

CITY OF HERCULES
HOUSING ELEMENT, 2015-2023

Adopted April 14, 2015

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1 Introduction and Overview

What is a Housing Element?

Every jurisdiction in California, including Hercules, must have a General Plan. The General Plan serves as the ‘constitution’ for development in the city. It is a long-range planning document that describes goals, policies and programs to guide development decision making. Once the General Plan is adopted, all development-related decisions must be consistent with the plan. If a development proposal is not consistent with the plan, it must be revised or the plan itself must be amended. The majority of the current General Plan in Hercules was adopted in 1998, although portions (including the Housing Element and the Growth Management Element for Proposition J) were adopted at a later date.

Every community’s General Plan must, by law, contain seven ‘elements’ that address defined sets of issues. The State-mandated elements of the General Plan include Land Use, Circulation, Housing, Conservation, Open Space, Noise and Safety. There are also a number of “optional” elements, including Growth Management and Economic Development. These elements might have different names in each jurisdiction, and may be organized differently, but each of the seven areas must be addressed in the General Plan, and the entire plan document must be internally consistent. The ‘elements’ in the Hercules General Plan are Land Use, Circulation, Housing, Open Space, Safety, Noise, Hazardous Waste, Economic Development, and Growth Management.

The Housing Element focuses on the community’s housing needs and strategies for meeting those needs. The Housing Element:

- Documents housing-related conditions and trends;
- Provides an assessment of housing needs;
- Identifies resources, opportunities, and constraints; and
- Establishes policies, programs, and quantified objectives to address housing needs.

State law establishes requirements for all portions of the General Plan. However, for the Housing Element, the State requirements tend to be more specific and extensive than for other elements. This Housing Element for the City of Hercules covers the planning period of January 31, 2015 through January 31, 2023.

Frequency of Review and Update

While jurisdictions must review and revise all elements of their General Plan on a regular basis to ensure that they remain up to date (approximately every ten years), current State law requires that Housing Elements be reviewed and updated at least every eight years. Pursuant to State Law, the new update is for 2015 - 2023 planning period, due within 120 days from January 31, 2015. The process of updating Housing Elements is to be initiated by the State through the “regional housing needs” process, as described below and in Chapter

3. For local jurisdictions that are represented by the Association of Bay Area Governments (ABAG), including the City of Hercules, the State approved the Regional Housing Need Allocation Plan in August 2013, initiating the update of Housing Elements throughout the region. This Housing Element complies with the State law requirement that Bay Area jurisdictions adopt a Housing Element for the period January 31, 2015 through January 31, 2023.

Housing Element Contents

State law is quite specific in terms of what the Housing Element must contain:

- “An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs.”
- “A statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.”
- “A program which sets forth a five-year schedule of actions...to implement the policies and achieve the goals and objectives.”

Most importantly, the Housing Element must:

- Identify adequate sites with appropriate zoning densities and infrastructure to meet the community’s need for housing (including its need for low and very low income households, mobile homes, farm-worker housing, and homeless shelters); and
- “Address and, where appropriate and legally possible, remove governmental constraints” to housing development.

It is also important to note that State law requires a community’s General Plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a different schedule of updates, must function as an integral part of the overall General Plan, with consistency between it and the other General Plan elements. This Housing Element neither proposes nor will result in changes to other elements of the General Plan. It is consistent with the Hercules General Plan. As the Housing Element is updated in the future, the City will ensure continued internal consistency among all General Plan elements. Vice versa, when other elements are updated, the City will review the Housing Element for consistency. Pursuant to State law (AB 162), the Safety and Conservation Elements of the General Plan must include analysis and policies regarding flood hazard and management information upon update of the City’s Housing Element. This AB 162 update to the Safety and Conservation Elements is being conducted concurrent with the 2015 Housing Element update.

The Eight-Year Action Plan

In establishing housing programs, the Housing Element sets forth an ‘Eight-Year Action Plan’ that details the actions that will be taken to implement the Housing Element’s goals and policies. For each Housing Element program, the Action Plan must identify the agency responsible for implementation, the timeframe for implementation, and the number of units

that will be constructed, rehabilitated, or conserved, or the number of households that will be assisted, as a result of the program.

The primary areas of housing need that must be addressed in the Action Plan include:

- Ensuring adequate sites
- Providing assistance to support affordable housing
- Conserving and improving the existing affordable housing stock
- Addressing and removing governmental constraints
- Promoting equal housing opportunities

“Regional Fair Share” Housing Requirement

One unique aspect of State Housing Element law is the idea of ‘regional fair share.’ As explained in more detail in Chapter 4, every Housing Element must demonstrate that the local jurisdiction has made adequate provision to support the development of housing at various income levels (very low, low, moderate, and above moderate) to meet its ‘fair share’ of the existing and projected regional housing need. The ‘fair share’ requirement for Hercules and all other jurisdictions in the Bay Area is determined through a State-mandated process that is overseen by the Association of Bay Area Governments (ABAG) through the Regional Housing Needs Allocation (RHNA) process. The RHNA for this Housing Element update covers the period from January 1, 2014 through October 31, 2022 and is used as the basis for the slightly different Housing Element planning period from January 31, 2015 through January 31, 2023.

Review by State HCD

State law requires that every updated Housing Element be submitted to California’s Department of Housing and Community Development (HCD) to ensure compliance with the State’s minimum requirements. This ‘certification’ process is unique among the General Plan elements.

Housing Elements are submitted twice to HCD for review and comment: once during development of the Housing Element (in draft form), and again after adoption of the Housing Element by the local jurisdiction. The first review period requires 60 days and must take place prior to adoption. The second review may take up to 90 days and takes place *after* adoption. After review of the draft Housing Element, HCD will issue a letter documenting the department’s comments on the Element. The jurisdiction must address the comments to the satisfaction of HCD in order to achieve a substantial compliance status (referred by many as a “Certified” Housing Element).

The Housing Element Update Process

The Housing Element process is a strategic opportunity to develop solutions to local housing needs while contributing to community livability and sustainability. The Housing Element process in Hercules provided opportunities for groups and individuals to review

and discuss current housing conditions and needs and consider potential housing strategies. Meetings held as part of the update process include:

Planning Commission Meetings: The City conducted a study session with the Planning Commission on November 17, 2014 to discuss the Housing Element.



All public meetings were advertised through the following:

- Events posted to City’s web site calendar and set to appear on web site home page.
- Announcements physically posted at City Hall, Community Center, and Post Office.
- E-mail announcements (“E-Notices”) sent to service subscribers (available to all members of the public).
- Hearings advertised in the West Contra Costa Times (local daily newspaper).
- Invitations sent the City’s Housing Element outreach list (see below), which includes community stakeholders, developers, and service agencies serving low and moderate income persons and persons with special needs.

The Planning Commission expressed concerns regarding the lack of funding to produce affordable housing and provide ongoing maintenance of the affordable units to ensure the quality of housing and neighborhood conditions are preserved. No comments from the public were received.

On January 20, 2015, the City conducted an additional meeting with the Planning Commission to review the Draft Housing Element. Community stakeholders, developers, service agencies serving low and moderate income persons and persons with special needs, and the community at large were invited to attend the meeting. Notices of the meeting were published in West Contra Costa Times newspaper and on the City website. Special invitations were sent to community groups, developers, and service providers. Groups invited to the community workshop include:

<ul style="list-style-type: none"> • UCP of the Golden Gate • Contra Costa ARC • My Home Gateway • La Raza Centro Legal • Neighborhood House of North Richmond • Rubicon Programs, Inc. • Greater Richmond Interfaith Program • Family Literacy Program • Richmond Family Service Center • Project Access (Early Childhood Education) • Family Stress Center 	<ul style="list-style-type: none"> • Contra Costa Crisis Center • Disability Rights California • Eden Housing • Homebricks • East Bay Works • Anka Behavioral Health Services • Contra Costa Interfaith Housing/Mercy Housing • Housing Authority of Contra Costa County • Concord Family Service Center • Concord Senior Center • Wardrobe for Opportunity • Richmond WORKS
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<ul style="list-style-type: none"> • Food Bank of Contra Costa • Mental Health Administration • Contra Costa SELPA • Reach Within – Reach Project Inc. • Mental Health Association of Contra Costa County • Familias Unidas • Families First • West Contra Costa Youth Service Bureau • Planned Parenthood – Central Richmond • Native American Health Center • Rainbow Community Center of Contra Costa County • The New Vision • Sutter Visiting Nurse Association and Hospice • HPRP Rapid Re-Housing Program – Shelter, Inc. • Operation Dignity, Inc. • Permanent Housing for Special Needs/Low-Income-Shelter, Inc. • Transitional and Interim Housing – Shelter, Inc. • Transitional and Interim Housing – Shelter, Inc. • Casa Vicentia • Central County Interim Housing Program – Concord Shelter • Family Center and Transitional Program – Bay Area Rescue Mission • Men’s Center – Bay Area Rescue Mission • Contra Costa Senior Legal Services • International Institute of the Bay Area • United Cerebral Palsy of the Golden Gate • Food Pantry- Greater Faith Missionary Baptists Church • Food Pantry – Hope for the Homeless • Food Pantry – New Gethsemane 	<ul style="list-style-type: none"> • Regional Center of the East Bay • Child Abuse Prevention Council of Contra Costa County • West County Mental Health Center • Children Services • Asian Family Resource Center • New Directions Counseling Center, Inc. • Tri-Valley Haven • STAND! Against Domestic Violence • Alcohol & Other Drugs Services/Substance Abuse • New Connections • Hercules Senior Center • Ombudsman Services of Contra Costa • Mt. Diablo Housing Opportunity Center – Housing Rights, Inc. • County Connection Link • Independent Living Resource – Main Office • Crossroads Transitional Shelter – East Oakland Community Project • GRIP – Super Center, West County Resource Center • Oakland Vet Center • 24-Hour Oakland Parent Teacher Children’s Center Shelter • Berkeley Shelter Bed Hotline – Berkeley Food and Housing Project • Calli House: Homeless Shelter for Youth • Behavior Health Services – Rubicon • Project Coming Home • Bay Area Legal Aid • Collective Legal Services – Eviction Defense Center • Concord Corps – The Salvation Army • Crescent Park Multicultural Family Resource Center • Extra Helpings Food Program – Food Bank CC/Solano • Food Pantry – All Nations • Food Pantry – Beacon Light Seventh
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<p>COGIC</p> <ul style="list-style-type: none"> • Food Pantry – North Richmond Missionary Baptist Church • Food Pantry – Northwest County Share/Manna-Rodeo/Hercules/Pinole • Richmond Food Pantry – Grace Lutheran Church 	<p>Day Adventist Church</p> <ul style="list-style-type: none"> • Food Pantry – Second Baptist Church of Martinez • Food Pantry – Second Opportunity Christian Center • Food Pantry – St. Catherine’s-St. Vincent de Paul • Food Pantry – World Impact Ministries
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City Council Hearing: On April 14, 2015, the City Council will conduct a public hearing prior to adoption of the Housing Element to provide an opportunity for public comments. The City will publicize the hearing and opportunity to comment on the Final Draft Housing Element in the West Contra Costa Times newspaper and City website.

Comments Received and Housing Element Responses

No comments from the public were received.

Consistency with General Plan

The Housing Element is one of the nine elements of the Hercules General Plan. The Housing Element complements other General Plan elements and is consistent with the policies and proposals set forth by the Plan. The City is separately preparing General Plan Amendments to address the new requirements to incorporate flood hazard and flood management information, as well as fire hazards information in the Safety and Conservation Elements of the General Plan in conjunction with adoption of this Housing Element.

2 Housing Needs Analysis

Overview of the City of Hercules

The City of Hercules has a unique history which has transformed the City from a small company town to a bustling and thriving community. In the late 1800s the Industrial Revolution changed the face of business throughout the country. The California Powder Works company was a part of this revolution and played a key role in the formation of the city now known as Hercules. The California Powder Works factory made black powder, an explosive substance used mostly in guns. The Company opened in Hercules in 1879 and incorporated the town on December 14, 1900. The first City Council consisted of plant managers who passed ordinances primarily to ensure the success of their products.

California Powder Works sold its dynamite under the name Hercules Powder, in honor of the Greek mythological hero, making Hercules a natural choice for the name of the new City. The dangers of producing explosives, the growing Bay Area population, and changing market trends forced plant managers to transition the plant to fertilizer, and dynamite manufacturing was discontinued in 1964. When the plant switched to fertilizer production, it was renamed Hercules, Incorporated and sold tracts of land near the plant to residential developers. In 1976 Hercules, Inc. was sold to Valley Nitrogen Producers, which ended up closing the plant a year later.

Another big influence in the development of the City of Hercules was the Pacific Refinery Company. The refinery opened in 1966 and provided quality jobs to residents as well as valuable revenue to the City. Pacific Refinery provided so much revenue that the City did not truly feel the effects of Proposition 13 until after the refinery closed in 1995.

The first housing subdivision in Hercules was built in 1975, and beginning in 1980 and continuing into the 1990s, the City added substantial new housing, shopping centers, civic centers, making it one of the fastest growing suburbs in California during the 1980s. During the 1990s the City's neighborhoods felt disconnected, and there was an increasing need for city services coupled with budget constraints. In 2000, the City involved over 300 participants (citizens and stakeholders) in a charrette process to establish a coherent vision for the City. This process resulted in the Central Hercules Plan which lays out how four under-developed neighborhoods could be transformed into thriving, distinct neighborhoods. The City continued to add new subdivisions in the early 2000s as well as new live/work and transit-oriented developments.

Hercules continues to pursue transit-oriented development using smart growth principles and ensuring that development conforms to the Central Hercules Plan.

Sources of Information

The primary source of information used in the compilation of demographic, housing, and socioeconomic information used in the supporting technical analysis herein includes data collected by the U.S. Bureau of the Census. This baseline population, housing, and socioeconomic data for cities and counties is collected every ten years as part of the national Census. The most recent Census data was collected in the year 2010. For some topics, decennial census figures are supplemented by more recent data sets from the American Community Survey (ACS). The ACS is an ongoing statistical survey by the U.S. Census Bureau and it regularly gathers information previously contained only in the long form of the decennial census.

The 2010 Census data and more recent ACS data is also supplemented with population and housing estimates by the State Department of Finance (DOF) and Association of Bay Area Governments (ABAG), employment data by the State Employment Development Department (EDD), as well as current housing market data by other sources, such as the California Association of Realtors (CAR), Home Mortgage Disclosure Act (HMDA), and Dataquick, among others.

Some of these estimates (such as the American Community Survey data and California Department of Finance data) are shown solely as percentages, as the raw numbers carry a significant margin of error, especially for smaller geographies such as cities and Census-designated places. Nonetheless, the percentages give a general indication of population and employment trends.

Demographic Characteristics

Population Trends

The City of Hercules's population increased approximately 24 percent between 2000 and 2010 (according to U.S. Census estimates), with an additional 4,572 individuals added to the population for a total population of 24,060 in 2010 (see Table 1). Since 2010, the California Department of Finance estimates that the City's population has increased by about 500 individuals or two percent. Historical population estimates by the California Department of Finance show that most of the growth occurred in the middle part of the decade, with the largest growth being registered in the 2004 to 2005 period.

Contra Costa County grew at a substantially slower rate than Hercules during the 2000 to 2010 period, increasing its population by about 11 percent, for a total population of nearly 1,049,025 by 2010. Since 2010, the California Department of Finance estimates that the County's population has increased by about 38,000 individuals or close to four percent. The largest population increases for the County were recorded in the first two years, 2001 and 2002. The fastest growing areas were dispersed throughout the County, in the communities of Brentwood (a 121 percent increase in population between 2000 and 2010), San Ramon (a 61 percent increase), and Oakley (a 38 percent increase). The population decreases between 2009 and 2010 for Hercules and the County are most likely due to different methods of population estimate used by the State Department of Finance and the Bureau of Census.

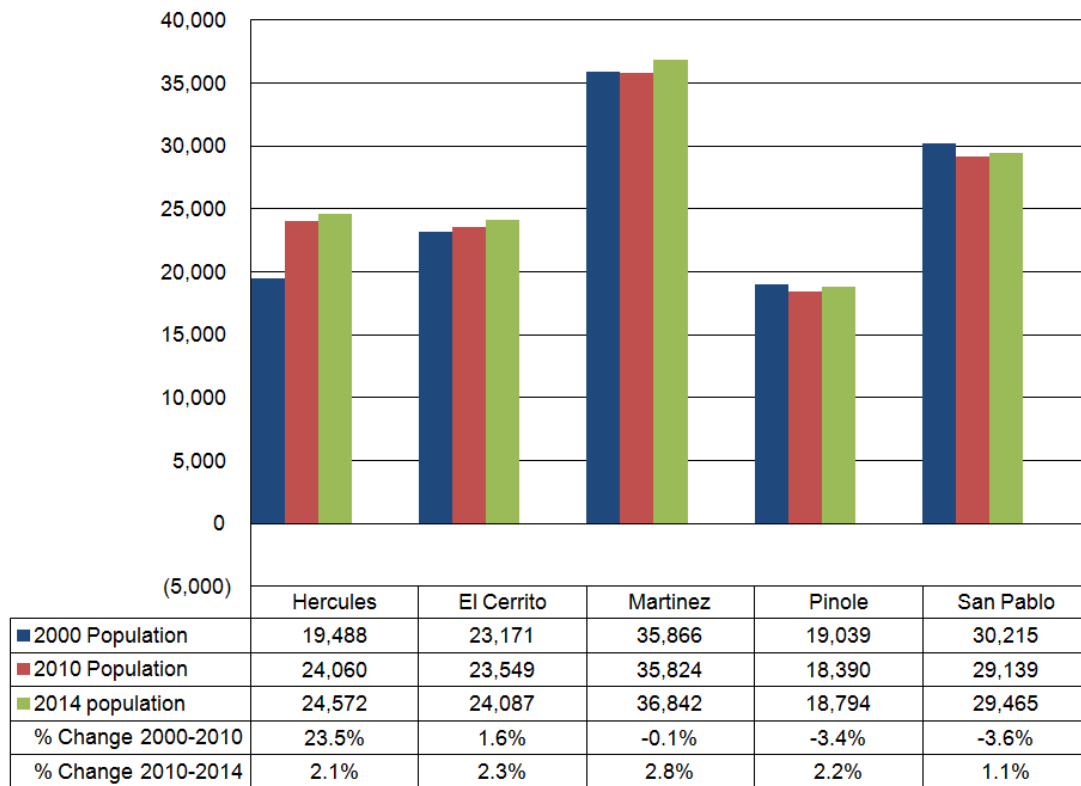
Comparing the population of Hercules to neighboring cities allows us to gauge whether growth in Hercules has been comparable. From 2000 to 2010, Hercules experienced a population increase of approximately 24 percent. This growth is significantly higher than the neighboring cities in Contra Costa County, as shown in Figure 1. Martinez, Pinole, and San Pablo all experienced population decreases in the last decade. California Department of Finance estimates show population growth between 2010 and 2014 was consistent among most neighboring cities (between two and three percent) with the exception of San Pablo which saw a population growth of just one percent.

Table 1: Population Trends, Hercules and Contra Costa County

Year	City of Hercules			Contra Costa County		
	Population (DOF)	Population (Census)	Annual Percent Change	Population (DOF)	Population (Census)	Annual Percent Change
2000	19,488	19,488	--	948,816	948,816	--
2001	19,827	--	1.7%	966,095	--	1.8%
2002	20,111	--	1.4%	981,614	--	1.6%
2003	20,438	--	1.6%	993,766	--	1.2%
2004	21,706	--	6.2%	1,005,678	--	1.2%
2005	23,200	--	6.9%	1,016,407	--	1.1%
2006	23,535	--	1.4%	1,025,509	--	0.9%
2007	23,859	--	1.4%	1,035,322	--	1.0%
2008	24,309	--	1.9%	1,048,242	--	1.2%
2009	24,499	--	0.8%	1,061,325	--	1.2%
2010	24,060	24,060	-1.8%	1,049,025	1,049,025	-1.2%
2011	24,153	--	0.4%	1,056,306	--	0.7%
2012	24,299	--	0.6%	1,066,597	--	1.0%
2013	24,438	--	0.6%	1,076,429	--	0.9%
2014	24,572	--	0.5%	1,087,008	--	1.0%
Total DOF Change (2000-2014)		5,084	26.1%	138,192		14.6%
Total Census Change (2000-2010)		4,572	23.5%	100,209		10.6%

Source: State of California, Department of Finance, 2014 with 2010 Benchmark. Sacramento, California, May 2014, <http://www.dof.ca.gov>, U.S. Census Bureau 2000 and 2010.

Figure 1: Population Comparisons



Source: U.S. Census Bureau, 2000 and 2010. State of California, Department of Finance, 2014 with 2010 Benchmark. Sacramento, California, May 2014, <http://www.dof.ca.gov>

Population Projections

The Association of Bay Area Governments (ABAG) projects that Hercules will grow to a population of 39,500 people by the year 2040 (Table 2). This represents a 64 percent increase over a 30-year period, or an average annual growth of approximately two percent. During this same period, the population in Contra Costa County is projected to increase 28 percent, representing an average annual growth of less than one percent. ABAG projects that the highest levels of population growth in Hercules would occur between 2010 and 2015 period.

Year	Projected Population	% Increase City of Hercules	% Increase Contra Costa County
2010	24,060	—	—
2015	26,500	10.1%	3.5%
2020	28,900	9.1%	3.5%
2025	31,300	8.3%	4.4%
2030	34,000	8.6%	4.4%
2035	36,700	7.9%	4.6%
2040	39,500	7.6%	4.5%

Source: ABAG Projections 2013.

Age

Age distribution is a key indicator of housing needs, as housing needs and preferences change and individuals and households age. Housing needs for young families may focus more on cost and the ability to become first-time homebuyers. For seniors, cost and access to services are important, as seniors may be on fixed incomes and have mobility limitations.

The 2010 Census (see Table 3) indicated that approximately 11 percent of Hercules's population is 65 years of age or older, up from 7 percent of the population in 1990. The largest percentage increase was in the 60 to 64 age range, with a 142 percent increase. There were also large increases (over 80 percent in each group) in the 55 to 59 and 75 and over age groups. The largest decrease was in the ten to 14 age group, which had a 7 percent decrease. The least amount of change was in the five to nine (1 percent) and 35 to 44 (a 3 percent decrease) age groups.

These figures indicate a maturing population, increasingly comprised of older adults with older children, and seniors. This age composition is likely to shift in light of current development activity that is diversifying the housing stock and creating new housing opportunities for families with children and young single adults as well as seniors.

Table 3: Population by Age Group, 2000 and 2010

Age	2000	% of Population	2010	% of Population	% Change 2000-2010
Under 5	1,145	5.9%	1,387	5.8%	21.1%
5 to 9	1,454	7.5%	1,469	6.1%	1.0%
10 to 14	1,624	8.3%	1,512	6.3%	-6.9%
15 to 19	1,517	7.8%	1,778	7.4%	17.2%
20 to 24	1,112	5.7%	1,399	5.8%	25.8%
25 to 34	2,357	12.1%	3,105	12.9%	31.7%
35 to 44	3,523	18.1%	3,407	14.2%	-3.3%
45 to 54	3,587	18.4%	3,860	16.0%	7.6%
55 to 59	1,055	5.4%	1,962	8.2%	86.0%
60 to 64	681	3.5%	1,651	6.9%	142.4%
65 to 74	918	4.7%	1,593	6.6%	73.5%
75 and over	515	2.6%	937	3.9%	81.9%
Total	19,488	100.0%	24,060	100.0%	23.5%

Source: U.S. Census Bureau, 2000 and 2010.

Race and Ethnicity

Hercules became increasingly diverse during the 1990s and has remained that way. As shown in Table 4, the City's population in 2000 was approximately 46 percent Asian/Pacific Islander and 32 percent White, with African-Americans representing 20 percent of the population. In 2010, the percentage of Asians/Pacific Islanders had dropped slightly to 45 percent, the proportion of African-Americans also decreased to 18 percent, and the percentage of Whites dropped dramatically to 17 percent. The biggest changes were the 92 percent drop in Other residents and the 65 percent decrease in the American Indian/Alaskan Native population. Hercules' Hispanic or Latino population actually

increased substantially (by 67 percent) during this time period. Different racial and ethnic groups often have different household characteristics and cultural backgrounds that may affect their housing needs and preferences.

Table 4: Population by Race and Ethnicity, 2000 and 2010

Race or Ethnic Group	2000		2010		% Change
	#	%	#	%	
White	6,193	31.8%	4,026	16.7%	-35.0%
Black/African American	3,928	20.2%	4,434	18.4%	12.9%
American Indian/Alaskan Native	187	1.0%	65	0.3%	-65.2%
Asian/Pacific Islander	9,033	46.4%	10,893	45.3%	20.6%
Other race	1,272	6.5%	104	0.4%	-91.8%
Two or more races ¹	1,038	5.3%	1,030	4.3%	-0.8%
Hispanic or Latino (of any race) ²	2,106	10.8%	3,508	14.6%	66.6%
Total Population	19,488	--	24,060	100.0%	23.5%

Source: U.S. Census Bureau, 2000 and 2010.

Notes:

1. 'Two or more races' was not introduced until the 2000 Census. Because individuals could report more than one race, the numbers by race/ethnic group in 2000 add to more than the total population, and percentages add to more than 100.
2. In the 2000 Census 'Hispanic or Latino (of any race)' replaced the previous designation of 'Persons of Hispanic Origin.'

Table 5 below compares the racial and ethnic composition of Hercules to neighboring communities based on 2010 Census data. Hercules is clearly a diverse city with Asians making up the largest segment of the population with 45 percent, followed by Blacks and non-Hispanic Whites. This differs from the cities of El Cerrito and Martinez, which have much larger White populations. San Pablo is also diverse; however, Hispanics make up their largest ethnic group.

Table 5: Race and Ethnic Comparison

	Hercules	El Cerrito	Martinez	Pinole	San Pablo
Non-Hispanic Populations:					
White	16.7%	48.3%	68.7%	37.1%	10.1%
Black	18.4%	7.5%	3.5%	13.0%	15.3%
American Indian/Alaskan Native	0.3%	0.3%	0.5%	0.3%	0.3%
Asian	44.9%	27.1%	7.8%	22.6%	14.7%
Native Hawaiian/Pacific Islander	0.4%	0.2%	0.3%	0.3%	0.5%
Other	0.4%	0.5%	0.2%	0.4%	0.4%
Two or More Races	4.3%	5.0%	4.4%	4.5%	2.3%
Hispanic	14.6%	11.1%	14.6%	21.8%	56.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2010.

Household Characteristics

Household Types

Household characteristics and types can impact the type of housing needed. For instance, single-person households often occupy smaller apartment units or condominiums, such as studio and one-bedroom units. Married couples often prefer larger single-family homes, particularly if they have children. This underscores the need to provide a diversity of housing opportunities to provide households of different ages and types the opportunity to live in Hercules.

The U.S. Census Bureau defines a household as all of the people who occupy a housing unit. A household is different than a housing unit, as a housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room occupied (or if vacant, intended for occupancy) as separate living quarters. A household consists of all the people who occupy a housing unit. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

The number of households in Hercules increased 26 percent between 2000 and 2010, adding 1,692 additional households for a total of 8,115 households in 2010. As shown in Table 6, 78 percent of households in 2010 were families and 22 percent were non-family households (such as unrelated persons living together or singles). Of the family households, just under half had children under 18 years of age at home (about 34 percent of all households in the City). Most of the City's non-family households were people living alone.

Household Type	#	% of Population
Total Households:	8,115	100.0%
Family Households	6,296	77.6%
Married Couples	4,675	57.6%
Male Householder, no wife present	371	4.6%
Female Households, no husband present	1,250	15.4%
Non-family Households	1,819	22.4%
Householder living alone	1,482	18.3%
Householder not living alone	337	4.2%

Source: U.S. Census Bureau, 2010.

Household Size

The comparable levels of growth in the number of households (25 percent growth) and the overall population growth (22 percent growth) during the 2000–2010 period indicates a stable household size over the seven-year period, as reflected in the data presented in Table 7. The average household size in Hercules decreased slightly during the ten-year period from 3.03 in 2000 to 2.96 in 2010. The average family size also decreased slightly, from 3.46 in 2000 to 3.38 in 2010. By comparison, the average household size in Contra Costa County increased from 2.72 in 2000 to 2.77 in 2010. According to ABAG's 2013 projections, the

average household sizes in the City and County are expected to remain relatively steady through the year 2040, increasing only slightly.

Table 7: Average Household and Family Size, 2000–2010

	2000 Avg. Size	2010 Avg. Size	% Change
Households	3.03	2.96	-2.3%
Families	3.46	3.38	-2.3%

Source: U.S. Census Bureau, 2000 and 2010.

Employment Trends

Labor and employment characteristics have a direct impact upon current and future housing needs within Hercules. Different industries and occupations within a particular industry often translate into different wage levels. These differences in wages directly impact a household’s ability to afford certain types of housing, the ability to rent or own housing, and the ability to adequately maintain housing.

According to the California Employment Development Department, in October 2014 the City of Hercules had unemployment rates of 4.0 percent. The unemployment rate in the City was lower than the Contra Costa region (5.7 percent) and the State (7.0 percent), demonstrating that Hercules is located in a strong employment market.

According to estimates from the ABAG’s projections (*Projections 2013*), population growth in Hercules is expected to keep pace with job growth from 2010 to 2040, with a 64.7 percent increase in jobs. The number of employed residents is projected to increase from 11,740 in 2010 to a projected 19,330 in 2040, an increase of approximately 65 percent. From 2010 to 2040, the ratio of jobs to employed residents in Hercules is expected to remain consistently around 0.3 job to 1.00 employed resident. In other words, although job growth will create new opportunities for more people to live and work in the community, the City will most likely remain a ‘bedroom community’ in which most people live here but work elsewhere.

Table 8: Jobs and Employed Residents, Hercules and Contra Costa Co., 2010-2040

Year	City of Hercules			Contra Costa County		
	Jobs	Employed Residents	Jobs/ Employed Residents	Jobs	Employed Residents	Jobs/ Employed Residents
2010	3,910	11,740	0.33	344,920	455,540	0.76
2015	4,460	13,350	0.33	374,610	489,750	0.76
2020	5,130	15,080	0.34	407,810	526,530	0.77
2025	5,380	15,990	0.34	420,060	539,360	0.78
2030	5,670	17,000	0.33	432,730	552,720	0.78
2035	6,030	18,160	0.33	449,640	572,170	0.79
2040	6,440	19,330	0.33	467,390	592,060	0.79
% Change 2010-2040	64.7%	64.7%	--	35.5%	30.0%	--

Source: ABAG Projections 2013

Table 9 tabulates occupations held by Hercules residents according to the 2008-2012 ACS data and provides corresponding wage scales in Contra Costa County as of the first quarter of 2014. Among the employed residents, the greatest proportion were working in the management and professional industry, commanding a mean salary of \$130,658. About 28 percent of employed Hercules residents were working in sales and office occupations, earning a mean wage of \$44,688. While a majority of the residents were earning moderate wages, about 16 percent of employed residents were working in service occupations that usually offer lower wages. Service occupations can include personal services, such as the hospitality industry or food service, such as restaurant workers. These occupations earn less than \$30,000 and can limit the housing choices available to the workers.

Occupation	# of Hercules Residents	% of Employed	County Mean Wage
Management, business, science and arts	5,457	43.9%	\$130,658
Service	1,950	15.7%	\$27,741
Sales and Office	3,498	28.2%	\$44,688
Natural resources, construction, and maintenance	593	4.8%	\$62,435
Production, transportation, and material moving	923	7.4%	\$41,441
Total	12,421	100.0%	\$60,307

Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates and Employment Development Department, Quarter 1, 2014.

Jobs/Housing Balance

There are different ways to examine the balance between jobs and housing in a community. One way is to define it as the ratio resulting from the absolute numbers of jobs divided by the absolute numbers of housing in the City. However, since many households consist of two working adults, a jobs/housing ratio of 1.0 does not necessarily connote a 'balance' between housing and jobs. Another way to view jobs/housing balance is to compare total employment (i.e., the number of jobs in Hercules) with the number of employed residents (whether their jobs are in Hercules or elsewhere). This helps to account for the numerous households with two wage-earners.

Table 10 provides data on current (2010), and projected (2015–2040) ratios for jobs and employed residents in Hercules. As shown, the 'balance' between jobs and housing as well as between jobs and employed residents is significantly skewed, reflecting the City's traditional status as a bedroom community that has had few jobs in comparison to the number of residents. Although the City projects to increase the number of total jobs over the next 30 years, the jobs-to-housing and jobs-to-employed residents ratios are expected to remain similar due to proportional increases in the number of housing units and residents.

There are many benefits from a jobs/housing or jobs/employed residents balance, including improved air quality (associated with reduced vehicle miles traveled by commuters), less congested freeways, reduced fuel consumption, reduced expenditures on major transportation projects, a labor supply more closely matched to local employment needs,

and savings in travel time for both businesses and individuals. However, even a 1.0 ratio between jobs and employed residents does not guarantee a reduction in commute trips. The analysis presented here does not address the issue of mismatches between housing costs, housing supply and demand, types of jobs available, and skill levels of the community’s workforce. Communities can continue to exchange workers regardless of a one-to-one correlation of employed residents to total jobs. Although Hercules is expanding its jobs base, the majority of residents will continue to commute elsewhere to work, while many of the people who work in Hercules are likely to live in other communities, due to housing costs and availability or other lifestyle choices. The issue of housing costs in comparison to household incomes is discussed in this Housing Element. Also, through incorporation of transit services in areas of new development and creation of a strong pedestrian-orientation on new streets, the City hopes to encourage those workers who do commute elsewhere to work to use public transit facilities.

Table 10: Jobs, Employed Residents, and Housing, 2010-2040

Year	Total Jobs in Hercules	Employed Residents	Jobs/ Employed Residents	Total Housing	Jobs/ Housing	Employed Residents/ Housing
2010	3,910	11,740	0.33	8,115	0.5	1.4
2015	4,460	13,350	0.33	8,860	0.5	1.5
2020	5,130	15,080	0.34	9,620	0.5	1.6
2025	5,380	15,990	0.34	10,340	0.5	1.5
2030	5,670	17,000	0.33	11,140	0.5	1.5
2035	6,030	18,160	0.33	11,910	0.5	1.5
2040	6,440	19,330	0.33	12,690	0.5	1.5

Source: ABAG Projections 2013.

Housing Characteristics

A community’s housing stock is defined as the collection of all residential dwelling units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy, costs and affordability are important in determining the housing needs for the community. This section details Hercules’s housing stock characteristics in an attempt to identify how well the current housing stock meets the needs of current and future residents of the City.

Housing Unit Types

The American Community Survey reported an estimated 8,378 housing units in Hercules as of 2012, an increase of 28 percent (1,832 units) over the estimate for the year 2000. During the early and mid-2000s, housing construction in Hercules continued to emphasize single-family home developments, particularly detached single-family homes over attached single-family homes (such as townhomes). There was also an increase in the number of larger multi-family developments (five or more units), accounting for 26 percent of the units added to the City’s housing stock over the ten-year period. The most significant development

activity in Hercules during the 2000–2010 period was in 2004–2005. Development since 2005 has been limited.

Table 11: Units by Housing Type, City of Hercules, 2000-2012

Housing Type	2000	% of Total	2012	% of Total	Change, 2000–2012	% of Total Change 2000–2012
Single-Family Detached	4,031	61.6%	5,337	63.7%	1,306	32.4%
Single-Family Attached	1,617	24.7%	1,423	17.0%	-194	-12.0%
Small Multi-Family (2-4 Units)	294	4.5%	545	6.5%	251	85.4%
Large Multi-Family (5+ Units)	604	9.2%	1073	12.8%	469	77.6%
Mobile Homes	0	0.0%	0	0.0%	0	--
Total	6,546	100%	8,378	100.0%	1,832	28.0%

Note: The decrease in Single-Family Attached units most likely is due to a combination of reclassification and sampling errors.
Source: U.S. Census Bureau, 2000 Census and 2008-2012 ACS 5-Year Estimates.

The distribution of unit type in Hercules varies slightly from that in Contra Costa County. The majority of housing units in both Hercules and the County are single-family detached. However, in the County, 16 percent of units are in large multi-family complexes while only 13 percent of units in Hercules are in large multi-family complexes. In Hercules, 17 percent of units are attached single-family units while in the County, they account for only eight percent of the units. Both the City and County have small proportions of units in small multi-family complexes and very few mobile homes (Hercules has no mobile homes).

Table 12: Comparison of Housing Unit Types

Unit Type	Hercules		Contra Costa County	
	#	%	#	%
Single-Family Detached	5,337	63.7%	267,037	66.8%
Single-Family Attached	1,423	17.0%	31,270	7.8%
MF 2-4 Units	545	6.5%	28,891	7.2%
MF 5+ Units	1073	12.8%	65,677	16.4%
Mobile Homes	0	0.0%	6,989	1.7%
Total	8,378	100.0%	399,864	100.0%

Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates.

Tenure

“Tenure” refers to whether a housing unit is rented or owned. According to the 2008-2012 ACS 5-Year Estimates, approximately 76 percent of all housing unit in Hercules were owner-occupied and 24 percent were renter-occupied units. This is a decrease in the percentage of owner-occupied units in comparison to 2000, when 84 percent of occupied units were owner-occupied and 16 percent were rented.

Vacancy

In general, a higher vacancy rate is considered necessary by housing experts to assure adequate choice in the marketplace and to temper the rise in home prices. According to

ABAG, a five-percent rental vacancy rate is considered necessary to permit ordinary rental mobility. In a housing market with a lower vacancy rate, tenants will have difficulty locating appropriate units, and strong market pressure will inflate rents. A two-percent vacancy rate for owned housing is considered normal. Vacancy rates increased between 2000 and 2012. In 2000, the total vacancy rate was estimated at 1.9 percent, with the vacancy rate for owner-occupied units at 1.1 percent and the vacancy rate for renter-occupied units at 1.4 percent. However, vacancy rates in the City appear to have increased by 2012. According to the Census (Table 13), overall vacancy in Hercules was measured at 3.8 percent. The homeowner vacancy rate was 4.4 percent while the rental vacancy rate was 2.0 percent.

	% of Units
Occupied Units	95.9%
Owner Occupied	76.5%
Renter Occupied	23.5%
Vacant Units	
Owner Occupied	4.4%
Renter Occupied	2.0%
All Occupied Units	3.8%

Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates.

Age and Condition of the Housing Stock

Generally, housing older than 30 years of age will require minor repairs and modernization improvement. Housing units over 50 years of age are more likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs. **Error! Reference source not found.** Table 14 depicts the statistics on the age of the housing units in Hercules.

Although Hercules's is a relatively old city (incorporated in 1900), its housing stock is relatively new, with the majority of homes having been built in the past 30 years. As shown in **Error! Reference source not found.** Table 14, the estimated breakdown of housing units by age and occupancy status, less than two percent (1.7 percent) of all housing units in the City were built more than 45 years ago. Most of the City's housing stock was built within the last 30 years or so.

Substandard housing conditions have not been a major issue for the City, although there have been scattered cases that the City has addressed on an as-needed basis in response to neighborhood complaints. Nonetheless, the City recognizes that its older subdivision areas are beginning to show their age and will require reinvestment in the coming years. The County of Contra Costa has several neighborhood improvement programs available to Hercules residents such as the Neighborhood Preservation program which provides loans to low and moderate-income persons to improve their homes by correcting health and safety problems and improving livability. The County also has several housing programs aimed at improving residential energy efficiency. However, funding is limited and income-qualified residents are eligible on a first-come-first-serve basis.

Table 14: Age of Housing by Occupancy Status

Year Structure Built	% of Total Units	% Renter Occupied	% Owner Occupied
1939 or earlier	0.3%	1.1%	0.3%
1940-1949	0.1%	0.0%	0.2%
1950-1959	0.5%	2.3%	0.4%
1960-1969	0.7%	2.2%	0.7%
1970-1979	17.0%	23.5%	23.7%
1980-1989	37.4%	39.3%	54.3%
1990-March 2000	21.7%	31.6%	20.2%
April 2000-2014	22.3%	--	--
Total	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2000 for all units built before March 2000 and tenure breakdowns, Department of Finance, 2014 for all units after March 2000.

In an effort to address the age and condition of the housing stock in Hercules, the Building Division utilizes software that enables the City to receive, log, and track code enforcement cases thoroughly.

The Building Department also assisted the former Affordable Housing program by contributing staff time and services to the City's Community Pride and Neighborhood Cleanup Program, which alleviated blight by making volunteers and tools available to residents to eliminate waste from their properties as well as improve the properties' outside appearance. From its inception in November 2008 through 2010, the Cleanup Program assisted 527 homes in six neighborhood zones to collect and remove over 79 tons of waste. The Building Department also monitors each neighborhood zone and communicates with residents regarding any building code issues they may have. The housing stock in the City of Hercules was generally constructed starting in the 1980s. It is relatively new and there are no concentrations or deteriorated or dilapidated housing units. There is however a landslide on HOA-owned land that has forced the evacuation/demolition of several homes on Carson Street, and which may threaten several other homes in the future.

The Building Division has also performed community outreach on a regular basis and at community events (such as the Cultural Festival, the Community Update, and the Farmer's Market). Through this outreach, the City has provided free educational and demonstration materials about building construction, code enforcement, and rental inspections.

Household Income

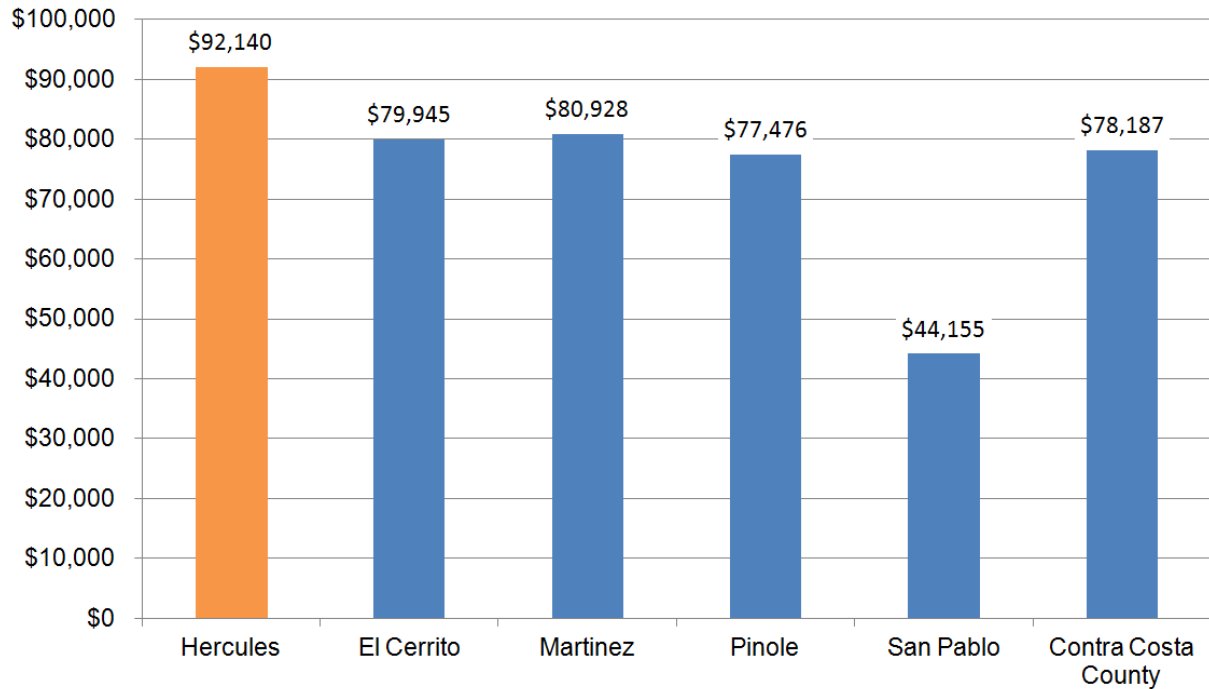
Household income is the most important, although not the only factor, affecting housing opportunity because it determines a household's ability to purchase or rent housing and balance housing costs with other necessities. Income levels can vary considerably among households, affecting preferences for tenure, location, and housing type. While higher-income households have more discretionary income to spend on housing, low and moderate income households have a more limited choice in the housing they can afford.

Table 15 presents Hercules’s and Contra Costa County’s average distribution of household for 2008-2012.

Table 15: Household Income Distribution (2008-2012)		
Income Group	City of Hercules	Contra Costa County
less than \$10,000	3.6%	3.9%
\$10,000 to \$14,999	1.9%	3.7%
\$15,000 to \$24,999	6.7%	6.9%
\$25,000 to \$34,999	3.6%	6.9%
\$35,000 to \$49,999	7.0%	10.4%
\$50,000 to \$74,999	17.4%	16.2%
\$75,000 to \$99,999	13.8%	12.3%
\$100,000 to \$149,999	24.9%	18.6%
\$150,000 to \$199,999	10.1%	9.8%
\$200,000+	11.0%	11.2%
Median Income	\$92,140	\$78,187
Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates.		

According to the 2008-2012 ACS data, the median household income in Hercules was \$92,140, approximately 18 percent higher than the median income for Contra Costa County. During 2008-2012, it is estimated that close to 60 percent of the households in Hercules were earning over \$75,000 with the largest proportion of households (25 percent) earning between \$100,000 and \$149,999 annually. However, nearly 23 percent were earning less than \$50,000 annually. The 2008-2012 estimates show that the median household income in the City increased to \$92,140 from a median of \$75,196 in 2000. This could indicate that as the cost of housing in the East Bay area continued to rise since 2000, households with higher incomes were moving into a community which historically had more lower income households (and therefore, lower cost housing). The City of Hercules continues to provide low income housing options through affordable housing development such as the Victoria Green apartments and Samara Terrace. **Figure 2** shows that Hercules had a higher median household income than neighboring jurisdictions and the County as a whole. While El Cerrito, Martinez and Pinole had median incomes similar to that of the County, San Pablo’s median income was significantly lower than the neighboring jurisdictions.

Figure 2: Median Household Income Comparison (2008-2012)



Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates

For purposes of determining eligibility for housing assistance, the State Department of Housing and Community Development (HCD) has established the following income groups based on the Area Median Income (AMI) of a Metropolitan Statistical Area (MSA):

- Extremely Low Income: 0-30% AMI
- Very Low Income: 31-50% AMI
- Low Income: 51-80% AMI
- Moderate Income: 81-120% AMI
- Above Moderate Income: >120% AMI

Collectively, households with extremely low, very low, and low incomes are referred to as lower income households.

Comprehensive Housing Affordability Strategy (CHAS) data provides special Census tabulations (developed for HUD) and calculates household income adjusted for family size and tenure. Table 16 presents household income by tenure based on the 2007-2011 CHAS data. According to the CHAS data, 24 percent of the City's households could be classified as having lower incomes and 76 percent had moderate or above moderate incomes between 2007 and 2011. Lower income households were disproportionately renters. Over half of renter households were classified as having lower incomes compared with only 17 percent of owner households.

Table 16: Household Type and Income Level

Income	Renter	Owners	Total
Extremely Low (0-30% AMI)	21.5%	4.7%	8.1%
Very Low (31-50% AMI)	13.6%	4.0%	5.9%
Low (51-80% AMI)	15.2%	8.7%	10.0%
Moderate/Above Moderate (81% + AMI)	49.7%	82.6%	76.0%
All Households	20.2% (1,650 households)	79.8% (6,510 households)	100% (8,160 households)
% Lower Income	50.3% (830 households)	17.4% (1,130 households)	24.0% (1,960 households)
Note: CHAS data was developed with sample data. Due to the smaller sample size, the CHAS data presented may have significant margins of error, particularly for smaller geographies. The intent of the data is to show general proportions of household need, not exact numbers. Source: Comprehensive Housing Affordability Strategy (CHAS), HUD, 2007-2011			

Housing Market

Housing affordability is a major consideration in providing suitable housing. The cost of housing itself is not a problem, unless households in the area cannot find adequately sized units at an affordable price. Affordability is defined as paying 30 percent or less of gross monthly household income on housing costs, based on both State and federal standards.

An adequate supply of affordable housing, including rental and owned housing, is essential to satisfying the housing needs of all economic segments of Hercules’s existing and projected population. When housing affordability erodes, many residents are affected. Those on fixed incomes are not able to keep up with rising rents; local employees move farther away from their jobs in search of affordable housing in other communities; and many households postpone home improvements and new investments, and/or devote an increasing proportion of their monthly budget to meeting housing costs.

A lack of affordable housing also impacts local services and the local economy as public agencies and employers experience difficulty in attracting and retaining qualified employees due to the lack of affordable housing in the local area.

Rental Housing

At the writing of this report, there were no apartment units listed for rent on craigslist.com or various other rental websites. This is likely due to the fact that a majority of rental units in the City are homes, condominiums, and townhomes. Smaller and therefore more affordable apartments are difficult to find in the City because there are so few of them. The City has two apartment complexes that are not age-restricted: the Willow Glen Apartments and Victoria Green. The Willow Glen Apartments complex is a development consisting of 84 two-bed, two-bath units (with rents of \$1,150 as of November 2014). The Victoria Green complex has 132 units, including one-bedroom/one-bath (with rents ranging from \$613 to \$964), two-bedroom/one-bath (with rents ranging from \$831 to \$1344), and three-bedroom/two-bath units (with rents ranging from \$850 to \$1,700). As of the writing of this report, both developments indicated there were no vacancies and waitlists for units were closed.

According to MyApartmentMap.com the average price of a studio apartment in Hercules is \$975. A one-bedroom apartment has an average list price of \$1,225. On average, a two-bedroom rental will cost you \$1,737 and a three-bedroom apartment is \$2,200. These averages were generated using 30 applicable apartment listings that were posted on MyApartmentMap.com throughout the months of October and November 2014 in Hercules.

The City also has three housing developments that are age-restricted for seniors, two affordable projects and one market-rate project. The 60-unit affordable housing development for seniors (The Arbors) was completed in 1999, and is located adjacent to the Civic Center. Managed by Hercules Senior Housing Associates, a subsidiary of Bridge Housing Corporation, the development provides housing at affordable rent levels for low- and very-low-income seniors. Samara Terrace provides 51 units of affordable housing for seniors. Sycamore Hills by the Bay provides 97 market rate rental units for seniors.

Table 17: Rental Prices

Unit Size	Average Rent	Number of Listings
Apartments ¹		
Studio	--	0
1 Bedroom	--	0
2 Bedroom	--	0
3 Bedroom	--	0
All Apartments	--	0
Homes, Condominiums and Townhomes ²		
1 Bedroom	--	0
2 Bedroom	\$1,475	2
3 Bedroom	\$2,315	3
4+ Bedroom	\$3,300	2
All Homes	\$2,360	7
Average Rents (October/November 2014) ³		
Studio	\$975	--
1 Bedroom	\$1,225	--
2 Bedroom	\$1,737	--
Source: ^{1,2} Craigslist.org and Trulia.com searched on November 17, 2014. ³ MyApartmentMap.com. Searches for additional rental listings were conducted on Zillow.com, Apartmentfinder.com, Apartmentlist.com, Rent.com, and ContraCostaTimes.com and directly at the City's two market-rate apartment complexes but none were present in the City of Hercules.		

For-Sale Housing

As in the rest of the Bay Area and California in general, home prices in Hercules were at historic highs in 2005 and 2006 and have rapidly decreased as a result of the collapse of the lending market. Between 2012 and 2013, home prices in Hercules increased by 22 percent, although still below the regional price appreciation of 33 percent. Between 2013 and 2014, however, prices were leveling off. Table 18 compares the changes in median home sale prices from 2013 to 2014 in Hercules and neighboring jurisdictions as well as Contra Costa

County. While most neighboring jurisdictions continued to experience price increases between 2013 and 2014, Hercules and San Pablo experiences decreases of 8.3 percent and 11.6 percent respectively.

Jurisdiction	September 2014		September 2013	% Change in Median Sale Price
	# of Sales	Median Sale Price	Median Sale Price	
Hercules	31	\$350,000	\$381,500	-8.3%
El Cerrito	30	\$656,000	580000	13.1%
Pinole	19	\$365,000	\$315,000	15.9%
Martinez	59	\$413,500	\$375,000	10.3%
San Pablo	57	\$256,500	\$290,000	-11.6%
Rodeo	4	\$394,250	\$287,000	37.4%
Richmond	58	\$305,000	\$237,000	28.7%
Contra Costa County	1,363	\$450,000	\$409,000	10.0%

Source: <http://www.dqnews.com/Charts/Monthly-Charts/CA-City-Charts/ZIPCAR.aspx>, 2014, Accessed November 2014.

Foreclosures

With “creative” financing (e.g., zero down, interest only, adjustable loans) and predatory lending practices (e.g., aggressive marketing, hidden fees, negative amortization) many households nationwide purchased homes that were beyond their financial means during the peak of the real estate market (2005 to 2006). Under the assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double-digit rates, many households were unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in prices that set off in 2006. Suddenly faced with significantly inflated mortgage payments, and mortgage loans that are larger than the worth of the homes, foreclosure was the only option available to many households.

In the third quarter of 2014 there were 571 Notices of Default (NOD) filed in Contra Costa County. A NOD is the first step in the foreclosure process. NOD decreased by 20 percent compared with 2013. These levels are significantly less than the foreclosures seen during the last quarter of 2009 (3,501). According to DataQuick, lending institutions initiated formal foreclosure proceedings on the lowest number of California homes in more than eight years, the result of a recovering real estate market and the dwindling pool of toxic home loans made in 2006 and 2007.

A valuable resource for Hercules residents is the Contra Costa Home Equity Preservation Alliance (HEPA), a regional collaborative offering families facing foreclosure and related eviction issues a single point of contact and coordinated case management. HEPA services include foreclosure seminars and workshops, foreclosure and default counseling, and legal advice and representation.

Housing Affordability

Housing affordability can be estimated by comparing the affordable housing cost of owning or renting a home in the City with the maximum affordable housing cost for households at different income levels. Together, this information can show who can afford what size and type of housing and which households are more likely to experience overpayment and overcrowding. Table 19 shows the affordable housing cost guidelines are based on the median income calculated by the California Department of Housing and Community Development (HCD) income limits.

Table 19: Housing Cost Limits by Area Median Income Level

Income Level	Income Limit	For Sale	Rental
Extremely Low	0-30% AMI	30% of 30% of AMI	30% of 30% of AMI
Very Low	31-50% AMI	30% of 50% of AMI	30% of 50% of AMI
Low	51-80% AMI	30% of 70% of AMI	30% of 60% of AMI
Moderate	81-120% AMI	35 of 110% of AMI	35% of 110% of AMI

Note: Affordability levels should be adjusted for households size.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents of Contra Costa County are shown in Table 20.

Table 20 shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to current housing asking prices (Table 18) and market rental rates (Table 17) to determine what types of housing opportunities a household can afford.

Table 20: Housing Affordability Matrix – Contra Costa County (2014)

Household	Annual Income ¹	Affordable Costs (All Costs)		Estimated Utility Allowance, Taxes & Insurance ²		Affordable Rent	Affordable Home Price
		Rental	Ownership	Renters	Owners		
Extremely Low Income (0-30% AMI)							
1-Person	\$19,650	\$491	\$491	\$144	\$161	\$347	\$53,994
2-Person	\$22,450	\$561	\$561	\$173	\$201	\$388	\$57,718
3-Person	\$25,250	\$631	\$631	\$205	\$246	\$426	\$60,278
4-Person	\$28,050	\$701	\$701	\$236	\$293	\$465	\$62,373
5-Person	\$30,300	\$758	\$758	\$268	\$336	\$490	\$62,838
Very Low Income (31-50% AMI)							
1-Person	\$32,750	\$819	\$819	\$144	\$161	\$675	\$114,971
2-Person	\$37,400	\$935	\$935	\$173	\$201	\$762	\$127,306
3-Person	\$42,100	\$1,053	\$1,053	\$205	\$246	\$848	\$138,710
4-Person	\$46,750	\$1,169	\$1,169	\$236	\$293	\$933	\$149,416
5-Person	\$50,500	\$1,263	\$1,263	\$268	\$336	\$995	\$156,863
Low Income (51-80% AMI)							
1-Person	\$47,350	\$1,184	\$1,184	\$144	\$161	\$1,040	\$182,929
2-Person	\$54,100	\$1,353	\$1,353	\$173	\$201	\$1,180	\$205,039
3-Person	\$60,850	\$1,521	\$1,521	\$205	\$246	\$1,316	\$225,985
4-Person	\$67,600	\$1,690	\$1,690	\$236	\$293	\$1,454	\$246,466
5-Person	\$73,050	\$1,826	\$1,826	\$268	\$336	\$1,558	\$261,827
Moderate Income (81-120% AMI)							
1-Person	\$78,550	\$1,964	\$2,291	\$144	\$161	\$1,820	\$389,094
2-Person	\$89,750	\$2,244	\$2,618	\$173	\$201	\$2,071	\$440,606
3-Person	\$101,000	\$2,525	\$2,946	\$205	\$246	\$2,320	\$491,225
4-Person	\$112,200	\$2,805	\$3,273	\$236	\$293	\$2,569	\$541,108
5-Person	\$121,200	\$3,030	\$3,535	\$268	\$336	\$2,762	\$579,975

Assumptions: Assumptions: 2014 HCD income limits; 30.0% gross household income as affordable housing cost; 20.0% of monthly affordable cost for taxes and insurance; 10.0% downpayment; and 4.0% interest rate for a 30-year fixed-rate mortgage loan.

Sources:

1. California Department of Housing and Community Development 2014 Income Limits .
2. Housing Authority of the County of Contra Costa County, FY 2013 Utility Allowance Schedule.
3. Veronica Tam and Associates.

Extremely Low Income Households

Extremely low income households earn up to 30 percent of the AMI, potentially between \$19,650 and \$30,300 a year in 2014, up to a household size of five. Based on the calculations in Table 20, a four-person, extremely low income households can afford monthly rent of \$465 or a home priced at \$62,373. Home prices in Table 18 and rental prices in Table 17 show that no extremely low income households would be able to afford housing in Hercules.

Very Low Income Households

Households in the very low income group earn between 30 and 50 percent of the AMI and can earn up to \$50,500 (up to a household size of five) as of 2014. A very low income four-person household can potentially afford to spend up to \$1,169 per month on housing costs. Once utilities, taxes, and insurance are accounted for, this household can spend \$933 on rent or purchase a home priced at \$149,416. Based on these numbers, rental and for-sale housing are out of reach for very low income households.

Low Income Households

Low income households earn between 50 and 80 percent of the AMI, earning up to \$73,050 (up to a household size of five). A four-person low income household can potentially afford a monthly rent of \$1,454 and a home purchase of \$246,466. Low income households can afford smaller rental housing in Hercules but will be unable to afford to purchase a home, except perhaps for older condominium units. Ideally, a four-person household needs a two- or three-bedroom housing unit, which according to rents presented in Table 17, is just out of their price range. Apartment or condominium units for rent may be a more affordable option for low income households' however, apartments in Hercules are limited in supply and at the time this data was compiled, there were no apartment units available for rent. The lack of adequately sized affordable apartments may limit housing choice for low income households.

Moderate Income Households

Moderate income households earn 80 to 120 percent of AMI, potentially up to \$121,200 annually for up to a household size of five. They can afford a monthly rent of up to \$2,762 which allows them to comfortably secure rental housing in Hercules. An affordable home price for a moderate income four-person household (according to Table 20) is \$541,108. The current economy is ideal for moderate income households to enter the housing market in Hercules.

Housing Problems

Overcrowding

In response to a mismatch between household income and housing costs in a community, some households may not be able to buy or rent housing that provides a reasonable level of privacy and space. Residents may accept smaller-sized housing or double up with other

families to afford the housing costs. The federal government generally defines overcrowding as a situation where a household has more members than habitable rooms in a unit. An overcrowded household is defined as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. Severely overcrowded households are households with more than 1.5 persons per room. Overcrowding contributes to increases in traffic within a neighborhood, accelerates deterioration of homes and infrastructure, can overburden utilities and services such as sewers, and results in a shortage of onsite parking.

Table 21 provides data on overcrowding from the 2008-2012 ACS. Between 2008 and 2012, overcrowding occurred in just more than one percent of all occupied housing units in Hercules. Severe overcrowding (more than 1.5 persons per room) was rare, occurring in only 0.1 percent of all units. The prevalence of overcrowding in Hercules was significantly lower compared with the County. While 1.2 percent of all units in the City were overcrowded, 4.2 percent of units in the County experienced overcrowding.

Table 21: Overcrowded Housing Unit by Tenure, 2010

	Owner-Occupied	Renter-Occupied	Total Occupied Units
City of Hercules (Occupied Units)			
% Overcrowded (>1.0 persons/room)	1.3%	1.0%	1.2%
% Severely Overcrowded (>1.5 persons/room)	0.2%	0.0%	0.1%
Contra Costa County (Occupied Units)			
% Overcrowded (>1.0 persons/room)	2.1%	8.5%	4.2%
% Severely Overcrowded (>1.5 persons/room)	0.5%	1.9%	1.0%

Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates.

Overpayment (Cost Burden)

State and federal standards specify that households spending more than 30 percent of gross annual income on housing are overpaying for housing, also referred to as experiencing housing cost burden. Federal and state agencies use overpayment indicators to determine the extent and level of funding and support that should be allocated to a community. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care. In the event of unexpected circumstances such as loss of employment and health problems, lower income households with a burdensome housing cost are more likely to become homeless. Homeowners with a housing cost burden have the option of selling the homes and become renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

Table 22 demonstrates the extent of cost burden (overpaying for housing costs) by income. Overall, close to half (48.3 percent) of all Hercules households experienced some level of cost burden. In general, renters experienced cost burden (53 percent) more than homeowners (47.1 percent), and households with lower incomes (extremely, very low, and low incomes) experienced cost burden at a higher proportion than upper income households.

Table 22: Housing Overpayment

Housing by Type, Income and Housing Problem	Renters	Owners	Total
Extremely Low Income (0-30% AMI)	355	305	660
With cost burden >30%	91.5%	86.9%	89.4%
With cost burden >50%	88.7%	59.0%	75.0%
Very Low Income (31-50% AMI)	225	260	485
With cost burden >30%	40.0%	71.2%	56.7%
With cost burden >50%	24.4%	53.8%	40.2%
Low Income (51-80% AMI)	250	565	815
With cost burden >30%	80.0%	85.0%	83.4%
With cost burden >50%	26.0%	59.3%	49.1%
Moderate/Above Moderate (81% + AMI)	820	5,380	6,200
With cost burden >30%	31.7%	39.7%	38.6%
With cost burden >50%	0.0%	7.2%	6.2%
Total Households	1,650	6,510	8,160
With cost burden >30%	53.0%	47.1%	48.3%
With cost burden >50%	26.4%	16.0%	18.1%
Note: CHAS data was developed with sample data. Due to the smaller sample size, the CHAS data presented may have significant margins of error, particularly for smaller geographies. The intent of the data is to show general proportions of household need, not exact numbers.			
Source: Comprehensive Housing Affordability Strategy (CHAS), HUD, 2007-2011			

Special Needs Populations

In addition to the general housing needs of the population, cities and counties must plan for the special housing needs of certain groups who have more difficulty in finding decent, affordable housing due to their special circumstances. Special circumstances may be related to one's income earning potential, family characteristics, the presence of physical or mental disabilities, or age-related health issues. As a result, certain groups typically earn lower incomes and have higher rates of overpayment for housing, or they live in overcrowded residences. State law [65583(a)(6)] requires that several populations with special housing needs be addressed: people who are homeless; seniors; people with disabilities; large families; female-headed households; and farm worker households. For these groups, the Housing Element should take into account any local factors that create an extraordinary need for housing, and should quantify those needs as best possible. Table 23 summarizes the special needs populations in Hercules and Table 24 provides an inventory of residential care facilities serving the special needs populations.

Table 23: Special Needs Population

Special Needs	Number of Households or Persons	Owners	Renters	% of Total Households or Persons
Seniors	2,530 persons	--	--	10.5%
Persons w/ Disability	1,748 persons	--	--	7.3%
Persons w/Developmental Disability	433 persons	--	--	1.8%
Large Household	1,247 households	975 (78.2%)	272 (21.8%)	15.4%
Female Headed Households (with or without Children)	2,384 households	1,624 (68.1%)	760 (31.9%)	29.4%
Female Headed Households w/ Children	606 households	--	--	7.5%
Farmworkers	10 persons	--	--	0.04%
Homeless (2013 Point-In-Time count)	18 unsheltered persons	--	--	0.05%

Sources: Bureau of the Census 2010 Census and 2008-2012 ACS 5-Year Estimates,

Table 24: Residential Care Facilities in Hercules

Type of Facility	Number of Facilities	Number of Beds
Adult Day Care	1	30
Adult Residential Care	5	29
Group Home	2	12
Residential Care for the Elderly	5	29

Facility Types:

Residential Care Facilities for the Elderly (RCFE) provide care, supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans.

Adult Residential Facilities (ARF) are facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.

Group homes are facilities of any capacity and provide 24-hour non-medical care and supervision to children in a structured environment.

Source: California Community Care Licensing Division, Accessed November 2014.

Seniors

Senior households can be defined in part by the age distribution and demographic projections of the population. As shown in Table 3, 10.5 percent (2,530 persons) of Hercules’s population in 2010 was 65 years of age or older. This represents a noticeable increase in the senior population since 2000, when seven percent of the population was 65 or over.

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, many people aged 65 years and older live alone and may have difficulty maintaining their homes, are usually retired and living on a limited income, and are more likely to have high health care costs and rely on public transportation, especially those with disabilities. The limited income of many

elderly persons often makes it difficult for them to find affordable housing and the elderly usually spend a higher percentage of their income for food, housing, medical care, and personal care than non-elderly families. Other senior housing needs include providing options for active seniors, such as housing with space for arts and hobbies and easy access to recreational programs.

The California Community Care Licensing Division reports that there are five residential care facilities for the elderly in Hercules as well as five adult residential care facilities. Together these facilities provide 58 beds for residents.

The City actively supported the development of new housing for lower income seniors, providing assistance for development of The Arbors, a 60-unit development adjacent to the Civic Center that was developed by Bridge Housing Corporation for low and very low income seniors. The Samara Terrace Senior Apartments project was built in partnership with Eden Housing and KB Homes and provides 51 units of low income senior housing. Sycamore by the Bay provides 97 senior rental units as well. The Hercules Senior Center also serves as an excellent resource for seniors. The Senior Center has many different services available aimed at assisting seniors to continue to remain independent and safe in their own homes. Available programs include various social and recreation activities, special events, travel programs, legal assistance, food distributions, medical, and social services.

Persons with Disabilities (including Developmental Disabilities)

The Census Bureau's American Community Survey (ACS) identifies persons as having a disability as those who exhibit difficulty with specific functions and may, in the absence of accommodation, have a disability. According to the ACS, disability exists where this interaction results in limitations of activities and restrictions to full participation at school, at work, at home, or in the community. For example, disability may exist where a person is limited in his or her ability to work due to job discrimination against persons with specific health conditions.

Both mentally and physically disabled residents face housing access and safety challenges. Disabled people, in most cases, are of limited incomes and often receive Social Security income only. As such, the majority of their monthly income is often devoted to housing costs. In addition, disabled persons may face difficulty finding accessible housing (housing that is made accessible to people with disabilities through the positioning of appliances and fixtures, the heights of installations and cabinets, layout of unit to facilitate wheelchair movement, etc.) because of the limited number of such units. A small segment of Hercules residents have disabilities that prevent them from working, restrict their mobility, or make it difficult to care for themselves. As reflected in Table 25, seven percent of the population reported a disability from 2008 to 2012. Senior residents had the highest incidence of disability (33 percent).

Table 25: Persons with Disabilities

Age Group	Total Persons	Persons with a Disability	% of Total Age Group
Under 5	1,189	20	1.7%
Ages 5-17	4,470	76	1.7%
Ages 18-64	16,027	898	5.6%
65 Years or Older	2,259	754	33.4%
Total	23,945	1,748	7.3%

Source: U.S. Census Bureau, 2008-2012 ACS 5-Year Estimates

Perhaps the most important thing to keep in mind in regard to housing for people with disabilities is that there is a wide range of different disabilities, and different people with the same 'disability' may have very different levels of functioning which affect their housing needs and choices. People with disabilities include parents who are raising families, teenagers who are members of large families, seniors living with their spouses or children, and young people who desire to live on their own.

Local housing policies should promote barrier-free design in all housing so that people with disabilities have a similar range of housing choice as people without disabilities. The City has implemented, and continues to implement, public access improvements in compliance with the guidelines of the Americans with Disabilities Act, and encourages new developments to provide units that are accessible to people with disabilities. In accordance with State laws, all new multi-family developments must provide barrier-free access to all units in buildings with elevators, or at a minimum to all ground floor units in buildings without elevators. Accessibility modifications are also encouraged in all developments that serve seniors.

Persons with Developmental Disabilities

A recent change in State law requires that the Housing Element discuss the housing needs of persons with developmental disabilities. The Census does not record developmental disabilities. The California State Council on Developmental Disabilities estimates that nationwide 1.8 percent of the population meet the federal definition of a developmental disability. This could potentially equate to 433 persons in the City of Hercules with developmental disabilities, based on the 2010 Census population.

According to Section 4512 of the Welfare and Institutions Code, a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in

supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of the East Bay (RCEB) is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities, including residents in Hercules. The center is a private, non-profit community agency that contracts with local service providers to offer a wide range of services to individuals with developmental disabilities and their families. According to RCEB, an estimated 153 clients served by the Regional Center are residents of Hercules.

The State of California Community Care Licensing Division indicates that there are a range of facilities that serve the City's special needs groups (Table 26).

Name	Type	Capacity	Age Group
Res Success	Adult Day Care	30	18+
Blossoms Care Home	Adult Residential	5	18-59
Buenavista Home at Hercules by the Bay	Adult Residential	6	18-59
Buenavista Home at Pepperwood	Adult Residential	6	18-59
Buenavista Home at Pepperwood II	Adult Residential	6	18-59
Orchid Home	Adult Residential	6	18-59
Care Home Sweet Home	Residential Care for Elderly	6	60+
Cindy's Care Home	Residential Care for Elderly	6	60+
Drean if Angel Care	Residential Care for Elderly	6	60+
Holy Child	Residential Care for Elderly	5	60+
Home Sweet Home	Residential Care for Elderly	6	60+
JP's Care Home	Residential Care for Elderly	6	60+
Buenavista Home at Pepperwood III	Residential Care for Children	6	<18

Source: State Department of Social Services

Adult residential facilities offer 24 hour non-medical care for adults, ages 18 to 59 years old, who are unable to provide for their daily needs due to physical or mental disabilities. Group homes, small residential facilities that serve children or adults with chronic disabilities, also provide 24 hour care by trained professionals.

Large Households

Large households, defined in State Housing Element law as households with five or more persons, have special housing needs. Large households tend to have difficulty purchasing housing because large housing units are rarely affordable and rental units with three or more bedrooms are not common.

Data from the 2010 Census indicated that 1,247 households in Hercules (15 percent of all households) had five or more people. Most of the large households were owner-households

(78 percent). For those large families who are renters, the supply of rental housing with adequate space to accommodate them is limited.

Single Parent and Female-Headed Households

Single-parent households require special consideration and assistance because of the greater need for day care, health care, and other services. In particular, female-headed households with children tend to have lower incomes and a greater need for affordable housing and accessible daycare and other supportive services. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, severely limit the housing options available to them. Based on Census data, families with females as heads of households increased substantially from four percent (199 households) in 1990 to 29 percent in 2010 (Table 23). Female-headed households have increased as a proportion of the population as a result of a higher percentage of women in the workforce, a higher divorce rate, and an increase in the number of women choosing to raise a family without a spouse present. According to the 2010 Census, there were 2,384 female-headed households in Hercules (representing 29 percent of all households). Of these, 606 had their own under-18 children living with them (eight percent of all family households).

The 2008-2012 ACS data estimated that female-headed households had median incomes significantly below the median income for the City. While the median income between 2008 and 2012 was \$78,187, female headed households earned a median income of \$46,689.

Hercules responds to the needs of female-headed households through its program of providing daycare facilities at all elementary schools in the City.

Farm Workers

There is no demand for farm worker housing in Hercules since there are no working farms in the City and Hercules is located in an urbanized portion of West Contra Costa County. The 2008-2012 ACS reported only 10 residents working in farming, fishing, and forestry occupations.

Homeless Families and Individuals

Demand for emergency and transitional shelter in Hercules is difficult to determine, given the episodic nature of homelessness. Generally, episodes of homelessness among families or individuals can occur as a single event or periodically. Each year, Contra Costa County's Continuum of Care conducts a Point in Time (PIT) Count to provide an estimate of the number of homeless individuals and families and their housing needs. PIT counts are required by the United States Department of Housing and Urban Development (HUD) and are important for demonstrating issues of homelessness in the community and across the country. In 2013, the PIT Count identified 18 unsheltered homeless individuals in the City of Hercules.

Homeless families and individuals have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of facilities that serve homeless clients. Homelessness in Hercules, as

in other communities, results from a combination of factors, including loss of employment, inability to find a job due to lack of skills, and high housing costs in comparison to incomes. For some, homelessness may also be the result of chronic health problems, physical disabilities, mental health disabilities, or substance abuse

In response to the identified needs related to homelessness, the Contra Costa County Continuum of Care Plan identifies strategic priorities and action steps to be taken in the areas of: Employment, Assets and Income; Outreach and Health Services; Support Services; Housing and Prevention; and Administration, Coordination and Funding. While no homeless facilities are located in the City, homeless and transitional housing service requests are referred to the Greater Richmond Interfaith Program (GRIP) and will be allowed in the P/RD zoning district as required by State law.

Assisted Housing and At-Risk Status

The Housing Authority of Contra Costa County (HACC) Housing Choice Voucher Program (HCV, formerly known as Section 8) serves Hercules and provides rent subsidies for very low-income households. The Housing Choice Voucher Program provides rental subsidies to very low-income families that spend more than 30 percent of their gross income on housing costs. Approximately 240 Hercules households receive voucher assistance as of 2014.

In November of 2008, HACC opened the HCV waiting list for the first time since 2001. The list closed five days later after receiving 38,000 applications. The overwhelming majority of applications were electronic submissions. The list was reduced to 6,000 families by using a lottery. As of 2014 the HCV waitlist is closed. HACC also administers several special programs including Family Self-Sufficiency, ShelterPlusCare, the Disaster Housing Assistance Program, and Project Coming Home.

Housing that receives governmental assistance is often a significant source of affordable housing in most communities. Because of its significance, this section identifies publicly assisted rental housing in Hercules, evaluates the potential risk of such housing to convert to market rate during a ten-year planning period (2015 to 2025) pursuant to State law, and analyzes the options and associated costs to preserving the at-risk units, if any. This inventory includes all affordable rental housing units deed-restricted for low income uses.

The City of Hercules has three affordable rental housing developments with a total of 244 units made affordable with subsidy contracts and deed restrictions (Table 27). The earliest an affordable housing development will lose its affordability covenant in Hercules is 2053. There are currently no units that are at risk of losing their affordability and converting to market-rate housing within the next ten years.

Table 27: Affordable Housing Inventory

Project Address	Affordable Units	Funding Source	Affordability Expiration
The Arbors (senior housing) 100 Civic Drive	60	Tax Credit/RDA	2053
Samara Terrace (senior housing) 102 Civic Drive	52	Tax Credit/RDA	2057
Victoria Green (family housing) 163 Paradise Drive	132	Tax Credit/RDA	2057
Total	244		

Source: City of Hercules Planning Department, 2014

3 Housing Constraints

Constraints to the provision of adequate and affordable housing are posed by market, governmental, infrastructure, and environmental factors, among others. These constraints may increase the cost of housing, or may render residential construction economically infeasible for developers. Housing production constraints can also significantly impact households with low and moderate incomes and special needs.

Market Constraints

Land Costs

The price of housing has risen since the late seventies at a much faster rate than household income, driven by the imbalance between housing demand in the region, and housing supply. In addition to land costs, contributing factors include materials, labor, financing, fees and associated development requirements, sales commissions, and profits.

Land costs have represented an increasing proportion of the overall costs of a new home over the past twenty years, especially in the Bay Area. It is generally the case that high land costs represent the overriding factor affecting the affordability of residential development in California cities. Land prices also vary depending on zoning (number of units allowed) and availability of improvements. Few properties in Hercules are listed for sale. A recent 8,000-square-foot R-2 property in Victoria Crescent was listed for sale at approximately an equivalent price of \$43,600 per acre. In August 2014, a 17-acre PC-R property for 144 homes was sold for \$8 million.

The cost to clear an acre of land for redevelopment significantly increases the cost of development, as do the local, state, and federal policies relating to relocation and replacement of low income housing. Depending on the existing improvements that must be removed to redevelop a site, the total cost to acquire a parcel, relocate occupants, and possibly mitigate hazardous materials can be quite expensive. This can pose a problem for development if Hercules rents or sales prices cannot support the high cost of development.

Construction Costs

Construction costs are the largest component of total cost of a single-family detached unit, accounting for 30 to 40 percent of the finished sale price. According to the International Code Council Building Valuation data, construction costs average to about \$143 per square foot as of August 2014. According to the Home Builders Association of Northern California¹, construction costs for multi-family attached units typically cost 25 to 30 percent more (on a per square foot basis) than a comparable two-story detached single-family home. Density bonuses for seniors and affordable housing can help offset this per-unit cost premium for multi-family developments. A reduction in amenities and quality of building materials could result in lower costs and sale prices; however, high quality design and sufficient tenant amenities are necessary to maintain minimum health and safety standards.

Availability of Financing

Development Financing

Financing is available from a variety of sources including financing institutions, insurance companies, and pension plans (such as CalPERS). The decline in the U.S. economy beginning in 2008 and the national credit crisis, however, limited the amount of financing available to potential developers, and difficulties with financing will likely continue, despite low interest rates.

With the high costs of housing development, packaging financing for affordable housing is increasingly challenging. Typically, multiple sources are required to finance an affordable housing project. Typical sources of funding for affordable housing include:

- A first mortgage from a lending institution
- Low Income Housing Tax Credits and/or tax exempt mortgage bonds
- Community Development Block Grant funds
- HOME Investment Partnership funds
- California Housing Finance Agency

Depending on the type of financing used (tax credits, bonds, federal funds, etc.), other requirements, such as the inclusion of certain accessibility accommodations and the use of prevailing wage versus Davis-Bacon² wage, can affect development costs significantly.

Mortgage Financing

The availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements, and

¹ Letter from Home Builders Association of Northern California dated April 13, 2009.

² The Davis-Bacon Act of 1931 is a federal law which established the requirement for paying prevailing wages on public works projects. All federal government construction contracts and most contracts for federally assisted construction over \$2,000, must include provisions for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects.

refinancing, whether financed at market rate or with federal government assistance. Mortgage assistance from local governments is not covered by HMDA.

Home Purchase and Improvements: Table 28 summarizes the disposition of loan applications submitted to lending institutions in 2013 in the City of Hercules. These include applications for home purchase loans, refinance loans, and home improvement loans. Loan applications that were approved, originated³, approved but not accepted by the applicant, or denied are included. The “other” category of applications includes those that were withdrawn by the applicants or determined to be incomplete by the lending institutions.

In 2013, a total of 382 Hercules households applied for conventional loans to purchase homes. The overall loan origination rate was 66 percent, and 15.2 percent of the applications were denied. Government-backed loan programs, which include FHA/VA loans, received 149 applications for home purchase in Hercules. To be eligible for such loans, applicants must meet certain employment, income, and credit criteria and FHA has a lending limit of \$625,500 for a single unit in Contra Costa County. Many homes came within the FHA/VA cap, and Hercules households were able to take advantage of these programs. FHA/VA loans had a 56.4 percent origination rate.

Home improvement loans accounted for only 2.3 percent of all applications in 2013. Home improvement loans had the highest denial rate, with more than one third (36.5 percent) of the loan applications being denied. Home improvement loans are usually second loans; the debt-to-income ratio may be too high for some homeowners to qualify for additional financing.

Refinancing: A lot of households in California purchased homes between 2000 and 2007 utilizing creative financing mechanisms such as zero down, interest-only, adjustable-rate, and balloon-payment mortgages. Many of these households began to face the expiration of the favorable loan terms and sought refinancing options by 2008. While the overall number of refinancing has decreased in recent years, in 2013, refinancing applications still represented the majority of (three fourths) of the total home loan applications that were submitted for Hercules housing units. Specifically, 1,705 applications for refinancing were filed in that year. For those application, more than half (57.6 percent) resulted in loans, and an additional 6.2 percent of the applications were approved but not accepted by the applicants. The denial rate was 17.9 percent. The remaining 11.5 percent of applications were either withdrawn or closed because of incompleteness.

³ An originated loan is one that is approved by the lender and accepted by the applicant.

Table 28: Disposition of Home Purchase Loan Applications (2013)

Loan Type	Total Applications		Originated		Approved, Not Accepted		Denied		Other	
	#	%	#	%	#	%	#	%	#	%
Conventional Loans										
Home Purchase	382	16.7%	252	66.0%	28	7.3%	58	15.2%	44	11.5%
Home Improvement	52	2.3%	23	44.2%	4	7.7%	19	36.5%	6	11.5%
Refinance	1,705	74.5%	982	57.6%	105	6.2%	305	17.9%	313	18.4%
Government-Backed Loans										
Home Purchase	149	6.5%	84	56.4%	2	1.3%	35	23.5%	28	18.8%
Total	2,288	100.0%	1,341	58.6%	139	6.1%	417	18.2%	391	17.1%

Notes:

1. Originated loan applications are those approved by the lenders and accepted by the applicants.
2. "Approved, Not Accepted" are those applications by the lenders but not accepted by the applicants
3. "other" includes files closed for incompleteness and applications withdrawn
4. Government-backed loans include loans by the Federal Housing Administration and Veteran Administration, and include home purchase and home improvement loans, and refinanced loans.

Source: www.lendingpattern.com™, 2013

Governmental Constraints

Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, among other issues may constrain the maintenance, development, and improvement of housing.

Hercules’s land use controls, design guidelines, codes and enforcement, required site improvements, fees and permit processing procedures have been developed, in part, to correct development problems that have become evident over time.

Land Use Controls

The City of Hercules regulates the use of land within the City limits through the General Plan, the Regulating Code for the Central Hercules Plan (within the old redevelopment area plan), the Waterfront District Master Plan, and the Zoning Ordinance. Hercules’s Land Use Element of the General Plan was adopted in 1998 and along with the Zoning Ordinance, provides a wide range of housing types and densities, ranging from one unit per acre to 75 units per acre. Table 29 lists the residential land use categories included in the Land Use Element of the City’s General Plan.

Table 29: Relationship Between General Plan and Zoning

General Plan Designation	Density (Dwelling units per acre)	Zoning District
Single Family – Estate	1-2 du/ac	RS-E
Single Family – Low Density	2-7 du/ac	RS-L
Multi Family – Low Density	Up to 12 du/ac	RM-L
Multi Family – Medium Density	12 to 30 du/ac	RM-M
Multi Family – High Density	30 to 55 du/ac	RM-H
Mobile Home Park	7 du/ac	P-M-H
Industrial Residential (Mixed Use)	25 du/ac (live-work units)	I-R
Planned Commercial Residential	40 du/ac	PC-R
Source: City of Hercules, Zoning Ordinance, 2014.		

Planned Development Districts

The Hercules Zoning Ordinance provides for a Planned Commercial Residential (PC-R) District to accommodate both residential and commercial uses in a well-planned, mixed-use development, as well as to provide an opportunity for an integrated mixture of residential and commercial employment-generating uses within the same structure or site. The PC-R district allows for lower cost live-work opportunities for start-up commercial enterprises and other smaller scale point-of-sale enterprises that are compatible with the residential and commercial uses within the building or site. It also provides for upper floor residential over ground floor commercial uses and encourages mixed-use development that could minimize vehicle use. Applications for expanding and new development in the PC-R zone must be reviewed by the Community Development Director.

‘Measure J’ Growth Management Program

Measure J Sales Tax Expenditure Plan, the voter-approved growth management measure in Contra Costa County, encourages a stronger link between local/sub-regional land use decision-making and local/sub-regional transportation improvements. The measure requires that each jurisdiction adopt, or maintain in place, a development mitigation program to ensure that new growth is paying its share of the costs associated with that growth. Furthermore, each jurisdiction must comply with either a new countywide, mutually agreed upon, voter-approved urban limit line (ULL), or the local jurisdiction’s voters must approve the jurisdiction’s own ULL.

While implementation of such growth management measures could create a potential constraint on housing development, Measure J places a strong emphasis on the creation of housing opportunities for all income levels and on the responsibilities of local jurisdictions to meet regional fair-share housing requirements.

One of the criteria considered by the Contra Costa Transportation Authority (which monitors Measure J compliance and coordinates transportation project funding under Measure J) is compliance of a local jurisdiction’s Housing Element with State requirements. Jurisdictions that do not have a Housing Element in compliance with State requirements risk losing their funding for transportation improvements under the Measure J program. Measure J does not, therefore, present a constraint to housing development. Rather, it acts as

a stimulus to local jurisdictions to meet their fair-share housing requirements for all income levels, in accordance with State laws. Furthermore, the City of Hercules has adequate sites within the ULL to accommodate its share of regional housing needs.

Residential Development Standards

The City regulates the type, location, density and scale of residential development primarily through the Zoning Ordinance. In general, the City's zoning regulations are designed to balance the goal of providing housing opportunities for all income groups, while protecting the health and safety of residents and preserving the character of existing neighborhoods. The City's Zoning Ordinance allows residential uses in the following districts:

- **Residential Single-Family Estate (RS-E):** The RS-E district provides sites for homes on larger lots to be developed with custom built and individually designed homes with a gross density of one or two units per acre and a minimum parcel size of one-half acre.
- **Residential Single Family Low Density (RS-L):** The purpose of the RS-L district is to provide areas for single family housing on smaller lots that will generally be developed as part of a larger planned subdivision.
- **Residential Multi-Family Low Density (RM-L):** The RM-L district provides sites for low density multi-family housing such as townhouses, condominiums and apartments as well as single family housing that incorporated good design and amenities.
- **Residential Multi-Family Medium Density (RM-M):** The RM-M district provides for townhouses and condominiums, similar to the RM-L district, but at a medium density, as well as for apartments.
- **Residential Multi-Family High Density (RM-H):** The RM-H district is intended for high density multi-family housing, typically located near public transit centers, adequate streets, shopping centers or other high activity areas.
- **Mobile Home Park District (P-M-H):** The purpose of the P-M-H district reserves appropriately located areas for mobile home parks and provides for reasonable densities consistent with sound standards of public health and safety.
- **Industrial Residential Mixed-Use District (I-R):** The I-R district provides for integrated mixture of residential space and workspaces in the same structure. The residential space, generally located above the workspace such as a loft, is to provide a living area for persons employed in the work space.
- **Planned Commercial Residential Mixed-Use District (PC-R):** The PC-R district accommodates both residential and commercial uses in a well planned, mixed use development.
- **New Town Center District (NTC):** The NTC district accommodates transit-oriented development in relatively dense pattern of buildings in the center of town with a mix of residential, commercial, office, and public and quasi-public uses.

- **Historic Town Center District (HTC):** The HTC district is intended to provide a wide range of office and administrative uses along with supporting retail commercial uses while retaining the historic character of the area. It also allows for multi-family residential uses up to 17 units per acre with no more than 40 units to be developed within the district.

Development standards specific to each zone district are designed to protect and promote the health, safety and general welfare of residents as well as implement the policies of the General Plan. These standards serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards associated with the key districts with residential potential are summarized Table 30. The City's development standards were established to implement the types of uses and intensities envisioned. These standards do not constrain housing development in the City.

Table 30: Residential Development Standards

	RS-E	RS-L	RM-L	RM-M	RM-H	P-M-H	I-R	PC-R	NTC
Site Area (acres)	—	—	3	5	15	20	--		—
Density (du/ac)	1-2 ¹	2-7	12	12-30	30-55	7	25	40	30-75
Lot Size (sq. ft.)	1/2 acre ¹	6,000 ²	3,000 ^{2,3}	3,000 ²	3,000 ²	PDP	5,000 ²	PDP	—
Lot Frontage (ft.)	45	30	200 for multi-family, 30 for other			PDP	50 ²	PDP	PDP
Lot Depth (ft.)	200 ⁴	100	200 for multi-family, 80 for other			(PDP)	100 ²	PDP	PDP
Lot Width (ft.)	100	60 ⁵	200 for multi-family, 35 ⁵ for other			--			—
<i>Setbacks</i>									
Front (ft.)	20		15			10	10 ²	0	
Rear (ft.)	25	15			20	10 ²	10-15		
Side (ft.)	15	5	15 ⁶			5	0 ²	0	
Corner Side (ft.)	20	15			10	10 ²	0		
Maximum Site Coverage	20%	50%	60%			70%	50%	PDP	PDP
Usable Open Space Per Unit (sq. ft.)	—	—	1,000	300	300	200	50	50/100 ⁸	PDP
Building Height (ft.)	35	35	45 ⁽⁷⁾	60	90	30	40	40/50/65 ⁹	20-85

Notes:

PDP: As per an approved Planned Development Plan

1. Maximum density and minimum lot size are designated on zoning map for 1 or 2 units per acre density and corresponding 1 acre or 0.5 acre minimum size.
2. Minimum lot size unless a smaller lot size is allowed by an approved Planned Development Plan.
3. Minimum lot size for single-family housing is 4,000 sq. ft. unless a smaller lot size is allowed by an approved Planned Development Plan.
4. Minimum lot depth unless area is designated for 2 units per acre, then 150 ft. minimum depth applies
5. Minimum lot width for corner lots, add 10 feet
6. Minimum side setback unless smaller setback is allowed by an approved Planned Development Plan.
7. Maximum height for single-family housing and duets/duplexes is 35 feet.
8. 50 sqft/unit for live-work, 100 sqft/unit for residential
9. For feet height allowed for combined commercial and residential uses within a structure; for major frontages along Sycamore Avenue and San Pablo Avenue, a maximum height of 65 ft. is allowed only if approved in a PDP adopted.

Source: City of Hercules Zoning Ordinance.

Prior to the economic downturn, the City had approved several high-density residential and mixed-use development projects and had several pending applications in various specific plan areas. These projects achieved densities ranging from 33 to 45 units per acre, representing 83 percent to 113 percent of the maximum density allowed in these areas. These projects demonstrated that the City’s development standards are reasonable and facilitate the development of projects at their allowable densities.

Parking Requirements

Parking requirements for residential uses in Hercules are summarized in Table 31. Apart from the standard for units with one bedroom or none, these requirements are lower than the parking standards for density bonus eligible projects as established by State law and therefore, do not constrain the production of housing. (The City is amending its Zoning Ordinance to comply with the State Density Bonus law parking requirements. Adoption of the Zoning Ordinance amendments is anticipated to occur in January 2015.) Furthermore, parking standards can be reduced, on a case-by-case basis, e.g., if the project is located within a transit-oriented or mixed-use development.

Table 31: Parking Standards for Residential Development

Residential Use	Spaces Required	Loading Spaces Required	Notes
Single-Family	2 per unit	None	2 spaces in garage, 1 additional space for 5+ bedroom units
Second Dwelling Unit	1 per unit	None	---
Multi-Family	1.5 per unit + 0.5 guest space per unit	1 per 25 units	1 space per unit must be in garage or carport
Mobile Home Park	2.25 per unit space per unit	1 per 100 units	2 tandem spaces allowed
Senior Housing	0.5 per unit + 1 per employee		None

Source: City of Hercules Zoning Ordinance, 2014.

Specific/Area Plans

The City of Hercules has adopted several specific and area plans. In 2000 the City adopted the Waterfront District Master Plan (WDMP) for the area that was previously the Hercules Powder Company. The Central Hercules Plan was adopted in 2001, the New Town Center District was adopted in 2009, and the Initial Planned Development Plan and zoning regulations & development standards for Sycamore Crossing were adopted in 2010.

The City has taken significant steps towards ensuring that its development standards support the development of a variety of housing types, including affordable housing, through the development of a 'Regulating Code' for the Central Hercules Plan area, where the majority of new development is taking place in the City. The Regulating Code was further refined through the Waterfront District Master Plan, which applies to the largest development area in Hercules, and through the Initial Planned Development Plan process (subsequently the zoning regulations and development standards) for Sycamore Crossing. The Central Hercules Plan Regulating Code and the Waterfront District Master plan establish development standards based on traditional urban design conventions and supersede the City's Zoning Ordinance in the Central Plan and Waterfront areas. The Regulating Code and District Plan establish a wider range of approved and conditional uses (for example, all residential uses—single-family and multi-family—are considered approved/permitted uses in all districts) and development standards are established based

upon Street Type rather than use type. The Regulating Code and District Plan essentially regulate the location, form, and bulk of buildings in relation to streets and public spaces. Table 32 summarizes the main building dimensional requirements set forth in the Central Hercules Plan Area.

Table 32: Building Standards in the Central Hercules Plan Area				
	Four-Lane Avenue	Two-Lane Avenue	Main Street	Town Center Street
Building Width	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.
Building Depth	125 ft. max.	125 ft. max.	125 ft. max.	125 ft. max.
Building Height	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high	3 stories min. 5 stories max. 55 ft. max 1 st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high
Space between Buildings	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached
	Neighborhood Street	Neighborhood Lane	Two-Way Edge Drive	One-Way Edge Drive
Building Width	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.	16 ft min. 160 ft. max.
Building Depth	125 ft. max.	125 ft. max.	125 ft. max.	125 ft. max.
Building Height	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high	2 stories min. 4 stories max. 55 ft. max 1 st floor at least 12 ft. high
Space between Buildings	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached	0 ft., attached 6–10 ft., detached
Parking	1.25 spaces per dwelling unit / 1 space per 400 sf of retail / 1 space per 300 sf of office			

Table 33 summarizes a sampling of the similarly form-based regulations of the Waterfront District Master Plan that pertain to five specific zones within the Waterfront district. Both the Regulating Code and the Waterfront District Master Plan also provide for streamlined development review processes, with greater emphasis on administrative review and approval authority for those developments that meet the requirements set forth in the Code and the Master Plan, with appeal procedures for review by the Town Architect, Planning Commission, and City Council.

Table 33: Building Standards in the Waterfront District Master Plan

	Bayfront Boulevard Main Street	Main Street Transition	Clubhouse Center	Village Neighborhood	Neighborhood General
Build-to Line (Distance from Right of Way)	0–10 ft.	0 ft.	8 ft. min. 12 ft. max.	8 ft. min. 12 ft. max.	8 ft. min. 12 ft. max.
Building Depth	30–50 ft. min.	30 ft. min.	30–50 ft. min.	12 ft. min.	12 ft. min.
Building Height	2 stories min. 4 stories max.	2 stories min. 4 stories max.	2 stories min. 4 stories max.	2 stories min. 4 stories max.	2 stories min. 3 stories max.
Distance between Entries	50 ft. max	50–100 ft. max	50–100 ft. max	100 ft. max	100 ft. max
Parking	1 space / 1,500 s.f. residential 2 spaces / 1,000 s.f. non-residential No parking spaces required for affordable or senior housing units				

New Town Center District

The New Town Center (NTC) district was adopted in 2009 to foster a transit-oriented town center consisting of a dense pattern of building in the center of town and a mix of residential, commercial, office and public and quasi-public uses. The NTC intends to create an interconnected network of pedestrian-oriented streets, blocks, and publicly accessible open spaces to encourage development that promotes walking, biking and transit use. All new and expanded development in the NTC zone is subject to design review, planned development plans, and must be approved by the Community Development Director and/or the Planning Commission. Development in the NTC is held to a higher standard regarding transit accessibility, pedestrian access, landscaping, recreation, and overall unified development. The NTC consists of approximately 35 acres within central Hercules and allows between 30 to 75 dwelling units per acre, with a midrange of 60 dwelling units per acre. The 35 acres consist of seven parcels located at a visible, regionally prominent, heavily traveled crossroads along the I-80 and SR 4 interchange. Table 34 shows the development standards for the New Town Center District. Additional standards such as lot sizes, coverage, and parking are to be determined as approved Planned Development Plans.

Table 34: Development Standards in the New Town Center District

Residential Density (units/acre)		Commercial Density (FAR)		Setbacks (ft.)				Building Height	
Range	Midrange	Range	Typical	Front	Rear	Side	Corner Side	Min.	Max.
30-75	60	0.10-2.00	1.00	0	15, adjacent to residential, 10 adjacent to any other use	0	0	20 feet or 2 stories	85 feet

New Pacific Properties Specific Plan Area

The New Pacific Properties Specific Plan Area was adopted in 2000 and is intended to promote redevelopment of the former Pacific Refinery site into a new, predominately residential neighborhood and guide residential and commercial development within this community. The goal was to create a high quality environment, establish a strong tax base, and instill new vitality into a blighted area. This Specific Plan identifies nine separate zones that correspond to the various planning areas within the New Pacific Properties Specific Plan area as detailed in Table 35. All residential planning areas are zones for single-family detached development, except for P8 which is zoned for multi-family attached development. Table 35 also shows the main development standards for designations within the New Pacific Properties Specific Plan Zones.

Table 35: Development Standards for New Pacific Properties Specific Plan

Zone/Planning Area	Lot Size (sq. ft.)	Building Height (feet/stories)	Density (units/acre)	Setback				Parking (garage spaces per unit)
				Front ¹ (ft)	Rear	Side	Corner	
Residential Low Density (SP-R-L) P1 SFR	6,000	40/2	2.0-8.0	8 or 10	15	5	10	2
Residential Low Medium Density (SP-R-LM) P2&P3 SFR	5,500-5,000	35/2	2.0-9.0	8 or 10	15	5	10	2
Residential Medium Density (SP-R-M) P4 SFR	4,000	35/2	Up to 13.0	8 or 10	10	5	10	2
Residential Medium High Density (SP-R-MH) P5 SFR	3,375	35/2	Up to 13.0	8 or 10	10	5	10	2
Residential Z-Lot Line (SP-R-Z) P6 SFR	3,037	45/2	Up to 15.0	10	5	4	10	2
Residential Pocket Lots (SP-R-PL) P7 SFR	2,668	45/2	Up to 17.0	10	5	4	10	2
Residential Multi-Family (SP-R-MF) P8 MFR	-	60/4	12.0-30.0	15	15	15	15	-
Retail/Residential Flex (Sp-R/RF)	10,000	45/2	-	20	0/20 ²	10	15	-
Notes: 1. Distance from Front with Parkway to Main Structure or Front without Parkway to Main Structure. 2. Minimum rear lot setback for commercial development shall be 20 feet when adjacent to existing residential or residentially zoned areas.								

Overlay Zones

(H) Historic Overlay District

The purpose of the (H) Historical Overlay District is to identify the areas and buildings of the City that possess a unique historical character and to preserve, enhance, promote, and expand the cultural and historical identities, characters, and environments of these areas and buildings. The Historic Overlay District includes land designated (HTC) Historic Town Center by the General Plan, lands presently zoned Historical Overlay District, and additional lands that may be zones for the overlay district. New areas added to the H District must be approved by the City Council. Alterations to buildings within the H District are subject to review by the Historical Architectural Review Board (which is the Planning Commission as well).

(F) Special Flood Hazard Area Overlay District

The purpose of the (F) Special Flood Hazard Area Overlay District is to promote health, safety, and welfare and to minimize public and private loss as a result of flood hazards. The Special Flood Hazard Area Overlay District is established by definition as the area of land designated by the Federal Emergency Management Agency (FEMA) within the 100-year flood plain as defined by Flood Insurance Rate Map (FIRM). Development in the F District must meet general development standards as well as additional ones designated for individual properties. For example, portions of the Refugio Creek basin west of San Pablo Avenue are not suitable for development until flood control improvements are made to eliminate flood hazards.

Refugio Creek Overlay District

The purposes of the Refugio Creek Overlay District are to establish a 50-foot setback between development and the “top of bank” of the creek corridors of Refugio Creek and its tributaries as transition areas between the flood prone riparian habitats and development. The Overlay is also intended to preserve the wooded tree-lined character of the partially constructed hiking/biking trail along Refugio Creek and protect wetland and riparian communities from degradation due to development. The Overlay implements habitat protection and flood mitigation measures associated with the General Plan Land Use Element. All development in the Refugio Creek Overlay District is subject to additional development regulations to ensure that the purposes of the Overlay are met.

Density Bonus

State law requires the provision of certain incentives for residential development projects that set aside a certain portion of the units to be affordable to lower and moderate income households. Under current State law, jurisdictions are required to provide density bonuses and development incentives on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. State law also establishes a limit on the maximum number of required parking spaces per unit for projects that qualify for a density bonus. The City amended its Zoning Ordinance in

2015 to reflect current State density bonus requirements as shown in Table 36 and to be consistent with AB 2222 (2014).

Table 36: Required Density Bonus Provisions

Income Group	Minimum Set-Aside of Affordable Units	Bonus Granted	Each Additional 1% Adds:	Maximum
Very Low Income	5%	20%	2.5%	35%
Lower Income	10%	20%	1.5%	35%
Moderate Income	10% (for-sale units)	5%	1.0%	35%
Senior Housing	100% (35 unit min.)	20%	--	20%
Land Donation (Very Low Income Projects only)	10%	15%	1%	35%
Condominium/Apartment Conversions	33% low-to-moderate income	25%	NA	25%
	15% very low income			

Inclusionary Housing Ordinance

In 2006, the City of Hercules adopted an inclusionary housing ordinance that requires new residential developments to include a minimum percentage of dwelling units that are affordable to very low, low, and moderate income households. In residential developments, ten percent of the dwelling units must be affordable, or a fee may be paid in lieu of providing some or all of the required units. The specific unit and income mix in each development was negotiated with the developer based upon the City’s housing needs and the specific characteristics of each development (e.g., property size, location, etc.). The inclusionary housing ordinance established rental and sales restrictions on inclusionary units that are enforced by a recorded agreement between the City and the developer and also between the City and buyers of the affordable units. The City requires deed restrictions of 30 years for for-sale units, 20 years for rental units. With this process of negotiation, the City is able to respond quickly to economic conditions and market trends, and offer flexibility. This flexibility allows the City to work with the developers to ensure project feasibility. Given the large number of housing units approved in recent years, the City’s inclusionary housing ordinance has not constrained housing development.

Prior to adoption of the Inclusionary Housing Ordinance the City commissioned an in-lieu fee report that included criteria for developing the in-lieu fee schedule and calculating prices. The criteria stipulates that fees should be sufficient to assist very low to moderate income households obtain housing, have some current relativity to the housing market and should not encourage developers to pay the fee rather than deliver units. Calculations for new construction fees and affordable housing prices have market effects and flexibility built into them in order to encourage construction of new units as well as new affordable units.

With the current economic conditions and the elimination of redevelopment agencies, the City Council has suspended the Inclusionary Housing ordinance indefinitely. The City continues to work with project applicants to achieve affordable housing through negotiations/development agreements on a case-by-case basis. Furthermore, the

Inclusionary Housing Ordinance has only been suspended. Once the economy improves, the City will evaluate the feasibility and appropriateness of reinstating the ordinance.

Provisions for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, second units, mobile homes, homeless shelters, and transitional housing, among others. **Error! Reference source not found.** Table 37 below summarizes that various housing types permitted within the City’s zoning districts, including uses that were incorporated into the Zoning Ordinance by amendment in 2015.

Table 37: Residential Land Use Regulations													
RESIDENTIAL USES	RS-E	RS-L	RM-L	RM-M	RM-H	PM-H	IR	CG	CC	HTC	PC-R	PO/RD	NTC
Single-Family	A	A	C	C	--	--	--	--	--	--	--	--	--
Condos/Townhomes	--	--	C	C	C	--	--	--	--	--	A	--	A
Multi-Family	--	--	C	C	C	--	--	--	--	--	A	--	A
Mobile Homes	A	A	A	A	--	--	--	--	--	--	--	--	--
Mobile Home Park	--	--	--	--	--	C	--	--	--	--	--	--	--
Second Units	DR	DR	--	--	--	--	--	--	--	--	--	--	--
Live/Work Units	--	--	--	--	--	--	A	--	--	--	A	--	--
Mixed Use	--	--	--	--	--	--	A	--	--	--	A	--	DR
Emergency Shelter	--	--	--	--	--	--	--	--	--	--	--	A	--
Single-Room Occupancy Units	--	--	--	--	--	--	--	--	--	C	--	--	--
Supportive Housing (Apartment Type)	--	--	--	C	C	--	--	--	--	A	A	--	A
Supportive Housing (Residential Care Facility Small Type)	A	A	A	A	--	--	--	--	--	--	--	--	--
Supportive Housing (Residential Care Facility Large Type)	--	--	--	C	C	--	--	C	C	--	--	--	--
Residential Care Facility - 6 or fewer	A	A	A	A	--	--	--	--	--	--	--	--	--
Residential Care Facility – 7 or more	--	--	--	C	C	--	--	C	C	--	--	--	--
Transitional Housing (Apartment Type)	--	--	--	C	C	--	--	--	--	A	A	--	A
Transitional Housing (Residential Care Facility Small Type)	A	A	A	A	--	--	--	--	--	--	--	--	--
Transitional Housing (Residential Care Facility Large Type)	--	--	--	C	C	--	--	C	C	--	--	--	--

Notes:
 A = Administrative Use Permit Required
 C = Conditional Use Permit Required
 DR = Design Review Required
 -- = Use Not Allowed
 Source: City of Hercules Zoning Ordinance, 2015

Single-Family

Single-family dwellings are permitted with an administrative use permit in the RS-E and RS-L zones.

Condominiums and Townhomes

Condominiums and townhomes are permitted with a CUP in the RM-L, RM-M, and RM-H zones. They are permitted with an administrative use permit in the PC-R and NTC zone.

Multiple-Family

Multi-family dwellings are provided for in the RM-L, RM-M, and RM-H zones with a CUP and in the PC-R and NTC zones with an administrative use permit.

Mobile Home Parks and Mobile/Manufactured Homes

Manufactured housing and mobile homes can be an affordable housing option for low and moderate income households. According to the Census and ACS, there are no mobile homes in Hercules. Hercules provides for mobile home parks within its P-M-H zone via a Conditional Use Permit process.

Pursuant to State law, a mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations, provided that the mobile home has received approval of the Planning Director or Planning Commission and received a Certificate of Compatibility. The City complies with State law by treating mobile/manufactured homes meeting these requirements as regular single-family homes.

Second Dwelling Units

A "second residential unit" is defined as:

- A dwelling unit in addition to an existing residential unit, that provides complete independent living facilities for one or more persons;
- Includes permanent provisions for sleeping, living, eating, cooking and sanitation;
- Does not exceed 30 percent of the existing living area or 800 square feet, whichever is less.

In Hercules, second units are permitted in single-family zones, the RS-E and RS-L zones.

Group Homes/Residential Care Facilities

Residential care facilities licensed or supervised by a federal, state, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment.

Pursuant to the State Lanterman Developmental Disabilities Services Act (a.k.a. Lanterman Act), small residential care facilities serving six or fewer persons shall be treated as a regular residential use and permitted where residential uses are permitted. The Hercules Zoning Ordinance was amended in February 2015 to be consistent with the Lanterman Act and other applicable housing laws. The amendment deleted “group housing” (both small and large facilities) as a Residential Use type and replaced it with “supportive housing”, “transitional housing”, and “residential care facility” for six or fewer residents and for seven or more residents. The new Residential Use types are permitted either by right with an Administrative Use Permit or by approval of a Conditional Use Permit, and subject to other similarly required processes (such as design review), depending on the use and zone (also see discussion of Transitional/Supportive Housing below).

Live-Work Units

A live-work unit is an integrated housing unit and working space, occupied and utilized by a single household in a structure, either single-family or multi-family, that has been designed or structurally modified to accommodate joint residential occupancy and work activity. Live-work units are permitted with an administrative use permit in the Industrial Residential Mixed Use (I-R) and PC-R zones. Development regulations for live-work units are different for each zone in which they are permitted. In the I-R zone, a live-work unit must provide a minimum of 600 square feet of living area, including bathroom, kitchen, and sleeping area. Residential space within a live-work unit cannot exceed 1,500 square feet (unless specified in the Master Development Plan), and not more than 50 percent of the floor area of each live-work unit can be devoted to living area. The PC-R zone only specifies that a live-work unit have a minimum of 600 square feet of living area, including bathroom, kitchen, and sleeping area.

Mixed-Use

Mixed-use projects combine both nonresidential and residential uses on the same site. Mixed-use development can help reduce the effects of housing cost burden by increasing density and offering opportunities for reduced vehicular trips by walking, bicycling, or taking public transportation. In Hercules, the IR zone is intended to provide residential space located above workspaces to combine living and work spaces for residents. However, the IR zones only permits live-work units and caretaker and manager housing as residential uses. The PC-R district is also intended to accommodate residential and commercial uses and integrate them within the same structure or site. The PC-R zone provides for upper floor residential with ground floor commercial. Residential uses including caretaker, manager, employee housing, daycare, live-work units, multi-family dwellings, townhouses, condominiums, and planned unit development are all permitted with an administrative use permit.

Emergency Shelters

State law requires that local jurisdictions strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without discretionary approval. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency

shelters. The identified zone must have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of regional unsheltered homeless population. Section 50801(e) of the California Health and Safety Code defines emergency shelters as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or fewer by a homeless person.

Pursuant to State law, the City amended its Zoning Ordinance in February 2015, permitting homeless shelters by right without a discretionary approval process within the Planned Office- Research & Development Zone. Properties in this zone are located in the western portion of the City, along transportation corridors (Freeway 80, John Muir Parkway, and San Pablo Avenue), providing easy access to social and supportive services. WestCAT provides fixed route bus service to this area (Routes 11 and 15, and LYNX that connects between Hercules and San Francisco). Specifically two vacant sites are located immediately adjacent to bus stops for the two routes and are approximately 3/4 -mile from the future Intermodal Transit Center, which will offer Capital Corridor train service as well as local bus and potentially ferry service to San Francisco. The Planned Office-Research & Development zone transitions into the adjacent Planned Commercial-Residential, as well as the New Pacific Properties Specific Plan Area. The commercial and residential uses in these adjacent areas provide an appropriate environment for shelter use in the Planned Office-Research & Development zone.

There are a total of 23 parcels, totaling 128 acres, in the Planned Office-Research & Development Zone with industrial and government uses that have the potential to be successfully repurposed as homeless shelters and housing. Two of the parcels are vacant and makeup nearly eight acres of land, which is more than adequate for accommodating the City's estimated homeless population of 13 persons based on the 2013 Point-in-Time Homeless Count in Contra Costa County.

The City established objective performance standards for regulating emergency shelter use. Pursuant to State law, the City established standards to address the following :

- Maximum number of beds - 30 beds/persons in a facility;
- Proximity to other shelters - not less than 300 feet from property line to property line;
- Length of stay - not more than 180 consecutive days in any 365-day period;
- Waiting area - shall be provided with a minimum of 10 square feet per bed, either within the structure or outside with consideration for shade and rain; and
- Provision of on-site management and security - required at all hours during which the shelter is in operation, with an Operations/Management Plan approved by the Community Development Director.

Transitional/Supportive Housing

State law requires that local jurisdictions address the provision of transitional and supportive housing. Specifically Government Code Section 65582 provides the following definitions:

“Supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

“Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

“Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

The Zoning Ordinance was amended in February 2015 to comply with State law requirements. Transitional housing is defined pursuant to Government Code Section 65582(h) and is permitted in all zones where housing is permitted subject to the same development standards as the same type of housing in that zone. Similarly, supportive housing dwelling units are defined pursuant to Government Code Section 65582(f) and (g) and are permitted in all zones where housing is permitted subject to the same development standards as the same type of housing in that zone.

Single Room Occupancy (SRO)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs today have one or the other. The Hercules Zoning Ordinance does not currently contain specific provisions for SRO units. However, the City is amending the Zoning Ordinance in 2015, prior to adoption of the Housing Element, to facilitate the provision of SROs. Under the amendment, SROs will be permitted conditionally in the Historic Town Center zone. Individual SRO units shall not exceed 300 square feet nor be occupied by more than two persons. Full or partial kitchens and bathrooms shall be provided in every SRO project.

Employee Housing

Some employers choose to provide housing for their employees. State law requires that employee housing that accommodates six or fewer employees be regulated with the same zoning requirements as those that regulate family dwellings of the same type in the same zone. The City amended its Zoning Ordinance in February 2015 to define housing that provides accommodations for six or fewer employees as a single-family structure and is subject only to the zoning requirements that are required of a dwelling of the same type in the same zone.

Housing for Persons with Disabilities

Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modification or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. An analysis was conducted of the zoning ordinance, permitting procedures, development standards and building codes to identify potential constraints for housing for persons with disabilities. The City's policies and regulations regarding housing for persons with disabilities are described below.

Zoning and Land Use

Under State Lanterman Developmental Disabilities Services Act (aka Lanterman Act), small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential districts.

The City amended the Zoning Ordinance in February 2015 to replace "group housing" as a land use classification with eight new classifications: Residential Care Facility (6 or fewer residents, or 7 or more residents); Supportive Housing (Apartment Type, Residential Care Facility Small Type, or Residential Care Facility Large Type); and Transitional Housing (Apartment Type, Residential Care Facility Small Type, or Residential Care Facility Large Type). Each new land use classification is defined in terms of what services it can provide and how many residents are permitted. The definition and provisions conform to the Lanterman Act, as well as to Government Code 65582(f)(g)(h). Uses are permitted, conditionally permitted, or prohibited according to similar uses in the same zones. The amendment addressed the provision of transitional housing, supportive housing, and single-room occupancy housing that also offer appropriate housing options for persons with disabilities.

Definition of Family

Local governments may restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.⁴ The Hercules Zoning Ordinance does not define family and therefore does not restrict any households from being considered a family.

⁴ California court cases (City of Santa Barbara v. Adamson, 1980, and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood-related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of municipalities and therefore violates rights of privacy under the California Constitution.

Building Codes

The City actively enforces the 2013 California Building Standards Code provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that ten percent of the total dwelling units in multi-family buildings without elevators and consisting of three or more rental units or four condominium units comply with the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.
- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include but are not limited to kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces are required.

Reasonable Accommodation

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The City amended the Zoning Ordinance in February 2015 to establish a reasonable accommodation procedure to address reasonable accommodation requests. The Reasonable Accommodation Ordinance specifies eligibility, type, and extent of standards that the City will grant reasonable accommodation, criteria for determining reasonableness, ministerial review and approval procedure with the Planning Director as decision-maker, and other provisions that will provide consistency in the granting of reasonable accommodation. The procedure applies to the primary residence of persons who are protected under the federal Fair Housing Amendments Act of 1988 and/or California Fair Employment and Housing Act.

Permits and Fees

As there is no established procedure in place, no specific permits or fees are required for reasonable accommodation requests.

Conclusion

The City of Hercules amended the Zoning Ordinance in February 2015 to address the provision of residential care facilities, transitional housing, supportive housing, and single-room occupancy housing, as well as reasonable accommodation procedures. Table 37 shows the land use regulations for the new Residential Use types. This table also identifies the process by which these uses are permitted. Permit requirements are consistent with those applied to other similar uses in the same zone. The City has no unique policies or conditions that may constrain the development or improvement of housing for persons with disabilities.

Development Review

The following discussions summarize the types of approval/permits required for various residential developments and the processing time required. The City is committed to actively collaborating with potential developers to encourage the development of housing for all Hercules residents. Types of assistance provided to developers could potentially include:

- Fee reduction/waivers
- Extensions on permits

Development Applications

A development application is required for any of the following: administrative permits, conditional use permits, variances, planned development plans, and zoning designation changes. The planning approval process for each of these items varies.

Use Permits

The City of Hercules offers three types of use permits: Administrative Use Permits, Conditional Use Permits, and Temporary Use Permits. These use permits are designed to provide the City with a zoning compliance review and recording procedure for proposed land uses. They ensure that initiation or re-establishment of legally permitted uses complies with all standards and requirements of the Zoning Ordinance. A Use Permit is revocable and can be granted for a limited amount of time.

Administrative Use Permit (AUP)

An AUP is issued by the Community Development Director for uses that are generally permitted within a district and usually are of low impact to the community and environment. Conditions of approval, mandatory review periods, and expiration periods can be required at the discretion of the Community Development Director. When granting conditional approval, the Director has the authority to impose requirements and conditions with respect to location, siting, construction, maintenance, operation, duration, and overall development as deemed reasonable and necessary for the protection of adjacent properties and public interest. If an AUP is denied by the Director, it can be appealed to the Planning Commission, which has the authority to approve it as a Conditional Use Permit. If the

Director feels that an AUP application would be more fitting as a CUP, the Planning Director can refer it to the Planning Commission as well.

In Hercules, Administrative Use Permits with design review are required for new construction of single-family residential development in the low density residential zones, as well as for live-work units in mixed-use zones. Both the AUP and design review are conducted concurrently.

Conditional Use Permit (CUP)

A CUP is designed to provide the necessary flexibility to the City in achieving the purposes of the General Plan and Zoning Ordinance and provide for special considerations for some development. In the City of Hercules, the CUP application and approval process runs concurrently with the design review process in order to ensure maximum efficiency and timeliness of project review and approval. Both processes take approximately 45–60 days to complete.

CUPs are issued by the Planning Commission and will usually include conditions of approval, mandatory review periods, and expiration periods at the discretion of the Planning Commission. The findings required for the approval of a CUP are as follows:

- The proposed use is consistent with the General Plan;
- The proposed location conforms with the purposes of the Zoning Ordinance and the purposes of the district in which the site is located, and will comply with the applicable provisions of the Zoning Ordinance;
- The location, size, design and operating characteristics of the proposed use will be compatible in design, scale, coverage and density with existing and anticipated adjacent uses;
- There is adequate access, traffic, public utility, and public service capacity for the proposed use and surrounding existing and anticipated uses; and
- There are no potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

These findings are reasonable and do not constrain housing development in Hercules.

Any decision on a CUP made by the Planning Commission can be appealed to the City Council by the applicant or any person affected by the determination or decision. An appeal requires a written appeal to the Community Development Director and payment of the applicable appeal fee within ten working days of the mailing or posting of the notice of decision. The appeal will then be heard by the City Council at the next available hearing.

CUPs are required for all multi-family, condominium and townhouse developments as well as group housing; however, multi-family units are permitted by right in many of the City's specific plan areas. Waterfront District Master Plan includes areas where multi-family housing is permitted by right. Within the New Town Center project area, multi-family dwellings only require an administrative use permit. These sites are already zoned for high density residential development at 40 units per acre. Based on market conditions and development trends, it is not anticipated higher density would be required. If increased densities are desired, it would be processed with a General Plan/Specific Plan Amendment and zone change, not through a CUP. Nonetheless, these identified sites are generally

located in areas away from the City's lower density residential neighborhoods and therefore, compatibility issues should be minimal.

Temporary Use Permit

Temporary Use Permits are issued by the Community Development Director for uses or activities with a proposed duration of no more than 30 days in any calendar year. They can be issued by the Planning Commission for conditional uses with duration of 31 days or longer in one calendar year. Conditions or approval and expiration periods can be required at the discretion of the Community Development Director.

Use Permit Procedure

Applications for any of the above Use Permits must include, among other things, a site plan drawn to scale depicting existing and proposed uses and structures, existing and proposed locations of streets, utilities, drainage facilities, driveways, pedestrian walkways, off-street parking and loading facilities as well as existing and proposed landscaped areas. After determining that an application is complete, the Community Development Director reviews the applications and must take action in less than 60 days if the application is exempt from CEQA, per the Permit Streamlining Act. By taking action, the Director approves, approves with conditions, or denies an application. If the Director considers an application a better candidate for a conditional use permit or temporary use permit, it must be forwarded to the Planning Commission, with the recommendation within 30 days. The Director and Planning Commission can grant an application for a Use Permit if the following findings are made:

- The proposed use is consistent with the General Plan.
- The proposed location of the use conforms to the purposes of the zoning ordinance and the purposes of the district in which the site is located and will comply with the applicable provisions of the Zoning Ordinance.
- The location, size, design and operating characteristics of the proposed use will be compatible in design, scale, coverage and density with existing and anticipated adjacent uses.
- There is adequate access, traffic, public utility and public service capacity for the proposed use and surrounding existing and anticipated uses.
- There is not potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

The City Council has the authority to review any action of the Community Development Director or Planning Commission in granting or denying a Use Permit. The City Council must abide by the same findings listed above in reviewing a Use Permit application. These findings must be supported by facts and relate to development and performance standards only and therefore do not constrain housing development in the City.

Zoning Amendments

The zoning amendment process ensures that zoning amendments conform to the General Plan and are internally consistent with the Zoning Ordinance. An amendment or change to

the Zoning Map is initiated by the property owner of the proposed change who must file an application with the Community Development Director. An amendment to the Zoning Ordinance or Zoning Map can also be initiated by the Community Development Director, by resolution of the Planning Commission, or by action of the City Council in the form of a request to the Commission that it consider the proposed change. The City Council grants amendments to the Zoning Ordinance that fall within the following categories:

- Change in Zoning Map boundaries of any zoning district.
- Change in Zoning Ordinance text of a zoning district regulation.
- Change in off-street parking or loading facilities requirements, general provision, exception, or other regulatory provision within the text of the Zoning Ordinance.

In order to grant the amendment, the City Council must find the following:

- The proposed amendment is consistent with the General Plan.
- The proposed amendment would not be detrimental to the health, safety, welfare and public interest of the City.
- The proposed amendment is internally consistent and does not conflict with the purposes, regulations and required findings of the Zoning Ordinance.

Planned Development Plan (PDP)

All proposals for subdivision or development within zoning districts requiring planned development plans must submit a planned development plan application concurrently with other applications. Parcels over five acres in size or in the Central Hercules Regulating Plan areas are required to go through the Planned Development Plan process. Essentially all development since 2007 have fallen into this category and gone through the PDP process. There are three potential stages in the review process: 1) conceptual; 2) initial; and 3) final. The final stage includes a design review as discussed below.

Conceptual Planned Development Plan: The Conceptual PDP is an optional procedure intended to provide an opportunity for discussion and informal review of a proposed subdivision or development that requires a PDP. The process provides a forum to discuss the overall direction for the proposed project, enabling the landowner or developer to address the comments on the project prior to making a formal application. Conceptual PDPs are generally recommended for projects that are large, complex, or may be subject to controversy. A Conceptual PDP must include a complete site plan as well as a determination of use of density bonus, number of dwelling units, and potential housing types. During the conceptual stage, the developer meets informally with City staff, the Planning Commission, and City Council. After these informal reviews are completed, the developer submits an Initial PDP as well as any other subdivision or development applications.

Initial Planned Development Plan: The Initial PDP focuses on the review of the project's subdivision plan and/or site development plan. It is evaluated and approved in conjunction with other basic subdivision and development applications. The Initial PDP is intended to establish a comprehensive set of documents and conditions of approval which will regulate the subdivision or development process. The Initial PDP is subject to environmental review

and requires that the City Council make findings according to findings discussed below. No improvements to the land shall commence or be approved until the City Council has approved the Initial PDP. All Initial PDPs have to be prepared and endorsed by a licensed civil engineer or licensed land surveyor.

Final Planned Development Plan: The Final PDP is intended to establish a set of documents and conditions of approval for the detailed design of buildings and other improvements on the site which will then regulate the development process. The final stage is subject to environmental review as necessary and requires the City Council to make findings as discussed below. The final stage also requires final design review approval.

Planned Development Permit Approval: A PDP application along with the Community Development Director's report must be forwarded to the Planning Commission for review. The Planning Commission then forwards its recommendation to the City Council for final action. If the PDP includes a subdivision, the proceedings for the review of the tentative subdivision map may be undertaken concurrently with the proceedings with respect to the PDP. The City Council grants PDP permits or modifies approved PDPs with or without conditions based on the following findings:

- The proposed use and densities are consistent with the General Plan.
- The streets and thoroughfares proposed are suitable and adequate to carry anticipated traffic, and increased densities will not generate traffic in such amounts as to overload the street network outside the planned development.
- Any exceptions from standard ordinance requirements are warranted by the design and amenities incorporated in the Final PDP and approved through the minor exception process.
- The area surrounding the project site can be planned and zoned in coordination and substantial compatibility with the proposed development.
- Existing or proposed utility services are adequate for the development densities proposed.

The required findings must be supported by facts and relate to performance and development standards and therefore do not constrain housing development.

Design Review

The Design Review process is intended to improve the general standards of orderly development of the individual buildings and structures in the City. The process establishes standards and practices that will promote and enhance good design, site relationships, and other aesthetic considerations in the City, as well as preserves and enhances property values and the visual character of the community. In the City of Hercules, some AUP and all CUP applications run concurrently with the design review process in order to ensure maximum efficiency and timeliness. Both processes take approximately 45-60 days to complete. Design review approval by the Planning Commission is required for the erection, construction, or exterior alteration of any public or private building, fence, structure or sign. Additions to single-family homes, accessory structures to single-family home or fences may have their designs approved by the Planning Director alone.

The Regulating Code for the Central Hercules Plan establishes specific architectural guidelines for development in the City. A primary goal of the City's Architectural Guidelines is achieving authenticity of design elements and encouraging construction that is straightforward and functional. The Architectural Guidelines specify general requirements, permitted finish materials, and allowable configurations for the following building elements:

- Building walls
- Columns, arches, piers, railings, and balustrades
- Windows, skylights, and doors
- Roofs and gutters
- Garden walls, fences, and hedges
- Signs

The Hercules Waterfront District Master Plan also has its own set of Architectural Regulations, which provide direction for the design of buildings, appurtenances, and site elements within the Master Plan area. Under these Guidelines, single-family detached housing is required to follow one of three design styles: Italianate, Victorian, and Craftsman. Multi-story, mixed-use buildings must follow one of the following architectural styles: waterfront warehouse; Gold Rush; Victorian; Tudor/English Arts & Crafts; Spanish Revival; or Bay Area Eclectic. Additional specifications vary depending on the chosen style and location within the Waterfront District. These styles were selected due to their historic and successful use in many of the best Bay Area neighborhoods. The Guidelines also prefer the use of authentic, natural building materials, which include wood, brick, smooth plaster, stone, tile, slate, and naturally weathering metals. It is specifically intended for houses within this planning area to not be conventional "tract houses" to which a few "special details" are applied. Specific landscaping regulations for residential developments in the Master Plan area can also be found in the Waterfront District Master Plan.

Design guidelines provide clear guidance to developers/architects during the project design phase and enhance the level of certainty in project review and approval.

A Design Review application must be filed with the Planning Director and can be filed in conjunction with applications for tentative subdivision maps, environmental impact documents, Zoning Ordinance permits and approvals, and other permits. The application must include a site plan, building design plans, landscaping and irrigation, environmental information, and any other data that the Planning Commission may require to make a finding. Chapter 42 of the Zoning Ordinance outlines the required elements of design review, which include: site planning; building design; landscaping and irrigation; and environmental form (e.g., measures to address flooding, access, geologic/seismic hazards, and noise).

If a Design Review application can be approved by the Community Development Director, as discussed above, the Director can approve, approve with conditions, or deny the application within ten working days after determining the application is complete. Any action by the Planning Director can be appealed to the Planning Commission with 14 days. In some cases, the Director will decide that an application for an addition to a single-family

home or accessory structure is of such a size, importance, or unique nature to be a significant design issue and present the application to the Planning Commission.

Design Review applications that require Planning Commission review are first reviewed by the Community Development Director. After deeming an application complete, the Director has ten working days to provide written comments on the proposed plan to the applicant, which the applicant can address in a revised plan. When the Planning Commission receives the complete revised plans, the Director schedules a review of the application by the Planning Commission at the next available Planning Commission meeting. Prior to the Planning Commission meeting or hearing, the Director will provide written comments to the Commission regarding the application. The Planning Commission then approves, approves with conditions, or denies the Design Review application based on the following findings:

- The approval of the design review plan is in compliance with all provisions of the Design Review chapter of the Zoning Ordinance, other pertinent provision of the Zoning Ordinance and applicable zoning and land use regulations, including the Hercules General Plan.
- The approval of the Design Review plan must be in the best interest of the public health, safety and general welfare.
- General site considerations, including site layout, open space and topography, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height walls, fences, public safety and similar elements have been designed to provide a desirable environment for the development.
- General architectural considerations, including the character, scale and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and signing and similar elements have been incorporated in order to insure the compatibility of the development with its design concept and the character of adjacent buildings.
- General landscape considerations, including the location, type, size, color, texture and coverage of plant materials at the time of planting and after a five-year growth period, provision for irrigation, maintenance and protection of landscaped areas and similar elements have been considered to insure visual relief, to complement buildings and structures and to provide an attractive environment for the enjoyment of the public.

Decisions of the Planning Commission may be appealed to the City Council. The City has also established guidelines for site development in the Zoning Ordinance and General Plan, including: tree removal, drainage, outdoor space, circulation, architectural design, and landscaping. These guidelines are basic and reasonable principles that most architects would regularly incorporate into their plans and are not considered a constraint. As such, the City's design review process does not usually result in design changes that substantially increase the cost of housing development. Design review is also performed concurrently with the review of other applications and therefore does not unduly lengthen the time of project review and approval. Overall, Hercules remains as one of the more affordable communities in the East Bay area. Its development review process, including design review, does not result in significant increase in housing costs.

Staff's authority to approve design review permits (i.e., administrative permits) is limited to additions to existing residential units and similar or smaller projects. The design review for future phases of the Waterfront would require Planning Commission approval, but not City Council unless appealed to the Council. Grounds for appeal are simply filing an application and paying the requisite appeal fee. Other housing development outside the Waterfront would require Planning Commission and City Council approval of a Planned Development Plan, which includes design review.

Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time which elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: rezoning or general plan amendment requirements; public hearing required for Commission/Council review; or a required Negative Declaration or Environmental Impact Report (EIR).

As shown in Table 38, the approval process for single- and multi-family development generally takes approximately two to three months to complete. The City provides information about the different permits and applications required for development on its website as well as at the public counters. The permit process in Hercules is designed to expedite all city land use permits. Typical processing times range from several weeks for minor subdivisions and developments that are permitted by right within the zoning district, to several months for major subdivisions and developments that require conditional use permits.

Given the level of development anticipated in the City, there is nothing to indicate that the City's land use controls or development standards are constraints on residential development for all income groups. Furthermore, the City's efforts to provide greater flexibility and streamlined development review through the Regulating Code help promote a greater variety of housing types and support the goals of affordability.

Table 38: Approval Procedure for Single-Family and Multi-Family projects

	Event	Date
1.	Applications submitted	Day 1
2.	Application and submittal requirements are reviewed for completeness	Day 7
3.	Letter of completeness is mailed to applicant	Day 14
4.	Draft conditions are distributed to the Development Review Committee	Day 15
5.	Conditions from the Development Review Committee are due	Day 30
6.	Design Review meeting of Planning Commission	Day 35
7.	Draft staff report is emailed to the City Manager and City Attorney	Day 40
8.	Notices are emailed to the local newspaper	Day 40
9.	Notices are mailed to property owners	Day 45
10.	Changes to staff report are due from the City Manager and City Attorney	Day 50
11.	Final staff report is approved by the City Manager/City Attorney	Day 55
12.	Staff report is delivered to the Planning Commission	Day 58
13.	Planning Commission holds a public hearing for all planning permits and invoices for processing applications cease	Day 62
14.	Applicant pulls building permit (All building and engineering permits begin)	Day 72
15.	Applicant begins construction of project	Day 102

On/Off Site Improvement Requirements

On- and off-site improvement requirements are established on a case-by-case basis for new housing development. For large developments, specific improvements may be required, consistent with the City's General Plan policies and development standards to ensure that public health and safety are protected. Off-site improvements are required when a nexus exists between the development and its impacts on facilities. The *Regulating Code for the Central Hercules Plan* and the *Waterfront District Master Plan* establish improvement requirements based upon traditional urban design conventions, which generally support narrower street widths and more compact, pedestrian-oriented forms of development that are more efficient and less costly. The Waterfront District Master Plan also calls for the formation of a Maintenance Improvement District that will maintain specified improvements, which include but are not limited to street trees, alley pavement and utilities, and street lighting.

The Waterfront District Master Plan specifies the minimum street widths required for the undeveloped portion of the Waterfront District. Required minimum street widths vary, depending on the street and anticipated use, but range from 20 feet to 60 feet. Street rights-of-way and improvements are to be dedicated by projects as necessary to provide adequate internal circulation and external access. New residential areas are expected to be designed to: 1) avoid conflict with major streets or thoroughfares; 2) have access to transit facilities; and 3) encourage safe and convenient alternatives to the private automobile.

The Regulating Code for Central Hercules serves as a general guide for on- and off-site improvements for the majority of the remaining vacant but developable properties within the City. It establishes street right-of-way requirements for various types of streets as follows:

- One-Way Edge Drive – 30 feet

- Two-Way Edge Drive - 40 feet
- Neighborhood Lane - 50 feet
- Neighborhood Street - 60 feet
- Town Center Street/Main Street - 60 feet
- Two-Way Avenue - varies
- Four-Way Avenue - 110 feet

Streetlights are to be located at intervals no greater than 50 feet. Street furniture such as benches and trash receptacles are to be placed at intervals no greater than 200 feet. Overall, these standards are consistent with those for most urban communities. The Regulating Code does not establish a required ratio of non-residential to residential. The amount of commercial and residential space in a mixed use project will be determined on a project-by-project basis depending on site design and market economics.

As stated before, the City has also established guidelines for site development, including: tree removal, drainage, outdoor space, circulation, architectural design and landscaping. These guidelines are basic and reasonable principles that most architects would regularly incorporate into their plans and are not considered a constraint.

Fees and Exactions

In addition to improvements and dedication of public land, developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional costs borne by developers contribute to overall increased housing unit costs. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City to serve the new development. The City's permit processing fee schedule for residential development is displayed in Table 39.

New housing is typically charged for an administrative use permit or conditional use permit, if it is for multi-family units, as well as impact fees shown in Table 41. If the development is a subdivision, there are additional fees for processing the tentative and final maps. In addition, the developer may have to pay the cost of preparing environmental reports, traffic studies, and soils reports.

The City's Development Impact Fee program not only ensures that new development adequately contributes to the provision of necessary public services and facilities in the City, but also promotes transit-oriented development. Table 41 shows the schedule of fees established for residential development. In addition, residential developments in Hercules must pay the fees shown in Table 42.

Table 39: Planning and Development Fees

Type	Fee	Deposit
Administrative Use Permit	\$400	
Home-Based Occupation Permit	\$250	
Conditional Use Permit	Actual + 20%	\$2,000
Temporary Use Permit	\$400	
Mixed Use (Live-Work)	\$600	
Design Review (Administrative, Single-Family, Addition, Ground Floor)	\$400	
Design Review (Legislative, Single-Family, Addition, not Ground Floor)	Actual + 20%	\$2,500
Design Review (Legislative, Single-Family, New Construction)	Actual + 20%	\$5,000
Tentative Subdivision Map, Submission	Actual + 20%	\$2,000
Tentative Parcel Map, Submission	Actual + 20%	\$2,000
Zoning Designation Change	Actual + 20%	\$2,500
Zoning Text Amendment	Actual + 20%	\$2,500
Planned Development Plan	Actual + 20%	\$10,000
General Plan Amendment	Actual + 20%	\$10,000
Development Agreement	Actual + 20%	\$10,000
Specific Plan, Original	Actual + 20%	\$10,000
Specific Plan, Amendment	Actual + 20%	\$10,000
Administrative Fees		
Planning Staff Services – above item minimum, or after first 15 minutes at counter	\$100/hr	
Planning Staff Services, Pre-Submittal Review, Deposit Account Setup	Actual + 20%	\$500
Administrative Staff Appeal	\$200	
Appeal Administrative Decision	50% of original fee	
Appeal Planning Commission Decision	25% of original fee	
City of Hercules, Master Fee Schedule, Effective July 1, 2013		

The City’s permit and processing fees are comparable to, and often lower than, those of nearby cities such as El Cerrito and Martinez (Table 40). These cities are very similar in size and character to Hercules. Another neighboring jurisdiction – Richmond – charges variable fees based on time spent on the project. Minimum are required and the costs can increase significantly depending on the complexity of the project. The City’s fees are reasonable and not considered a constraint to housing development.

Table 40: Regional Comparison of Planning Fees (2014)

Permit Type	Hercules	El Cerrito	Martinez	Richmond	Pinole	San Pablo
Administrative Use Permit	\$400	\$905	--	--	\$602	\$559
Conditional Use Permit	Actual + 20%	\$1,137- \$4,761	\$465- \$1,555	\$4,500	\$2,209	\$1,768
Design Review	\$400- Actual + 20%	\$2,823- \$4,898	\$365- \$5,170	\$3,000- \$10,500	\$4,217	\$441- \$1,777
Tentative Parcel Map (0-4 lots)	Actual + 20%	\$6,143	\$3,255	\$9,423	\$3,000 (Deposit)	\$2,203
Zoning Designation Change	Actual + 20%	\$23,146	\$5,170	\$16,223	\$6,025	\$7,074
General Plan Amendment	Actual + 20%	\$24,385	\$7,755	\$16,223	\$5,000 + \$100/acre	\$7,074
Development Agreement	Actual + 20%	\$22,414	--	--	--	--

Table 41: Typical Residential Impact Fees

	Fees (per unit)
Single Family (Per dwelling unit)	
Park and Recreation Facilities	\$1,475
General Public Facilities	\$ 717
Police Facilities	\$1,269
Fire Facilities	\$1,029
Traffic Facilities ¹	\$ 982
Sewer Facilities	\$ 4,048
Community Development Tax	\$ 1,500
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 2,904
Public Benefit Fee ²	\$ 4,000
<i>Total Single Family (per unit)</i>	<i>\$ 17,924</i>
Multi Family (Per dwelling unit)	
Park and Recreation Facilities	\$ 895
General Public Facilities	\$ 448
Police Facilities	\$ 792
Fire Facilities	\$ 662
Traffic Facilities ¹	\$ 603
Sewer Facilities	\$ 4,048
Community Development Tax	\$ 1,500
West County Sub-Regional Transportation Mitigation Fee (STMP)	\$ 1,844
Public Benefit Fee ²	\$ 2,350
Total Multi-Family (per unit)	\$13,142
Notes:	
<p>1. Per Section 66005.1 of the Mitigation Fee Act, certain projects may qualify for lower impact fees for Traffic Facilities based on the project's consistency with Section 66005.1 of the Mitigation Fee Act. Qualifying factors for housing developments include, but are not limited to:</p> <ul style="list-style-type: none"> - Common ownership and financing consisting of residential use or mixed use where not less than 50% of the floor space is for residential use; - Location within one-half mile of a transit station and direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length; - Convenience retail uses, including a store that sells food, located within one-half mile of the housing development; and - Provision of either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less. <p>Reduced Traffic Facilities impact fees are negotiated and approved through a Development Agreement by the Office of the City Manager.</p>	
<p>2. Per the Bayfront Implementing Development Agreement, the Public Benefit Fee applies only to the Bayfront Waterfront Project.</p>	

Table 42: Other Residential Development Fees

	Single Family (per unit)	Multi-Family (per unit)
Sewer Connection Fee	\$ 4,607	\$ 4,607
School Impact Fee (to School District)	\$3.92 per square foot	
Source: City of Hercules, 2012.		

School impact fee, sewer connection fee, and West County Sub-Regional Transportation Mitigation fee are charged by outside agencies beyond the City’s control. These fees are similar for all jurisdictions served by the same agencies and therefore do not specifically impact housing development in Hercules.

Based on the various fees detailed in Table 41 and Table 42, a single-family unit may cost up to \$17,924 in impact fees and a multi-family unit may cost up to \$13,142 in impact fees (excluding school impact fees, which vary depending on the size of the dwelling unit). Combined with processing fees, a typical single-family unit may cost \$35,058 and a typical multi-family unit may cost \$24,789 as shown in Table 43. Typically, all fees combined comprise about seven percent of the total development costs. This fee level is consistent with fees associated with residential development in the Bay Area. Based on the number of constructed, approved, and entitled projects in the City, development and impact fees do not constrain housing development in Hercules.

Impact fees provide the City with a necessary source of income to fund basic services. Nonetheless, the City is sensitive to the impact that development fees have on housing affordability, and has included a policy in the Housing Element to consider fee waivers or deferrals on a case-by-case basis. Whether a housing development is affordable or market rate, the impacts are quite similar.

As part of Bayfront Development Agreement, City Council substantially reduced impact fees City-wide in November 2011. Bayside-specific Public Benefit Fee was proposed by and agreed to by Hercules Bayfront, the private developer/landowner for the Waterfront. Therefore, the City’s development fees do not serve to constrain housing development in the community.

Table 43: Actual Development and Impact Fees from Recent Developments

Fee Description	Single-Family	Multi-Family
Unit Size	2,400 sq. ft.	1,200 sq. ft.
T-24 Accessibility P-C	\$200	\$116.60
AB1608 Compliance	\$810	\$375
Data Scan Imaging	\$2,447.85	\$1,645.50
Community Development Tax	\$1,700	\$1,700
Z-Fire Facilities	\$1,029	\$662
Z-Traffic Facilities	\$982	\$603
Z-Park and Recreational Facilities	\$1,475	\$895
Z-General Public Facilities	\$717	\$448
T-24 Energy Plan Check	\$200.10	\$116.60
Filing Fee	\$25	\$25
Green Building	\$11	\$5
General Plan Update	\$2,695.68	\$1,243.32
Enhancement	\$2,447.85	\$1,645.32
Public Art	\$0	\$0
Plan Check Fees	\$1,701.40	\$991.48
Building – New Residential	\$2,001.65	\$1,166.45
Electric – New Residential	\$400.33	\$233.29
Insulation – New Residential	\$170.14	\$99.15
Mechanical – New Residential	\$400.33	\$233.29
Plumbing – New Residential	\$400.33	\$233.29
Z-Police Facilities	\$1,269	\$792
Sewer Facilities	\$4,048	\$4,048
SMIP 1 Residential	\$29.65	\$13.68
Sewer Connection Fee	\$4,607	\$4,607
STMP Fee	\$2,904	\$1,844
Total Fees	\$32,672.31	\$23,741.97
Source: City of Hercules, 2012.		

Building Codes and Enforcement Procedures

The City of Hercules requires all construction to meet the requirements of the California Code of Regulations Title 24. The only City-adopted amendment to the codes is an amendment to the California Plumbing Code that requires seismic gas shut-off valves on all residential construction that either (a) includes gas piping and is valued at \$5,000 or more, or (b) does not include gas piping but is valued at \$15,000 or more. In addition, the City has developed Historical Guidelines applicable to all historical structures within the City and designed to provide maintenance criteria and methods of construction for preserving the structures for future generations.⁵

As well as responding to citizen complaints, the Building Division takes a proactive approach to code enforcement, investigating potential violations that may present a threat

⁵ In accordance with the California Historical Code State law, the renovation of historic structures may include the use of materials and construction methods as of date of original construction, unless a health or safety hazard would result.

to the health, safety, and general welfare of the community. In an effort to address the age and condition of the housing stock in Hercules, the Building Division uses software that enables the City to receive, log, and thoroughly track code enforcement cases thoroughly. The Building Division has inspected the work for affordable housing programs, including seismic bracing, seismic gas shut-off valves, and residential rehabilitation loans. The Building Division has also performed community outreach at community events throughout the year by providing free educational and demonstration materials about building construction, code enforcement, and rental inspections.

The Building Division does in-house reviews of smaller scale projects, with a turn-around time of approximately one week. Larger projects are sent to an outside plan check service with a turn-around time of approximately two to three weeks. The Building Division, through a third party contract with Contra Costa County Building Division, responds to all requests for inspections within 24 hours of receiving the request. As such, Hercules's building codes and enforcement procedures do not appear to create an undue constraint on housing development or improvement, but instead ensure a safe built environment for its citizens and future homeowners.

Community Concerns

Potential opposition to affordable housing exists in many communities throughout the Bay Area. Specific project concerns can relate to potential environmental impacts, quality of design, and the quality of long-term management of the project. The extensive community involvement that took place in developing the Central Hercules Plan and subsequent planning efforts have contributed significantly to building community support for affordable housing as an integral part of the City's development. This is reflected in the diverse housing types that are promoted through the Central Hercules Plan, the Waterfront District Master Plan, and in the City's former Affordable Housing Program. The Housing Element also includes programs to address these issues and further build support for the integration of new affordable housing opportunities in the community.

Environmental and Historical Preservation Constraints

A community's environmental setting affects the feasibility and cost of developing housing. Environmental issues range from the availability of water to the suitability of land for development due to potential exposure to seismic, flooding, wildfire, and other hazards. If not properly recognized and accommodated in residential design, these environmental features could potentially endanger lives and property. The potential significance of a site or setting as it relates to a historic person, event, or period of time can also limit development and redevelopment opportunities. This section summarizes these potential constraints in Hercules.

Geological and Seismic Hazards

Potential geological hazards in the City include: landslides, soil creep, Valley Alluvium, existing fills, ground water, seepage and ponding and erosion. In order to mitigate these hazards, the City has adopted a Grading Ordinance to establish standards for grading

operations, requiring the issuance of grading permits, providing for the approval of grading plans and inspection of grading construction. The Grading Ordinance also provides for testing where there are potential geological hazards.

Based on history, all of the San Francisco Bay Area is considered seismically active. Because of this, Hercules is in one of the most seismically active regions in the country. The City is located in the vicinity of the San Andreas Fault (21 miles away), the Hayward Fault (2.5 miles away), the Concord-Green Valley Fault (11 miles away), and the Calaveras Fault (40 miles away). The City of Hercules employs the use of Special Study Areas to avoid construction near active faults and other hazardous areas.

Fire Hazards

The major fire hazard areas within Hercules are the open space areas, which generally include brush, grass covered hills, and forested areas. Fire protection services to the City of Hercules are provided by the Rodeo-Hercules Fire Protection District on a 24-hour basis. Because fire hazards are not as prevalent among developed areas, most residential areas of the City are not at risk.

Flood Hazards

Potential causes for flooding in the City include high tides and storm wave, creek overflows, and standing water from excess rainfall. The Refugio Creek area is susceptible to flooding; however, the City of Hercules has adopted a Special Flood Hazard Area Overlay District as well as a Refugio Creek Overlay District to ensure that land use standards in flood hazard areas are adequate.

Hazardous Waste

The City of Hercules has been dealing with the issues of hazardous waste management, solid waste management, and emergency responses for several years. Hazardous waste generated within the City limits is currently limited to a number of small quantity generators and household hazardous waste. The Hercules Powder Plant was remediated to residential standards in 1996, and residential neighborhoods are now developed on the site. The Pacific Oil Refinery has been demolished and remediated, and an 800-unit residential neighborhood has been constructed on it. The Hilltown location, previously occupied by PG&E, is completing its soil remediation to residential standard.

Historic Preservation

Historic preservation is an established part of city planning in Hercules. Over the past decade, the community has initiated preservation initiatives to protect the many historic houses that remain as reminders of the past. Because Hercules's heritage remains a primary goal of the community, the City has adopted a Historic Overlay District as well as Historic Preservation Design Guidelines.

Much of the City's future residential development will occur within urbanized areas and within specific plan areas. The potential environmental impacts have been considered by the City.

Opportunities for Energy Conservation

Energy Efficiency Incentives

Energy costs have increased substantially in recent years due to increased fuel costs. Energy costs have become a significant portion of housing costs, especially for lower income households. The PG&E offers a range of incentives to encourage energy conservation:

- Rebates ranging from \$30 to \$75 for energy-efficient appliances such as washer, refrigerator, air conditioner, and water heater.
- Rebates ranging from \$0.10 to \$0.50 per square foot for general energy conservation improvements, including attic insulation, wall insulation, and cool roof.
- Rebates ranging from \$50 to \$300 per unit for whole house fan, natural gas furnace, and pool pump.

PG&E also offers the Energy Savings Assistance Program to income-qualified households to help manage their energy use and save on their monthly energy bills. Specifically, income-qualified households may receive assistance in:

- Improvements to the house, apartment, or mobile home including compact fluorescent lights, caulking, showerheads, or minor home repairs.
- Replacement of old refrigerator, furnace, and/or water heater.
- Energy savings tips.

City Policies

As discussed earlier, the City promotes smart growth and energy conservation through mixed-use developments. To promote transit-oriented development, the City offers reduced Traffic Facilities Impact Fee for projects that are located within one-half mile from a transit station or mixed use projects where 50 percent or more of the building space is being used as residential.

4 Housing Resources

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Hercules. This analysis includes an evaluation of the availability of land resources for future housing development, the City's ability to satisfy its share of the region's projected housing needs, the financial resources available to support housing activities, and the administrative resources available to assist in implementing the City's housing programs and policies.

Regional Housing Needs Allocation (RHNA)

Every city and county in the State of California has a legal obligation to respond to its "fair share" of the projected future housing need in the region. For Hercules and other Bay Area jurisdictions, the regional housing need is determined by the Association of Bay Area Governments (ABAG), based upon an overall regional housing need number established by the State. In accordance with State law, ABAG has determined the fair share of the regional housing need that must be planned for by each jurisdiction for the 2015 to 2023 Housing Element. That need is divided into four income categories of housing affordability (in accordance with State law). ABAG's allocations are based on an analysis of:

- The vacancy rate in each city and the existing need for housing it implies;
- The projected growth in the number of households;
- The local and regional distribution of income; and
- The need for housing generated by local job growth.

The RHNA for 2015-2023 Housing Element covers a slightly different planning period (from January 1, 2014 through October 22, 2022) than the Housing Element.

Table 44: Regional Housing Needs Allocation, Contra Costa County, 2014-2022

Jurisdiction	Extremely Low/ Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total Need
Antioch	349	205	214	680	1,448
Brentwood	234	124	123	279	760
Clayton	51	25	31	34	141
Concord	798	444	559	1,677	3,478
Danville	196	111	124	126	557
El Cerrito	100	63	69	166	682
Hercules	220	118	100	244	682
Lafayette	138	78	85	99	400
Martinez	124	72	78	195	469
Moraga	75	44	50	60	229
Oakley	317	174	175	502	1,168
Orinda	84	47	54	42	227
Pinole	80	48	43	126	297
Pittsburg	392	254	316	1,063	2,025
Pleasant Hill	118	69	84	177	448
Richmond	438	305	410	1,282	2,435
San Pablo	56	53	75	265	449
San Ramon	516	279	282	340	1,417
Walnut Creek	604	355	381	895	2,235
Unincorporated	374	218	243	532	1,367
County Total	5,264	3,086	3,496	8,784	20,630

Source: Association of Bay Area Governments, 2013

Hercules's Regional Housing Needs Allocation

Table 44 summarizes the housing need determinations for all of the jurisdictions in Contra Costa County. For the 2015 Housing Element Update, the City of Hercules is allocated a RHNA of 682 units as follows:

- **220 units** affordable to *extremely low/very low income* households (32.3% of the total)⁶
- **118 units** affordable to *low income* households (17.3% of the total)
- **100 units** affordable to *moderate income* households (14.7% of the total)
- **244 units** affordable to *above moderate income* households (35.8% of the total)

⁶ The City has a RHNA allocation of 220 very low income units (inclusive of extremely low income units). Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. Assuming 50 percent of the very low income units as extremely low, the City's RHNA of 220 very low income units may be split into 110 extremely low income units and 110 very low income units. However, for the purposes of identifying adequate sites for RHNA, State law does not mandate the separate accounting for the extremely low income category.

The total RHNA housing need for Hercules represents approximately 3.3 percent of the total countywide housing need. The City’s low and very low income housing need represents approximately four percent of the total countywide need in these categories, while the City’s moderate and above moderate income need represents approximately 2.8 percent of the total countywide need in these categories.

Because local jurisdictions are rarely if ever involved in the actual construction of housing units, the fair share numbers establish goals that should be used to guide planning and development decision making. Specifically, the numbers establish a gauge to determine whether the City is allocating adequate sites for the development of housing (particularly housing at higher densities to achieve the housing goals for lower income households). Beyond this basic evaluation of sites (which must be serviced by necessary infrastructure facilities), the City must review its land use and development policies, regulations, and procedures to determine if any of them are creating unreasonable constraints on housing development to meet its fair share need. Furthermore, the City must demonstrate that it is actively supporting and facilitating the development of housing affordable to lower income households.

Progress toward RHNA

Since the RHNA uses January 1, 2014, as the baseline for growth projections for the Housing Element planning period of 2014-2022, jurisdictions may count toward the RHNA any new units built or under construction since January 1, 2014. Table 45 summarizes the units that can be credited toward the RHNA. Subtracting the units approved or under construction, the City has a remaining RHNA of 438 lower and moderate income units.

Table 45: Anticipated Credits toward RHNA					
	Extremely Low/Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
	0-50% AMI	51-80% AMI	81-120% AMI	>120% AMI	
Units Approved or Under Construction as of January 2015					
Sycamore North/ Town Centrale	0	0	0	147	147
Muir Pointe	0	0	0	144	144
Victoria Crescent	0	0	0	43	43
Total Credits	0	0	0	334	334
RHNA	220	118	100	244	682
Remaining RHNA	220	118	100	0	438

Source: City of Hercules, 2014

Inventory of Available Sites

As shown in Table 45, the City of Hercules has already met about 35 percent of its total RHNA goal with units constructed or in the pipeline. Table 46 presents an inventory of available vacant properties within the City, most of which are located within the various specific plan areas (such as Central Hercules Plan and the Waterfront District Master Plan).

The properties were all previously approved for high-density or mixed use residential development or with pending projects. However, due to the economic downturn, approval for these projects has already expired and therefore the sites remain available for future development.

Except for sites that have project approval or other regulatory restrictions, in estimating the capacity on these vacant sites, a density factor at 75 percent of the allowable density for the zone was used. This density factor is conservative compared to the previously approved projects on these sites, ranging in approved densities of 33 to 45 units per acre (except for Refugio Senior Housing, which is in a zone that allows 12 units per acre).

Typically CUPs are required for multi-family, condominium, and townhouse developments; however, multi-family units are permitted by right in many of the City's specific plan areas. The Waterfront District Master Plan includes areas where multi-family housing is permitted by right. All new development also requires a design review permit.

All of the sites are currently served by services and utilities, or may be served through City-facilitated infrastructure enhancement activities. Figure 3 shows the location of the approved projects and available sites in relation to each other.

Table 46: Inventory of Available Sites

Project or Specific Plan Area	APN	General Plan	Zoning	Existing Use	Acreage	Density (Units/Acre)	Average Density (75%)	Potential Units
Formerly Approved as Refugio Senior Housing	406-471-071-0	RM-Low Density	RM-Low Density	Vacant	1.3	12.0	9	12
Hercules Bayfront ²	404-020-065-3	Historic Town Center / Planned Commercial-Residential	Historic Town Center	Vacant	28.33	40.0	30	1,392
	404-490-102-5	Historic Town Center	Historic Town Center	Vacant	0.60	40.0	30	
	404-490-101-7	Historic Town Center	Historic Town Center	Vacant	0.62	40.0	30	
	404-490-100-9	Historic Town Center	Historic Town Center	Vacant	0.77	40.0	30	
	404-490-080-3	Historic Town Center	Historic Town Center	Vacant	0.13	40.0	30	
	404-670-016-9	Historic Town Center	Historic Town Center	Vacant	0.17	40.0	30	
	404-020-086-9	Historic Town Center	Historic Town Center	Vacant	8.36	40.0	30	
	404-020-085-1	Historic Town Center	Historic Town Center	Vacant historic building	0.33	40.0	30	
	404-020-084-4	Historic Town Center	Historic Town Center	Vacant	0.49	40.0	30	
	404-020-083-6	Historic Town Center	Historic Town Center	Vacant historic building	1.05	40.0	30	
	404-020-069-5	Historic Town Center	Historic Town Center	Abandoned historic building	0.33	40.0	30	
	404-020-070-3	Historic Town Center	Historic Town Center	Abandoned historic buildings	0.38	40.0	30	

Table 46: Inventory of Available Sites

Project or Specific Plan Area	APN	General Plan	Zoning	Existing Use	Acreage	Density (Units/Acre)	Average Density (75%)	Potential Units
	404-020-071-1	Historic Town Center	Historic Town Center	Abandoned historic buildings	0.22	40.0	30	
				Subtotal:	41.78	40.0		1,392 ¹
Hilltown	404-040-064-2	Planned Commercial-Residential	Planned Commercial-Residential	Vacant	44.25	40.0	30	1,328
Total					87.33			2,732

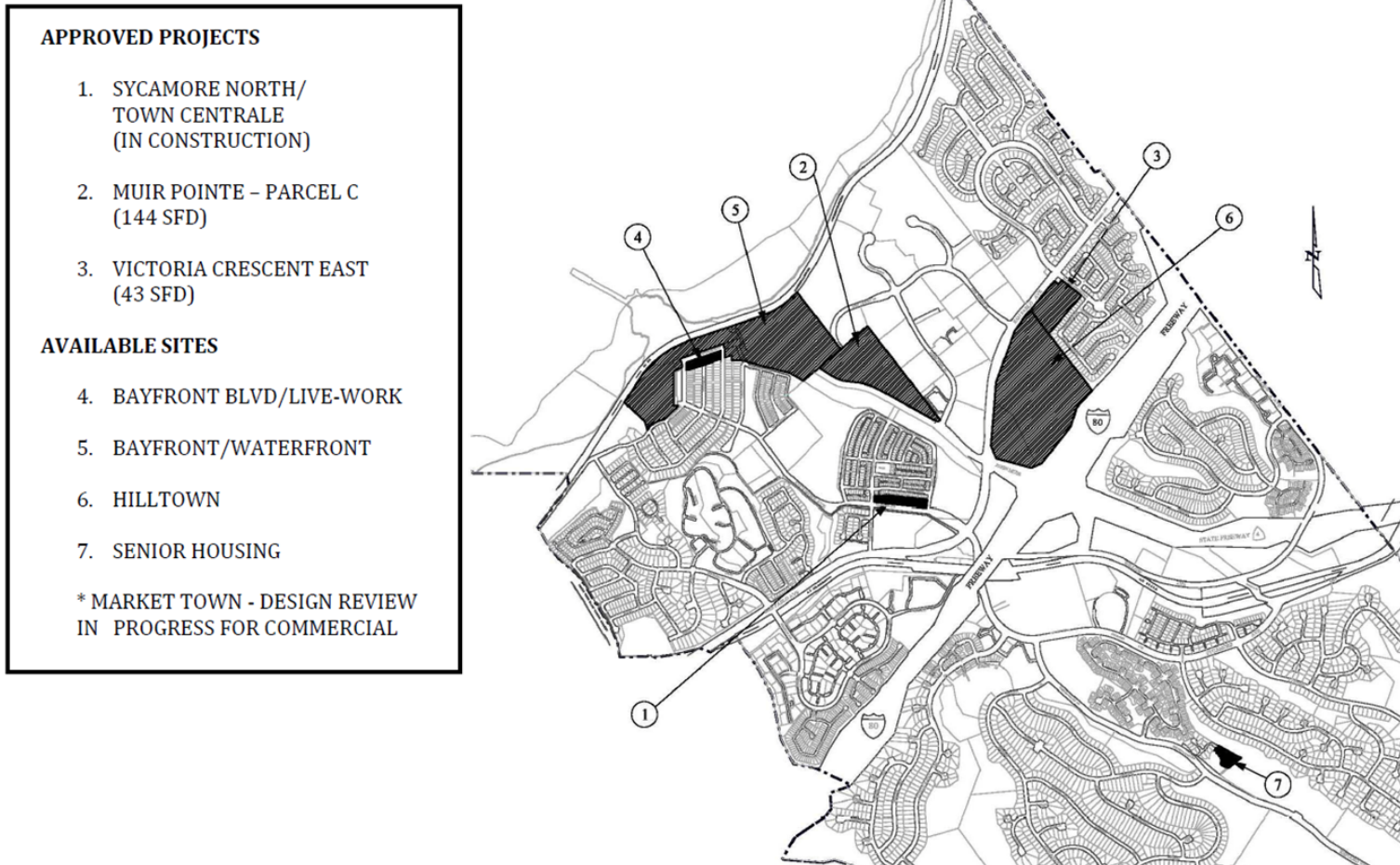
1. The site has been approved for 1,392 units, with 134,000 square feet of flex space, which could be converted to additional residential units. The 1,392-unit capacity is based on the realistic capacity of the approved plan, which takes into account the existence of on-side historic buildings, rather than the maximum density.
2. Multi-family housing is permitted by right in the Hercules Bayfront and Hilltown Specific Plans.

Figure 3: Approved and Available Sites

INVENTORY OF APPROVED & POTENTIAL RESIDENTIAL SITES

CITY OF HERCULES

2014



Hercules Bayfront (Waterfront Now Initiative)

The Hercules Bayfront project is being developed by Anderson Pacific. It will be a mixed-use development with integrated transit built on the principles of New Urbanism. The project will include residential, retail, office, open space, and a new town center on a total of 104 acres of land. This includes 40 acres of undeveloped land, 10.9 acres of open space, and 53 acres of waterfront, tidal, and submerged property within the Waterfront Master Plan Area. Hercules Bayfront will be a pedestrian- and transit-oriented neighborhood where train and bus and potentially water ferry service will be available to the residents and surrounding community in a single Intermodal Transit Center. In July 2008, the City Council voted unanimously to adopt a resolution certifying the Waterfront Master Plan Initiative as a City Ordinance. The project is divided into three distinct areas: the Bowl, the Bayfront Boulevard Mixed-Use Area, and the Village. The Bowl will include approximately 336 residential units, 10,000 square feet of flex space, and 75,000 square feet of office space. The Bayfront Boulevard Mixed-Use area will be a pedestrian-oriented “main street” with approximately 305 residential units, 35,000 square feet of office space, and 77,000 square feet of retail space. This area will also include the new Intermodal Transit Center. The Village is planned as the future location of high density housing with approximately 751 units that will support the transit station and commercial uses. The district also permits flex space with allowed uses that can evolve and respond to changing community needs. Due to the economic downturn, no development plans have been submitted and the sites remain available for development.

Figure 4: The Illustrative Master Plan for the Hercules Bayfront Development Project



Source: City of Hercules, Moule & Polyzoides Architects and Urbanists, April 2009.

Hilltown

The Hilltown project is planned for a 44-acre parcel with varying elevations and vantage points of the Hercules. In 2005, Santa Clara Valley Housing Group (SCVHG) acquired an option on the property and purchased the property from PG&E. Due to the economic downturn, no development plans have been submitted and the sites remain available for development. However, current soil remediation activities are occurring on site to meet residential standards.

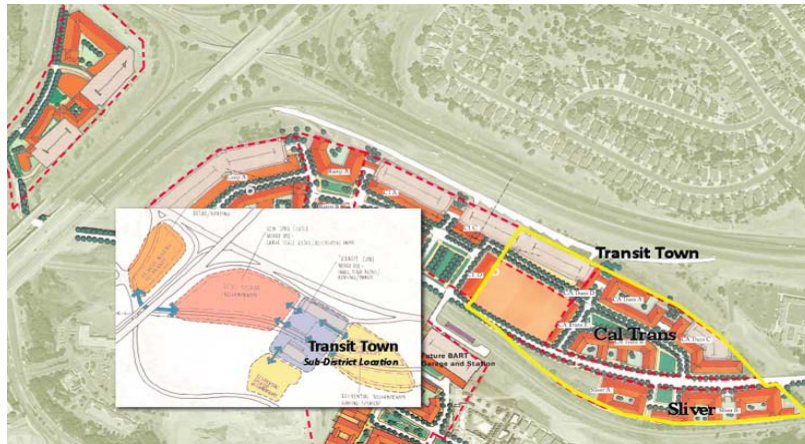
Senior Housing

In 2009, the City approved development of 28 senior condominium units within a three story, 67,000 square foot structure located on 1.3 acres of land. The approvals lapsed in 2010 but there continues to be interest in developing site.

New Town Center

The Hercules New Town Center (NTC) district will establish a new downtown for the community and the region. HNTC will include the relocated and expanded Hercules Transit Center at its core, combining a regional bus station and location for a potential future BART extension. Surrounding the mass transit station will be pedestrian-oriented mixed-use development including retail, entertainment, office and urban-density residential uses (a total of 1,306 units). The HNTC is divided into three sub-districts to be developed in phases. Phase one is known as Market Town, which is situated on 6.62 acres and was approved in 2009 to include 55,000 square feet of retail, 256 housing units and 80,000 square feet of offices and two parking structures providing 800 spaces. However, development proposals have looked at the site to contain commercial uses only and therefore these units were not tabulated with the available sites inventory. The second phase, known as Cinema Town, would be the largest phase and is envisioned to be a retail and entertainment destination for the region. It would be developed on 17 acres and would contain up to 300,000 square feet of retail, 100,000 square feet of office, and over 600 residential units along with required parking. However, a wetland area with red-legged frogs was found in the area and will most likely necessitate modifying the plan, the off-ramp relocation, and hence the project site. Therefore, these potential units were not included in the inventory of vacant sites. The third and final stage of HNTC, known as Transit Town, would be predominantly residential on 11 acres, with approximately 450 residential units, 20,000 square feet of local retail, and 10,000 square feet of live-work space. Due to the economic downturn, no development plans have been submitted and the sites remain available for development.

Figure 5: Map of New Town Center in Hercules



Source: City of Hercules

Ability to Meet RHNA

The State has established a default density of 30 units per acre as being feasible to facilitate the development of housing for lower income households in metropolitan areas (that include most jurisdictions in Contra Costa County). However, the City of Hercules has a population of less than 25,000, not qualifying as a metropolitan jurisdiction. The density threshold used for the City under State law is 20 units per acre. As shown in Table 46, all except one of the available sites could be developed at densities that well exceed 20 units per acre. From a density standpoint, the City has met its RHNA requirements of providing sites at adequate density and development standards to facilitate the development housing affordable to lower and moderate income households. The available sites offer opportunities for approximately 2,732 new units at densities exceeding 20 units per acre.

Financial Resources

Hercules has the potential to access to a number of funding programs to implement its affordable housing activities. The key sources of funds are described below.

Community Development Block Grant Program (CDBG)

CDBG is the largest federal housing-related program for affordable housing. It is a “pass-through” program that allows local governments to use federal funds to alleviate poverty and blight. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short- and long-term loans, grants, or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.

The City does not receive CDBG funds directly but has the potential to receive funding through the Contra Costa Urban County Program as part of the County cooperation

agreement via regional competitive grants. CDBG funds are used to help support implementation of the Contra Costa Homeless Continuum of Care Plan, providing programs and services for homeless individuals and families, people at-risk of homelessness, and other special needs groups.

HOME Investment Partnership Act

HOME, like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one. HOME funds in West Contra Costa are channeled through the Contra Costa County HOME Investment Partnership program. The City may utilize HOME funds in the future to support its affordable housing programs through a regional competitive grant application process.

Section 8 Assistance

Section 8 Housing Choice Vouchers provide rent subsidies for very low income households, especially those with disabilities, with a severe housing cost burden, and/or at imminent risk of becoming homeless. Although this long-standing federal assistance program is not expected to increase in size or scope, it remains an important program for helping to fill the gap between household income and housing costs. Section 8 assistance in Hercules is administered by the Contra Costa County Housing Authority. Currently, approximately 240 households in Hercules receive Section 8 Housing Choice Vouchers.

Low Income Housing Tax Credits (LIHTC)

The LIHTC program is a large federal and state housing subsidy program that provides substantial financing for the development of affordable housing. It provides tax credits to the private sector for the construction or acquisition and rehabilitation of very affordable rental housing. These tax credits are crucial to the success of affordable housing developers, who sell credits directly to corporations and private investors or receive the equity from one of a number of investment entities now making tax credits available. To be eligible for a tax credit, 20 percent of the units in a housing development must rent to very low income households earning less than 50 percent of area median income, or 40 percent of the units must rent for incomes under 60 percent of the area median. California law also requires that developments retain these levels of affordability for at least 55 years. Both federal and state tax credit programs are administered by the State Treasurer's Office through the California Tax Credit Allocation Committee (TCAC), which allocates the available credits to projects statewide. TCAC administers two LIHTC programs: the nine percent (for projects with no federal subsidy) and the four percent credit programs (for projects with federal subsidies and more than 50 percent of financing through tax-exempt bonds).

As a local jurisdiction, the City is not eligible to apply for LIHTC. However, the City will work with housing developers, and as appropriate, support their applications for LIHTC for affordable housing projects in the City.

California Housing Finance Agency (CHFA)

CHFA offers a variety of programs to fund new construction and resale of single-family housing for first-time homebuyers. The 501(c)(3) Preservation Mortgage Program, for example, allows the mortgage to be used as acquisition financing for projects that employ tax-exempt bonds and tax credits. CHFA also provides permanent financing for new apartments and subsidizes certain projects through its Housing Assistance Trust, a flexible source of state funds that can offer deferred loans to cover negative cash flows in projects where at least half of the units are for low income households.

Inclusionary Housing In-Lieu Fee

The City encourages on-site development of inclusionary housing units. There have been no in-lieu fees collected to date. Furthermore, the City has suspended the Inclusionary Housing Ordinance indefinitely due to the depressed housing market and the dissolution of redevelopment. No inclusionary housing in-lieu fee is anticipated.

Affordable Housing Developers

The Bay Area is fortunate to have a large number of successful non-profit housing developers as well as for-profit developers who have produced literally thousands of high-quality, well-managed affordable housing developments for low and moderate income households over the past 30 years. While some groups specialize in a particular need area or housing type, many affordable housing developers have produced a range of housing types for a range of special need groups. Collectively, they have produced multi-family developments, single-family developments, rental and ownership opportunities, sweat-equity developments, mixed-income and mixed-use developments, and housing that is specifically designed to meet the needs of seniors, people with disabilities, farm workers, female-headed households, people with substance abuse problems, and people who are homeless or at-risk of being homeless.

The key to the success of these developers lies in three areas: first, in their ability to draw upon a diversity of funding sources and mechanisms to make their developments work financially; second, in their commitment to working collaboratively and constructively with the local community, including local officials as well as neighborhood residents; and third, in their long-term commitment to ensuring excellence in design, construction, and management of their developments, creating assets that are valued by the people who live in the developments as well as their neighbors and others in the community.

The non-profit Housing Association of Northern California (NPH) serves as a local networking agency, advocacy group, and resource organization for affordable housing developers in the Bay Area and elsewhere in California. Some of the affordable housing developers that have been active in Hercules and other Contra Costa County communities in recent years include BRIDGE Housing Corporation, Eden Housing, Resources for

Community Development, East Bay Housing Organizations, and Ecumenical Association for Housing.

5 Housing Plan

The housing goals, policies, implementing programs and quantified objectives for the City of Hercules for the 2015 to 2023 planning period are presented below, in response to the housing needs, resources and constraints identified in the preceding chapters and building upon the achievements and experiences from the City's previous Housing Element. Policies and programs are organized under six goal areas.

1. Assist in the Development of Affordable Housing

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The City of Hercules actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.

Goal 1: Assist in the provision of housing that meets the needs of all socioeconomic segments of the community.

- Policy 1.1** Facilitate homeownership opportunities for low and moderate income households.
- Policy 1.2** Seek all available resources, including tax-increment revenue, in-lieu fees, and State and Federal monies for the creation of housing opportunities affordable to low and very low income households when projects are presented.
- Policy 1.3** Actively support and work with non-profit housing development corporations and other housing providers to promote the development of housing that is affordable to moderate, low and very low income households.
- Policy 1.4** Strive to ensure that units receiving City assistance preserve their affordability for a period of at least 30 years and no less than 15 years.
- Policy 1.5** Encourage development of new special needs housing for seniors, single-parent families, large families, the disabled, including those with developmental disabilities, and extremely low income households.
- Policy 1.6** Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low and low income households in conformity with State law.

Implementing Programs

Program 1a: Section 8 Housing Choice Vouchers

The Section 8 Housing Choice Voucher program extends rental subsidies to extremely low and very low income households, including families, seniors and the disabled. The program offers a voucher that pays the difference between the current fair market rent (FMR) as established by the U.S. Department of Housing and Urban Development (HUD) and what a tenant can afford to pay (i.e., 30 percent of household income). The Contra Costa County Housing Authority administers the program in Hercules. Given the continued need for rental assistance, the City supports and encourages the provision of additional subsidies through the Housing Choice Voucher Program.

Objectives and Time Frame:

- Maintain current levels of funding support for residents receiving Section 8 assistance.
- 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.

Responsibility: Contra Costa County Housing Authority

Funding Sources: HUD Section 8 funds

Program 1b: Affordable Housing Development Incentives and Outreach

The City will provide incentives for the development of affordable housing units at levels in excess of those required under the City's Inclusionary Housing Program by incentives such as: 'fast-track' processing, waiving or deferring fees (depending on the City's financial position), and allowing relaxed development standards. The City will also work to create and maintain relationships with affordable housing developers and ensure that they are aware of available incentives. The City of Hercules aims to work with affordable housing developers by supporting them through the provision of financial and regulatory incentives to develop new affordable housing in conformity with State law.

The City of Hercules recognizes the special needs of households with disabled persons, including those with developmental disabilities, seniors, large households, single-parent households, and extremely low income households, and challenges they face in securing housing. The City will work with service providers and developers to encourage the development of a wider variety of housing types to serve the special needs populations.

Objectives and Timeframe:

- 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.

- 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.
- 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.

Responsibility: Planning Department

Funding Sources: State and Federal funds as available

Program 1c: Density Bonus Program

Under State law, jurisdictions are required to provide density bonuses and development incentives on a sliding scale, where the amount of density bonus (up to 35 percent) and number of incentives vary according to the amount of affordable housing units provided. Table 36 in the Density Bonus section of this Housing Element provides the state required density bonus provisions.

Objectives and Timeframe:

- Continue to monitor the effectiveness of the Density Bonus program and provide technical assistance to developers in the use of the City's program.

Responsibility: Planning Department

Funding Sources: Departmental Budget

Program 1d: Extremely Low Income Households

The City recognizes its obligation to facilitate a range of housing for all income groups, including extremely low income households. This is an income group that has traditionally been the hardest to serve given the deep financial subsidies required.

Objectives and Timeframe:

- 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.

- 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.

Responsibility: Planning Department

Funding Sources: Departmental Budget

2. Conserve and Improve Housing Supply

Conserving and improving the housing stock is an important goal for the City of Hercules. The City supports neighborhood preservation and improvement through housing rehabilitation and improvement programs, and code enforcement.

Goal 2: Conserve and improve the condition of the existing housing stock, especially affordable housing.

- Policy 2.1** Promote the continued maintenance and enhancement of residential units.
- Policy 2.2** Restore and maintain residential structures of architectural or historic significance.
- Policy 2.3** Work to preserve affordable units in publicly assisted housing development that are at risk of converting to market-rate housing.
- Policy 2.4** Work with property owners and nonprofit housing providers to preserve existing housing for low and moderate income households.
- Policy 2.5** Enforce adopted code requirements that set forth the acceptable health and safety standards for the occupancy of housing units.

Implementing Programs

Program 2a: Code Enforcement

The Code Enforcement Program was adopted to help keep the City of Hercules a healthy, safe, clean and attractive place in which to live. City staff works with residents to take an active role in improving and maintaining the quality of life of their neighborhoods, as well as maintaining property values. The Code Enforcement Program is designed to address neighborhood problems including: discarded furniture, appliances, litter and debris, overgrown weeds, graffiti, zoning violations and building code violations as funding is available. The City also has developed the Gas Shut-Off Valve Program to meet the safety and code compliance standards under the California Public Utilities Commission.

Objectives and Timeframe:

- Continue to implement the code enforcement program to ensure that Hercules's neighborhoods are maintained and improved.
- Continue installation of Gas Breaker Automatic Gas Shut-Off Valves to improve residential safety.

- Continue referring code compliance violations to available residential rehabilitation programs to bring their homes up to standards.

Responsibility: Building/Code Enforcement

Funding Sources: Departmental Budget

Program 2b: Foreclosure Prevention Assistance

The Contra Costa Home Equity Preservation Alliance (HEPA) is a unique, regional collaborative offering families facing foreclosure and related eviction issues a single point of contact and coordinated case management. HEPA brings together the expertise of counseling agencies certified by the federal government (HUD) in Mortgage Delinquency and Default Resolution Counseling with highly skilled legal service providers working closely with the Contra Costa County District Attorney's Office. HEPA services include:

- Foreclosure seminars and workshops
- Foreclosure and default counseling
- Legal advice and representation

Objectives and Timeframe:

- Advertise the program through City website and provide brochure at public counters.

Responsibility: HEPA

Funding Sources: None Required

Program 2c: Owner-Occupied Single-Family Residential Rehabilitation

Offered by the Contra Costa County Community Development Block Grant (CDBG) Program, this program provides assistance to extremely low income to low income owner-occupant households to make repairs to their homes. Repairs will be to correct health and safety deficiencies, to repair or replace major building systems that are beyond their useful life, and to improve energy efficiency.

Objectives and Timeframe:

- Advertise the program through City website and provide brochure at public counters.

Responsibility: Contra Costa County Community Development Department

Funding Sources: None Required by Hercules

3. Provide Adequate Housing Sites

A major element in meeting the housing needs of all segments of the community is the provision of adequate sites to facilitate the development of all types, sizes, and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a

variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Hercules General Plan, Zoning Ordinance, and various design/concept plans establish where and what types of housing may locate. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

Goal 3.0 Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price and tenure.

- Policy 3.1** Implement land use policies that allow for a range of residential densities and products, including low-density single-family uses, moderate-density town homes and higher density apartments, condominiums and units in mixed-use developments.
- Policy 3.2** Encourage transit-oriented developments that take advantage of the City’s convenient access to regional transit through reduced traffic mitigation fees and master planning (such as the Hercules Bayfront plans) that offers flexible development standards for transit-oriented developments.
- Policy 3.3** Encourage development of residential uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas and transportation routes by planned mixed-use and transit-oriented developments.
- Policy 3.4** Encourage compatible residential development in areas with recyclable or underutilized land.
- Policy 3.5** Allow flexibility within the City’s standards and regulations to encourage a variety of housing types.

Implementing Programs

Program 3a: Provision of Adequate Sites

Through the City’s General Plan, Zoning Ordinance, and various concept/design plans, the City offers opportunities for a diverse range of housing options. The City intends to create and maintain an inventory of vacant and underutilized residential and mixed-use sites that can accommodate the City’s Regional Housing Needs Allocation (RHNA) of 682 units.

With new units constructed and/or entitled, the City of Hercules will meet a portion of its RHNA. For the 2015-2023 Housing Element period, the City has a remaining RHNA of 438 units: 220 extremely low/very low income units, 118 low income units, and 100 moderate income units. The City will ensure that adequate sites remain available to accommodate this remaining RHNA.

Objectives and Time Frame:

- 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.
- 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.
- 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.

Responsibility: Planning Department

Funding Sources: Departmental Budget

4. Remove Government Constraints

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction and lowering development costs.

Goal 4.0 Mitigate any potential governmental constraints to housing production and affordability.

Policy 4.1 Periodically review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees that are determined to be a constraint on the development of housing, particularly housing for lower and moderate income households and for persons with special needs.

Implementing Programs

Program 4a: Development Standards and Procedures

The City will review its development standards, fees, and review/approval processes periodically to ensure its standards and procedures respond to market trends and conditions, and do not unduly constrain housing development.

Objectives and Timeframe:

- 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.

Responsibility: Planning Department

Funding Sources: Departmental Budget

5. Provide Equal Housing Opportunity

To meet the housing needs of all segments of the community, the Housing Plan includes a program to promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, or physical disability.

Goal 5.0 Continue to promote equal housing opportunity in the City's housing market regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors.

Policy 5.1 Provide fair housing services to Hercules residents, and ensure that residents are aware of their rights and responsibilities regarding fair housing.

Policy 5.2 Provide equal access to housing for special needs residents such as the homeless, elderly, and disabled.

Policy 5.3 Promote the provisions of disabled-accessible units and housing for mentally and physically disabled.

Policy 5.4 Establish a means to facilitate resolutions of problems and conflicts that may occur in tenant-landlord relations.

Implementing Programs

Program 5a: Fair Housing

The City actively furthers fair housing in the community. Specifically, the City continues to support the County in its activities to promote fair housing. The City refers complaints regarding fair housing and housing discrimination issues to the Contra Costa County and maintains this service using CDBG funds.

Objectives and Timeframe:

- Continue to support the County and refer any complaints and inquiries to the County for resolution and services.
- 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.

Responsible Agency: Planning Department

Funding Sources: CDBG funds

Program 5b Reasonable Accommodation

The Fair Housing Act requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford equal access to housing to individuals with disabilities. While fair housing laws intend that all people have equal access to housing, the law also recognizes that people with disabilities may need extra tools to achieve equal access. Reasonable accommodation provides a means of requesting from the local government flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements, because it is necessary to achieve equal access to housing. Cities and counties are required to consider requests for accommodation related to housing for people with disabilities and to provide accommodation when it is determined to be “reasonable” based on fair housing laws and the case law interpreting the statutes. The City amended the Zoning Ordinance in February 2015 to establish a standard procedure for reasonable accommodation.

Objectives and Timeframe:

- Advertise the program through City website and provide brochure at public counters.
- Provide technical assistance regarding the application requirements and procedures to persons/entities seeking reasonable accommodation.
- 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.

Responsible Agency: Planning Department

Funding Sources: Department Budget

Program 5c Cooperation with Contra Costa Health Services Homeless Program

The mission of the Contra Costa County Homeless Program is to ensure an integrated system of care, from prevention through intervention, for homeless individuals and families within the community. Contra Costa Health Services strives to accomplish this through the development of policies and practices, community involvement, advocacy, and the coordination of services that strengthen partnerships and maximize resources. To develop greater understanding of local needs and to serve residents more effectively, the Homeless Program conducts a biennial Point-in-Time count, with the assistance of volunteers throughout the county.

Objectives and Timeframe:

- Advertise the program through City website and provide brochure at public counters.

- Participate in County Homeless Program biennial Point-in-Time count and participate in other regional studies and efforts in reducing homelessness.

Responsible Agency: Planning Department

Funding Sources: Department Budget

6. Promote Energy Efficiency and Conservation

Energy conservation can be achieved through environmentally sensitive site planning techniques and implementing building codes that require use of construction materials that maximize energy efficiency. Conserving energy has the dual benefit of reducing housing costs and improving environmental quality.

Goal 6.0 Promote energy efficiency and conservation throughout Hercules.

Policy 6.1 Promote the use of Green Building techniques in residential development.

Policy 6.2 Ensure all new residential development complies with energy efficiency performance standards of the California Building Standards Code.

Policy 6.3 Utilize site planning techniques to allow passive energy efficiencies through solar access, landscaping and building orientation.

Policy 6.4 Seek opportunities to educate the public about energy conservation.

Policy 6.5 Encourage energy conservation measures and solar systems in existing homes where feasible and cost-effective.

Implementing Programs

Program 6a: Energy Conservation

The City is committed to promoting and implementing environmental sustainability policies and practices.

Objectives and Timeframe:

- Promote mixed use/transit-oriented development that provides opportunities for energy conservation.
- Encourage developers to exceed the California Green Building Code requirements in incorporating energy conservation features and techniques.

Responsible Agency: Planning Department

Funding Sources: Departmental budget

7. Quantified Objectives Summary

The following is a summary of the City's quantified objectives for the 2015-2023 Housing Element. These objectives are estimates only based on past accomplishments and funding availability. Market conditions and changes in funding and staff levels will impact the achievements of these objectives.

Table 47: Summary of Quantified Objectives for 2014-2022

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction						
RHNA	110	110	118	100	244	682
New Units Anticipated ¹	2	3	3	147	187	342
Rehabilitation ²	1	1	2	--	--	4
Conservation ³	122		122	--	--	244

Notes:

1. Town Centrale has been approved for 147 rental units. A portion of these units may indeed be affordable to lower income households at market rents.
2. The City does not have funding to provide rehabilitation assistance directly. However, City residents have access to rehabilitation programs offered by the County. The County has indicated an annual objective of 25 households countywide. Based on this limited level of funding, the City anticipates only four households to be assisted through the County's program.
3. The City does not have any housing projects that are at risk of converting to market rate. The City will monitor the status of the three LIHTC projects (totally 244 units).

Appendix A

Review of Past Accomplishments

The following table reviews the City's achievements under the various housing programs adopted in the 2009-2014 Housing Element. The effectiveness and continued appropriateness of each program is evaluated. This evaluation forms the basis of developing the new Housing Plan for the 2015-2023 Housing Element based on the actions completed following adoption of the 2009-2014 Housing Element.

Program and Objectives	Accomplishments
1. Assist in the Development of Affordable Housing	
<p><i>Program 1a: Section 8 Housing Choice Vouchers</i></p> <ul style="list-style-type: none"> Maintain current levels of funding support for residents receiving Section 8 assistance. Assist the County in advertising this program through City website, public counters, and bulletin boards in order to meet the HUD requirements of 70% new Section 8 vouchers be utilized by extremely low income households. 	<p><u>Accomplishments:</u></p> <p>The City assisted the County in advertising Section 8 assistance through publication on the website and materials at public counters and on bulletin boards.</p> <p><u>Continued Appropriateness:</u></p> <p>This program continues to be a valuable resource for extremely low and very low income households. This program is continued in the 2015-2023 Housing Element.</p>
<p><i>Program 1b: Affordable Housing Development Incentives and Outreach</i></p> <ul style="list-style-type: none"> Develop a list of interested and qualified affordable housing developers by 2013. Actively and annually publicize to affordable housing developers the affordable housing development opportunities in Hercules, available incentives, and financing options. Utilize State and Federal assistance programs, such as CDBG, HOME, LIHTC, and CHFA funds, on an ongoing basis to the fullest 	<p><u>Accomplishments:</u></p> <p>The City has not yet developed additional incentives to encourage affordable housing development due to a number of factors:</p> <ul style="list-style-type: none"> Shortened implementation period between the adoption of the 2009-2014 Housing Element and this 2015-2023 update; Recovering housing market with limited construction activities;

Program and Objectives	Accomplishments
<p>extent possible to develop affordable lower income housing for seniors, families, and persons with disabilities. Support funding applications by developers if the proposed projects are consistent with the goals and policies of the City’s General Plan.</p> <ul style="list-style-type: none"> • 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. 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. 	<ul style="list-style-type: none"> • Limited funding available at local, State, and Federal levels; and • Significant staff changes in the City. <p><u>Continued Appropriateness:</u></p> <p>The City recognizes the importance of facilitating affordable housing development especially in light of the elimination of redevelopment. This program is continued in the 2015-2023 Housing Element.</p>
<p><i>Program 1c: Density Bonus Program</i></p> <ul style="list-style-type: none"> • Update its Zoning Ordinance to reflect a density bonus that is in compliance with State law within one year of adoption of the Housing Element. 	<p><u>Accomplishments:</u></p> <p>The Density Bonus Ordinance was amended by the City Council on February 10, 2015.</p> <p><u>Continued Appropriateness:</u></p> <p>This program is completed and is not included in the 2015-2023 Housing Element. The City will continue to monitor the effectiveness of the Density Bonus program.</p>
<p><i>Program 1d: Extremely Low Income Households</i></p> <ul style="list-style-type: none"> • Develop 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. 	<p><u>Accomplishments:</u></p> <p>The City has not yet developed additional incentives to encourage extremely low income housing due to a number of factors:</p> <ul style="list-style-type: none"> • Shortened implementation period between the adoption of the 2009-2014 Housing Element and this 2015-2023 update; • Recovering housing market with limited construction activities; and

Program and Objectives	Accomplishments
	<ul style="list-style-type: none"> • Significant staff changes in the City. <p><u>Continued Appropriateness:</u></p> <p>The City recognizes the importance of facilitating affordable housing development especially in light of the elimination of redevelopment. This program is continued in the 2015-2023 Housing Element.</p>
<p>2. Conserve and Improve Housing Supply</p>	
<p><i>Program 2a: Code Enforcement</i></p> <ul style="list-style-type: none"> • Continue to implement the code enforcement program to ensure that Hercules’s neighborhoods are maintained and improved. • Continue installation of Gas Breaker Automatic Gas Shut-Off Valves to improve residential safety. • Continue referring code compliance violations to residential rehabilitation programs to bring their homes up to standards. 	<p><u>Accomplishments:</u></p> <p>The City continues to implement the code enforcement programs, support installation of Automatic Gas Shut-Off Valves for renovations to water and gas utilities exceeding \$5,000, and refer code compliance violations to residential rehabilitation programs.</p> <p><u>Continued Appropriateness:</u></p> <p>Code enforcement is a central component of the City’s strategy in maintaining and improving housing and neighborhood conditions. This program is continued in the 2015-2023 Housing Element.</p>
<p><i>Program 2b: Foreclosure Prevention Assistance</i></p> <ul style="list-style-type: none"> • Advertise the program through City website and provide brochure at public counters. 	<p><u>Accomplishments:</u></p> <p>The City assists in advertising the HEPA program and refers residents to this resource.</p> <p><u>Continued Appropriateness:</u></p> <p>Foreclosure activities continue to impact many households in Contra Costa County. This program is continued in the 2015-2023 Housing Element.</p>

Program and Objectives	Accomplishments
<p><i>Program 2c: Owner-Occupied Single-Family Residential Rehabilitation</i></p> <ul style="list-style-type: none"> • Advertise the program through City website and provide brochure at public counters. 	<p><u>Accomplishments:</u></p> <p>The City advertises the County program with information on the City website and with brochures at public counters.</p> <p><u>Continued Appropriateness:</u></p> <p>The City recognizes the importance of preserving and maintaining housing quality in the community and many lower and moderate income households would require some form of financial assistance. This program is continued in the 2015-2023 Housing Element.</p>
<p>3. Provide Adequate Housing Sites</p>	
<p><i>Program 3a: Provision of Adequate Sites</i></p> <ul style="list-style-type: none"> • 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 of 300 units. • Update the City’s residential sites inventory every two years to monitor the consumption of residential and mixed use properties and continued ability to fulfill the RHNA. • 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. • Assist in land consolidation by providing sites information to interested developers and provide gap financing assistance to nonprofit housing developers. Coordinate public improvements to facilitate lot consolidation, such as coordinating for roadway 	<p><u>Accomplishments:</u></p> <p>The residential sites inventory is updated in the 2015-2023 Housing Element. The City continues to maintain an adequate inventory of available sites to accommodate its RHNA.</p> <p><u>Continued Appropriateness:</u></p> <p>Provision of adequate sites to accommodate the City’s RHNA is a State mandate and a key component of the City’s housing plan. This program is continued in the 2015-2023 Housing Element.</p>

Program and Objectives	Accomplishments
<p>improvements and sewer and water connections. (For example, the City assisted in the acquisition of parcels necessary to connect the Waterfront (transit-oriented development) with the adjacent North Shore Business Park (the City’s largest concentration of jobs).</p>	
<p>4. Remove Government Constraints</p>	
<p><i>Program 4a: Small Group Homes</i></p> <ul style="list-style-type: none"> • Amend the Zoning Ordinance to define “group housing” or “residential care facility”, in accordance with the Lanterman Act, in terms of what services it can provide and how many residents are permitted. • Permit small group housing, serving six or fewer residents, by right wherever residential uses are permitted. Large group homes, serving seven or more residents, can be subject to the Conditional Use Permit process. • Implement these changes within one year of adoption of the Housing Element. 	<p><u>Accomplishments:</u> The City Council amended the Zoning Ordinance to address the provision of small group homes on February 10, 2015.</p> <p><u>Continued Appropriateness:</u> This program is completed and is not included in the 2015-2023 Housing Element.</p>
<p><i>Program 4b: Extremely Low Income and Special Needs Housing</i></p> <p>Pursuant to State law, the Zoning Ordinance will be amended, within one year of adoption of the 2009-2014 Housing Element to address the following:</p> <ul style="list-style-type: none"> • Emergency Shelters: Pursuant to State Law, amend the Zoning Ordinance to permit homeless shelters with a ministerial permit within the Planned Office–Research & Development Zone. Pursuant to State Law, the City may establish standards such as: <ul style="list-style-type: none"> ○ Maximum number of beds; ○ Proximity to other shelters; ○ Length of stay; 	<p><u>Accomplishments:</u> The City Council amended the Zoning Ordinance to address the provision of extremely low income and special needs housing on February 10, 2015.</p> <p><u>Continued Appropriateness:</u> This program is completed and is not included in the 2015-2023 Housing Element.</p>

Program and Objectives	Accomplishments
<ul style="list-style-type: none"> ○ Security and lighting; ○ Counseling services; and ○ Provision of on-site management. <p>The City will ensure that standards established work to facilitate the development of emergency shelters.</p> <ul style="list-style-type: none"> ● Transitional/Supportive Housing: Pursuant to State law, the City will amend the Zoning Ordinance to address the provision of transitional and supportive housing. ● Single Room Occupancy (SRO): Pursuant to State law, amend the Zoning Ordinance to permit SROs in all residential zones. City staff will establish relationships with the State agencies that regulate group homes, emergency shelters, and transitional and supportive housing facilities to encourage: <ul style="list-style-type: none"> ○ Educational opportunities for City staff to learn about how various housing facilities are regulated; and ○ Training managers/operators of housing facilities in the City’s Crime Free Multi-Housing Program. 	
<p><i>Program 4c: Development Standards and Procedures</i></p> <ul style="list-style-type: none"> ● 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. 	<p><u>Accomplishments:</u></p> <p>In 2010, the City Council reduced development impact fees citywide to facilitate housing construction. The City continues to monitor its development standards, fees, and procedures to ensure they are appropriate and do not unduly constrain housing development in the community.</p> <p><u>Continued Appropriateness:</u></p> <p>The City will continue to monitor and adjust, as appropriate, its development regulations to facilitate residential development. This program is continued in the 2015-2023 Housing Element.</p>

Program and Objectives	Accomplishments
5. Provide Equal Housing Opportunity	
<p><i>Program 5a: Reasonable Accommodation</i></p> <ul style="list-style-type: none"> Amend the Hercules Zoning Ordinance to address requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development, and use of housing for people with disabilities within one year of adoption of the Housing Element. 	<p><u>Accomplishments:</u></p> <p>The City Council amended the Zoning Ordinance to address the provision of small group homes on February 10, 2015.</p> <p><u>Continued Appropriateness:</u></p> <p>This program is completed and is not included in the 2015-2023 Housing Element.</p>
<p><i>Program 5b: Fair Housing</i></p> <ul style="list-style-type: none"> Continue to support the County and refer any complaints and inquiries to the County for resolution and services. 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. 	<p><u>Accomplishments:</u></p> <p>The City continues to refer complaints and inquiries to the County when they are received and advertises fair housing services at a variety of locations.</p> <p><u>Continued Appropriateness:</u></p> <p>The City recognizes the importance of furthering fair housing opportunities. This program is continued in the 2015-2023 Housing Element.</p>
6. Promote Energy Efficiency and Conservation	
<p><i>Program 6a: Green Building Program</i></p> <ul style="list-style-type: none"> Pursue a green building program and green building guidelines in 2013. 	<p><u>Accomplishments:</u></p> <p>The City adopted the 2013 California Building Code, which incorporates green building practices, affecting all new structures and renovations to ten percent of the building area of an existing residence or exceeding \$200,000 valuation on commercial building.</p> <p><u>Continued Appropriateness:</u></p> <p>This program is completed and is not included in the 2015-</p>

Program and Objectives	Accomplishments
	2023 Housing Element.