



April 14, 2017


Governor's Office of Planning and Research (OPR)
Post Office Box 3044
Sacramento, CA 95812-3044

RE: 2016 Annual Housing Element Annual Report

To Whom it May Concern:

Attached is the City of Hercules 2016 Annual Housing Element Progress Report that was approved by our City Council April 11, 2017 after holding a public hearing. We have submitted online to the State Department of Housing and Community Development and are now providing to you as required by the State with carbon copies being distributed to other agencies as listed below. Should you have any questions, please feel free to contact us.

Sincerely,


Holly P. Smyth, Planning Director
City of Hercules

Enclosure: 2016 Annual Housing Element Progress Report

CC: Bay Area Associate of Governments (ABAG)
Contra Costa County Transportation Authority (CCTA)
Bay Area Legal Aid

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction HERCULES
Reporting Period 01/01/2016 - 12/31/2016

Pursuant to GC 65400 local governments must provide by April 1 of each year the annual report for the previous calendar year to the legislative body, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD). By checking the "Final" button and clicking the "Submit" button, you have submitted the housing portion of your annual report to HCD only. Once finalized, the report will no longer be available for editing.

The report must be printed and submitted along with your general plan report directly to OPR at the address listed below:

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Table A

**Annual Building Activity Report Summary - New Construction
 Very Low-, Low-, and Mixed-Income Multifamily Projects**

1		Housing Development Information				5	5a	Housing with Financial Assistance and/or Deed Restrictions		8		
		2	3	4				6	7			
Project Identifier (may be APN No., project name or address)		Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes			Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Housing without Financial Assistance or Deed Restrictions	
				Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income		See Instructions	See Instructions		
196 Violet Rd		SU	Owner	0	1	0	0	1	0			Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
												Unit rental rate is approximately \$1,000 per month which would require a \$40,000 annual income to be 30% housing costs which falls within the low-income level for 1-person in Contra Costa County.
(9) Total of Moderate and Above Moderate from Table A3				0	1	0	30					
(10) Total by Income Table A/A3				0	1	0	30					
* Note: These fields are voluntary												
(11) Total Extremely Low-Income Units*							0					

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**Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant
to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	0	0	0	N/A
(2) Preservation of Units At-Risk	0	0	0	0	N/A
(3) Acquisition of Units	0	0	0	0	N/A
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

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Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
 (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	30	0	0	0	0	30	0

* Note: This field is voluntary

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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.	Status of Program Implementation
Name of Program	Objective	Timeframe in H.E.
Program 1a: Section 8 Housing Choice Vouchers	Maintain current levels of funding support for residents receiving Section 8 assistance	Ongoing
Program 1a: Section 8 Housing Choice Vouchers	Assist the County in advertising this program through City website, public counters, and bulletin boards in order to meet the HUD requirements of 70 percent new Section 8 vouchers be utilized by extremely low income households.	Ongoing
Program 1b: Affordable Housing Development Incentives and Outreach	Maintain a list of interested and qualified affordable housing developers. Actively and annually publicize to affordable housing developers the affordable housing development opportunities in Hercules, available incentives, and financing options as they are available by the City or other government entities.	Annual

<p>Program 1b: Affordable Housing Development Incentives and Outreach</p>	<p>Utilize State and Federal assistance programs, such as HOME, LIHTC, and CHFA funds, on an ongoing basis to the fullest extent possible to develop affordable lower income housing for seniors, families, and persons with disabilities, including persons with developmental disabilities. Support funding applications by developers if the proposed projects are consistent with the goals and policies of the City's General Plan. Annually, the City will pursue funding opportunities.</p>	<p>Ongoing</p>	<p>No funding opportunities were sought due to lack of City staffing and no developers approached the City to support funding applications.</p>
<p>Program 1b: Affordable Housing Development Incentives and Outreach</p>	<p>Work with developers in the Central Hercules Plan area and other areas of new development on an ongoing basis to ensure that the City's housing goals of providing a wider mix of housing types and affordability levels are achieved. The City will provide incentives, including density bonus, expedited processing, and flexible development standards to encourage a variety of housing in the community, including projects that set aside units for households with extremely low incomes. With limited funding available, the City anticipates only a goal of eight affordable units.</p>	<p>Ongoing</p>	<p>City responded to multiple inquiries regarding the potential to develop housing in the Central Hercules Plan area and on some properties zoned General Commercial as well as the Waterfront/Bayfront and Hilltown areas regarding single family and multi-family housing opportunities, but no applications were submitted in 2016.</p>
<p>Program 1c: Density Bonus Program</p>	<p>Continue to monitor the effectiveness of the Density Bonus program and provide technical assistance to developers in the use of the City's program.</p>	<p>Ongoing</p>	<p>No new developers pursued residential projects, and therefore use of the density bonus program was not applicable.</p>
<p>Program 1d: Extremely Low Income Households</p>	<p>In 2016, explore incentives to encourage developers to include units affordable to extremely low income households, including but not limited to additional density or floor area ratio increases, flexible development standards (such as parking, height limit), and priority processing. The objective is to create three affordable units for extremely low income households over the planning</p>	<p>2016</p>	<p>No opportunities to offer this occurred in 2016.</p>

	period.		
Program 1d: Extremely Low Income Households	2016	Within one year of Housing Element adoption, revise the Zoning Ordinance to clarify the provision of transitional/supportive housing in the RM-L zone as similar uses in the same zone.	Ordinance 496, adopting Zone Amendment #ZA 16-02, was passed by the City Council on June 28, 2016 to amend the City's Zoning Ordinance Chapter 6 (Residential Districts) and Chapter 53 (Reasonable Accommodations for persons with Disabilities) to clarify provisions of transitional/supportive housing in the RM-L zone as similar uses in the same zone.
Program 2a: Code Enforcement	Ongoing	Continue to implement the code enforcement program to ensure that Hercules' neighborhoods are maintained and improved.	The City has a small volunteer group in the Police Department that have done some light proactive code enforcement in addition to the Building Department sending out voluntary compliance letter for those areas that are called in by the public. Additionally, the City Council approved some funding in FY 2016/17 for additional code enforcement augmentation.
Program 2a: Code Enforcement	Ongoing	Continue installation of Gas Breaker Automatic Gas Shut-Off Valves to improve residential safety.	This program continues to be implemented as every home is sold or as residential work exceeding \$25,000 is done.
Program 2a: Code Enforcement	Ongoing	Continue referring code compliance violations to available residential rehabilitation programs to bring their homes up to standards.	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 2b: Foreclosure Prevention Assistance	Ongoing	Advertise the program through City website and provide brochure at public counters.	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 2c: Owner-Occupied Single-Family Residential Rehabilitation	Ongoing	Advertise the program through City website and provide brochure at public counters.	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reach out to these other agencies to get hard copy brochures of available programs as of yet.
Program 3a: Provision of Adequate Sites	Ongoing	Continue to pursue/implement the projects on available sites as outlined in Table 46. Monitor the City's progress in meeting the RHNA and work with developers to achieve an income distribution that would meet the City's remaining RHNA units.	Muir Pointe - Parcel C subdivision started construction of the 144 unit single-family detached subdivision. It is unknown at this time if the development will include any affordable units as several years ago the City suspended their Citywide inclusionary housing requirement.
Program 3a: Provision of Adequate Sites	2015, and every 2-years	Update the City's sites inventory every two years to monitor the consumption of	The residential sites inventory was updated in 2015 with the update of the 2015-2023 Housing Element. Staff noticed after the fact that parcel 404-020-

	residential and mixed use properties and continued ability to fulfill the RHNA.	therafter	012 containing 7.3 acres was accidentally excluded as it is currently a non-conforming horse ranch and single family residence.
Program 3a: Provision of Adequate Sites	Encourage sustainable development patterns by continuing to offer reductions in Traffic Facilities Impact Fee for projects that are located within one-half mile from a transit station and for mixed use projects where 50 percent or more of the building space is used for residential purposes. Offer Traffic Facility Fee reductions to four mixed use projects, subject to funding availability.	Ongoing	Traffic impact fees continue to have a reduced rate since Council took action on November 8, 2011 through Resolution 11-132 rolling back the fees.
Program 4a: Development Standards and Procedures	Annually review the development standards, fees, and procedures and make adjustments as appropriate and legally feasible to encourage the development of a variety of housing in the community.	Ongoing	No fees reviewed in 2016, but will be evaluated in 2017 regarding the new secondary housing unit law recently passed by the State of California as well as make adjustments to the development standards related to secondary dwelling units.
Program 5a: Fair Housing	Continue to support the County and refer any complaints and inquiries to the County for resolution and services.	Ongoing	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 5a: Fair Housing	Advertise fair housing services of the County at public counters, through the City website, and at various community locations, including the City Library, Community Centers, and Senior Center.	Ongoing	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 5b: Reasonable Accommodation	Advertise the program through City website and provide brochure at public counters.	Ongoing	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 5b: Reasonable Accommodation	Provide technical assistance regarding the application requirements and procedures to persons/entities seeking reasonable accommodation.	Ongoing	Building Department staff address questions as they come in.
Program 5b: Reasonable Accommodation	Within one year of the Housing Element adoption, revise the Reasonable	2016	Ordinance 496, adopting Zone Amendment #ZA 16-02, was passed by the City Council on June 28, 2016 to amend the City's Zoning Ordinance Chapter 6

	Accommodation Ordinance to remove the primary residence requirement, thereby allowing the application of reasonable accommodation to all dwellings, including second homes.		(Residential Districts) and Chapter 53 (Reasonable Accommodations for persons with Disabilities) to clarify provisions of transitional/supportive housing in the RM-L zone as similar uses in the same zone.
Program 5c Cooperation with Contra Costa Health Services Homeless Program	Advertise the program through City website and provide brochure at public counters.	Ongoing	Since the dissolving of Redevelopment, the City's website was modified to remove all RDA components. Continued discussion's with City IT department to get the County or Housing Authority links in place on the City's website. Haven't reached out to these other agencies to get hard copy brochures of available programs as of yet.
Program 5c Cooperation with Contra Costa Health Services Homeless Program	Participate in County Homeless Program biennial Point-in-Time count and participate in other regional studies and efforts in reducing homelessness.	2015, and every 2-years thereafter	A Volunteer in Policing participated in the biennial point-in-time county in 2015.
Program 6a: Energy Conservation	Promote mixed use/transit-oriented development that provides opportunities for energy conservation.	Ongoing	With the completion of the Aventure Mixed Use residential / commercial project in 2016, residents were able to walk less than 1/4 mile to a bus stop or walk less than 1/2 mile to the Hercules Transit Center which conserves fuel when alternative modes of travel are made easily accessible via proximity to a transit/bus hub.
Program 6a: Energy Conservation	Encourage developers to exceed the California Green Building Code requirements in incorporating energy conservation features and techniques.	Ongoing	Council encourages an approved development to provide dark fiber to prepare for future high speed internet which can help accommodate telecommuting opportunities in the future which reduces green house gases. In 2016 City Council approved a small appropriate to pay for installation of dark conduit when other entities have open trench work being carried out.

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General Comments:

The first building permits were pulled for 30 of the single family dwellings within the Muir Pointe subdivision on Shasta Lane, John Muir Parkway and Tioga Loop in fall of 2016.

One (1) building permit was issued for a new secondary housing unit at 196 Violet Road in fall of 2016.