. The nation as a whole experienced a similar decline between 2004 and 2007. Subsequent decline in loan availability likely occurred after 2007, but data for 2008 was not yet available.

TABLE 34
HOME PURCHASE LOANS, 2004–2007

Year	Approved				Denied				Withdrawn/Incomplete				Total Loan Applications	
	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	Oakland-Fremont-Hayward MSA
2004	1,604	74%	78,372	73%	307	14%	17,326	16%	248	11%	11,735	11%	2,159	107,433
2005	1,555	71%	79,108	70%	414	19%	20,747	18%	214	10%	13,349	12%	2,183	113,204
2006	1,228	64%	66,097	66%	506	26%	22,082	22%	196	10%	11,422	11%	1,930	99,601
2007	654	62%	41,432	67%	258	24%	14,111	23%	143	14%	6,658	11%	1,055	62,201
Totals	5,041	69%	265,009	69%	1,485	20%	74,266	19%	801	11%	43,164	11%	7,327	382,439

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006, 2007
Note: Loans approved include loans originated and loans approved, not accepted
"Home Purchase Loans" includes all FHA, FSA/RHS, VA, Conventional, and loans for dwellings for 5 or more families.

Availability of Refinance and Home Improvement Loans

Table 35 displays data provided under HMDA for home refinance and improvement loans for the years 2004, 2005, 2006, and 2007. Approved, denied, and withdrawn/incomplete loans are displayed for each year for Clayton and the overall MSA. As presented in the table, there were 18,047 total loan applications processed in Clayton and 777,987 in the MSA between 2004 and 2007. The share of approved loans in Clayton was equal to the share of approved loans in the MSA, indicating that financing is readily available in the Clayton community.

Similar to the data displayed in **Table 35** for home loan activity, the loan activity presented in **Table 35** sharply declined from 2004 to 2007. The decline is representative of the decline in the number of homeowners financing home improvements with equity in their homes. The decline of home values since 2004 has shrunk the amount of equity homeowners have access to, thus fewer people apply for refinancing or home improvement loans. This trend is an indication that the market for capital to rehabilitate homes is shrinking and may become a constraint to improving the conditions of the housing stock. However, the City's most recent housing condition survey revealed no homes in need of substantial rehabilitation or in dilapidated conditions.

TABLE 35
HOME REFINANCE AND IMPROVEMENT LOANS, 2004–2007

Year	Approved				Denied				Withdrawn/Incomplete				Total Loan Applications	
	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	% Total Loans	Oakland-Fremont-Hayward MSA	% Total Loans	Clayton	Oakland-Fremont-Hayward MSA
2004	3,323	64%	147,657	65%	1,031	20%	41,872	18%	884	17%	37,600	17%	5,238	227,129
2005	3,414	63%	133,964	62%	1,120	21%	43,818	20%	900	17%	37,864	18%	5,434	215,646
2006	2,676	58%	113,306	60%	1,173	26%	44,531	24%	727	16%	30,787	16%	4,576	188,624
2007	1,615	58%	82,177	56%	983	35%	43,199	29%	201	7%	21,212	14%	2,799	146,588
Totals	11,028	61%	477,104	61%	4,307	24%	173,420	22%	2,712	15%	127,463	16%	18,047	777,987

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006, 2007.
Note: Loans approved include loans originated and loans approved, not accepted

8.0 CURRENT AND PAST HOUSING PROGRAMS

CURRENT PROGRAMS

The City utilizes local, state, and federal funds to implement its housing strategy. Because of the high cost of new construction, more than one source of public funds is required to construct an affordable housing development. The City does not act as a developer in the production of affordable units, but relies upon the private sector to develop new units with the assistance of these various funding sources.

The Clayton Redevelopment Agency (RDA) is the primary source of housing funds for the City's housing programs. According to the City's RDA Five-Year Implementation Plan, as of April 2009 the City had a housing fund balance of $4.7 million in set-aside funds that will be available to support affordable housing activities in the Redevelopment Area over the five-year period ending in June 2013. The Agency provided the Diamond Terrace (PAM) project with $2,036,000 to assist in development of the project as well as to provide $220,000 annually to supplement rental income until 2019. The project also received a low-income tax credit allocation.

The Agency expects to reach its cap on tax increment collection at the end of the current implementation plan period (2012/2013). At that time, the housing fund balance will be exhausted. Prior to exhausting the housing funds, the Agency is planning to provide $1.5 million as seed money for the development of 15 affordable rental units. Prior to the exhaustion of the housing fund balance, the Agency also plans to allocate $1.5 million toward affordable home ownership development through the remainder of the Implementation Plan period.

The Five-Year Implementation Plan also identifies that funds provided by the Agency for affordable rental development will include 55-year deed restrictions and funds used for affordable home ownership development will include 45-year deed restrictions.

In the past, the Agency has used its housing set-aside funds to assist in the development of Kirker Court, a rental project for persons with disabilities, and to provide secondary financing for moderate-income homebuyers. In 1994, the Redevelopment Agency funded second mortgages on 18 homes sold to moderate-income households at the 54-unit Stranahan development off of Marsh Creek Road. The homes were sold at prices affordable to moderate-income households. The minimum second mortgage amount was $20,500 and the maximum was $35,000. The loan agreement for the second mortgage runs for 25 years and ensures continued affordability for 10 years through a provision of the City's right of first refusal for any resales. Further, to ensure continued affordability, the resale price is limited to increases in the county's median income. Following the 10-year affordability period, some homes were sold at market rates. The RDA acquired some of these homes with the intention to resell them at prices affordable to low-income persons with a longer-term deed restriction. These homes were located at 214 and 282 Stranahan Circle and were resold to low-income households. Since the 2005 Housing Element was adopted, six additional homes were purchased and resold to moderate-income households on Stranahan Circle. These six homes are located at 208, 268, 274, 276, 278, and 280 Stranahan Circle.

In June of 2008 the City posted a flyer for interested applicants announcing the availability of an affordable single-family home for sale in the Stranahan development. The home was offered between $275,000 and $385,000 depending upon the prevailing interest rate at the time of the sale and the gross household income of the selected applicant. The unit has three bedrooms and was therefore available to households with a minimum of 3 persons. Upon the sale of the home, a 45-year deed restriction was put into place, restricting the resale amount of the home during the 45-year period to ensure affordability as well as establish maximum income limits of future buyers.

Clayton residents may also benefit from programs that are administered by the Contra Costa County Community Development Department. For example, the Mortgage Credit Certificate Program (authorized via Section 25 of the IRS code) is targeted to households whose incomes do not exceed 115 percent of area median income. This program permits public jurisdictions to issue tax credit certificates for a portion of the mortgage interest paid by first-time homebuyers. In this program, the buyer and the lender cover most of the direct expenses.

Community Development Block Grant Funds (CDBG)

The Community Development Department also administers the CDBG and HOME programs. The County receives approximately $3.5 million in CDBG funds annually for the 14 cities and unincorporated areas that make up the Urban County. Forty-seven (47) percent of the funds are reserved for projects and programs within the Urban County that address the following priorities:

- Increase the supply of multi-family rental housing affordable to and occupied by very low- and low-income households;
- Maintain the existing affordable housing stock through the rehabilitation of owner-occupied and rental housing;
- Increase the supply of appropriate and supportive housing for special needs populations;
- Assist the homeless and those at risk of becoming homeless by providing emergency and transitional housing; and
- Alleviate problems of housing discrimination.

CDBG funds are used for site acquisition, rehabilitation, first-time homebuyer assistance, development of emergency and transitional shelters, and fair housing/housing counseling activities. Additional activities in support of the new construction of affordable housing include site acquisition, site clearance, and the financing of related infrastructure and public facility improvements.

CDBG funds were used to assist in the development of Kirker Court.

On July 30, 2008, the 2008 Housing and Economic Recovery Act (HERA) was passed. HERA included a special allocation of CDBG funds, as part of the Neighborhood Stabilization Program (NSP). NSP provides targeted emergency assistance to state and local governments to acquire and

redevelop abandoned and foreclosed residential properties that might otherwise become sources of abandonment and blight within communities. As the lead agency, Contra Costa County has been allocated $6,019,051 in NSP funds to be used over five years. The County intends to use these funds to support acquisition and rehabilitation programs of vacant foreclosed homes in Bay Point, Oakley, Rodeo, San Pablo, and North Richmond.

HOME Investment Partnership Act Program Funds

The Urban County and the cities of Antioch, Concord, Pittsburg, Richmond and Walnut Creek formed the Contra Costa Consortium for the purpose of applying to HUD for HOME funds. Approximately $2.9 million in HOME funds are allocated to the Consortium annually. All projects funded with HOME funds must be targeted to very low- and low-income households and must have permanent matching funds from non-federal resources equal to 25 percent of the requested funds. In addition, the County Board of Supervisors has established a priority for the allocation of HOME and CDBG funds to projects that include a portion of the units affordable to extremely low-income households (incomes at or below 30 percent of the area median income).

Consortium HOME program priorities include the following:

- Acquisition, rehabilitation, and new construction of affordable multi-family rental housing;
- Owner-occupied housing rehabilitation programs for low-income households; and
- First-time homebuyer's assistance for low-income households.

Section 8 Voucher Program

Rental assistance is available from the Housing Authority of Contra Costa County, which administers the Section 8 voucher program. As of August 2001, only one Clayton household was receiving rental assistance from this program, which is funded by the U.S. Department of Housing and Urban Development. The limited number of rental housing units in the City makes it unlikely that Section 8 participants will find units to rent in Clayton.

AFFORDABLE HOUSING PROJECTS

There are currently 20 affordable housing units at Kirker Court, a project for persons with disabilities managed by Eden Housing. The Stranahan residential subdivision was built in 1995 and consisted of 54 single-family detached homes. Eighteen of the homes were sold at a level affordable to moderate-income households. Since the initial sale, two of the eighteen homes have been repurchased by the Redevelopment Agency and resold to low-income households, and an additional six of these houses have been repurchased by the Redevelopment Agency and resold to moderate-income households. Diamond Terrace, an assisted living project for seniors, was completed in 2003. This project provides 65 units for very low-income seniors and 10 units for low-income seniors as well as 10 units for moderate-income seniors. In addition, one low-income unit was provided as part of the Bridlewood subdivision's inclusionary housing requirement. **Table 36** presents detailed information on these housing units.

TABLE 36
AFFORDABLE HOUSING PROJECTS
MAY 2009

Project Name	Address	Year Built	Sponsor	Units	Target Group(s)	Waiting List	Expiration Date	Type of Subsidy	Notes
Redevelopment Agency LMI Program									
Kirker Court	1732 Kirker Pass Road	1993	Eden Housing (originally developed by Housing for Independent People)	20	Extremely Low-Income Persons with Disabilities	Currently accepting applications	2013	Section 811, CDBG, and Redevelop-ment Agency LMI funds	--
Stranahan	Stranahan Circle	1995	Lemke Construction	18	2 Low-Income	NA	2048	Redevelop-ment Agency LMI funds	Affordable Housing Opportunity site in 1993 Housing Element
					16 Moderate-Income	NA	2005–2006		
Diamond Terrace	6401 Center Street	2001–2002	PAM	85 (+1 caretaker unit)	65 Very Low-Income; 10 Low-Income; 10 Moderate-Income Seniors	NA	2056	Low-income tax credits and Redevelopm ent Agency LMI funds	Congregate care with studio, 1-bedroom and 2-bedroom units
Inclusionary Program									
Bridlewood	Bridlewood Court	2003	Delco Builders	1	1 Low-Income	NA	2048		Inclusionary units are off-site.
Diablo Pointe [1]	Regency Drive	2006 (est.)	Lemke Construction	3	1 Very-Low Income; 1 Low-Income; 1 Moderate-Income	NA	55 years		The very low-income unit has been secured off-site and deed restricted. The remaining two units are to be

Project Name	Address	Year Built	Sponsor	Units	Target Group(s)	Waiting List	Expiration Date	Type of Subsidy	Notes
									secured off-site prior to the issuance of the twentieth certificate of occupancy for the project
Total				**127**					

Notes: Extremely Low-Income = 30% of median income or below; Very Low-Income = 50% of median income or below; Low-Income = 51% to 80% of median income; Median-Income = 100% of median income; Moderate-Income = 80% to 120% of median income

[1.] Diablo Point has a recorded final map and public improvements installed but no homes constructed to date. The three below-market units will be off-site. The developer has already purchased one market-rate unit and resold it to a very low-income household. The remaining two required units must be provided prior to the issuance of the 20th certificate of occupancy within the subdivision.

Source: Community Development Department, 2009

FUNDING PROGRAMS

There are several local, state, and federal funding programs that can be used to assist first-time homebuyers, build affordable housing, and help special needs groups, such as seniors, persons with disabilities, and the homeless. Due to the high cost of new construction, more than one source of funds is usually required to construct an affordable housing development. Funds provided may be low-interest loans that need to be repaid, or in some instances, grants are provided that do not require repayment.

These funding programs are summarized in **Table 37**. In most cases other entities, including for-profit and nonprofit developers, apply for funds or other program benefits. For example, nonprofit organizations apply directly to HUD for Section 202 and Section 811 loans, and developers apply to the California Tax Credit Allocation Committee for low-income tax credits. The City does not act as a developer in the production of affordable units, but relies upon the private sector to develop new units with the assistance of various funding sources. The City can help sponsor grant and loan applications, provide matching funds, or furnish land at below-market cost. However, there are also programs, such as CDBG and HOME, for which the City can apply directly to the County Community Development Department for funding. Finally, there are a few programs, such as the Mortgage Credit Certificate Program or the Lease Purchase Program, to which individual households apply directly once local or county programs have been established.

In addition as mentioned above, the Clayton Redevelopment Agency provides funds for housing and is expected to have approximately $4.7 million in available housing set-aside funds during the five-year period ending in June 2013.

City financial support of private sector applications for funding to outside agencies is very important. Funding provided by the City can be used as matching funds required of some programs. Local funding is also used for leverage. City support of private sector applications enhances the competitive advantage of each application for funds. For example, the Redevelopment Agency's financial support for the Diamond Terrace project was an important factor in the project's successful application for low-income tax credits.

As indicated, the Redevelopment Agency is the primary source of local housing funds in Clayton. However, the City has adopted an inclusionary housing policy, which allows for payment of an in-lieu fee if affordable units are not provided. If developers choose to pay in-lieu fees, they will augment the Agency's housing set-aside funds and increase the City's ability to encourage and assist affordable housing development.

TABLE 37
AFFORDABLE HOUSING FINANCING PROGRAMS

Program	Description
FIRST-TIME HOMEBUYERS	
Mortgage Credit Certificate Program (MCC)	Homebuyers can apply a portion of mortgage interest paid as a credit against their income tax obligations. The program primarily targets first-time homebuyers. The California Debt Limit Allocation Committee is responsible for allocating authority for the mortgage credit certificate and mortgage revenue bonds subject to the annual volume cap for the state. The Contra Costa County Community Development Department administers this program.
Housing Enabled by Local Partnerships (HELP) Program	California Housing Finance Agency (CHFA) sponsored program that provides low-cost loans to cities for an array of housing activities, including down payment assistance.
School Facility Fee Down Payment Assistance Program	CHFA program that provides full or partial rebate of the school facility fee paid by the builder. The buyer can use this rebate to cover part of the down payment.
Low and No Down Payment Program	California Housing Loan Insurance Fund (CAHLIF) sponsored program that provides several loan options, including 100% loans, requiring no down payment.
Lease-Purchase Program (operated by an existing agency or the creation of a new one with other cities in area)	The program assists potential homebuyers who lack down payment savings or an acceptable credit history to become homeowners. Lease-purchasers lease homes for a three-year period, while they gradually save for the down payment and closing costs. The East Bay Delta Housing Finance Agency operates a program in the Bay Area.
Community Assisted Shared Appreciation (CASA) Program	This special program provides silent seconds (owed to participating lenders) and silent thirds (owed to the City). Funds are matched one for one by participating lenders.
FUNDING SOURCES FOR NEW CONSTRUCTION	
HOME and Community Development Block Grant Programs	Federally funded and regulated programs designed to help households up to 80% of area median income. The Contra Costa Community Development Department administers these programs for the Urban County, which includes Clayton. CDBG funds were one of the funding sources for Kirker Court.
Low-Income Housing Tax Credits	Federal and state income tax credits provide a source of equity for low-income rental projects. The California Tax Credit Allocation Committee coordinates the award of these credits. The Diamond Terrace project used tax credits.
HELP Program	CHFA sponsored program that provides low-cost loans to cities for an array of housing activities, as long as they support affordable housing.

Program	Description
State of California's Multifamily Housing Program	A new state program that provides deferred payment loans for up to 55 years. Eligible activities include new construction and rehabilitation of permanent and transitional rental housing for lower-income households.
Clayton Redevelopment Agency Funds	The Redevelopment Agency is expected to have approximately $4.7 million available through June 2013 for housing-related activities. RDA funds were used for Kirker Court and Diamond Terrace (including ongoing funding) and will be used for future affordable rental and homeownership development
Mortgage Revenue Bonds	The sale of tax-exempt bonds provides permanent financing at slightly below market interest rates for both single-family and multi-family housing. The California Debt Limit Allocation Committee is responsible for allocating authority for the mortgage credit certificate and mortgage revenue bonds subject to the annual volume cap for the state.
SPECIAL NEEDS GROUPS	
New Construction – Section 202 and Section 811	The HUD 202 Program provides grant funds to develop senior housing. The HUD Section 811 Program provides grant funds to develop housing for persons with disabilities. Section 811 funding was used for Kirker Court.
CDBG	Seniors with mobility problems can remain in their own homes longer, if it is possible to improve accessibility. CDBG funds can be used for this purpose.
HOMELESS INDIVIDUALS AND FAMILIES	
Emergency Shelter	Contra Costa County's Office of Homeless Programs coordinates programs and disperses funds for emergency shelters. Funds are available from the federal government and from the State. The County's 2001–2006 Continuum of Care Plan Homeless Plan provides detailed information.
Transitional Shelter	Financing sources include federal programs (e.g., HOPWA, HOME, CDBG, Section 8) and the State.

Source: City of Clayton 5-Year Implementation Plan, 2008/09-2012/13; Contra Costa County

9.0 REGIONAL HOUSING NEEDS

Under the state housing element requirements, housing needs are defined in three categories: existing needs, needs of special groups within the community, and projected needs through the remainder of the planning period. The existing needs and needs of special groups are discussed in the assessment of housing needs. This section focuses on projected housing needs for the period from 2007 to 2014.

Projected housing needs are the total additional housing units required to adequately house a jurisdiction's projected population through the planning period that are affordable, in standard

condition, and not overcrowded. These needs include those of the existing population as well as the needs of the additional population expected to reside in the city through the planning period.

CLAYTON'S SHARE OF PROJECTED REGIONAL NEEDS

In May 2008, the Association of Bay Area Governments released its Regional Housing Needs Allocations (RHNA) for the period January 1, 2007, to June 30, 2014. Under state law, Bay Area local governments use this determination for their projection of future housing needs. The purpose of the document is to examine housing needs on a regional basis and to allocate to every city and county responsibility for planning to meet its share of those needs.

Section 65584 of the Government Code designates the responsibility for developing projections of regional housing need, and allocating a share of this need to localities within the region, to regional councils of government. For the San Francisco Bay Area, these determinations were prepared by ABAG. ABAG determined quantifiable needs for housing units in the region according to various income categories. **Table 38** depicts Clayton's estimated need for 2007 to 2014.

Please note that the City's 2007–2014 regional housing needs allocation of 151 units is one unit more than the draft 2009 ABAG housing unit projection for the City through 2035. While the City will implement efforts to facilitate the development of housing to meet its fair share of housing needs, the actual expected growth based on ABAG's new projection methodology is far less than ABAG's 2007–2014 adopted fair share allocations.

Assembly Bill (AB) 2634 was approved in 2006 and requires jurisdictions to quantify existing extremely low-income households and projected extremely low-income households. Extremely low-income households are those earning less than 30 percent of the area median income. According to AB 2634, jurisdictions can quantify the projected number of extremely low-income households by assuming that 50 percent of very low-income households are extremely low-income. ABAG allocated to Clayton 49 very low-income households, of which 24 (50 percent) have been assumed to be Clayton's extremely low-income housing need and are shown in **Table 38**.

In its final RHNA figures, ABAG allocated 151 housing units to Clayton. The allocation is equivalent to a yearly need of 20 housing units for the 7½-year period. The total allocation is broken down into four income categories. However, the City assumes half of its very low-income allocation is an appropriate estimate of the projected extremely low-income household, so the RHNA in **Table 38** below is broken down into the five categories: extremely low (24 units or 15.9 percent of total units), very low (25 units or 16.6 percent of total units), low (35 units or 23.2 percent of total units), moderate (33 units or 21.9 percent of total units), and above moderate (34 units or 22.5 percent of total units). In other words, of the 151 units allocated, 77.5 percent must be in the affordable range (extremely low-, very low-, low-, moderate-income) and 22.5 percent in the above moderate range.

TABLE 38
PROJECTED HOUSING NEED BY INCOME CATEGORY, 2007–2014

Income Category	ABAG Need Determination	Percentage of Total
Extremely Low (1)	24	15.9%
Very Low (2)	25	16.6%
Low (3)	35	23.2%
Moderate (4)	33	21.9%
Above Moderate (5)	34	22.5%
Total	151	100.0%
Average Yearly Need	20	--

Notes:
(1) Units for households earning less than 30 percent of median income
(2) Units for households earning between 30 and 50 percent of median income
(3) Units for households earning between 50 and 80 percent of median income
(4) Units for households earning between 80 and 120 percent of median income
(5) Units for households earning more than 120 percent of median income
Source: Association of Bay Area Governments

Table 39 shows the total 2007–2014 RHNA and the 2007 housing unit count for Clayton, Contra Costa County, and the entire nine-county ABAG region. When applied to the 2007 DOF estimate of 3,984 housing units in the incorporated area of Clayton, the 151 total housing unit allocation for 2007–2014 is equivalent to a 12 percent total increase, or a 3.8 percent annual average growth rate for the 7½-year period.

Clayton's RHNA represents 0.5 percent of the total Contra Costa County RHNA of 27,072. This share is half of Clayton's 1 percent share of the total Contra Costa County housing stock in 2007. Clayton's 2007 housing stock represented 0.1 percent of the total 2007 Bay Area regional housing supply. Clayton has been assigned a Regional Housing Needs Allocation equivalent to 0.07 percent of the regional total, a share that is slightly less than Clayton's share of the 2007 housing stock.

Clayton's annual average growth rate of 0.5 percent implied in its RHNA is slightly lower than the growth rate of Contra Costa County (0.9 percent) and the entire Bay Area region (1.05 percent).

TABLE 39
REGIONAL HOUSING NEEDS ALLOCATION
CLAYTON, CONTRA COSTA COUNTY, AND ABAG REGIONS, 2007 TO 2014

Jurisdiction	Regional Housing Needs (Units) Allocation – Current Jurisdictional Boundaries			2007 Housing Units				Allocated Growth	
	Total	% of County	% of Regional Share	Average Yearly Need (7.5 Years)	2007 Housing Units (DOF)	% of County Share	% of Regional Share	% Total Growth: 2007–2014	Annual Average Growth Rate: 2007–2014
Clayton	151	0.5%	0.07%	20	3,984	1.0%	0.1%	3.8%	0.5%
Contra Costa County	27,072	100.0%	13.0%	3,694	393,406	100.0%	14.5%	6.9%	0.9%
ABAG Regional Total	214,500	--	100.0%	28,600	2,711,262	--	100.0%	7.9%	1.05%

Source: Association of Bay Area Governments, May 2009; California Department of Finance, May 2009

Between January 1, 1992, and 2004, the City issued building permits for 1,868 new units. Between January 1, 2007, and March 2009, which is within the planning time frame of this Housing Element, Clayton had 21 new units that were approved for construction or were developed. **Table 40** summarizes building permits issued by project name, year, and income category.

TABLE 40
SUMMARY OF RESIDENTIAL ACTIVITY BY INCOME
JANUARY 1992 TO MARCH 2009

Project Name/Year	Very Low	Low	Moderate	Above Moderate	Total
Stranahan (Lemke) Site (1994)	--	--	18	36	54
Diablo Village (1999)	0	0	0	33	33
Diamond Terrace PAM (1999)	65	10	10	1	86
Oakhurst (1992–1999)	--	5	264	1,205	1,474
Other (1992–1999)	--	6	--	13	19
Total (1992–1999)	65	21	290	1,290	1,666
Total (1999–2004)	65	12	14	111	202
2007	0	0	1	9	10
2008	0	0	0	11	11
2009	0	0	0	0	0
Total (2007–2009)	**0**	**0**	**1**	**20**	**21**

Source: Community Development Department, March 2009

For planning purposes, the ABAG figures need to be adjusted to reflect the units that have been issued building permits between January 1, 2007 (the starting point for ABAG's Regional Housing Needs Determination) and March 2009. **Table 41** shows modified need projections based on this adjustment.

In an effort to relate this building permit activity to the ABAG Regional Housing Needs Allocation figures, the Community Development Department assigned each new unit to one of the four income categories specified in the ABAG needs determination. This analysis also includes the projected housing need of extremely low-income households as defined by AB 2634. The results of this analysis are shown in **Table 41.**

Accounting for development activity in the current planning period (since January 2007), the balance of the City's projected housing need is an additional 130 housing units through the remainder of the planning period (June 2014).

TABLE 41
BALANCE OF REGIONAL HOUSING NEED

Income Category	2007 to 2014 ABAG Need Determination	Units Constructed/ Approved and Adjustments 2007–2014*	Percentage of Need Met	Balance of Existing Need
Extremely Low	24	0	0%	24
Very Low	25	0	0%	25
Low	35	0	0%	35
Moderate	33	1	3.0%	32
Above Moderate	34	20	58.8%	14
Total	151	21	13.9%	130

Units include both units constructed and those receiving building permits since January 1, 2007.
Source: Community Development Department; Association of Bay Area Governments

10.0 AVAILABILITY OF LAND AND SERVICES

This section assesses the availability of land and services to meet the needs documented in the Housing Needs section. This section also reviews Clayton's inventory of available residentially zoned land, calculates the buildout potential of this land, and reviews the adequacy of services to support future housing development.

LAND AVAILABLE FOR RESIDENTIAL DEVELOPMENT

Vacant Residential Land

As indicated in **Table 42,** Clayton has vacant residential land that, at approved densities, would allow for the development of between 46 and 68 units based on minimum and maximum allowable densities. The table also shows an estimated realistic capacity based on recent developments. The vacant parcels in **Table 42** have an estimated realistic capacity of 54 units. Sites V-2 and V-5 comprise the City's available vacant higher-density parcels and are most appropriate to meet the City's very low- and low-income RHNA. Three recent developments in the City — Rachel Ranch, Pine Hollow Estates, and Mitchell Creek Place — developed at 73 percent, 96 percent, and 73 percent of their respective maximum allowable densities. Realistic capacity of the vacant sites was determined by using the average (81 percent) of the built density percentages of these recent projects. The map in Appendix C shows the location of available vacant sites.

The maximum units and realistic capacity for sites V-2 and V-5 in **Table 42** were determined based on Implementation Measure I.1.1 which commits the City to creating a Zoning District (M-R-H) that allows a maximum of 20 units per acre. Combined, sites V-2 and V-5 have a realistic capacity of 34 units that can be made available for the development of housing affordable to lower-income

households. The remaining lower-income housing need is 50 units, which will be met through a rezone proposed in Implementation Measure I.1.1.

Additionally, **Table 42** includes vacant sites that can yield a realistic capacity of 20 total units on lower-density sites, which would be available to moderate- and above moderate-income households. The adjusted moderate- and above moderate-income housing need is 46 units. After accounting for the capacity of vacant sites, the remaining need for moderate- and above moderate-income units is 26 units, which will be accommodated on underutilized sites and existing potential second-story sites identified in **Tables 43** and **44**.

Underdeveloped Residential Land

Table 43 lists the location, size, and development potential of underdeveloped residential sites within the city limits. The realistic capacity for the underutilized sites was determined with the same built density percentage used for the vacant sites (81 percent) only after the existing uses on the sites have been accounted for.

Underdeveloped sites (excluding site U-6) yield the potential for between 46 and 104 additional units based on minimum and maximum allowable densities (map located in Appendix C). Using the realistic capacity methodology, there would be capacity for approximately 70 units of moderate- and above moderate-income housing to meet the City's remaining RHNA.

To meet the City's RHNA shortfall (50 units), the City will consider redesignating and rezoning the southeasterly portion that fronts onto Old Marsh Creek Road of Site U-6/P-1 (known as Easley Ranch, APN 119-080-009, 13.52 acres) (see **Table 43**) from SF (LD) to the newly created General Plan designation (Implementation Measure I.1.1 Multi-family High Density (MF-HD) and rezoning to the newly created Zoning District M-R-H to meet the City's 50-unit RHNA shortfall. The City would rezone at least 3.5 acres of this site to accommodate at least 50 units without physical or environmental constraint. If, through the planning process it is determined that it is not feasible to redesignate and rezone this site to a higher density, the City will identify additional sites to meet their RHNA shortfall of 50 units. The site(s) that will be redesignated and rezoned will accommodate at least 16 units per site and not have any physical or environmental constraints on the site(s). This rezone will occur within one year of adoption of this Housing Element (Implementation Measure I.1.1.

As part of the City's overall plan to encourage compact development and mixed-use projects, the City will consider rezoning Site P-2 (APN 119-021-013, .87 acres) and/or Site P-3 (APN 119-021-054, 1.16 acres) and/or Site P-4 (APN 119-021-055, .95 acres) (see **Table 45**) to add to the City's inventory of high-density sites to meet the City's future RHNA needs. **Table 46** summarizes the City's remaining housing need and available land to meet the need.

Potential Second-Story Housing Units

Table 44 lists commercially designated parcels within the Town Center that may have some potential for serving as residential sites. In accordance with the General Plan, these units would

need to be second-story units. Of the three available sites, there is a potential for approximately 27 units, which have been allocated toward the City's surplus of housing units for moderate- and above moderate-income households (map located in Appendix C).

Residential development in the Town Center is permitted above the ground floor in commercially zoned areas. Policy I.6 of the Town Center Specific Plan encourages "the provision of small residential units on upper floors of commercially-designated parcels." The Creekside Commons (formerly Rivulet) project located in the Town Center is moving through the approval process (approval is anticipated in May–June 2010) and will contain approximately 7,200 square feet of ground-floor commercial space with seven residential units located on the second floor. The Creekside Commons project will be developed at 15 dwelling units per acre, which accounts for open-space requirements, parking requirements, and stormwater detention requirements. The City's Town Center Specific Plan does not specify residential density ranges for second-story development; therefore the Creekside Commons project serves as a basis for determining the realistic capacity of parcels with potential for second-story development. As mentioned, Creekside Commons is proposed to be developed at 15 dwelling units per acre and will satisfies all regulatory requirements for open space, parking, and stormwater. Rather than using 15 dwelling units per acre, the City is assuming a realistic potential of 12 units per acre (80 percent of Creekside Commons). The sites identified in Table 44 are prime for development and are without constraints.

Environmental Constraints of Land Capacity

The inventory of available sites in **Tables 42** through **45** identifies a variety of potential environmental constraints, such as slope, oak tree preservation, and floodplains. The City recognizes that these environmental characteristics are part of the City's character. The City promotes flexible design standards that allow developers to mitigate environmental constraints while preserving the City's character. The realistic capacity assumptions of sites identified in **Table 42** through **45** take into account existing environmental constraints. For example, a portion of the Creekside Commons project area is constrained by a slope, not permitting development. However, the sloped portion of the site satisfies a portion of the required open space for the project. The City recognizes the potential effect that environmental constraints are likely to have on housing development, including reducing the number of units likely to be constructed. The City will continue to work with developers to creatively coordinate development and preserve the community's natural characteristics.

Zoning to Accommodate Lower-Income Households

Housing Element law requires jurisdictions to identify zones which accommodate the housing needs of lower-income households. The law allows jurisdictions to rely upon default densities (20 du/ac for Clayton) to demonstrate zoning that encourages lower-income housing development. The maximum density allowed for sites (V-2 and V-5) identified in **Table 42** is currently 15 dwelling units per acre, which is less than the City's default density. However, upon implementing Measure I.1.1, the City will redesignate these sites from MF (MD) to the newly created MF (HD) and rezone these sites from PD to M-R-H, which will allow up to 20 units per acre.

In order to demonstrate that sites in the available zoning districts can accommodate housing for lower-income households, the City has analyzed market demand, financial feasibility, and development experience in the identified zones.

Development Experience

The residential developments described below provide examples of the City's experience with efforts to facilitate the development of affordable housing.

- Diamond Terrace developed in 2001–2002 with 65 very low-, 10 low-, and 10 moderate-income units, available to seniors. Diamond Terrace is zoned PD and has a General Plan designation of Institutional Density, which allows up to 20 du/ac. The total site is 6.45 acres, achieving a density of 13.3 du/ac.

- Stranahan Circle developed in 1995 with 2 low- and 16 moderate-income and 36 market-rate units. It is zoned PD and the General Plan designation is SF-HD, which allows a maximum of 7.5 du/ac. Stranahan Circle was developed on 7.5 acres, achieving a density of 7.2 du/ac.

- Kirker Court developed with 20 units and was made affordable to extremely low-income households. The site is zoned PD and the General Plan designation is MF-LD, which allows a maximum of 10 units to the acre. However, the development exceeded the maximum density at 12.4 du/ac (1.61 acres).

The developments above provide examples of housing developments with affordable units on parcels with a variety of General Plan designations. Additionally, each of the examples was zoned PD, similar to sites V-2 and V-5, which have been allocated toward the City's very low- and low-income housing need. Also, sites V-3 and V-4 in **Table 42** have single-family General Plan designations, similar to the General Plan designation of Stranahan Circle.

Market Demand

As described in the discussion of development experience, recent development has added to the City's affordable housing stock. The City recognizes that there is an increasing demand for affordable housing units. In response to the demand, the City created an Affordable Housing Opportunity (AHO) designation that has been applied to sites V-2 and V-5. Each of these sites allows higher-density development in order to provide available opportunities for developers to produce affordable housing. The current (2010) condition of the housing market makes it difficult to determine market demand for affordable housing because home prices have declined, coming closer to affordable rates. However as the market recovers, the City anticipates a demand for affordable housing, which the AHO-designated sites are intended to provide.

Financial Feasibility

The City contacted affordable housing developers in the Bay Area (Mercy Housing, BRIDGE Housing, and Allied Housing) to assess whether 15 dwelling units per acre facilitates opportunities

for affordable housing development. According to the responses from housing developers, a density of 10 to 15 dwelling units per acre is sufficient to develop affordable housing, though higher densities may reduce individual cost per unit. Each developer noted that as with most affordable housing development, subsidies would be needed to maintain affordability, but 15 dwelling units to the acre would not prohibit affordable housing development.

TABLE 42
VACANT RESIDENTIAL LAND

Site*	APN	Location	Size	General Plan Designation	Zoning	Minimum Units	Maximum Units	Realistic Unit Capacity	Comments/ Known Development Constraints
V-1	118-230-010	5801 Caulfield Dr	0.26 ac	SF (LD)	PD	1	1	1	None
V-2 [1]	119-021-063	High St	1.11 ac	MF (MD)	PD	10.1	22	18	Designated as an Affordable Housing Opportunity (AHO) site, allowing for higher-density development. Slope constraint toward the western part of the property line that may require clustering of units to achieve maximum density. Implementation Measure I.1.1 will redesignate these sites from MF (MD) to MF (HD) and rezone these sites from PD to M-R-H, which will allow up to 20 units per acre.

Site*	APN	Location	Size	General Plan Designation	Zoning	Minimum Units	Maximum Units	Realistic Unit Capacity	Comments/ Known Development Constraints
V-3	121-090-011	Mitchell Canyon Rd. [Central]	4.14 ac	SF (MD)	R-15	12	12	9	Slope constraints on the western part of the property.
V-4	121-090-016	Mitchell Canyon Rd. [South]	4.51 ac	SF (MD)	R-15	13	13	10	Slope constraints on the western part of the property.
V-5 [1]	120-015-011	Clayton Rd.	1.01 ac	MF (MD)	PD	10.1	20	16	Old Firehouse site. Designated as an Affordable Housing Opportunity (AHO) site, allowing for higher-density development. No constraints. Implementation Measure I.1.1 will redesignate these sites from MF (MD) to MF (HD) and rezone these sites from PD to M-R-H, which will allow up to 20 units per acre.
Totals						**46.2**	**68**	**54**	

Source: Community Development Department

[1] Implementation Measure I.1.1will redesignate these sites from MF (MD) to MF (HD) and rezone these sites from PD to M-R-H, which will allow up to 20 units per acre.

Note: See Appendix C: Residential Development Sites for location of sites.

TABLE 43
UNDERDEVELOPED RESIDENTIAL LAND

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
U-1	078-020-006	1060 Pine Ln	6.24 ac.	SF (LD)	PD	1	5	17	Occupied single-family residence and seasonal pumpkin farm, with greenhouses and outbuildings. The property is well maintained and the condition of the structures is good.	Part of the site is subject to flooding. This site's PD zoning requires 20 percent open space (presumably met in flood zone). PD zoning allows clustering of units to achieve maximum density.
U-2	078-020-007	1080 Pine Ln	2.30 ac.	SF (LD)	PD	1	1	5	Occupied single-family residence, with large detached garage and garden. The property is well maintained and the condition of the structures is good.	Same as Site U-1 above

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
U-3	118-020-029	Oakhurst Dr	12.89 ac.	SF (MD)	PD	2	37	62	Occupied caretaker residence, with multiple other vacant structures on this estate property. The primary residence on the property was destroyed by fire on August 29, 2009. Other remaining structures on the property include several horse stables/workshops, corrals, a water tank, and a bathhouse. The structures are generally in fair to poor condition as there has been substantial deferred maintenance.	Part of the site is subject to flooding. This site's PD zoning requires 20 percent open space and allows clustering of units to achieve maximum density.
U-4	118-230-001	Caulfield Dr	2.18 ac.	SF (LD)	R-15	1	1	5	Occupied single-family residence – the property is well-maintained and structural conditions are good.	None

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
U-5	119-050-036	Pine Hollow Ct [Frank parcel]	4.50 ac	SF (RD)	R-40-H	1	0	3	Occupied single-family residence, a barn and at least one small additional outbuilding. The property and the structures are maintained in fair condition; deferred maintenance and scattered equipment and materials on the property.	GP amendment to SF (LD) and rezoning to PD would allow between 4 and 13 units.
U-6 (P-1)	119-080-009	Old Marsh Creek Road (Easley Ranch)	13.52 ac	SF (LD) & Open Space-Public	PU	2	0	0	Two primary single-family residences and one secondary residence. Only one of the primary residences is occupied year-round. Also on the property are a three-story stone winery building from the late 1800s (now used for storage), two warehouse buildings, a pool	Rezoning to PD would allow up to 30 units on the site. Units would need to be clustered due to flooding constraints. Implementation Measure I.1.1 commits the City to create a new General Plan Multi-family High Density

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
									and pool house and several other outbuildings. This Easley Ranch property continues to be used by the Easley family for seasonal gatherings – the family primary residence, secondary residence, and pool house, which are occupied seasonally, are in good condition; other structures on the property have some deferred maintenance and are in generally fair condition.	designation to allow for 15.1 to 20 units per acre and create a new Zoning District M-R-H to allow up to 20 units per acre to meet the RHNA shortfall of 50 units. The City will consider rezoning 3.5 acres of the southeasterly portion that fronts onto (Old) Marsh Creek Road to accommodate at least 50 units without physical or environmental constraint at 81% realistic capacity.

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
U-7	120-015-012	Four Oaks Lane [Copeland]	1.20 ac	SF (LD)	R-15	2	0	1	Two occupied single-family residences and two outbuildings. The property is well-maintained and the condition of the structures is good.	There are several very large specimen oak trees on the property that may constrain future development potential.
U-8	120-043-004	Pine Hollow Rd [West]	2.41 ac.	SF (LD)	R-15	1	1	6	One occupied single-family residence. The property's maintenance and structural conditions are fair, with some deferred maintenance.	None
U-9	121-090-012	895 Mitchell Canyon Rd [Northeast]	2.36 ac.	SF (MD)	R-15	1	1	5	One occupied single-family residence, with extensive garden and one large barn and a smaller stable and corral. The residence and garden are well-maintained and in good condition; the	None

Site*	APN	Location	Size	General Plan Desig-nation	Zoning	Existing Units	Minimum Additional Units	Maximum Additional Units	Existing Use	Comments/ Known Development Constraints (includes evaluation of environmental constraints)
									large barn on the property is older and has some deferred maintenance and is in fair condition; other structures are in fair to good condition.	
Totals						12	46	104		

Note: Realistic capacity assumptions include the presence of current structures.
Source: Community Development Department

TABLE 44
POTENTIAL SECOND-STORY HOUSING UNITS

Site	APN	Location	Size	General Plan Designation	Specific Plan Designation	Zoning	Potential Units*	Comments/Known Development Constraints
C-1	118-560-010	Main St	1.66 ac	TC Commercial	TC Commercial	PD	20	Owned by the Clayton Community Church Underdeveloped Commercial Site Older building that is marginally used and paved parking lot on partial portion. The site is prime for redevelopment. No constraints.
C-2	119-013-002	6026 Main St	5,000 s.f.	TC Commercial	TC Commercial	LC	2	Owned by Ipsens. Vacant site that has not been improved. Ready for development No constraints.
C-3	119-017-003	Center St	18,550 s.f.	TC Commercial	MF (MD)/ Resource Protection	PD	5	Owned by Alderette. Vacant site that has not been improved Ready for development. No constraints, however the topography of the site slopes.
Total							27	

** All residential units would be second-story units.*
Source: Community Development Department

TABLE 45
POTENTIAL SITES FOR REZONE UNITS

Site	APN	Location	Size	General Plan Designation	Zoning	Potential Units	Comments/Known Development Constraints
P-1/ U-6	119-080-009	Old March Creek Road (Easley Ranch)	13.52 ac	SF (LD) & Open Space-Public	A	Implementation Measure I.1.1 commits the City to create a new General Plan Multi-family High Density Designation to allow for 15.1 to 20 units per acre and create a new Zoning District M-R-H to allow up to 20 units an acre to meet the RHNA shortfall of 50 units. The City will consider rezoning 3.5 acres of the southeasterly portion that fronts onto Old Marsh Creek Road to accommodate at least 50 units without physical or environmental constraint at 81% realistic capacity.	Two primary single-family residences and one secondary residence. Only one of the primary residences is occupied year-round. Also on the property are a three-story stone winery building from the late 1800s (now used for storage), two warehouse buildings, a pool and pool house and several other outbuildings. This Easley Ranch property continues to be used by the Easley family for seasonal gatherings. The family primary residence, secondary residence, and pool house, which are occupied seasonally, are in good condition; other structures on the property have some deferred maintenance and are in generally fair condition.
P-2*	119-021-013	Old Marsh Creek Road	.93 ac	SF-MD	R-40-H	Implementation Measure I.1.1 commits the City to create a new General Plan Multi-family High Density Designation to allow for 15.1 to 20 units per acre and create a new Zoning District M-R-H to allow	This site has a house that would need to be removed for development to achieve the potential units. The site fronts directly onto Old Marsh Creek Road.

Site	APN	Location	Size	General Plan Designation	Zoning	Potential Units	Comments/Known Development Constraints
						up to 20 units an acre. Once rezoned and redesignated, this site can accommodate 15 units without physical or environmental constraints at an 81% realistic capacity.	
P-3*	119-021-054	Old Marsh Creek Road	1.13ac	SF-MD	R-40-H	Implementation Measure I.1.1 commits the City to create a new General Plan Multi-family High Density Designation to allow for 15.1 to 20 units per acre and create a new Zoning District M-R-H to allow up to 20 units an acre. Once rezoned and redesignated, this site can accommodate 11 units without physical or environmental constraints at an 81% realistic capacity.	A single-family home would need to be removed for development to achieve the potential units. Approximately 40% of the lot is affected by slope conditions in excess of 10%; .68 acres is the buildable area on the site.
P-4*	119-021-055	Old Marsh Creek Road	.97 ac	SF-MD	R-40-H	Implementation Measure I.1.1 commits the City to create a new General Plan Multi-family High Density Designation to allow for 15.1 to 20 units per acre and create a new Zoning District M-R-H to allow up to 20 units an acre. Once rezoned and	This site has a house, small barn, and horse corral that would need to be removed for development to achieve the potential units. The site fronts directly onto Old Marsh Creek Road.

Site	APN	Location	Size	General Plan Designation	Zoning	Potential Units	Comments/Known Development Constraints
						redesignated, this site can accommodate 15 units without physical or environmental constraints at an 81% realistic capacity.	
Total						91	

Source: Community Development Department

**These sites are being considered to be rezoned at as part of an overall plan to encourage compact and mixed-use development, and these sites will add to the City's inventory of high-density sites to meet the City's future RHNA needs. The City is not relying on these sites to meet the 50-unit RHNA shortfall.*

Summary of Potential Housing Units

Clayton has appropriately zoned sites in a variety of forms to accommodate either 223 or 207 units of new housing with increasing allowed density of sites zoned MF (MD) to 20 units per acre. Implementation Measure I.1.1 commits the City to increasing allowed densities on MF (MD) sites to 20 units per acre, which increases the realistic capacity of sites V-2 and V-5 to 34 units. Implementation Measure I.1.1 commits the City to redesignate/rezone 3.5 acres of Site U-6/P-1 to the newly created General Plan designation MF (HD) and the newly created Zoning District MF-HD, resulting in at least 50 units on Site U-6 (**Table 45**). **Table 46** summarizes how available vacant, underdeveloped, and mixed-use sites accommodate the City's 2007–2014 RHNA.

TABLE 46
SUMMARY OF POTENTIAL HOUSING UNITS

	ABAG Allocation	Units Built Since 2007	Remaining AMBAG Allocation	Capacity on Vacant/ Underutilized Sites	Surplus/ Carryover
Extremely Low Income	24	0	24	90 [1]	6
Very Low Income	25	0	25		
Low Income	35	0	35		
Moderate Income	33	1	32	117 [2]	71
Above Moderate Income	34	20	14		
Total	**151**	**21**	**130**	**223 or 207**	**93 or 77**

1. *34 realistic units on sites V-2 and V-5. Site U-6 is re-designated/rezoned (50+ units) there will be there will be at least 84 realistic units.*
2. *117 realistic units on vacant, underdeveloped and second-story units not accounted for as available to lower-income households..*

AVAILABILITY OF SERVICES

Water

The Contra Costa Water District (CCWD) provides public water supply, treatment, storage, and distribution in the City of Clayton. CCWD obtains its water from Rock Slough, near Oakley, in the Delta, under the terms of a contract with the federal government. CCWD's 2005 Urban Water Management Plan (UWMP) indicates that CCWD had 174,100 acre-feet of water supply in 2005. The demand for water by CCWD customers in the same year was 152,037 acre-feet of water, which yields an excess supply of 22,063 acre-feet.

Water distributed by CCWD in the Clayton area is treated at the District's Bollman plant on Highway 4. The plant's maximum capacity in 2001 was 75 million gallons per day (mgd), which is

sufficient for current levels of demand within its service area. CCWD officials report that the Bollman treatment plant, in its present configuration, can be expanded to a maximum capacity of 95 mgd, which is sufficient to handle increased water demand in Clayton. If development occurs east of the City, it is likely to require additional water supply and distribution facilities, including reservoirs, pumping stations, and distribution lines.

CCWD completed its Future Water Supply Study in 1996 and the Focused Update of Systemwide Demand in 2001. These two studies are the foundation of the 2005 UWMP. Demand was determined assuming full buildout of the general plans of all communities within CCWD's service boundaries. Changes in buildout strategies, land use intensification, annexations, or any number of policy changes by one or more communities within the CCWD service area can affect the viability of the plans and prompt dramatic changes. The UWMP includes strategies to meet future water demand that include the promotion of conservation, purchasing water transfers, and developing projections for an array of climate conditions, such as drought. The UWMP establishes that it will meet the water demand of its customers through the remainder of the planning cycle (2014).

Future treatment plant expansions and system-wide facility improvements are partially funded through the District's connection fee. The fee is based on the size of the new connection's water meter. The connection fee for a typical single-family home (or detached second dwelling unit) currently (April 2009) is $21,389. Local Fire District regulations require all homes on the east side of Clayton to have a one-inch meter to supply a mandatory fire sprinkler system, but CCWD charges the 5/8-inch rate for a one-inch meter under these circumstances. CCWD designs all water system expansions, prepares the construction plans, supplies the materials, and supervises construction, at the developer's expense. Installation is generally the responsibility of a developer. Upon completion, the new pipelines and appurtenances become CCWD property.

Wastewater Treatment and Collection

The Central Contra Costa Sanitary District (CCCSD) provides public sanitary sewer treatment for the central Contra Costa County area, including Clayton. Sewage is conveyed through gravity sewer lines and pumping stations to CCCSD's treatment plant located at the intersection of Highway 4 and Interstate 680. Treated effluent is discharged into the Carquinez Strait.

The CCCSD treatment plant is currently (2003) operating at 41 million gallons per day (mgd). Based on the current rate of growth in the CCCSD service area, CCCSD staff project the plant will reach its full capacity of 53.8 mgd in 15 to 20 years.

The City of Concord Public Works Department operates and maintains Clayton's sanitary sewer collection system, although the collection lines are actually owned by Clayton. Concord transports Clayton's sewage downstream through its system of trunk sewers and pumping stations to the CCCSD treatment plant. CCCSD charges the City of Concord a per-gallon fee for sewage treatment and for new service connections. Concord passes these costs along to all of its sewer customers, including those in Clayton, along with additional charges for the operation and maintenance of the collection system. The connection fee for a single-family home as of May 2005 is $4,447.

According to Concord's Sewer System Management Plan (SSMP) adopted in March 2009, the capacity of the district's waste system will support ABAG's projected population through 2030. Recent investments made in upgrades to the system (in 2004–2006) have increased the system capacity to meet the future demands of increased population growth.

In the fall of 2004, the City initiated preparation of a sewer master plan for the Marsh Creek Road Specific Plan area. The Specific Plan identifies upgrades needed to rectify any existing downstream constraints in the sewers serving the Specific Plan area. The plan also identifies the routing of sewers to serve the Specific Plan area. In addition, the Specific Plan established a funding program, to be borne by developers, for the necessary improvements and extensions of the sewers. The cost of improving Clayton's main collection system will add to the cost of developing housing in the Marsh Creek Road area and could have a constraining effect on the development of moderate-income housing in that area.

In recent years, Clayton has spent approximately $3.2 million to extend sewer service to the remaining areas of the City that do not have sewer service, including an extension of sewer service to Lydia Lane in 2002. As a result, sewer service is available to virtually all of Clayton, although not all residences have connected to the lines. According to the City Engineer, the sites identified in **Tables 42, 43,** and **44** have water and sewer lines proximal to each site.

Pursuant to SB 1087, which requires the City to ensure a copy of the adopted Housing Element reaches its water and wastewater providers, the City will forward its adopted Housing Element to the City of Concord Public Works Department, Central Contra Costa Sanitary District, and Contra Costa Water District. Government Code 65889.7 requires water and wastewater providers to establish a schedule that prioritizes services toward developments with affordable housing. The City will forward the adopted Housing Element to local water and wastewater agencies to assist those agencies with prioritizing water and wastewater allocations.

11.0 Review of Previous Housing Element

Clayton has made significant progress toward achieving one-time and ongoing goals set in the existing Housing Element, which has been effective since 2005. To the extent possible, this section summarizes Housing Element results from 2005 through May 2009. The following section provides a brief description of Clayton's effectiveness in implementing programs to achieve objectives set in the previous Housing Element.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
Adequate Sites and New Construction Adequate Sites and New Construction					
Goal I Provide for adequate sites and promote the development of new housing to accommodate Clayton's fair share housing allocation.					
1. The City shall adopt an affordable housing ordinance requiring all new residential projects (including land divisions) of two units or more, to develop at least five percent of all project units as very low-income housing and at least five percent of all project units as low-income housing. In lieu of constructing the required number of very low- and low-income units on- or off-site, the applicant may, at the City's discretion, make an in-lieu cash contribution, dedication of land, or combination thereof. A formula to determine the appropriate amount of in-lieu contributions shall be included within the ordinance.		City Council; Planning Commission; Community Development Dept.	FY 05–06	The City has not adopted an affordable housing ordinance but plans to do so during this next Housing Element update round.	The City will continue this program as new Implementation Measure I.2.1.
2. The City shall approve General Plan redesignations and rezonings of the Affordable Housing Opportunity (AHO) sites identified on Figure 1 (i.e., Old Fire Station site and High Street parcel) for multi-family housing with a minimum density of 12 units per buildable acre (or 16 units per buildable acre with density bonus per State law). These sites shall be redesignated as Multifamily Medium Density (10.1 to 15 units per acre) and rezoned as Planned Development (PD) District or Multiple Family Residential (M-R) District. The City shall initiate		City Council; Planning Commission; Community Development Dept.	In conjunction with approval of a development application. If the City does not receive any development applications for these sites, the City will redesignate/ rezone the sites at least one year prior to the end of the state-mandated housing element	The City redesignated and rezoned both sites (Old Fire Station and High Street site) identified as Affordable Housing Opportunity sites. The redesignation/rezoning of both AHO sites was initiated by the City. Each site was redesignated as multi-family medium density (10.1 du/acre–15 du/acre) and rezoned as Planned Development. The City has not received a development application for either site.	The City accomplished the redesignation/rezone of the AHO sites and will continue to promote the development of these sites in new Implementation Measure I.1.1.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
redesignation/rezoning of the AHO sites upon receiving an application for development of the sites. To ensure that developers are aware that these sites are held for multi-family residential development, the City shall place a notation on the General Plan Land Use Diagram that refers to this measure and the following funding measure for AHO sites. If the City approves a new residential development on an AHO site at a density lower than Multifamily Medium Density, the City must make a finding that the site is not needed to achieve its fair share allocation or identify other AHO sites.			cycle.		
3. The Redevelopment Agency shall use its Low and Moderate Income Housing Fund to subsidize the construction of housing for very-low, low-, and moderate-income households on designated Affordable Housing Opportunity (AHO) sites in the Redevelopment project area to meet the City's fair share allocation within the current planning period of the Housing Element. In the event the accumulated cash balance of the Redevelopment Agency housing set-aside fund is insufficient to adequately subsidize such projects, the City and the Redevelopment Agency shall, in consultation with project proponents, do one of the following as a means of providing adequate subsidy for the projects: 1) obtain conventional financing from area lenders; 2) participate in a bond issue with neighboring jurisdictions; or 3) issue bonds.		Redevelopment Agency; City Council; Community Development Dept.	Ongoing	To date the City has not received development applications for either AHO site, rather the City's Redevelopment Agency's (RDA) Low and Moderate Income Housing Fund has been used to purchase affordable housing units at risk of converting to market-rate homes. The homes were resold at appropriately subsidized rates to low- and moderate-income households with 45-year deed restrictions, thus preserving the affordability of the units. The following units were purchased and resold using the Low and Moderate Income Housing Fund: • 208 Stranahan Circle – 6-15-06 (Purchase) – 9-15-06 (Sale) • 274 Stranahan Circle – 9-13-06 (Purchase) – 11-22-06 (Sale) • 268 Stranahan Circle – 10-20-06 (Purchase) – 11-21-06 (Sale) • 276 Stranahan Circle – 03-12-07(Purchase) – 06-01-07 (Sale) • 280 Stranahan Circle – 04-15-08 (Purchase) – 04-07-09 (Sale) • 278 Stranahan Circle – 05-30-08 (Purchase) – 02-06-09 (Sale)	The program will be continued as Implementation Measure I.2.2.
4. The City shall pay up to $1,000 for a building/design professional's time to help solve		Community Development Department	FY 05–06	The City has received 3 permit applications for the development of second units. Each of the 3 applicants was offered in-house technical and design advice from City staff. The City did not provide funding or a list of local architects/contractors in either of the permit requests.	The City will continue to promote the development of second units through

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
an applicant's particular second dwelling unit design problems. The City shall offer a list of local contractors/architects with experience in second dwelling unit construction.				The applicants of the second unit dwelling permit did not express concerns regarding second unit design problems.	new Implementation Measure I.4.1.
5. The City shall develop a program using Redevelopment Agency set-aside funds to encourage the development of second dwelling units, including a review and possible reduction of development fees that might deter the development of such units.		City Council, Planning Commission, Community Development Dept.	FY 05–06	The City adopted a Second Unit Ordinance in 2004 that establishes performance criteria to simplify and expedite the permitting process for second units in Clayton. The review process is non-discretionary and done at the administrative level. The permit fee for administrative review is $250 as compared to a Planning Commission review which requires a $1,000 minimum deposit. Second unit development has been constrained by the fee charged ($21,389/unit) by the Contra Costa Water District (CCWD) to establish a connection to a second unit.	The City will modify the program to assist with reducing the amount owed to CCWD for establishing a new water connection on a second unit. This is new Implementation Measure I.4.2.
6. The City shall promote the development of second dwelling units by publicizing information in the City's newsletter and general application packet; providing a brochure at the Community Development Department and local businesses; and posting information on the City's website. The City shall also provide a press release to local media (e.g., the Clayton Pioneer, Contra Costa Times, Concord Transcript) promoting second dwelling units. The City shall provide information regarding permit requirements, changes in State law, and benefits of second dwelling units to property owners and the community. The City shall review and update the promotional materials on an annual basis.		Community Development Department	FY 05–06; ongoing	The City has utilized the City's website to promote and provide information regarding the development of second dwelling units. In addition, the City has included publicized information regarding second units in the general application packet. The City has not used other sources of communication (press release, brochures, etc.) to promote the development of second units. During the adoption of the Second Unit Ordinance in 2004 and the Housing Element adoption in 2005, substantial information was provided at public meetings and hearings about the streamlining of the second unit approval process. During the meetings and hearings, the permit requirements, changes in state law, and benefits of second dwelling units were presented. Second unit development has not resulted due to low development activity and a costly water connection fee.	This program will be combined with new Implementation Program I.4.1.
7. The City shall provide a bibliography of technical assistance resources for second dwelling unit applicants. The bibliography shall include prototype plan sets, instructional video tapes, Internet resources, and "how to" manuals.		Community Development Department	FY 05–06	The City has not developed a bibliography of technical assistance resources for developing second units.	This program will be combined with new Implementation Program I.4.1.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
8. To encourage development of mixed use projects in the Town Center, the City shall provide technical assistance to developers in developing second-story residential units above commercial uses, offer incentives such as density bonuses, and actively recruit developers to undertake such projects. The City shall develop guidelines and a technical assistance package (based on the experience of other communities with success in such developments) to facilitate permitting process.		City Council, Planning Commission, Community Development Dept.	FY 05–06 (guidelines and technical assistance package) FY 06–07 (provide technical assistance to developers)	The City of Clayton adopted the Clayton Town Center Specific Plan in March of 1990 and amended that plan in February of 2008. This Specific Plan provides detailed policy directions, standards, and guidelines that encourage mixed-use development within the Clayton Town Center area. Additionally, the City has purchased and then identified qualified developers/buyers for two properties (2007and 2008) in the Town Center area for mixed-use projects. The first project is retail on the ground floor with office units on the second floor at 1026 Oak Street; this project is known as the Flora Square project. The second mixed-use project is retail on the ground floor with seven residential units above at 1005 Oak Street; this project is known as the Creekside Commons (formerly Rivulet) project. The first project is nearly completed and occupancy is estimated to occur by June 1, 2009. The second project is in the entitlement phase and is not likely to be occupied, assuming project approval, until 2011. As mentioned above, the City has an adopted a Specific Plan and has purchased and identified qualified developer/buyers for the two sites in the Town Center area for mixed-use development. The City Manager and Community Development Director, as well as other staff members, have worked closely with these projects to help assure success. Density bonuses are available in accordance with state law. The City completely updated its development application for mixed-use and related handouts in the fall of 2008. In addition, the City is finalizing a Development Handbook guide to facilitate the permitting process.	This program will be continued as new Implementation Measure I.5.1.
9. The City shall establish a program to provide subsidies using Redevelopment Agency set-aside funds for second-story residential units above commercial uses to promote the inclusion of affordable units.		City Council, Planning Commission, Community Development Dept.	FY 05–06	The City has not established a formal program, but would consider use of RDA set-aside funds for second-story units on a case-by-case basis.	This program was combined with new Implementation Measure I.5.1.
10. The City shall continue to monitor the affordability of new housing sales in the community. To this end, the City shall continue to require developers to file annual reports with the Community Development Department declaring the number and price of new houses each developer sold during the previous year.		City Council; Community Development Department	Annually	The City does not formally monitor the affordability of new housing sales in the community. Informally, similar to other communities in Contra Costa County, the downturn in the real estate market has reduced housing sales prices substantially in Clayton. Various reports are required of developers and/or property owners of affordable housing in Clayton. Examples include the requirement for the Diamond Terrace affordable senior housing project to document that it is serving the very low- and low-income individuals that it is intended to serve. A second example is the requirement for owners of deed-restricted homes in Clayton's Affordable Housing Program to affirm that they are the primary occupants of the households involved and that they continue to qualify for participation in the program. For owners of homes to which this reporting requirement applies, if the owners do not comply with reporting requirements, they could lose their subsidized residential units.	This program is implemented through development agreements for affordable housing projects.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
11. The City shall revise its Zoning Ordinance to allow for the development of emergency shelter facilities as an accessory use to any church, synagogue, temple or similar place of worship with a use permit. The use permit process shall not be used to unduly restrict the ability of emergency shelters to be located on suitable sites in Clayton.		City Council, Planning Commission, Community Development Dept.	As needed, the City shall work with local faith-based organizations and other community groups to help develop emergency shelter facilities in Clayton.	The City has not implemented this program but will implement it to comply with SB 2 requirements.	This program will be modified and continued as new Implementation Measure II.1.1.
12. The City shall continue cooperation with the regional/countywide housing task force. The City shall use this task force as a means of gaining new policy and technical perspectives.		Community Development Department	Ongoing	The City of Clayton participated in the "Shaping Our Future" project. Current Mayor Julie Pierce was the co-chair of this effort. This project was aimed at trying to facilitate future development patterns occurring in more energy-efficient and cost-effective ways. Work on this project led into "Projections 2009" and the establishment of regional housing number allocations by the Association of Bay Area Governments (ABAG). Additionally, the City has, through its contract with the Contra Cost County Building Inspection Division, used the Contra Costa County Neighborhood Preservation Program for low-cost home repair loans for low-income homeowners. The City uses the task force as a means of gaining new policy and technical perspective.	This program will be continued as new Implementation Measure V.1.3.
Regulatory Relief and Incentives					
Goal II To the extent feasible, remove governmental constraints on the production of affordable housing and create incentives for the production of affordable housing.					
13. The City shall create a new zoning district termed "Town Center (T-C) District" to replace the Limited Commercial (L-C) and Planned Development (PD) Districts in the Town Center area. The City shall ensure that the new T-C District is consistent with the Town Center (TC) land use designation in the General Plan and the TC Commercial designation in the Town Center Specific Plan.		City Council, Planned Commission, Community Development Dept	FY 05–06	The City did not create a Town Center Zoning District but the City continues to implement the Town Center Commercial General Plan land use designation, the Town Center Specific Plan, and the applicable individual property zoning classification that provide development policy and standards guidance for the Town Center area. Proposals for development and/or redevelopment within the Town Center area must not only satisfy the requirements of the applicable zoning district, but, in addition, demonstrate conformance with the applicable General Plan and Town Center Specific Plan policies and requirements to be approved.	This program will be modified and continued as Implementation Measure I.5.2.
14. The City shall amend the Zoning Ordinance to allow manufactured houses, consistent with the requirements of State law.		City Council; Planning Commission; Community Development Dept.	FY 06–07	The City has not amended the Zoning Code to allow for manufactured housing; however, the City would defer to requirements of state law.	This program will be continued as Implementation Measure I.3.1.
15. In accordance with the requirements of state density bonus law (SB 1818), the City shall amend the Zoning Ordinance		City Council; Planning Commission; Community	FY 05–06	The City did not amend the Zoning Ordinance to provide for a density bonus of at least 20 percent and a minimum of at least three incentives. However, the City would defer to requirements of state law.	This program will be continued as Implementation Measure II.3.1.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
to provide for a density bonus of at least 20 percent and a minimum of three incentives (e.g., parking, setback, open space reductions).		Development Dept			
16. The City shall continue to prioritize development applications to decrease the review and approval time for all development projects that include residential units affordable to very low- and low-income households.		City Council; Planning Commission; Community Development Dept.	Ongoing	The City has updated its development application forms, is in the process of finalizing a Development Handbook guide, and encourages pre-application meetings to help expedite the review process. The City has not had any specific applications for affordable housing projects. The City Manager and the Community Development Director, however, have had several meetings/discussions with a nonprofit builder for the purpose of encouraging a possible joint venture with the Clayton Redevelopment Agency to build one or more affordable housing projects in Clayton.	This program will be continued as Implementation Measure II.4.1.
17. The City shall initiate revision of the Municipal Code to establish a procedure to reduce or waive certain development fees for development projects that include residential units affordable to very-low, low, and moderate income households.		City Council; Planning Commission; Community Development Dept.	FY 05–06	The City would evaluate the scope and potential benefit to the community for reducing or waiving certain development fees for projects that include very low-, low-, and moderate-income residential units and would consider such waivers on a case-by-case basis. The City's Municipal Code has not been revised to provide for such a procedure specifically but will be continued to be considered on a case-by-case basis.	This program will be continued as new Implementation Measure II.5.1).
18. The City shall amend the Zoning Ordinance and other Municipal Code provisions to provide flexible development standards (e.g., parking, landscaping, setbacks) and authorize regulatory concessions for development that includes residential units affordable to very low- and low-income households.		City Council; Planning Commission; Community Development Dept.	FY 05–06	The City would consider authorizing regulatory concessions as authorized by state law to provide more flexible development standards for very low- and low-income housing units. The City did not amend the Zoning Ordinance and other Municipal Codes to reflect these standards but would offer this opportunity on a case-by-case basis. To date, no developments have utilized the City's flexible development standards for the production of affordable units.	This program will be continued as Implementation Measure II.6.1.
Rental and Homeownership Assistance					
Goal III Increase housing opportunities for lower-income renters and first-time homebuyers.					
19. The City shall post in City Hall, on the City's website, on Ohm's Board, and in the Community Library, and disseminate in its newsletter, information regarding Contra Costa County's Mortgage Credit Certificate Program, the Mortgage Revenue Bond Program, and the Owner-Occupied Housing Rehabilitation Program The City		Community Development Department	FY 05–06; ongoing	The City does not provide information related to these programs directly, but refers related inquiries to the Contra Costa Housing Authority for information and assistance. • The Contra Costa County Mortgage Credit Certificate Program • The Mortgage Revenue Bond Program • The Owner-Occupied Housing Rehabilitation Program As informational flyers are received from the various agencies involved, the City posts them at City Hall.	The City will continue to publicize information on Contra Costa County programs (Implementation Measure III.1.1).

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
shall also post and disseminate information regarding Contra Costa Housing Authority's Lower-Income Rental Assistance Program and Aftercare Certificates.				No additional steps beyond those mentioned above have been taken to ensure that these programs are publicized.	
20. The City shall develop and implement a down payment assistance program using Redevelopment Agency set-aside funds or California Housing Finance Agency funds for first-time homebuyers by working with the County or by developing its own program that can be used with the Mortgage Credit Certificate program, new inclusionary units, or alone.		City Council, Planning Commission, Community Development Dept.	FY 05–06	To date the City has not pursued a down payment assistance program; however, the City plans to continue to consider developing such a program in the next five years.	This program will be continued as Implementation Measure III.1.2.
21. The City shall review potential funding opportunities through the County HOME program and apply for funding for applicable projects when development opportunities arise.		City Council, Planning Commission, Community Development Dept.	FY 05–06	The City did not pursue HOME funds during the last five years but will continue to consider applying for funds in the future.	The program will be continued as Implementation Measure III.1.3.
22. The Redevelopment Agency shall consider the feasibility of using housing set-aside funds to provide additional subsidies for a limited number of the units at Diamond Terrace that are designated for Very-Low Income (50 percent of median income) so that the units would be affordable to seniors with lower incomes (30 percent to 40 percent of median income or below) to increase housing opportunities for seniors with limited incomes.		Redevelopment Agency, Community Development Department	FY 05–06	The Redevelopment Agency determined additional subsidy was not needed at Diamond Terrance as all units became occupied as originally anticipated. There has not been additional housing set-aside subsidy for Diamond Terrace beyond what was originally anticipated. The original project includes a total of 85 units: 65 very-low income, 10 low-income, and 10 moderate-income units. The original approval assumes an annual subsidy from the low- and moderate-income housing fund in the amount of $200,000 annually through 2013. No additional units were subsidized beyond the original project as described above.	The City will continue to provide an annual subsidy to the Diamond Terrace project (new Implementation Measure III.1.4).
23. The City shall review and revise its affordability covenants for the inclusionary housing program to insure that the units remain affordable for the longest period feasible. The City shall develop and implement procedures for this program.		City Council, Planning Commission, Community Development Dept.	Ongoing	The City does not have an inclusionary housing program other than what is required by Redevelopment Agency law. The City is proposing a inclusionary program with the adoption of this Housing Element.	This program will be combined with Implementation Measure I.2.1.

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
Equal Access					
Goal IV Ensure equal housing opportunities for all persons in Clayton regardless of age, race, religion, sex, marital status, national origin, color, disability, or other barriers that prevent choice in housing.					
24. The City shall distribute a public information brochure on reasonable accommodations for disabled persons and enforcement programs of the State Fair Employment and Housing Commission.		Community Development Department	Ongoing	The City distributes information to the public on reasonable accommodations for disabled persons and enforcement programs of the State Fair Employment and Housing Commission at City Hall in the Community Development Department. The City posts and updates its information as it is received from the State Fair Employment and Housing Commission.	This program will be continued as Implementation Measure IV.3.2.
25. The City shall develop a public outreach program to inform community residents on the role and need for affordable housing in Clayton. The City shall produce articles concerning affordable housing issues (e.g., available funding for affordable housing projects, energy conservation, first-time homebuyer programs, housing density, etc.). The City shall place information regarding affordable housing on the City website, in the City newsletter, and at City Hall.		City Council; Community Development Department	Ongoing	The City does not have a formal, ongoing public outreach program to inform the public on affordable housing projects. However, as the City periodically updates its Housing Element it reaches out to community members to inform them of housing needs and state requirements. Additionally, there are periodic outreach efforts including study sessions, public meetings, and public hearings to inform community members of local housing needs and state housing requirements, as well as local housing standards and requirements.	As affordable housing projects are approved through the City, the public will be informed (Implementation Measure IV.2.1).
26. The City shall review development plans to assure consistency with State accessibility laws and require modifications for accessibility.		Contra Costa County Building Inspection Department	Ongoing	The City requires review of development plans for all housing projects for consistency with state accessibility laws as required by the City-adopted 2007 Uniform Building Code.	This program will be combined with new Implementation Measure IV.3.1 to develop a more formalized reasonable accommodations procedure.
27. The City shall establish exceptions for persons with disabilities with respect to zoning, permit processing, and building codes.		Community Development Department, Contra Costa County Building Inspection Department	FY 06–07	Exceptions for persons with disabilities are available in accordance with state law. Exceptions have been granted for persons with disabilities on a case-by-case basis and no formal records have been kept on these exceptions.	This program will be combined with new Implementation Measure IV.3.1 to develop a more formalized reasonable accommodations procedure.
28. The City shall review its zoning ordinance, policies, and practices to ensure compliance with fair housing laws.		Community Development Department	Ongoing	In February of 2007, the City amended its Zoning Ordinance to rezone the two identified affordable housing opportunity (AHO) sites in the City's 2005 certified Housing Element to Planned Unit Development, allowing up to 15 units per net acre on both sites. The sites are identified as R-1 (APN 119-021-063) and R-2 (APN 120-015-011). These rezonings allow the opportunity to build affordable housing units on these properties. Additionally, on April 1, 2008, the City adopted the 2007 Uniform Building Code as the code	This program will be continued on a case-by-case basis (Implementation Measure IV.1.1).

Housing Program	Funding Source	Responsible Agency/Department	Time Frame	Accomplishments	Continue, Modify, or Delete Program
				that development projects must conform with.	
Energy Conservation					
Goal V Encourage and maintain energy efficiency in new and existing housing.					
29. The City shall continue to provide energy conservation brochures at City Hall.		Community Development Department	Ongoing	The City consistently makes energy conservation brochures available for the public at City Hall and the Clayton Community Library.	This program will be continued as Implementation Measure V.1.1.
30. The City should develop design standards to allow energy self-sufficiency and generation projects.		Community Development Department	FY 05–06	To date the City has not developed special design standards to encourage energy self-sufficiency and generation projects but plans to do this during the current Housing Element planning period.	This program will be continued as Implementation Measure V.1.2.
Regional Planning					
Goal VI Promote and participate in the resolution of housing, employment, and transportation issues on a regional basis in cooperation with all Contra Costa County jurisdictions.					
31. The City shall support responsible state legislation which allows municipalities to enter into equitable agreements with other entities to transfer and financially participate in the provision of fair-share housing units closer to transportation centers and work centers outside the City limits, while retaining full credit for the transferred units.		City Council	Ongoing	To date the City has not formally supported any state legislation which allows municipalities to enter into agreements with other entities to transfer and financially participate in the provision of fair-share housing units close to transportation centers outside the city limits, while retaining full credit for the transferred units, but would consider supporting this program in the future.	This program will be continued as Implementation Measure VI.1.1.
32. The City shall participate in the Contra Costa County "Shaping Our Future" project, Contra Costa Affordable Housing Trust Fund, and other regional planning efforts addressing housing, employment, and transportation issues.		City Council	Ongoing	The City of Clayton has been a very active participant in the Contra Costa "Shaping Our Future" effort, the Association of Bay Government's (ABAG's) Projections 2009, and various efforts of the Contra Costa Transportation Authority, including the drafting of Measures C and J. The City's current Mayor, Julie Pierce, was the co-chair of "Shaping Our Future. In addition, Mayor Pierce has had significant involvement over many years through the present time with the Contra Costa Transportation Authority (CCTA) and the Association of Bay Area Governments (ABAG).	This program will be continued as Implementation Measure VI.1.2.

GOALS AND POLICIES

ADEQUATE SITES AND NEW CONSTRUCTION

Goal I	Provide for adequate sites and promote the development of new housing to accommodate Clayton's fair share housing allocation.

Policy I.1. The City shall designate and zone sufficient land to accommodate Clayton's projected fair share housing allocation as determined by the Association of Bay Area Governments.

Implementation Measure (I.1.1) The City will promote the development of the Affordable Housing Opportunity sites identified in Table 42, Vacant Residential Land (i.e., High Street parcel (Site V-2) and Old Fire Station site (Site V-5)) by creating a General Plan Multi-family High Density designation to allow for 15.1 to 20 units per acre and create a new Zoning District Multi-Family Residential High (M-R-H) to allow up to 20 units per acre.

. Based on the Vacant and Underutilized Residential Land Tables (Table 42 and 43, 44 and 45) the City has a shortfall of land available to extremely low-, very low-, and low-income households. The City needs enough land to accommodate 50 additional units on sites that allow for 20 units per acre. To address this shortfall, the City will rezone the following site within one year of adoption of the Housing Element.

- Redesignate a portion of Site U-6 (Easley Ranch, APN 119-080-009, 13.52 acres) from SF (LD) to the newly created MF (HD) and rezone to M-R-H (allows 20 units per acre) to meet the City's 50-unit RHNA shortfall. The City will rezone 3.5 acres of this site to accommodate at least 50 units without physical or environmental constraint. Single family and multifamily units will be allowed by right and would typically require a tentative map and site plan review approval.

- The City will also consider redesignating/rezoning Site P-2 (APN 119-021-013, .87 acres) and/or Site P-3 (APN 119-021-054, 1.16 acres), and/or Site P-4 (APN 119-021-055, .95 acres) (see Table 45) to add to the City's future RHNA needs. The redesignation/

rezoning of these sites is not needed to meet the City's 50-unit RHNA shortfall.

- If it is determined that rezoning any of the identified sites is not feasible, the City will identify another site or group of sites that will accommodate the City's 50-unit RHNA shortfall. The site(s) will accommodate at least 16 units per state law requirements and not have any physical or environmental constraints. This rezone will occur within one year of adoption of this Housing Element. Single family and multifamily units will be allowed by right and would typically require a tentative map and site plan review approval.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Rezone sites to meet the RHNA shortfall by March 2011.

Funding: General Fund, RDA funds

Policy I.2 The City shall actively support and participate in the development of extremely low-, very low-, low-, and moderate-income housing to meet Clayton's fair share housing allocation and Redevelopment Agency housing requirements. To this end, the City shall help facilitate the provision of affordable housing through the granting of regulatory concessions and available financial assistance.

Implementation Measure (I.2.1) For residential projects of two or more units, developers will be required to develop an Affordable Housing Plan that requires a certain percentage of units be built as affordable housing units to very low- and low-income households. The City has established the following guidelines to provide direction for the review of Affordable Housing Plans associated with individual development projects and to provide direction for the preparation of an Affordable Housing Plan.

The Plan shall be approved in conjunction with the earliest stage of project entitlement, typically with the City Council approval of the Development Agreement or other primary land use entitlement.

The Affordable Housing Plan shall specify and include the following:

- The number of dwelling units that will be developed as affordable to very low-, low-, moderate-, and above moderate-income households (the City's desire would be that at least 5 percent of all project units be built as very low-income housing units and at least 5 percent of all project units be built as low-income housing units).

- The number of affordable ownership and rental units to be produced. Such split shall be approved by the City Council based on housing needs, market conditions, and other relevant factors. The split of ownership and rental units shall be addressed within the Plan for each individual project.

- Program options within project-specific Affordable Housing Plans may include, but are not limited to, the following:

  - Actual production (on-site or off-site) of affordable units (including ownership and rental opportunities in the form of corner units, halfplexes, duplexes, cottages, creative alternative housing products, etc.).

  - Land dedication (on-site and off-site).

  - Payment of in-lieu fees.

- The timing for completion of affordable housing obligations. For projects proposing to construct affordable housing units, the City generally supports construction of affordable dwellings concurrent with the construction of market-rate housing when feasible. For projects providing alternative contributions (land dedication, funds, etc.), timing of such contributions shall be identified in the Plan, with the expectation that the City will pursue construction of affordable units generally concurrent with construction of project market-rate housing.

- At the City Council's discretion, land or other contributions provided by developers as specified within project Affordable Housing Plans may be utilized to augment City efforts and the efforts of its nonprofit partners to provide affordable housing opportunities to all income levels throughout the community. The City

will pursue supplemental funding to allow affordability to households earning less than 50 percent of area median income.

- In order to ensure the production and preservation of housing affordable to the City's workforce, no productive, reasonable program or incentive option will be excluded from consideration within project-specific Affordable Housing Plans. Possible incentives may include, but are not limited to:
  - Density bonuses
  - Fee waivers or deferrals (as reasonably available)
  - Expedited processing/priority processing
  - Reduced parking standards
  - Technical assistance with accessing funding
  - Modifications to development standards (on a case-by-case basis)

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: This program will be implemented as projects of two or more units are processed through the Planning Department. The City will monitor the implementation of this program to ensure that it does not cause a constraint to the development of housing in the City of Clayton and will make necessary revisions to the program if necessary to avoid such a constraint.

Funding: General Fund, RDA funds

Implementation Measure (I.2.2) The Redevelopment Agency shall use its Low and Moderate Income Housing Fund to subsidize the construction of housing for very low-, low-, and moderate-income households on designated Affordable Housing Opportunity (AHO) sites in the Redevelopment project area (Table 42, Vacant Residential Land) to meet the City's fair share allocation within the current planning period of the Housing

Element. In the event the accumulated cash balance of the Redevelopment Agency housing set-aside fund is insufficient to adequately subsidize such projects, the City and the Redevelopment Agency shall, in consultation with project proponents, do one of the following as a means of providing adequate subsidy for the projects: (1) obtain conventional financing from area lenders; (2) participate in a bond issue with neighboring jurisdictions; or (3) issue bonds.

As part of this program the City will develop a marketing plan and research possible incentives aimed at promoting Redevelopment funds.

Responsibility: Redevelopment Agency; City Council; Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: RDA funds

Policy I.3 The City shall promote, wherever feasible, homeownership for low- and moderate-income households in Clayton.

Implementation Measure (I.3.1) The City will continue to allow manufactured houses, consistent with the requirements of state law.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: The Zoning Code was amended in December 2009 to meet state law requirements.

Funding: General Fund, RDA funds

Policy I.4 The City shall encourage the development of second dwelling units on new and existing single-family-zoned lots.

Implementation Measure (I.4.1) The City shall continue to promote the development of second dwelling units by publicizing information in the general application packet and posting information on the City's website.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund, RDA funds

Implementation Measure (I.4.2) The City shall develop a program using Redevelopment Agency set-aside funds to encourage the development of second dwelling units, including a review and possible reduction of development fees that might deter the development of such units.

Responsibility: City Council, Planning Commission, Community Development Department.

Time Frame: December 2012

Funding: RDA funds

Policy I.5 The City shall aggressively promote mixed-use or second-story residential units above commercial uses in the Town Center.

Implementation Measure (I.5.1) To encourage development of mixed-use projects in the Town Center, the City has adopted the Clayton Town Center Specific Plan which provides detailed policy direction, standards, and guidelines that encourage mixed-use development. In addition the City will continue to offer incentives such as density bonuses, actively recruit developers to undertake such projects, and where feasible provide subsidies using Redevelopment Agency set-aside funds.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Annually and upon receiving development inquiries for mixed-use development.

Funding: General Fund, RDA funds

Implementation Measure (I.5.2) The City will continue to promote the use of the Town Center Commercial District and the Town Center Specific Plan standards to promote mixed-use or second-story residential units. These standards allow for more flexibility in the development of mixed-use or second-story units. In addition, the City is finalizing a Development Handbook guide to facilitate the permitting process of mixed-use projects.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund, RDA funds

Regulatory Relief and Incentives

Goal II To the extent feasible, remove governmental constraints for affordable and special needs housing.

Policy II.1 The City shall ensure that locations are available within the City to accommodate any future need for facilities to serve City residents in need of emergency shelter.

Implementation Measure (II.1.1) California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay."

Pursuant to Senate Bill 2, the City will amend the Zoning Ordinance to allow emergency shelters by right and only subject to the same development standards allowed in this Zone. This area is currently designated Kirker Corridor in the City's General Plan and classified as Planned Development (PD) in the City's Zoning Ordinance. This corridor is close to services and public transportation. The City will create an overlay zone with specific development standards for emergency shelters in this 5-acre area. In addition, the City will evaluate adopting development and managerial standards that will be consistent with Government Code Section 65583(a)(4). These standards may include such items as:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility
- Off-street parking based on demonstrated need
- Security during hours that the emergency shelter is in operation

Responsibility: City Council, Planning Commission, Community Development Department.

Time Frame: March 2011. The City will create an overlay zone that will provide development standards for emergency shelters in the Kirker Corridor.

Funding: General Fund

Implementation Measure (II.1.2) Transitional and supportive housing provides temporary housing, often with supportive services, to formerly homeless persons for a period that is typically between six months and two years. The supportive services, such as job training, rehabilitation, and counseling, help individuals gain life skills necessary for independent living.

Pursuant to Senate Bill 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall update its Zoning Code to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: March 2011

Funding: General Fund

Implementation Measure (II.1.3) Assembly Bill 2634 requires the quantification and analysis of existing and projected housing needs of extremely low-income households and requires Housing Elements to identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

The City shall update its Zoning Code to allow for the development of single-room occupancy units (a type of residential hotel offering one-room units for long-term occupancy by one or two people; SROs may have a kitchen or bath facilities (but not both) in the room) with a conditional use permit in the L-C (Limited Commercial) District and in the area that is currently designated Kirker Corridor. The Kirker Corridor is classified as PD (Planned Development) in the

City's Zoning Ordinance. This corridor is close to services and public transportation. The City will create an overlay zone with specific development standards to focus on this approximately 5-acre area. The conditions for these units will continue to be minimal and will only require review by the Planning Commission.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: April 2011. The City will allow for SROs in the L-C District or create an overlay zone that will provide development standards for SROs in the Kirker Corridor.

Funding: General Fund

Implementation Measure (II.1.4) To assist extremely low- income households, the City will prioritize funding and/or offer regulatory incentives for the development of housing types such as SROs which addresses the needs of the extremely low-income group.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Offer regulatory incentives for the development of housing for extremely low-income households as projects are submitted and the City will prioritize funding for extremely low-income households annually and as funds become available. The City will conduct an annual outreach to developers specializing in extremely low-income housing.

Funding: General Fund, RDA funds

Policy II.2 The City shall permit owner-occupied and rental multi-family residential use by right.

Implementation Measure (II.2.1) Most recent housing developments in Clayton have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing, and insurance requirements have favored the construction of single-family detached houses. Currently, the City's Zoning Code allows for the development of single-family homes in the Multiple Family Residential (M-R) District. To increase

housing supply and obtain densities closer to those envisioned by zoning policies, the City will consider amending the Zoning Code to allow single-family homes in the Multiple Family Residential (M-R) District only with a conditional use permit so that these remaining sites can be used to accommodate multi-family housing.

Responsibility: City Council

Time Frame: Consider amending Zoning Code by December 2011.

Funding: General Fund

Policy II.3 The City shall encourage affordable housing by granting incentives (e.g., density bonus) to projects that provide affordable units.

Implementation Measure (II.3.1) The City will continue to allow density bonuses in accordance with the requirements of state density bonus law (SB 1818).

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Code was amended in December 2009 to meet state law requirements.

Funding: General Fund

Policy II.4 The City shall work to decrease the review and approval time for projects that provide affordable units and otherwise simplify the development review process for residential development.

Implementation Measure (II.4.1) The City shall continue to prioritize development applications to decrease the review and approval time for all development projects that include residential units affordable to extremely low-, very low-, and low-income households.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Ongoing

Funding: General Fund

Policy II.5 The City may reduce development and planning fees for projects that provide affordable units.

Implementation Measure (II.5.1) The City will consider reducing or waiving certain development fees for development projects that include residential units affordable to extremely low-, very low-, low-, and moderate-income households on a case-by-case basis.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: RDA funds, or as other funding sources become available

Policy II.6 The City shall provide flexible development standards for projects that provide affordable units.

Implementation Measure (II.6.1) The City shall provide flexible development standards (e.g., parking, landscaping, setbacks) and authorize regulatory concessions for development that includes residential units affordable to extremely low-, very low-, and low-income households.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: RDA funds, as funding becomes available.

Rental and Homeownership Assistance

Goal III Increase housing opportunities for lower-income renters and first-time homebuyers.

Policy III.1 The City shall promote assistance to lower-income renters and first-time homebuyers by promoting programs available through Contra Costa County and the Contra Costa County Housing Authority.

Implementation Measure (III.1.1) The City refers interested persons to information regarding Contra Costa County's Mortgage Credit Certificate Program, the Mortgage Revenue Bond Program, and the Owner-Occupied Housing Rehabilitation Program. The

City also disseminates information regarding Contra Costa Housing Authority's Lower-Income Rental Assistance Program and Aftercare Certificates as information becomes available.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Funds will be used to post information.

Implementation Measure (III.1.2) The City shall develop and implement a down payment assistance program using Redevelopment Agency set-aside funds or California Housing Finance Agency funds for first-time homebuyers by working with the County or by developing its own program that can be used with the Mortgage Credit Certificate program, new inclusionary units, or alone.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: Consider developing a down payment assistance program by 2011.

Funding: RDA funds

Implementation Measure (III.1.3) The City shall review potential funding opportunities through the County HOME program and apply for funding for applicable projects when development opportunities arise.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: The City will apply annually upon notice of funding availabilities.

Funding: HOME funds

Implementation Measure (III.1.4) The City will continue to provide Redevelopment Agency set-aside funds for the continued affordability of the subsidized units at Diamond Terrace ($200,000 annually) through expiration in 2013.

Responsibility: Redevelopment Agency, Community Development Department

Time Frame: Ongoing, for the length of the affordability term of the project

Funding: RDA funds

Policy III.2 Preserve units "at risk" of losing affordability covenants.

Implementation Measure (III.2.1) The City will continue or undertake the following programs and activities during the five-year period of the Housing Element. The Community Development Department will implement these efforts. The efforts listed below represent a varied strategy to mitigate potential loss of "at-risk" units due to conversion to market-rate units. These local efforts utilize existing City and local resources. They include efforts to secure additional resources from the public and private sector should they become available.

Monitor owners of at-risk projects on an ongoing basis, at least every six months, in coordination with other public and private entities to determine their interest in selling, prepaying, terminating, or continuing participation in a subsidy program.

Maintain and annually update the inventory of at-risk projects through the use of existing databases (e.g., HUD, State HCD, and California Tax Credit Allocation Committee).

Take all necessary steps to ensure that a project remains in or is transferred to an organization capable of maintaining affordability restrictions for the life of the project, including proactively ensuring notices to qualified entities, coordinating an action plan with qualified entities upon notice, and assisting with financial resources or supporting funding applications.

Annually coordinate with HUD to monitor projects approved to convert to ensure that any required assistance (or assistance that the owner has agreed to provide) to displaced tenants is carried out in a timely manner. Ensure projects are monitored to see if they are subject to other state or local requirements regarding the provision of assistance to displaced tenants.

Annually monitor local investment in projects that have been acquired by nonprofit or for-profit entities to ensure that properties are well managed and maintained and are being operated in accordance with the City's property rehabilitation standards.

Work with owners, tenants, and nonprofit organizations to assist in the nonprofit acquisition of at-risk projects to ensure long-term affordability of the development. Annually contact property owners, gauge interest, and identify nonprofit partners and pursue funding and preservation strategy on a project-by-project basis.

Annually meet with stakeholders and housing interests to participate and support, through letters and meetings and technical assistance, with local legislators in federal, state, or local initiatives that address affordable housing preservation (e.g., support state or national legislation that addresses at-risk projects, support full funding of programs that provide resources for preservation activities).

Use available financial resources to restructure federally assisted preservation projects, where feasible, in order to preserve and/or extend affordability.

Annually identify funding sources for at-risk preservation and acquisition rehabilitation and pursue these funding sources at the federal, state, or local level to preserve at-risk units on a project-by-project basis.

Responsibility: Community Development Department

Time Frame: Annually

Funding: General Fund

Equal Access

Goal IV Ensure equal housing opportunities for all persons in Clayton regardless of age, race, religion, sex, marital status, national origin, color, disability, or other barriers that prevent choice in housing.

Policy IV.1 The City shall promote housing opportunities for all persons regardless of age, race, religion, sex, marital status, national origin, color, disability, or other barriers that prevent choice in housing.

Implementation Measure (IV.1.1) The City shall review its Zoning Ordinance, policies, and practices to ensure compliance with fair housing laws.

Responsibility: Community Development Department

Time Frame: Biannually and ongoing, 2009–2014

Funding: General Fund

Implementation Measure (IV.1.2) The City shall amend the Zoning Ordinance to remove the maximum number of persons defined as part of a family. The current definition of family limits the number of unrelated individuals to 6 or fewer persons. Upon amending the definition in the Zoning Ordinance, the City will not restrict the number of unrelated individuals in a family.

Responsibility: Community Development Department

Time Frame: October 2010

Funding: General Fund

Policy IV.2 The City shall strive to increase public awareness and acceptance of affordable housing in the community.

Implementation Measure (IV.2.1) As affordable housing projects are processed through the Planning Department, the City will provide information on the project to the public through the City's public hearing process in the form of study sessions, public hearings, and public meetings.

Responsibility: City Council, Community Development Department

Time Frame: Ongoing, as projects are processed through the Planning Department

Funding: General Fund

Policy IV.3 The City shall provide disabled persons with reasonable accommodation with respect to zoning, permit processing, and building codes and shall support programs to modify existing units to better serve the needs of disabled persons.

Implementation Measure (IV.3.1) The City will adopt a written reasonable accommodation ordinance to provide exception in zoning and land use for housing for persons with disabilities. This procedure will be a ministerial process, with minimal or no processing fee, subject to approval by the Community Development Director applying the following decision-making criteria:

- The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.

- The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.

- The requested accommodation would not impose an undue financial or administrative burden on the City.

- The requested accommodation would not require a fundamental alteration in the nature of the City's land-use and zoning program.

Additionally, the City will provide information to individuals with disabilities regarding reasonable accommodation policies, practices, and procedures based on the guidelines from the California Department of Housing and Community Development (HCD). This information will be available through postings and pamphlets at the City and on the City's website.

Responsibility: City Council, Planning Commission, Community Development Department

Time Frame: October 2010

Funding: General Fund

Implementation Measure (IV.3.2) The City shall distribute public information brochures on reasonable accommodations for disabled persons and enforcement programs of the State Fair Employment and Housing Commission.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund

Implementation Measure (IV.3.3) The City will evaluate the feasibility of a universal design ordinance that provides greater adaptability and accessibility of housing for persons with disabilities. If a universal design ordinance is determined to be feasible, the City will prepare an ordinance and produce a brochure on universal

design, resources for design, and compliance with City requirements. The City will distribute the brochure to developers and to community organizations serving individuals with disabilities.

Responsibility: Community Development Department

Time Frame: May 2011

Funding: General Fund

Energy Conservation

Goal V Encourage and maintain energy efficiency in new and existing housing.

Policy V.1 The City shall continue to promote energy conservation in the design of all new residential structures and shall promote incorporation of energy conservation and weatherization features in existing homes.

Implementation Measure (V.1.1) The City shall continue to provide energy conservation brochures at City Hall and the Clayton Community Library.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund

Implementation Measure (V.1.2) The City should develop design standards, concepts, or templates to provide to developers who are interested in creating energy self-sufficiency and generation projects.

Responsibility: Community Development Department

Time Frame: Create standards, concepts, or templates for energy efficiency and solar design by January 2012.

Funding: General Fund, RDA funds

Implementation Measure (V.1.3) The City will review and amend as appropriate the General Plan, Zoning Ordinance, and related policy and regulatory documents to improve energy conservation beyond Title 24. The City will consider

establishing an incentivized Green Building Program, encourage energy-efficient retrofitting, and encourage the use of renewable energy in residential applications. Some of the incentives the City will consider when drafting this program will be:

- Providing eligible projects with building and plan check fee rebates (when financially feasible)
- Achieving third-party green building certification
- Exceeding 20 percent of Title 24 requirements
- Renewable energy systems
- Green roofs

Responsibility: Community Development Department

Time Frame: Review and amend regulatory controls by January 2012.

Funding: General Fund, RDA funds

Regional Planning

Goal VI Promote and participate in the resolution of housing, employment, and transportation issues on a regional basis in cooperation with all Contra Costa County jurisdictions.

Policy VI.1 The City shall actively support regional-based solutions to the housing, employment, and transportation issues initially within Contra Costa County and ultimately within the Bay Area.

Implementation Measure (VI.1.1) The City shall support responsible state legislation which allows municipalities to enter into equitable agreements with other entities to transfer and financially participate in the provision of fair-share housing units closer to transportation centers and work centers outside the city limits, while retaining full credit for the transferred units.

Responsibility: City Council

Time Frame: Ongoing, 2009–2014

Funding: General Fund

Implementation Measure (VI.1.2) The City shall continue to participate in programs in Contra Costa County (e.g., "Shaping Our Future" project and Contra Costa Affordable Housing Trust Fund) TRANSPAC (Transportation Partnership and Cooperation) is the Regional Transportation Planning Committee (RTPC) for Central Contra Costa and other regional planning efforts addressing housing, employment, and transportation issues.

Responsibility: City Council

Time Frame: Ongoing, 2009–2014

Funding: General Fund

Implementation Measure (VI.1.3) The City shall continue cooperation with the regional/countywide housing task force. The City shall use this task force as a means of gaining new policy and technical perspectives.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund

Implementation Measure (VI.1.4) The City shall continue to work with the Association of Bay Area Governments (ABAG) on their FOCUS program implementation. FOCUS is a regional development and conservation strategy that promotes a more compact land use pattern for the Bay Area. Some of the strategies that FOCUS is promoting are listed below:

- Encourage infill and the efficient use of land capacity within existing communities;
- Provide for compact, complete, resource-efficient communities near existing or planned transit and other infrastructure;
- Provide opportunities for people to live near their jobs and work near their homes; and

- Encourage a mix of land uses with jobs, housing, retail, schools, parks, recreation, and services in proximity.

Responsibility: Community Development Department

Time Frame: Ongoing, 2009–2014

Funding: General Fund

QUANTIFIED OBJECTIVES

Table 47 summarizes the quantified objectives for each implementation measure expected to contribute to the construction, rehabilitation, or conservation of units during the time frame of the Housing Element (2009–2014). These quantified objectives represent a reasonable expectation for the new housing units that will be developed and the households that will be assisted based on the policies and implementation measures outlined in this Housing Element and general market conditions. **Table 48** also indicates ABAG's net new construction need for Clayton by income group.

TABLE 48
SUMMARY OF QUANTIFIED OBJECTIVES

Objective Category/Program	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Clayton's ABAG Allocation for 2007–2014	24	25	35	33	34	151
Permit Development Activity (1/07 – 5/09)	0	0	0	1	20	21
Remaining Need	24	25	35	32	14	130
REHABILITATION		5[1]	5[1]			10[1]
CONSERVATION	20[2]					20[2]

[1] Estimate based on Owner-Occupied Housing Rehabilitation Program operated through Contra Costa County.
[2] The Kirker Court Apartments were made affordable through a combination of HUD funding programs 202 and 162, CDBG funding, and RDA funding sources. The units are renter-occupied and serve persons with disabilities. The complex consists of 20 units that are rented to extremely low-income households at a rental rate that is based on 30 percent of their monthly income.

PUBLIC PARTICIPATION

State law requires that "the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element . . ." (Government Code Section 65583). In order to satisfy this requirement, the City conducted a series of community meetings and public hearings to receive community input

concerning Clayton's housing goals and policies. The dates of these meetings are listed below. In addition, City staff used posted notices, published notices, letters, and verbal notices to housing advocacy groups, property owners, and community contacts to publicize meeting dates for study sessions and public hearings as widely as possible.

WORKSHOPS AND HEARINGS

Public Workshop (4/28/09) – The housing element consultant made a presentation to the City Council, Planning Commission, and general public, including an overview of the update process, an outline of state housing law, and a description of the required components of the Housing Element Background Report and Policy Document. At the conclusion of the presentation, Council members and Commissioners discussed housing concerns in the City and potential changes or additions to policies and programs. The comments received at the meeting included general questions and comments about the Housing Element process, which were addressed at the meeting. Policy issues discussed were folded into the updated goals, policies, and implementation measures. For a complete list of comments received, please see **Appendix A**.

Planning Commission Hearing (6/9/09) – A Planning Commission hearing was held on June 9, 2009, to present the Draft Housing Element to the Planning Commission and the public for comment on the document prior to forwarding to the City Council for their approval prior to sending the draft to HCD. A listing on the comments received at this meeting is included in **Appendix A**.

City Council Hearing (6/30/09) – A City Council hearing was held on June 30, 2009, to present the Draft Housing Element to the City and the public for comment on the document prior to forwarding the draft to HCD. A listing on the comments received at this meeting is included in **Appendix A**.

OUTREACH EFFORTS

The City solicited input from City of Clayton properties owners identified as vacant, underdeveloped, and Affordable Housing Opportunity sites. In addition, the list includes EAH Housing, a nonprofit affordable housing developer; the special needs housing group Contra Costa for Every Generation serving seniors and low-income families; The Clayton Community Church; and local realty interests, including Focus Realty and Lynn French. This list included over 90 persons and groups.

The City placed notices in the Contra Costa Times announcing the public workshop and posted notices in advance of all of all the Housing Element Update meetings at the City's three posting locations: City Hall, the Clayton Library, and the Clayton Post Office.

The City created a special location on the City of Clayton website to keep people informed of all the meetings that have been held to date regarding the Housing Element Update project. Staff reports, the Draft City of Clayton 2009–2014 Housing Element Update document, and the PowerPoint presentations for the individual meetings and related information were placed on the website. This website location, with relevant information accumulated through the project period, including those

just mentioned, will be available on the City's website for the duration of this project, including during the HCD review period.

Finally, the Joint Special April 28, 2009, and the June 30, 2009, City Council meetings were televised on the local cable channel.

APPENDIX A:
PUBLIC PARTICIPATION

APPENDIX A: PUBLIC PARTICIPATION

Public Workshop (4/28/2009)— The housing element consultant made a presentation to the City Council, Planning Commission and general public including an overview of the update process, an outline of State housing law, and a description of the required components of the Housing Element Background Report and Policy Document. At the conclusion of the presentation, Council members and Commissioners discussed housing concerns in the City and potential changes or additional to policies and programs. The comments received at the meeting included general questions and comments about the Housing Element process, which were addressed at the meeting. Policy issues discussed were folded into the updated goals, policies, and implementation measures. The Topics discussed include:

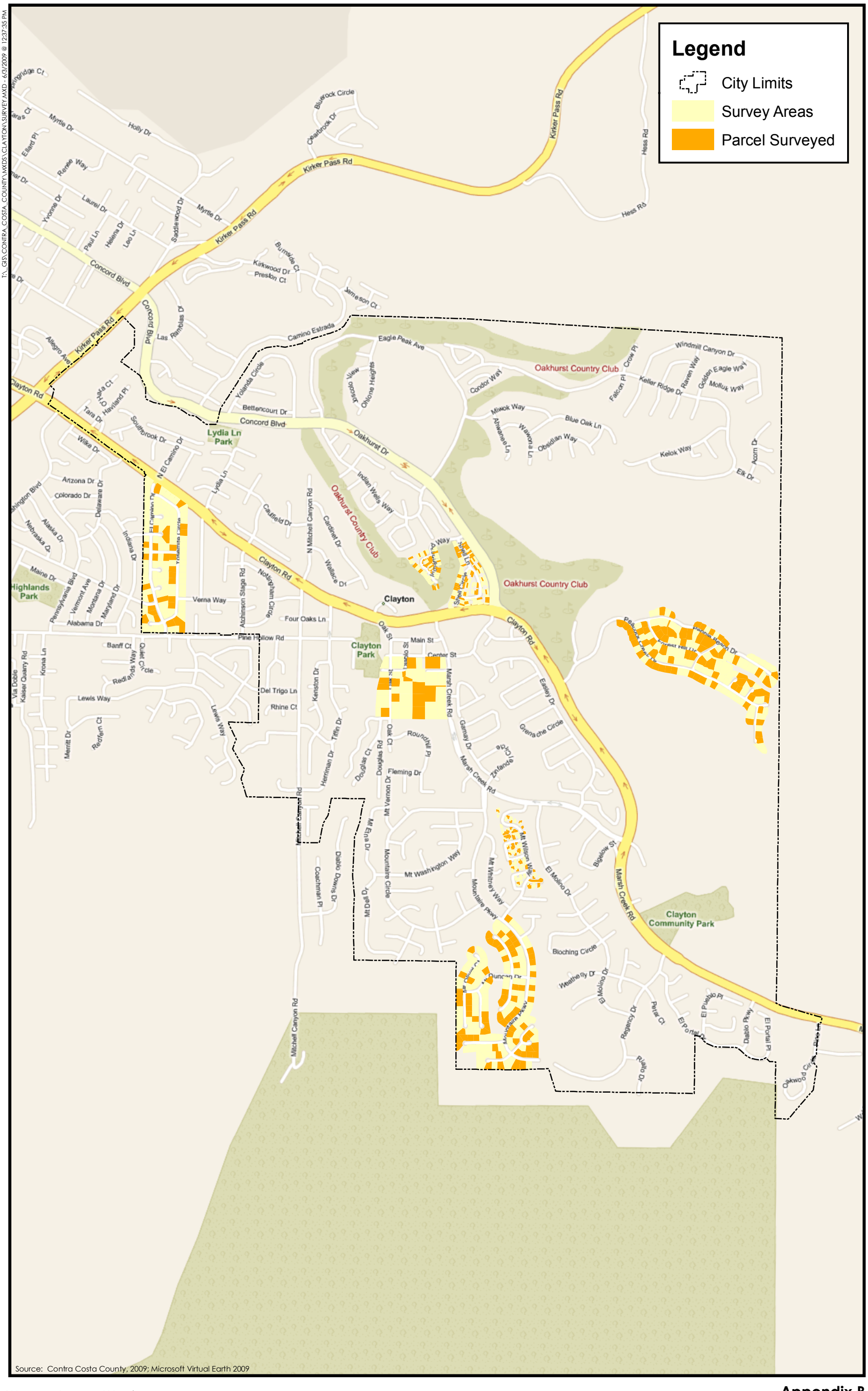
- Understanding the timeline for Housing Element adoption. Should the City wait until more current Census data is available to proceed?
    - Response: Where available, the City will use Department of Finance information for the Housing Needs Assessment since Census information is outdated.
- Why does the City want to be certified?
    - Response: The City does want to be certified so they can be more competitive in apply for state funding as it becomes available
- What is the City's role in housing development and the implementation of Housing Element policies and programs?
    - Response: The Housing Element sets forth the City's best effort for how they will assist developers in accessing funding and making the land available to develop affordable housing, it is up to the development market to build the housing units.
- The City's current RHNA of 151 units nearly matches the new ABAG households growth through 2035, which is projected to be only 150 households.
    - Response: The City will continue to work with ABAG on implementation of the FOCUS programs through Implementation Measure V.1.4.
- Look into ways to encourage Universal Design.
    - Response: The City will consider creating a universal design ordinance through Implementation Measure IV.3.3.
- The City has tried to encourage second dwelling unit even adopting its own ordinance but the main constraint is the cost of water hook-up ($18,000), which the City has no control over.
    - Response: The City will continue to encourage second dwelling units through Implementation Measure I.4.1 and will consider adoption a program using Redevelopment Agency set-aside funds to possibly reduce the development fees that might deter the development of such units (Implementation Measure I.4.2).
- No formal ordinance Housing Affordable Housing or Inclusionary Housing Ordinance has been adopted but the City has been requiring affordable units in past developments.
    - Response: The City should go ahead with an official ordinance. The City will include

Implementation Measure (I.1) that will include the following:

- The ordinance needs flexibility to encourage and facilitate affordable units.
- One possible incentive for developments for extremely low- and very low-income is to increase RDA funding assistance to developers.
- Program should not be a mandatory program because these seem to work better in larger cities.
- The City needs good residential development downtown and this could facilitate that.
- Possibility of offering an open space requirement waiver or concession for affordable units.

- City could utilize RDA funds for downpayment assistance. Do the second mortgages have to be forgiven or can they be shared-equity?
  - Response: The City has done this but only on a project-by-project basis and the City has preferred a shared equity structure approach. The City will also develop a more formalized downpayment assistance program through Implementation Measure III.1.2.

APPENDIX B:
HOUSING CONDITIONS RESULTS MAP



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Appendix B
Housing Conditions Results Map

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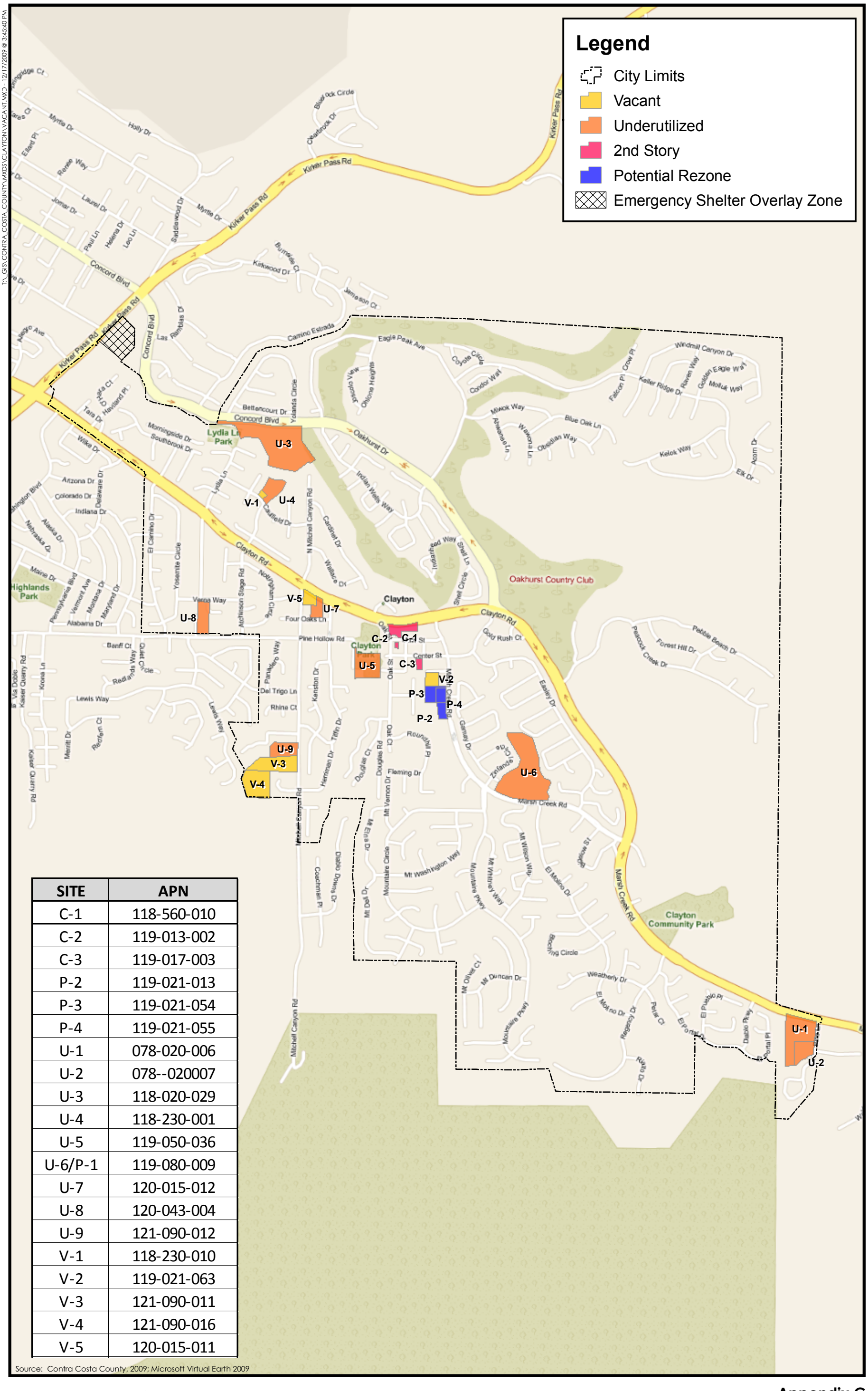
APPENDIX C:
VACANT RESIDENTIAL LAND MAP



SITE	APN
C-1	118-560-010
C-2	119-013-002
C-3	119-017-003
P-2	119-021-013
P-3	119-021-054
P-4	119-021-055
U-1	078-020-006
U-2	078--020007
U-3	118-020-029
U-4	118-230-001
U-5	119-050-036
U-6/P-1	119-080-009
U-7	120-015-012
U-8	120-043-004
U-9	121-090-012
V-1	118-230-010
V-2	119-021-063
V-3	121-090-011
V-4	121-090-016
V-5	120-015-011

Source: Contra Costa County, 2009; Microsoft Virtual Earth 2009

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Appendix C

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