



Town of Moraga	Agenda Item
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Meeting Date: July 11, 2022

TOWN OF MORAGA

STAFF REPORT

To: Honorable Mayor and Councilmembers

**From: Afshan Hamid, Planning Director
Barry Miller, Barry Miller Consulting**

Subject: Review the Working Draft 2023-2031 Housing Element and Approve by Motion the Submittal of the Working Draft to the California Department of Housing and Community Development for Review

Request

Discuss and provide feedback on the Working Draft 2023-2031 Housing Element. This item is scheduled for further review on July 13, 2022. At the conclusion of the discussion on this item, approve by motion the submittal of the "Working Draft" 2023-2031 Moraga Housing Element to the California Department of Housing and Community Development (HCD) for review following the close of a 30-day public review period ending on July 30, 2022. The recommendation permits staff to edit the document following the end of the 30-day review period to incorporate Council comments and to make non-substantive edits that respond to public comments received by July 30.

At this point, the Town Council is only being asked to allow staff to submit a Working Draft to HCD to receive their comments, as required by State law. Staff will be returning to the Council later in 2022 with a revised draft, along with proposed zoning and General Plan amendments, and an Environmental Impact Report (EIR). The Council will be asked to adopt the Element and EIR prior to the statutory deadline of January 31, 2023.

Background

The Town of Moraga is continuing to implement its Comprehensive Advanced Planning Initiative. The Initiative includes the State-mandated 6th Cycle (2023-2031) Housing Element Update, conforming amendments to the Moraga General Plan, rezoning of key sites and amendments to the zoning ordinance to meet required housing targets, rezoning of the Bollinger Canyon Special Study Area, and a program-level Environmental Impact Report (EIR) for the above actions. The Initiative began in September 2021 and will continue through January 2023. A second phase is scheduled for 2023-2024.

1
2 The subject of this staff report is the 2023-3031 Moraga Housing Element Update. State
3 law requires each city, town, and county in California to adopt a Housing Element. The
4 Element must be updated and adopted on a prescribed schedule every eight years and
5 must be submitted to the State for certification following adoption. State law further
6 requires that a “Working Draft” of the Housing Element be submitted to the State
7 Department of Housing and Community Development prior to its adoption, giving the
8 State an opportunity to review the document and recommend revisions so that the
9 Element complies with State law when it is adopted. Each jurisdiction must circulate the
10 Working Draft for 30 days before it is submitted to the State, and consider revisions based
11 on public comment.

12
13 The Housing Element must demonstrate the jurisdiction’s ability to accommodate its “fair
14 share” of the region’s projected housing need for the next eight years. The “fair share” is
15 calculated by the Association of Bay Area Governments through a process called the
16 Regional Housing Needs Allocation (RHNA). Moraga’s RHNA for 2023-2031 is 1,118
17 units. This includes 501 units that are affordable to low- and very low-income households.
18 While cities and towns are not responsible for building housing, they must identify specific
19 sites where housing can be constructed, and they must demonstrate that zoning and
20 other aspects of development processing are in place to facilitate construction.

21
22 The Housing Element provides Moraga with a roadmap for accommodating its projected
23 housing demand and guides future decisions that impact housing. The document aims
24 to achieve several overarching goals, including:

- 25
26
- Accommodating projected housing demand, as mandated by the State
 - Increasing housing production to meet this demand
 - Improving housing affordability
 - Preserving existing affordable housing
 - Improving the safety, quality and condition of existing housing
 - Facilitating the development of housing for all income levels and household types, including special needs populations; and
 - Improving the livability and economic diversity of all Moraga residents; and promoting fair housing choice for all.
- 34
35

36 Moraga’s existing Housing Element was adopted in 2015 and covered the 2015-2023
37 planning period (commonly referred to as the “5th Cycle”). The Town’s allocation for that
38 planning period was just 229 units, including 119 lower income units. The allocation for
39 the 2023-2031 planning period (referred to as the “6th Cycle”) was finalized in May 2021.
40 The allocation of 1,118 units is a nearly 400 percent increase. Other Bay Area
41 communities saw similar rates of increase. The increases resulted from a combination of
42 sluggish housing production in 2015-2020, rapid employment growth, and new
43 methodologies that assign larger shares of the region’s housing needs to “high resource
44 areas.” Moraga has been identified as a high resource area, characterized by good
45 schools, high incomes, and greater economic opportunities.

1
2 In August 2021, the Town of Moraga entered into an Agreement with a consulting team
3 led by Barry Miller Consulting to undertake the Housing Element Update and other
4 components of the Comprehensive Planning Initiative. The consulting team includes BAE
5 Urban Economics. Both Barry Miller and BAE have experience preparing Housing
6 Elements across California and are familiar with the State's expectations and
7 requirements. In collaboration with staff, the team has been implementing a work
8 program to update the Housing Element since September 2021.

9
10 The Update process has included a robust community engagement program. Elements
11 of this program have included two rounds of community workshops (in October/November
12 2021 and March 2022), presentations to civic organizations and stakeholder groups,
13 outreach to developers and property owners, pop-up events at the Pear and Wine Festival
14 and Farmers Market, a project website, brochures and other informational material about
15 the Housing Element, and multiple study sessions with the Planning Commission and
16 Town Council. The team also conducted a resident survey on housing over a 10-week
17 period, with 1,008 responses, and a survey targeted to St. Mary's students, with over 140
18 responses. Staff also developed a software app called "Balancing Act" to seek public
19 input in identifying housing opportunity sites. Public input received through these
20 processes has shaped Housing Element findings and recommendations.

21
22 Prior Town Council discussions of the Housing Element have included:

- 23
- 24 • October 6, 2021: A joint study session of the Planning Commission and Town
25 Council (PC/TC) was convened to introduce the Housing Element, discuss the
26 RHNA, and review the work program
 - 27 • October 27, 2021: A legislative update on recent housing bills and requirements
 - 28 • November 13, 2021: A study session on implementation tools, including panelists
29 from Eden Housing and East Bay Housing Organizations
 - 30 • March 2, 2022: A joint study session of the PC/TC was convened to discuss
31 Housing Opportunity Sites and consider options for rezoning
 - 32 • April 13, 2022: A meeting to finalize the list of housing opportunity sites and provide
33 direction to staff on sites to be rezoned to meet the RHNA
 - 34 • May 4, 2022: A joint study session of the PC/TC was convened to discuss
35 implementation tools that could be considered to stimulate housing production, and
36 achieve the Town's lower income housing targets
- 37

38 The Council has also held meetings in 2022 relating to other aspects of the
39 Comprehensive Advanced Planning Initiative, including the rezoning of the Bollinger
40 Canyon Study Area (February 9, 2022 and May 25, 2022).

41
42 The Housing Element itself includes the following six chapters:

43

- 1 1. An Introduction, explaining the purpose of the Element, the contents of the
2 document, the community engagement process, and the context for creating
3 housing opportunities in Moraga
- 4 2. An Evaluation of the 2015-2023 Housing Element, including a review of
5 accomplishments and assessment of the Element's effectiveness
- 6 3. A Needs Assessment, which analyzes local demographics, economic conditions,
7 housing conditions, and forecasts to determine Moraga's housing needs over the
8 next eight years
- 9 4. A Sites Inventory, which identifies sites where housing can be built and
10 demonstrates the Town's capacity to meet the RHNA. This chapter also discusses
11 energy conservation.
- 12 5. A Constraints Analysis, which evaluates government and non-government
13 constraints to building housing
- 14 6. Goals, Policies, and Programs, which respond to the analysis in the earlier
15 chapters

16
17 The Element also includes the following five technical appendices:

- 18
- 19 A. Affirmatively Furthering Fair Housing (AFFH) analysis is a state-mandated analysis
20 that analyzes patterns of integration and segregation in the Town and region, and
21 strategies to ensure fair housing opportunities for all residents
- 22 B. Housing Opportunity Site Inventory, include state-mandated data for each site
23 identified as having the potential to meet the RHNA
- 24 C. Resident Survey Findings, which summarizes the findings of a resident survey on
25 housing conducted between February and April 2022
- 26 D. Student Survey Findings, which summarizes the findings of a housing survey of
27 students at Saint Mary's College
- 28 E. Balancing Act Survey, which summarizes the outcome of an on-line housing
29 simulation "app" used to solicit input on where new housing might be located in
30 Moraga.

31 32 **Discussion**

33 34 ***Review Process and Planning Commission Feedback***

35
36 The "Working Draft" Housing Element was officially published on June 30, 2022. Staff
37 posted advance copies of most of the chapters to the Town's website during the prior two
38 weeks. The goals, policies, and programs were posted on June 16. The remaining
39 chapters were posted by June 28, 2022.

40
41 Publication of the "Working Draft" begins a 30-day review period that concludes on July
42 30, 2022. Notice of availability of the Working Draft was sent to a Housing Element email
43 list, and to a list of housing stakeholder organizations in nearby communities. State law
44 requires that the Town solicit comments not only from Moragans, but from housing
45 advocates and supportive service providers in the region. Four public meetings will be

1 held during the 30-day review period, including Planning Commission meetings on June
2 28 and July 5 and Town Council meetings on July 11 and July 13. The public may also
3 provide comments in writing prior to the end of the 30-day review period on July 30, 2022.
4

5 At the end of the comment period, staff will consider comments received from the
6 Planning Commission, Town Council, and public. Edits will be made to the document as
7 appropriate. The report will then be submitted to HCD for review. HCD has up to 90 days
8 to issue its findings on the Working Draft. Once those findings are received, additional
9 revisions will be made and a new Public Review Draft will be published for review by the
10 community, Planning Commission and Town Council. State law requires that the Public
11 Review Draft, inclusive of revisions that respond to HCD's comments, be adopted by the
12 Town Council by January 31, 2023.
13

14 On June 28, 2022, the Planning Commission convened a meeting to consider the goals,
15 policies and programs in the Draft Element. The Commission voiced general support for
16 the recommendations of the Element and offered the following additional feedback:
17

- 18 • Apply inclusionary zoning only to multi-family/ mixed use areas, not to single family
19 areas. (Staff responded that additional research is underway, and the details of an
20 inclusionary zoning policy will be discussed in the future.)
- 21 • Consider allowing housing throughout the entire Rheem commercial district, rather
22 than just a portion of it. (Staff explained the rationale for why this was not currently
23 proposed, which includes maintaining commercial uses to serve Moragans and
24 directing residential development to the most logical areas.)
- 25 • Ensure high quality design standards in the Rheem area as a whole and ensure
26 that any future planning studies cover the whole area rather than just the area
27 proposed for rezoning.
- 28 • A goal of the housing element should be to actually get housing built, rather than
29 just plan for more housing. The Town should be more proactive in working with
30 developers.
- 31 • Ensure community discussion on any changes to the scenic corridor regulations
32 and the details of any modifications.
33

34 Comments from the Planning Commission are reflected in the June 30 Draft. During
35 public comment at this meeting, local landowner and developer Dave Bruzzone urged the
36 Town to revisit the zoning standards in the Moraga Center to ensure that they do not
37 constrain development
38

39 The Planning Commission also discussed the Housing Element at a hearing on July 5,
40 2022 and the Commission's recommendations to Town Council are provided in
41 Attachment C to this staff report. Staff is in support of the Planning Commission's
42 recommendations for minor edits.
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1 **Overall Approach to Housing Element**

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3 The Housing Element focuses on incremental change, strong design standards, and a
4 continued commitment to maintaining the town's visual and aesthetic qualities. New
5 housing can be added within this context and the town can be a stronger and healthier
6 community for it. There is unwavering support for maintaining Moraga's small-town
7 character and ambiance. While adding more housing may seem incompatible with this
8 goal, it can keep the town economically healthy and sustainable. It is also State law, with
9 accompanying penalties for non-compliance.

10
11 The stakeholder interviews---and in particular the developer interviews---have shaped the
12 policy and program recommendations in the Housing Element. Programs recommend
13 modified parking standards, adjustments to densities, and zoning changes that directly
14 respond to the feedback received. This input was weighed and balanced against public
15 concerns regarding density, traffic, and scale. It was also balanced against concerns
16 about fire hazards and evacuation capacity.

17
18 The policies and programs also reflect the collective guidance of the Planning
19 Commission and Town Council. Collectively, these entities spent more than 20 hours
20 discussing housing policy and rezoning options. Their meetings provided a forum for the
21 public to weigh in, and for the Commission and Council themselves to offer their
22 perspectives and provide direction on the best way to meet Moraga's housing needs.
23 Ultimately, the policies and programs reflect a balancing of State laws and mandates,
24 technical data, and locally established priorities.

25
26 The State mandate to affirmatively further fair housing (AFFH) has played a major role in
27 the recommendations of the Housing Element, and in the outreach program used to
28 create it. As noted in Appendix A, all of Moraga is considered a "high resource area". As
29 such, the Town is mandated to create new opportunities for lower income housing and
30 households, and to do more to meet the needs of Moraga residents with special needs.
31 The AFFH requirements were particularly important in identifying Housing Opportunity
32 Sites. Higher density sites were distributed between the Rheem area and Moraga Center
33 area in an effort to disperse opportunities and avoid concentrations of lower income
34 housing. Opportunities to create affordability in established single family areas (for
35 example, through ADUs) also are needed.

36
37 The housing sites inventory creates more than enough capacity to meet the Town's
38 housing needs over the next eight years. However, most of the available capacity
39 continues to be for above moderate-income housing. The Town will need to take
40 additional measures, as identified in the Housing Element, to incentivize production of
41 affordable units and inclusion of below market rate units in new housing developments
42 and to meet the requirements of AFFH. The Element also includes policies and programs
43 supporting the conservation of existing multi-family housing in the Town, some of which
44 is affordable by design.

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1 **Newly Added Housing Programs**

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3 The heart of the Housing Element is the “Housing Action Plan”, which is Chapter 6 of the
4 document. The Housing Plan includes seven broad goals for housing in Moraga. All of
5 these goals are carried forward from the 2015-2023 Element, but they have been edited
6 to keep them current and relevant. Each goal has a number of supporting policies has
7 and a set of action programs to implement the policies. In total, there are 42 action
8 programs in the document. About half of these are carried forward from the existing
9 Housing Element and about half are new.

10
11 Many of the new programs respond directly to the constraints analysis and include
12 specific actions to amend zoning regulations, develop new zoning regulations, or modify
13 processes and procedures (such as the Planned Development process). Some of the
14 programs will be implemented concurrently with the adoption of the Housing Element, but
15 most are scheduled for implementation during the first three years of the 2023-2031
16 Housing Element cycle. Several programs call for periodic or annual “check ins”, with
17 modifications made based on regular evaluation. The Annual Housing Progress Report
18 adopted by the Town Council annually in April provides an important tool for monitoring
19 the Town’s progress in implementing the Housing Element and making necessary
20 adjustments.

21
22 Among the major program recommendations are:

- 23 • Complete the update of the 2002 Moraga General Plan
- 24 • Amend the Moraga zoning code and map to create the capacity to meet the RHNA
- 25 • Amend the Moraga zoning code and map to create the capacity to meet the RHNA
- 26 • Amend the Moraga zoning code and map to create the capacity to meet the RHNA
- 27 • Monitor activity on the housing sites to ensure no net loss of capacity to meet the
- 28 • Monitor activity on the housing sites to ensure no net loss of capacity to meet the
- 29 • Monitor activity on the housing sites to ensure no net loss of capacity to meet the
- 30 • Monitor activity on the housing sites to ensure no net loss of capacity to meet the
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- 44 • Monitor activity on the housing sites to ensure no net loss of capacity to meet the

- 1 • Publicize senior housing resources
- 2 • Provide information for first-time homebuyers
- 3 • Provide referrals to agencies assisting persons experiencing homelessness
- 4 • Implement climate action plan measures to improve energy efficiency and reduce
- 5 related costs
- 6 • Wildfire Safety and Emergency Preparedness Planning

7
8 For each program, the text identifies a measurable objective, a responsible party, a
9 timeline, and a potential funding source.

10
11 **Fiscal Impact**

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13 There is a positive fiscal impact associated with submitting a Working Draft of the Housing
14 Element to HCD. Having a certified Housing Element ensures the Town is eligible for
15 housing grants, planning grants, and important sources of State funding for transportation
16 and infrastructure. Conversely, the fiscal impacts of not submitting the Draft would be
17 significant, as this step is required by State law as part of the certification process. The
18 State has the authority to levy penalties and fines against jurisdictions without certified
19 Housing Elements. Moreover, the lack of a certified Element would make the Town
20 vulnerable to lawsuits, loss of control over local land use decisions, and other actions with
21 fiscal consequences.

22
23 The direction provided by the Town Council also have secondary fiscal impacts as it will
24 shape future land use and development patterns. Residential development will create
25 additional property tax, sales tax, and impact fee and permitting revenue. It should also
26 stimulate commercial activity and local businesses growth. At the same time, increased
27 population will result in increased demand for municipal services and general operating
28 costs.

29
30 **CEQA**

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32 The Comprehensive Advanced Planning Initiative, including the Housing Element, will be
33 the subject of an Environmental Impact Report. The EIR will consider the environmental
34 effects of adopting the proposed housing policies and programs. This includes the effects
35 of rezoning selected sites in the MCSP and Rheem commercial districts. The EIR will
36 also evaluate the impacts of replacing the “Study” designation for the 423-acre Bollinger
37 Canyon Study Area with new General Plan and zoning designations.

38
39 The Draft EIR is expected to be released in Fall 2022, with a 45-day public review period
40 to follow. A Final EIR (FEIR) will be prepared at the end of that period, at which time the
41 FEIR and revised Housing Element will be brought before the Planning Commission for
42 a public hearing. This is scheduled for December 2022, with adoption by the Town
43 Council in January 2023.

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1 **Recommendation**

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3 Approve by motion the submittal of the “Working Draft” 2023-2031 Moraga Housing
4 Element to the California Department of Housing and Community Development (HCD)
5 for review following the close of a 30-day public review period ending on July 30, 2022.
6 Prior to submittal to HCD, allow staff to make the following changes to the document if
7 necessary:

- 8
9 (1) Changes responding to Council feedback received on July 11 and July 13
10 (2) Non-substantive changes responding to public input received by July 30

11
12 If there are no changes to the document, it may be submitted to HCD on July 31, 2022.
13 If there are substantial changes, the Town is required to provide 10 days for the public to
14 review them prior to submitting the draft to HCD. Thus, Town anticipates submitting the
15 Draft to HCD no later than August 9, 2022.

16
17 **Report reviewed by: Cynthia Battenberg, Town Manager**
18 **Karen Murphy, Assistant Town Attorney**

19
20 **ATTACHMENTS**

- 21
22 A. [Working Draft Moraga 2023-2031 Housing Element](#) - Distributed on June 28,
23 2022
24 B. [Appendices to 2023-2031 Housing Element](#) - Distributed on June 28, 2022
25 C. [Planning Commission Recommendations from July 5, 2022](#)
26 D. [Public Comments Received through July 5, 2022](#)