



October 31, 2016

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

RE: 2015 Annual Housing Element Annual Report

To Whom it May Concern:

Attached is the City of Hercules 2015 Annual Housing Element Progress Report that was approved by our City Council October 25, 2016 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,

A handwritten signature in green ink that reads "Holly P. Smyth".

Holly P. Smyth, Planning Director  
City of Hercules

Enclosure: 2015 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: City of Hercules  
 Reporting Period: Date January 1, 2015 - Date December 31, 2015

Table A

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

1	2	3	4				5	5a	6		7	8
			Affordability by Household Incomes						Assistance Programs for Each Development			
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units per Project	Est. # Infill Units*	See Instructions	See Instructions	Deed Restricted Units	Notes 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.
N/A			0	0	0	0	0					
<b>(9) Total of Moderate and Above Moderate from Table A3</b>			▲	▲	▲	▲	190					
<b>(10) Total by income Table A/A3</b>			▲	▲	▲	▲	190					
<b>(11) Total Extremely Low-Income Units*</b>			▲	▲	▲	▲	190					

\* Note: These fields are voluntary

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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 in 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				TOTAL UNITS	(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	Low-Income		
(1) Rehabilitation Activity	0	0	0	0	0	N/A
(2) Preservation of Units At-Risk	0	0	0	0	0	N/A
(3) Acquisition of Units	0	0	0	0	0	N/A
(5) Total Units by Income	0	0	0	0	0	

\* Note: This field is voluntary

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

1. Family	2. Single	2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
						0	
43		0	147	0	0	190	

\* Note: This field is voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
(CCR Title 25 §6202 )

**Jurisdiction** City of Hercules  
**Reporting Period** Date January 1, 2015 - Date December 31, 2015

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Income Level	Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.										Total Units to Date (all years)	Total Remaining RHNA by Income Level		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9					
Very Low	Deed Restricted	0											220	
	Non-deed restricted	0												
Low	Deed Restricted	0											118	
	Non-deed restricted	0												
Moderate	Deed Restricted	0											100	
	Non-deed restricted	0												
Above Moderate		190										190	54	
Total RHNA by COG: Enter allocation number:													682	
Total Units													190	492
Remaining Need for RHNA Period													▲	

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction: City of Hercules  
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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Objective	Timeframe in H.E.	Status of Program Implementation
<p>Program 1a: Section 8 Housing Choice Vouchers</p>	<p>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.</p> <p>• Maintain current levels of funding support for residents receiving Section 8 assistance.</p>	<p>Ongoing</p>	<p>Activity of the Housing Authority, as the City of Hercules is not a designated Successor Housing Agency</p>
<p>Program 1a: Section 8 Housing Choice Vouchers</p>	<p>• 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</p>	<p>Ongoing</p>	<p>Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started 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 brochure's of available programs as of yet.</p>
<p>Program 1b: Affordable Housing Development Incentives and Outreach</p>	<p>• 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.</p>	<p>Annual</p>	<p>2015 just adopted the new Housing Element which reached out to non-profit housing developers in the hearing process. Since then there has not been separate outreach regarding affordable housing development opportunities as the City does not have any funding incentives available.</p>
<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>

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202 )

Jurisdiction		City of Hercules	
Reporting Period	Date	Reporting Period	Date
Program 1b: Affordable Housing Development Incentives and Outreach	January 1, 2015	December 31, 2015	
		<ul style="list-style-type: none"> <li>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.</li> </ul>	Ongoing
Program 1c: Density Bonus Program		<ul style="list-style-type: none"> <li>Continue to monitor the effectiveness of the Density Bonus program and provide technical assistance to developers in the use of the City's program</li> </ul>	Ongoing
Program 1d: Extremely Low Income Households		<ul style="list-style-type: none"> <li>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 period</li> </ul>	2016
Program 1d: Extremely Low Income Households		<ul style="list-style-type: none"> <li>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.</li> </ul>	2016
Program 2a: Code Enforcement		<ul style="list-style-type: none"> <li>Continue to implement the code enforcement program to ensure that Hercules neighborhoods are maintained and improved.</li> </ul>	Ongoing
Program 2a: Code Enforcement		<ul style="list-style-type: none"> <li>Continue installation of Gas Breaker Automatic Gas Shut-Off Valves to improve residential safety.</li> </ul>	Ongoing
Program 2a: Code Enforcement		<ul style="list-style-type: none"> <li>Continue referring code compliance violations to available residential rehabilitation programs to bring their homes up to standards.</li> </ul>	Ongoing
		<ul style="list-style-type: none"> <li>City responded to multiple inquiries regarding the potential to develop in the Central Hercules Plan area in the New Town Center area and the Waterfront/Bayfront areas regarding single family and multi-family, and senior Housing opportunities but no applications were submitted.</li> </ul>	
		<ul style="list-style-type: none"> <li>No new developers pursued residential projects, and therefore use of the density bonus program was not applicable.</li> </ul>	
		<ul style="list-style-type: none"> <li>No work in this area conducted in 2015.</li> </ul>	
		<ul style="list-style-type: none"> <li>No work done in this area conducted in 2015, however the 2016 report will reflect carrying out this activity.</li> </ul>	
		<ul style="list-style-type: none"> <li>The City has a small volunteer group in the Police Department that has done some light proactive code enforcement in addition to the Building Department sending out voluntary compliance letters for those areas that are called in by the public.</li> </ul>	
		<ul style="list-style-type: none"> <li>This program continues to be implemented as every home is sold or as residential work exceeding \$25,000 is done.</li> </ul>	
		<ul style="list-style-type: none"> <li>Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started 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 brochure's of available programs as of yet.</li> </ul>	

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202 )

Jurisdiction	City of Hercules	Reporting Period	Date January 1, 2015 - December 31, 2015
Program 2b: Foreclosure Prevention Assistance	<ul style="list-style-type: none"> <li>• Advertise the Contra Costa Home Equity Preservation Alliance (HEPA) program through City website and provide brochure at public counters.</li> </ul>	Ongoing	Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started 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 brochure's of available programs as of yet.
Program 3a: Provision of Adequate Sites	<ul style="list-style-type: none"> <li>• 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</li> </ul>	Ongoing	Muir Pointe - Parcel C subdivision was approved in 2014, got all Civil Improvement and Grading plans complete in 2015, and in 2016 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	<ul style="list-style-type: none"> <li>• Update the City's sites inventory every two years to monitor the consumption of residential and mixed use properties and continued ability to fulfill the RHNA</li> </ul>	2015, and every 2-years thereafter	The residential sites inventory was updated in 2015 with the update of the 2015-2023 Housing Element. Staff noticed after the fact that parcel 404-020-012 containing 7.3 acres was accidentally excluded as it is currently a non-conforming horse ranch and residence.
Program 3a: Provision of Adequate Sites	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Ongoing	Traffic impact fees continue to have a reduced rate.
Program 4a: Development Standards and Procedures	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Ongoing	Have not had adequate staffing to review policies.
Program 5a: Fair Housing	<ul style="list-style-type: none"> <li>• Continue to support the County and refer any complaints and inquiries to the County for resolution and services.</li> </ul>	Ongoing	Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started discussion's with City IT department to get the County link back in place on the City's website. Haven't reached out to get hard copy of fair housing brochure if available as of yet.
Program 5a: Fair Housing	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Ongoing	Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started discussion's with City IT department to get the County link back in place on the City's website. Haven't reached out to get hard copy of fair housing brochure if available as of yet.

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202 )

Jurisdiction	City of Hercules	Reporting Period	Date January 1, 2015 - Date December 31, 2015
Program 5b Reasonable Accommodation		<ul style="list-style-type: none"> <li>• Advertise the program through City website and provide brochure at public counters.</li> </ul>	Ongoing
Program 5b Reasonable Accommodation		<ul style="list-style-type: none"> <li>• Provide technical assistance regarding the application requirements and procedures to persons/entities seeking reasonable accommodation</li> </ul>	Ongoing
Program 5b Reasonable Accommodation		<ul style="list-style-type: none"> <li>• Within one year of the Housing Element adoption, revise the Reasonable Accommodation Ordinance to remove the primary residence requirement, thereby allowing the application of reasonable accommodation to all dwellings, including second homes.</li> </ul>	2016
Program 5c Cooperation with Contra Costa Health Services Homeless Program		<ul style="list-style-type: none"> <li>• Advertise the program through City website and provide brochure at public counters.</li> </ul>	Ongoing
Program 5c Cooperation with Contra Costa Health Services Homeless Program		<ul style="list-style-type: none"> <li>• Participate in County Homeless Program biennial Point-in-Time count and participate in other regional studies and efforts in reducing homelessness.</li> </ul>	2015, and every 2-years thereafter
Program 6a: Energy Conservation		<ul style="list-style-type: none"> <li>• Promote mixed use/transit-oriented development that provides opportunities for energy conservation.</li> </ul>	Ongoing
Program 6a: Energy Conservation		<ul style="list-style-type: none"> <li>• Encourage developers to exceed the California Green Building Code requirements in incorporating energy conservation features and techniques</li> </ul>	Ongoing

Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started 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 brochure's of available programs as of yet.

Building Department staff address questions as they come in.

No work done in this area conducted in 2015, however the 2016 report will reflect carrying out this activity.

Since the dissolving of Redevelopment the City's website was modified to remove all RDA components. Started discussion's with City IT department to get the Housing related links in place on the City's website. Haven't reached out to the Contra Costa Health Services Homeless Program yet.

A Volunteer in Policing participated in the biennial point-in-time count in 2015.

The 43 single family home subdivision called Alexandria voluntarily installed solar panels on each of the homes as a standard feature. The Aventine mixed-use residential / commercial project did not pursue completion of the radiant flooring heating system originally designed into the building in order to give residents individual thermostat control, but did incorporate transom windows that can be opened for passive cooling which saves energy.

During 2015 this was not done. However, 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.



**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

<b>Jurisdiction</b>	City of Hercules
<b>Reporting Period</b>	Date January 1, 2015 - Date December 31, 2015

**General Comments:**

Construction on the 147 residential multi-family units and 10,000 square foot commercial spaces at Town Centrale (aka Aventine) mixed use project began and were finalized in October 2015.  
The 43 single family homes in the Victoria Crescent subdivision called Alexandria at Victoria by the Bay started construction in 2015 and completed in spring of 2016.  
Both of these residential project are accounted for in the 2015 housing report period.