In early 2017, the WC city council established its two-year strategic priorities.

Among the four priorities was “to improve the Affordability and Availability of Housing in Walnut Creek.”

We recognized this would be a heavy lift:
• We knew that availability – in other words, supply – was clearly linked to affordability
• That one program or tool wouldn’t be enough to close the gap – in supply or affordability
• That a portion of our community was concerned about “too much housing” – because of impacts on schools, services, traffic
• And, we knew that . . .
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- That one program or tool wouldn’t be enough to close the gap – in supply or affordability
- That a portion of our community was concerned about “too much housing” – because of impacts on schools, services, traffic
- And, we knew that Community members had numerous misperceptions about affordable housing
  - What it is – and isn’t
  - Who needs it
  - And, The size of the gap

Bottom line: we couldn’t be successful in increasing the availability of housing if we could identify and address these misperceptions.
Before I start, let me give you a bit of background about Walnut Creek
We are a mid-sized Bay Area city located in Central Contra Costa County

Although we are perceived to be an affluent community – our median household income is surprisingly low

Of our 70,000 residents, 63% are college graduates – yet only 33% of residents are working

BECAUSE: We have an older demographic
- About 30% are 65 or older – 40% are 55 and older
- Just 16% are youth
Walnut Creek is a commercial-retail, healthcare, cultural, healthcare, and outdoor hub of the East Bay
Walnut Creek is also a transportation hub,

located at the junction of two highways, 225,000 cars/day

We sit along a BART line and have two transit stations

And we are the home of the busiest regional road in Contra Costa – which carries 75,000 cars/day
Finally, from a housing perspective – we “grew up” in the 1950s and 1960s as a bedroom community

But we are NOT a typical suburb
• Half of our residents are renters
• And of our 34,000 housing units: 2/3 is attached – apartments, condos and townhomes.
• Only about 12,000 of our housing units are typical, detached single-family home

This trend toward multi-family housing is not new. Much of it was built during the 1960s and 1970s during our rapid growth years.

Our long-standing commitment to housing and multi-family housing, which was strengthened in 2005 when
We adopted our most-recent General Plan.

Our vision is to support housing of all types for families of all ages WHILE

Protecting open space hills
Preserving character
Reducing environmental impacts

In short: We are focused on multi-family housing near downtown, BART, highways, and trails
So, with a strong vision AND
With a priority to focus on housing availability and affordability

We set out in 2017 to put more tools into our tool box
And, our new/updated tools include these

- Inclusionary Housing Policies
- Commercial Linkage Fees
- Specific Plans: Housing Focus
- ADU Ordinance
- Density Bonus Ordinance
- Development Review Streamlining
So, the first tool:

About 15 years ago, the City established two methods for spurring greater investment in affordable housing.
Inclusionary Housing program: new housing developers either provide affordable units within project OR contribute in-lieu fee.

Commercial Linkage program: new commercial development pays fees to support development of affordable housing.

Use the funds to partner with affordable developers, who leverage our funds to secure other funding through the state, federal government, etc.

Generally, $1 of our money is leveraged to $6-$7

Over 15 years, collected $26.125M, which translated to 350-400 affordable units

Coming up: 600-unit market-rate transit village = $7 million plus $1.5M from other market-rate projects
Tool #2:

To encourage more housing downtown near transportation and jobs, we have completed two specific plans for 350-acres of older part of city.
## Plans Pave the Way

- Set long-range vision
- Provide clarity
- Streamline review
- Involve community, address issues early
- Provide opportunity to develop new, broad-based policies
- Goal: 3,000 more housing units

The planning process is time-consuming but incredibly valuable:
- Provide long-range vision and clarity for future development
- Help to streamline project and environmental review
- Involves community and addresses community issues earlier
- Provides opportunity to explore and develop new, broad-based policies and programs that could not be done on a project-by-project basis (e.g., Community Benefits program)

Ultimately, over 20 years, should translate to 3,000 more housing units than what was envisioned in the General Plan.
Tool #3:

Updating our local ADU policies
ADU Ordinance Updates

- Encourage more housing “affordable by design”
- Maintain single-family neighborhood compatibility
- Streamline approval process
- Result (year 1): 3x number of permits

Outcome: Triple permits
Tool #4:

Unlike most cities our size, Walnut Creek has a LOCAL density bonus program

A program that offers more incentives than possible through the State’s Density Bonus Law

So, it is often used by 100%-affordable developers.
Let me give you an example of how our local density bonus has worked.

Up until about five years ago, there was
A 19-unit older apartment complex that was built in the 1960s
The complex targeted lower-income residents but was not deed-restricted
It also had become a code-enforcement challenge
Enter Satellite Affordable Housing, which Acquired the property and used our local density bonus program to Develop the 100% affordable Arboleda Apartments, The new complex has 48 1, 2 and 3-bedroom units for very low income families

And our local program made a huge difference in the project.

Had Satellite only used State DBL, the project would have been limited to just 25 units. Using Walnut Creek’s DB program – the project has 23 more units than would have been possible.
Currently updating the local ordinance to comply with State law

While we’re at it, we’re looking to “expand” the program to

• Encourage greater affordability by offering more incentives
• Motivate market-rate developers to build units (rather than opt for in-lieu fee)

Other notes:
Get compliant before consider “local” version of ordinance
Consulting expertise for “local” ordinances not easy to find
Streamlining the entitlement review process is another strategy – in particular design review
Objective Design Standards

► Provide clarity
► Give community-appropriate guidance

We’ve done that by
Adopting Objective Design Standards that
• Provide clarity while
• Giving locally-appropriate guidance

Other notes:
Staff or consultant
Time: 1 year of work
Comprehensive
Make it available on website
Expect to regularly update to meet State law and best practices
The process we undertook was admittedly complex but has a simple outcome: 5 pages of the most salient, objective standards specific to housing.

As an example: We now specify the minimum required size for personal outdoor space for both affordable and market-rate projects – and both for downtown and other parts of the community.

Ultimately, this makes it faster, easier, and less costly for housing developers to “get to yes.”
One last strategy to mention – a strategy that was inspired by a presentation we saw at a League conference.

Multi-year effort to streamline called “Blueprint for Success”
“Blueprint for Success”

► Multi-year development review improvement project

► Goals:
  ► Eliminate barriers
  ► Reduce development costs
  ► Encourage more housing and greater affordability

Called the Blueprint for Success

This is a Multi-year development review improvement project

Why:
  Eliminate barriers that take time
  Reduce development costs
  Encourage more housing and greater affordability
The Blueprint work has encompassed a cross-functional internal task force along with monthly developer forum meetings.

In two years, we’ve implemented dozens of process improvements:

- Affordable Housing “Fast Pass”
- Development Counter improvements to facilitate faster processing
- Multi-functional Review sessions where developer can have cross-functional meetings with city departments
- Online Tools – such as digitized zoning code, integrated permit tracking, and digital plan submission
Of course, if we “unleash” the opportunity to build more housing . . .
You can guess the Community Response.
We recognized from the get-go that community outreach about housing would be a critical part of this effort.
We needed to understand people’s perceptions about housing and housing affordability.

and then educate the community.

This has involved robust communications program that started in early 2017 and continues today.
It has encompassed multiple communications strategies:

For example,

We added a multi-page, one-stop resource on Housing to the City website
We’ve created a series of housing education pieces like
• A Housing supply and affordability fact sheet
• Housing FAQ
We’ve added “news” about the “what and why” of housing to our regular communication channels

Including our city manager’s monthly email newsletter AND

Our quarterly print newsletter (mailed to 42,000 households and businesses)
And, as part of our “news,” we’ve made it not only about the facts – we’ve made it about “the people”

With stories in print . . . On our WC TV channel . . . And through YouTube videos
We’ve held

Community meetings and workshops

And educational programs during the annual Bay Area Affordable Housing Week
And we’ve even taken the message to the streets . . .

At Booths at street festivals and our weekly farmers market events

And during these face-to-face interactions,
we’re making it fun to learn about housing . . .

with games and giveaways
Finally, I will say this . . .

As City leaders, we have not shied away from the topic of housing

For the last two years, we’ve been talking about these issues at
• Presentations across the community
• At our weekly City Council farmers market booth
• And even at social, informal gatherings
Walnut Creek has done a lot to “frame the conversation with the community”

And we believe it’s beginning to work: Our most recent community survey shows that “affordability of housing” is among top 4 community concerns

Of course, all communities are different.

So the question you is: How will you Frame the Conversation?
Walnut Creek
Framing a New Conversation about Affordable Housing
Meet Walnut Creek
Meet Walnut Creek

- Bay Area . . . Contra Costa County
- Medium-sized city: 70,000+
- Median income: > $89,000
- Well-educated (63% college grads)
- Working residents: 33%
- Older demographic
  - Older (41% >55 . . . 29% > 64 years)
  - Only 16% < 18 years
Retail/Commercial, Cultural, Health, & Outdoor Hub
Transportation Hub
Multi-Family Housing Focus
A Vision for Housing

- Accommodate new families of all ages, types
- Protect open space hills
- Preserve character of single-family neighborhoods
- Reduce environmental impact – water, land, new car trips

**Focus:** Multi-family housing near Downtown, BART, highways, trails
Strategies for More Housing
Strategies for More Housing

- Inclusionary Housing Policies
- Commercial Linkage Fees
- Specific Plans: Housing Focus
- ADU Ordinance
- Density Bonus Ordinance
- Development Review
  Streamlining
Policies & Fees: Spurring Investment in Affordable Units
Policies Spur Investment

- Two programs (2005)
  - Inclusionary Housing: Units or fees
  - Commercial Linkage: Fees (per square foot)
- City–Affordable developer partners
  - Leverage value: $1 = $6-$7
- Collected $26+M ≈ 350-400 units
- $8.5M in “pipeline”
Specific Plans
Plans Pave the Way

- Set long-range vision
- Provide clarity
- Streamline review
- Involve community, address issues early
- Provide opportunity to develop new, broad-based policies

**Goal:** 3,000 more housing units
ADU Ordinance Updates

- Encourage more housing “affordable by design”
- Maintain single-family neighborhood compatibility
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- Result (year 1): 3x number of permits
Local Density Bonus Program
Program in Action

Before

- 0.84-acre site
- 19 older rental units
- Transition area between service commercial and single-family residential
- Lower income tenants; not deed-restricted
- Code-enforcement challenge
Density Bonus Result

Today
• 48 VLI units
• 1-, 2-, and 3-bedroom rental apartments
• Built and managed by SAHA

Local vs. State Bonus
• State: 25 units
• Local: 48 units (153% bonus)
Local Density Bonus Updates

- Encourage greater affordability by offering more incentives

- Motivate market-rate developers to build units (rather than opt for in-lieu fee)
Streamlined Review
Objective Design Standards

- Provide clarity
- Give community-appropriate guidance
Complex but Simple

<table>
<thead>
<tr>
<th>Private Outdoor Space</th>
<th>Core Area</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Affordable Projects</td>
</tr>
<tr>
<td>Private Outdoor Space Requirement</td>
<td>100 SF per unit</td>
</tr>
</tbody>
</table>
“Blueprint for Success”
“Blueprint for Success”

Multi-year development review improvement project

Goals:
- Eliminate barriers
- Reduce development costs
- Encourage more housing and greater affordability
Streamlining Opportunities

- Affordable Housing “Fast Pass”
- Development Counter Improvements
- Multi-functional Review Sessions
- Online Tools
Community Response
Community Outreach Critical
Community Outreach Key

- Key focus of city’s housing strategy
- Identify perceptions, then educate
- Robust outreach program
Housing Web Site

Housing Programs

Sign Up for Affordable Housing Information & News!

The Housing Division manages housing programs and policies for very-low up to moderate-income renters, home buyers, and homeowners, and that enhance our community.

News

Affordable Properties Outside of Walnut Creek
Educational Collateral

Housing FAQ
City of Walnut Creek Frequently Asked Housing Questions

There are over 500 affordable homes in the City of Walnut Creek, including
and current and coming rental units. Affordability with a new
Ardmore
Baldwin
Central
House
Third
First
Time

Housing Crisis
Supply & Affordability Crisis

Housing supply and affordability in the Bay Area is a topic gaining national attention. Increasingly, the region produces jobs and economic growth, whereas the rate of supply remains slow and constrained. Families find it increasingly difficult to rent or buy a home, even in housing affordability.

Why does Walnut Creek need affordable housing?

Affordable housing can have many benefits for a community, including:
- Supports Economic Vitality
- Triggers economic activity by enabling new residents to move in
- Supports the development of new businesses and employment

Housing Affordability Survey Report
City of Walnut Creek
February 2016

Work, Live, Play, Thrive
Community Benefits of Housing Affordability

Join us in the panel discussion that will focus on the importance of housing affordability and its relation to economic growth and improved quality of life. A panel of experts will share their insights and perspectives on the current housing affordability crisis in the region.

Tuesday, May 15, 10-13 noon
Walnut Creek City Hall, 2nd Floor Conference Room
1460 North Main Street
Walnut Creek, CA 94596
Refreshments provided
RSVP at: Click Here

For questions, please contact Anna Wong, Assistant Planner:
anna@walnut-creek.org

Housing Supply & Affordability
The Crisis & Importance of Housing Affordability

The Housing Crisis
Housing supply and affordability in the Bay Area are issues of national concern. The region is home to a workforce with high income, but the pace of housing development lags behind the rate of job creation.

Employment vs. Housing Growth

Housing Affordability

Housing costs in the Bay Area have increased significantly over the past decade. Median home prices have doubled, while median household income has increased by only 20%. As a result, the number of households spending more than 30% of their income on housing has increased from 30% to 40% in the last ten years.

Income vs. Housing Costs

Rental & Home Price vs. Income

Housing costs have increased by 30% in the past decade, while median household income has increased by only 20%. As a result, the number of households spending more than 30% of their income on housing has increased from 30% to 40% in the last ten years.

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Outreach “News”

**CALIFORNIA’S HOUSING CRISIS COMES HOME**

**The Affordability Gap Grows**

**Seniors, single parents among most vulnerable**

There is the 90-year-old woman who was evicted when she couldn’t pay her rent. Now she lives in a shelter.

There is the single mom with two teen-aged children whose landlord just increased the rent by 50 percent. Now they may have to move away from the town they call home.

These are just two faces of the housing crisis in Walnut Creek.

Our affordability gap – the difference between median housing costs vs. median income – is growing ever wider. Rents are up by more than 55 percent since 2011, while incomes remained relatively flat.

The people who make our bustling downtown thrive – office workers, sales people, restaurant workers – cannot afford to live here. Neither can most teachers, or paramedics, or social workers. Instead, they are forced to make long commutes to and from work each day, adding to traffic congestion, and eroding their quality of life.

As a community, we’ve said this issue matters. In fact, 73 percent of those taking the 2017 Citizen Survey said it was essential or very important that Walnut Creek focus on the affordability of housing. The City Council selected improving the affordability and availability of housing as one of their four priorities for 2017-18.

**HOUSING CRISIS FACTORS**

<table>
<thead>
<tr>
<th>HIGH DEMAND</th>
<th>LIMITED SUPPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>819,663 jobs added in California 2010-2015</td>
<td>63,465 homes built in California, 2010-2015</td>
</tr>
</tbody>
</table>

**HOUSING COSTS INCREASE**

- Rent Increase Walnut Creek 55.1%
- Home Sale Price Increase Walnut Creek 27.5%
- Median Income Increase Contra Costa County 3.5%

**HOUSEHOLD INCOME NEEDED TO AFFORD WALNUT CREEK**

- $111,440
- $170,000

_Educate community on housing affordability and homelessness_
It’s about People

Who benefits from affordable housing?

“We’ve contributed to the community for 22 years. We would be devastated to have to leave”

Rebecca Waggoner with son and daughter in family photo

Rebecca Waggoner’s ties to Walnut Creek run deep. During her 22 years here, she’s served on the City’s Civic Arts Advisory Committee, launched a promotional products business, and volunteered for numerous school fund raisers and special events. Her daughter graduated from Las Lomas High, and her son is still a student there.

But Waggoner may soon be moving. A sudden 50% increase in rent is making it unlikely that she and her family will be able to remain in Walnut Creek.

“It’s scary,” she says. “I don’t know where we’ll go.”

Waggoner is hardly alone. As Walnut Creek rents soar – 55 percent over the last 5 years – long-term renters are likely to find themselves priced out of their home town.

A household would need an income of more than $110,000 a year to be able to afford an older 2-bedroom apartment in Walnut Creek, given the median rent of $2,786, and following the "housing is 30 percent of income" guideline.

Persons in “helping professions” such as teachers, paramedics, police and firefighters are often priced out of that equation.

So are many senior citizens. In fact, 65 percent of those 65 and older cannot afford even a one-bedroom apartment in Walnut Creek.

Affordable housing would provide much-needed security and continuity for her family and others, says Waggoner.

“We’ve contributed financially, civically and socially to the community for 22 years. We would be devastated to have to leave.”
Special Programs
Community Events
Made It Interesting to Learn
Make It Important
How Will You Frame the Conversation?