REPORT - PLANNING COMMISSION MEETING
May 8, 2003

Applicant: **CITY OF FREMONT (PLN2001-00111)**

Proposal: To update the General Plan Housing and Land Use Elements.

Recommended Action: Recommend adoption of a Negative Declaration and General Plan Amendment to City Council.

Location: Citywide

Consultant(s): Melanie Shaffer-Freitas

Environmental Review: A Negative Declaration was prepared and circulated for the project.

Public Hearing Notice: Public hearing notification is applicable. A Notice of Intent to Adopt a Draft Negative Declaration for was published on March 31, 2003. On April 14, 2003, a total of 382 public hearing notices were mailed as a courtesy to interested parties. A Public Hearing Notice was delivered to The Argus newspaper on April 8, 2003. The notice was published on April 18, 2003.

Executive Summary: On April 24, 2003, the Planning Commission held a study session and public hearing regarding the proposed Housing and Land Use Element revisions. Due to a delay in the publishing of Public Hearing Notice by The Argus, the public hearing was continued to May 8, 2003 to receive final public comments and forward a recommendation to the City Council.

On February 12, 2002, the City Council adopted a new Housing Element to replace the previously adopted (May 1991) Element. Upon adoption of the Element, the City requested that the State Department of Housing and Community Development (HCD) certify the element as being in compliance with State law. The City had believed, based upon comments from HCD that the February 2002 Housing Element would be in substantial compliance with State law based upon numerous conversations with the State. On June 3, 2002, the City received a letter from the State indicating that certification was not possible until further revisions were made. Upon clarification of these issues, the City embarked upon a public review process to examine the State's comments, propose potential responses and gain community input. In October 2002, the City submitted a revised Housing Element to HCD for informal review. Before the informal review was completed the Fremont Affordable Housing Advocates and two individual plaintiffs filed suit challenging the adopted Housing Element. In January 2003, the City released a draft Housing Element (similar in substance the October 2002 submission) for public comment and review and requested that HCD formally review the Element for compliance with State law. On March 28, 2003, the State sent a letter indicating that if three specific issues were addressed, the Element would be in substantial compliance with State law.

This report outlines the changes to the Housing Element since it was last adopted on February 12, 2002 as well as the additional changes made in response to HCD's March 28, 2003 letter. Changes to the February 12, 2002 Element are shown in underlined and ~~strikethrough~~ text. Additional changes made to respond to HCD's March 28, 2003 letter are shown in highlighted text.

Because the programs contained within the Housing Element affect existing land use policies, this report also discusses proposed revisions to the Land Use Element that are required in order to maintain consistency between the two elements of the General Plan. Staff is requesting action on changes to both elements at this time.

Background: The City is charged by state statute with responsibility for updating its Housing Element. A Housing Element is a planning document (part of the General Plan) that guides the City's housing efforts. The Element not only provides general goals, objectives and policies but also proposes implementation programs

to meet the stated goals and objectives. While State law prescribes much of the content for the Housing Element, a city may also consider economic, environmental, fiscal and community goals in its efforts to address regional housing needs.

A chronology of events, including community meetings and Planning Commission and City Council meetings, and public hearings that have been held to date has been included as Informational Exhibit 1.

Requirements for Housing Elements: Housing Elements must identify and analyze existing and projected housing needs, effectiveness of the past housing element, constraints to the production of housing, and must also contain goals, policies, quantified objectives, and scheduled programs for the preservation, improvement and development of housing.

Existing law requires the State Department of Housing and Community Development to evaluate each housing element for consistency with State law including, among other things, a requirement for a program setting forth a five-year schedule of actions the local government is undertaking or intends to undertake to achieve the goals of the housing element. Those actions include the identification of sites to be made available to encourage the development of a variety of types of housing for all income levels.

Importance of a Certified Housing Element: Certification of the Housing Element by the State Department of Housing and Community Development (HCD) is important to the City for many reasons. First, a State-certified housing element creates eligibility for funding, grants and other moneys for the City as well as for developer/non profit projects that otherwise may not be available. Secondly, a certified housing element solidifies the City's General Plan making a challenge to the adequacy of the General Plan less likely. If the General Plan is challenged regarding its adequacy under state law, development of all types citywide may be suspended pending an update of the General Plan, in particular the Housing Element.

The housing element must also address its allocation of housing needs prepared by the Association of Bay Area Governments (See the **Regional Housing Needs Determination and General Plan Capacity** section below).

Legislative History: The State legislature has declared the following as it relates to housing:

"(a) The availability of housing is of vital importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.

(b) The early attainment of this goal requires the cooperative participation of government and private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

(c) The provision of housing affordable to low- and moderate- income households requires the cooperation of all levels of government.

(d) Local and state governments have a responsibility to use powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs." (Source: Government Code Section 65580)."

The following is an overview of state legislation enacted subsequent to the adoption of the February 2002 housing Element and how the proposed Housing Element responds:

- **Assembly Bill 1866 (Second Units and Density Bonus).** In general, the portion of this law dealing with Second Units[1] provides that beginning on July 1, 2003, Second Dwelling Units must be considered without discretionary permit [currently a Zoning Administrator Permit] and without a public hearing under City regulations. If the City does not adopt a conforming ordinance, the provisions of State law shall be used in lieu of the City's ordinances. This issue is addressed in Chapter 8, *Program 26 (Second Unit Program)* of the Housing Element. An implementing ordinance is tentatively scheduled to come before the Planning Commission on May 22, 2003. Furthermore Assembly Bill 1866 provides for revisions to the State Density Bonus[2] law. This issue is addressed in Chapter 8, *Program 12 (Density Bonus Ordinance)* of the Housing Element. An implementing ordinance is scheduled to come before the Planning Commission this summer.

- **Assembly Bill 2292 (General Plans, Residential Density).** In general, this law provides that properties identified as housing sites by the Housing Element cannot be "down-zoned" to lower densities unless specific findings are made. This issue is addressed in Chapter 8, *Program 17 (Maintaining Existing Inventory of Residential Land)* of the Housing Element.

- **Senate Bill 520 (Analysis and Removal of Constraints for Housing for Persons with Disabilities).** This law provides that Housing Elements must contain an analysis of the constraints for housing for persons with disabilities. In addition the Element must contain a program of action to remove identified constraints. The constraints analysis has been conducted and is included in the Housing Element Chapter 4, under the heading: *Analysis of Constraints for Housing for Persons with Disabilities and Actions to Remove Identified Constraints* and Chapter 8, *Programs 44 and 45 (Identification and Removal of Constraints)*.

Regional Housing Needs Determination and General Plan Capacity:

The Association of Bay Area Governments (ABAG) has determined the 1999-2006 Regional Housing Needs Distribution Allocation for all Bay Area cities and counties, including Fremont. The total housing need for Fremont is 6,708 units. This allocation is based upon ABAG's projections of the City's share of regional job growth and regional household growth during the 1999-2006 period. Target numbers are further defined by income which are summarized in the table that follows:

REGIONAL HOUSING NEED DETERMINATION 2002-2006

Income Level	#of units needed	Definition of Income Level
Very Low	1,079	Households with income up to 50% of the county's area median income
Low	636	Households with income between 50 and 80% of the county's area median income
Moderate	1,814	Households with income between 80 and 120% of the county's area median income
Above Moderate	3,179	Households with income above 120% of the county's area median income
Total need for Fremont:	6,708	

* The County's area median income for a family of four is $76,600.
Source: Department of Finance, State Housing and Community Development)

[1] Under State law "Second unit" means an attached or a detached residential dwelling unit, which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. A second unit also includes the following: (A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code. (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

[2] A minimum 25% increase in the allowed density for a parcel when the project provides at least one of the following: a) 10% of units reserved for very low-income households or b) 20% of units reserved for low-and very low-income households or 3) 50% of the units are for senior citizens.

The following table illustrates how Fremont's Regional Housing Need Determination has been adjusted for the planning period ending June 2006 and the progress made through 2002 in meeting that need. The State Department of Housing and Community Development allows each City to subtract the Department of Finance (DOF) completed housing estimates from the Regional Housing Needs Determination numbers within the appropriate income categories.

REVISED REGIONAL HOUSING NEED DETERMINATION 2002-2006

Household Income Level	Regional Housing Need Determination (1999-2006)	Units Added to housing Stock Added, 1999-2002*	Affordable Units Approved/Under Construction Since 01/2002	Revised Regional Housing Need Determination (2002--2006)
Very Low	1,079 Units	138 Units	68 Units	873 Units
Low	636 Units	34 Units	0 Units	602 Units
Moderate	1,814 Units	13 Units	27 Units	1,774 Units
Above Moderate	3,179 Units	1,516 Units		1,663 Units
TOTAL	**6,708 Units**	**1,701 Units**	**95 Units**	**4,912 Units**

The following table illustrates the holding capacity of the City's vacant and underutilized lands as zoned in January 2003. Underutilized lands are sites, which have some development already, but, where existing development is of limited value or physically out-of-date, so that new development could be attractive.

EXISTING HOLDING CAPACITY FOR RESIDENTIAL LAND, VACANT AND UNDERUTILIZED (JANUARY 2003)

	Land with Low Density Designations	All Other Land Zoned for Residential Development	TOTAL UNITS
Vacant Land	770 Units	634 Units	1,404 UNITS
Underutilized	250 Units	632 Units	882 UNITS
TOTAL			**2,286 UNITS**

As the table illustrates, there is an insufficient supply of land zoned to meet the remaining Regional Housing Needs Determination. In addition, to having an insufficient supply of land, there is also an insufficient supply of land zoned at densities sufficient to meet the needs of lower income households as most of the remaining land is zoned at densities below that which is expected to be necessary to accommodate the needed levels of affordability.

It is important to recognize that this limited supply of residentially designated land does not result from rezoning or other policy action by the City, but from two other factors. First, development since the City's last Housing Element was approved and certified in 1991 has used more than half of the City's then-available residential land. Development during the period of the 1991 Element reduced the City's vacant residentially designated acreage from 800 acres in 1991 to about 350 acres now. Second, the State Legislature did not fund housing need determinations for several years, and as a result no regional housing need was assigned to the City from 1991 to 2001. As development has used most of the City's unbuilt residential sites, it has also naturally used more easily developed sites and left available more challenging sites. Large tracts of readily developed vacant land no longer exist and even smaller readily developable sites are few.

As a result the proposed Housing Element contains a comprehensive and aggressive mix of programs, including some 650 sites that address both Housing Supply and Housing Affordability to meet the projected

needs. The following section highlights the supply and affordability programs contained in Chapter 8 of the Draft Element.

Highlights of the Changes to the Adopted Housing Element:

Chapter 8 of the Housing Element includes program strategies developed to accommodate the current Regional Housing Needs Determination (RHND) at all income levels, including changes in zoning classifications that allow additional multi-family housing "by right"[3]. The need for "by right" development results from the insufficient supply of land designated and zoned to accommodate the Regional Housing Needs Determination.

The strategy as outlined in Chapter 8 is to maintain most existing vacant or underutilized land parcels with low-density designations at their current zoning and holding capacity, and encourage their development primarily to provide moderate and above-moderate income housing. This action is described in Program #17 in Chapter 8. As the tables in Program #17 (Objectives) indicate, maintaining the existing low density inventory will provide land for the development of 728 moderate and above moderate income units on vacant lands and 231 moderate and above moderate income units on underutilized lands. The remaining vacant and underutilized parcels are included in Program #18. Program #18 describes the City's intention to increase densities and rezone some of the remaining vacant and underutilized parcels that will then provide land that can accommodate a portion of the very low and low income need, as well as an additional portion of moderate-income housing needs, all as identified in the 2002-2006 adjusted RHND. At the projected increased densities (midpoint of the density range) these "upzoned" sites will have an allowable development of 2,172 units.

Programs 17 and 18 make sites available for 3,131 units, compared to a RHND of 4,912 units. In order to meet the remaining objectives of the RHND, the City's housing strategy also includes a range of housing program actions to increase residential development capacity by rezoning land not now designated for residential use and, also, provide density ranges that will accommodate additional very low, low, moderate and above moderate income units. Specifically, the programs listed in Chapter 8 that were developed as part of this strategy include:

- Program #19: Redesignation of Lands Along Transit Corridors
- Program #20: Surplus Public and Semi-Public Land
- Program #21: Commercial and Industrial Redesignation
- Program #22: Commercial Redesignation: Older Shopping Centers/Central Business District (CBD)
- Program #23: Rezone Sites to Mixed-Use to Accommodate Affordable Housing Development

Appendix E contains a program land inventory which shows the sites to be acted on under Programs 19-23 in Chapter 8, which the City believes will be found suitable for residential development after more thorough review. These sites must be reviewed individually and the City recognizes that not all of the sites will ultimately be found suitable for residential development. However, the inventory includes sites with a total allowable development potential of 4,891 units. Based upon conservative assumptions, the City believes that sites accommodating 2,915 units can be rezoned, which will allow the programs to exceed their overall goal, even as some individual sites are not found to be suitable.

Illustration #32 (Part B) at the end of Chapter 8 summarizes these various programs and compares the unit objectives to the 2002-2006 adjusted Regional Housing Needs Determination. The information in that table indicates that the proposed range of housing programs will result in land that can accommodate housing units that significantly exceed the RHND for very low and low income households and meet the objective for moderate-income households. At HCD's request, Programs 18-23 also commits the City to specified acreage goals for rezoning under each program.

[3] In this instance "by right" means zoning that allows owner-occupied and rental multifamily residential as a permitted use. The zoning must also include density and development standards that could accommodate and facilitate the feasibility of housing for very low and low-income households.

Housing and Corresponding Land Use Element Revisions:

Exhibit "B" attached hereto identifies the changes proposed within the Land Use Element. These changes are being proposed to maintain internal consistency between the Housing and Land Use Elements of the General Plan. In particular the changes deal with elimination of step densities; implementation of State density bonus law; minimum density requirements and revised mixed-use standards.

- **Housing Element Program 9 (Eliminate Step Density within Residential Land Use Designations).** This program calls for the City to eliminate "Step Densities" within the land use designation system for residentially designated parcels. The City has used the system of step densities for multifamily sites for many years under its previous Housing Element with few or no reported problems for developers. However, during public review of the new draft element, comments suggested the step density system is confusing to affordable housing developers and an impediment to development of affordable housing. In large part, the step density system required discretionary rezoning actions in order to allow densities above step one. The new system allows one zoning designation (in many cases a proposed new R-3 zone) to enable development at densities within the range established by the General Plan without any discretionary zoning action. The hope is that this change will encourage developers to build at higher densities. In order to implement this change, land use element policies LU 1.2 must be modified and policies LU 1.3 and LU 1.4 must be deleted. In addition, "Step density" language throughout the element is eliminated.
- **Housing Element Program 12 (Density Bonus Ordinance)**. As noted previously, this Housing Element program proposes to revise the City's density bonus law consistent with recently adopted legislation (AB-1866). Furthermore, the elimination of step densities causes the need to retool how the City implements density bonuses. One of the identified constraints in the City's current system is that density bonuses are allowed on top of Step 1 or Step 2 and not on top of Step 3. In order to be more consistent with State law a density bonus must be allowed on top of the established general plan density range. In addition to deleting land use policies LU 1.3 and LU 1.4, policy LU1.6 will be amended to remove reference to step densities and to include a corresponding implementation program. Policy LU 1.7 must be deleted as it refers to step densities and is no longer necessary.
- **Housing Element Program 11 (New Multi-Family Zoning and Minimum Density requirements)** This program calls for the creation of a new multiple family residential (R-3) zone that simplifies and offers more flexibility for implementation of medium, high, and very high-density ranges. In particular, the R-3 regulations are intended to eliminate situations in which development standards prevent achievement of stated densities. The R-3 zoning would revise parking, open space and other requirements to make them more accommodating of multifamily development. Furthermore, this program sets forth minimum density requirements. Policy LU 1.9 of the Land Use Element has been modified to reflect the same language and also contains a "grandfather" clause for projects in the development review pipeline. In particular, LU 1.9 proposes:
  "When the residential range is between 6.5 and 70 units per acre (ranges 8-15), and a development application has not been deemed complete for processing under the provisions of the Permit Streamlining Act by July 1, 2003, the minimum density of the project must be at the midpoint of the density range unless environmental constraints or historic preservation goals preclude achievement of the midpoint."
- **Housing Element Program 15 (Mixed Use Requirements)**. This program calls for the City to review existing mixed-use policies and amend requirements as well as expand areas available for mixed use, to encourage affordable housing. This program is also envisioned to assist in the revitalization of older Community Commercial neighborhoods called for in the Niles, Irvington and Centerville Redevelopment Plans as well as the respective Concept Plans for those areas. The corresponding Land Use Element changes clarify the that residential development, within mixed use projects, can be considered within various commercial zones and that the City will develop zoning changes that implement and foster mixed use projects. (See policies LU 1.20, LU 2.11, LU 2.23, LU 2.27 and LU 2.37).

Responses to HCD's March 28, 2003 Comments: The April 2003 edition of the Housing Element also responds to the State Department of Housing and Community Development's March 28, 2003 comments (attached). The HCD letter finds that with modifications discussed below that the element will be in substantial compliance with State Housing Element law. These modifications do not alter the substance of the Element, but incorporate additional statements of the proposed policies.

- **Further Clarifications Regarding the Proposed R-3 Zone:** The City has added the further clarifications as to how the new R-3 (Multiple Family Residential Zoning District) will work and be implemented. These changes are noted in the Executive Summary; Land Use Controls section of Chapter 4 (Housing Constraints); Program 11 (Create New Multi-Family Zoning District of R-3) in Chapter 8; and within Appendix H (Residential District Development Standards). The City has held three community meetings on the topic of the new zone to date. A public hearing on the proposed new zone is tentatively scheduled before the Planning Commission on May 22, 2003.

- **Further Clarifications Regarding the City's Commitment to Rezone Land:** Language has been added to Programs 18 through 23, in Chapter 8 (Housing Program Strategy), to further clarify the intent of the objectives listed in the respective tables. Specifically, HCD requested that the City commit to rezoning a minimum number of acres to respective density levels.

- **Added an Analysis of Constraints for Housing for Persons with Disabilities and Actions to Remove Identified Constraints:** As previously noted, State law now requires that amended Housing Elements contain an analysis and actions to remove constraints for housing for persons with disabilities. The analysis and action plan have been included in Chapter 4 (Housing Constraints) and Chapter 8 (Housing Program Strategy [Program 44 and 45]) respectively. HCD had earlier indicated informally that the new State statute would not require this level of analysis in Housing Elements already in process, but the length of the process in Fremont has changed this situation.

Hill Area Initiative of 2002 (Measure T):

In November 2002, the voters of the City of Fremont approved Measure "T" which amended the City's General Plan to include specific language relating to the Hill Area. The initiative proposed specific amendments to the adopted 1991 Housing Element. However, that element was superceded by the February 2002 Housing Element prior to approval of the Initiative by the voters. Informational Exhibit 2 summarizes how the voter approved amendments have been incorporated into the proposed April 2003 Housing Element.

Response to April 24, 2003 Public Hearing Comments:

Analysis of Specific Sites: Informational Exhibit 4 provides an analysis of each of the sites identified at the public hearing and staff's evaluation as to the status of the site.

Constraints Analysis on Housing for Persons with Disabilities: Rooming and Boarding Houses with between three and six persons or Licensed Nursing Homes and Convalescent Hospitals with up to 15 beds require a Conditional Use Permit within R-2 zones. Rooming and Boarding Houses with three or more persons or Licensed Nursing Homes and Convalescent Hospitals require a Conditional Use Permit within R-G zones. This is true whether or not persons with disabilities occupy the unit. For the same reasons set forth below, the City believes that Site Plan and Architectural Review is also appropriate. The number of persons living as a single housekeeping unit is unregulated by the City.

Public Hearings – Site Plan and Architectural Review: As noted in the Housing Element, the City cannot make a commitment to eliminate site plan and architectural review. For larger projects, the City believes that Site Plan and Architectural Review by the Planning Commission is an essential element of a reasonable public process. This process does not unduly burden development approval. As noted in the Housing Element, the City's project approval process is relatively efficient and faster than average. Furthermore, members of the public are entitled to an opportunity to review and influence projects that have a direct impact on them, both as a matter of open planning practice and under California law. Comments by neighbors in a public forum before the Planning Commission can help to better fit a project into the neighborhood. Rigid site planning and architectural standards cannot address the sites with unique constraints that remain available for development in Fremont. Without some discretion for addressing site planning and architecture, the quality and character of development will depend on each developer's financial needs, sensitivity to community interests and choice of

designers. The City does not believe it is in the public interest to allow the relatively short-term interests of developers to take precedence over the community's interest in promoting quality neighborhoods. This is especially true for affordable housing development whose residents have limited choices on where to live, but deserve to enjoy quality living environments.

Public Hearings – Reasonable Accommodation Requests: The Housing Element commits to identify classes of reasonable accommodation requests (those that likely don't affect neighboring property rights) that could be considered administratively without notice or hearing. However, the City cannot make a commitment to eliminate all public hearing requests on reasonable accommodation requests, particularly those that may affect property rights of those nearby. Under California law, public notice and review appears necessary when the property rights of others may be affected.

Overlay Zone Concept: The concept of the overlay zone is being achieved through a creative mix of affordable housing incentives including but not limited to Inclusionary Housing, density bonuses, reduced standards for affordable housing projects, fee deferrals and an array of other forms of assistance to encourage and entice affordable housing development in an equitable manner.

Proposed R-3 zoning and density ranges. The R-3 zone applies to many differing density ranges and provides a consistent set of development standards and procedures for multiple family developments within the City. The permitted density ranges established in the General Plan will apply to individual parcels as the Commission and Council determine to be appropriate. Once the density range is applied to a parcel, development can occur by right within the permitted density range. This approach replaces the step density approach.

Housing Element Implementation Accomplishments: Since February 2002 the City has been working diligently to implement the Housing Element. The following summarizes the highlights of these efforts and accomplishments to date:

- Adopted an Inclusionary Housing Ordinance requiring incorporation of affordable units within all new housing projects (Program 16) and instituting long-term affordability restrictions (Program 37).
- Established a Housing Trust Fund initially funded by in-lieu fees generated by the Inclusionary Housing Ordinance (Program 31).
- Drafted a new Multiple-Family Residential (R-3) Zone (Program 11) that includes incentives for affordable housing (Program 13A) and provides for modified parking requirements (Program 14).
- Prepared Land Use Element revisions for review and adoption consistent with the Housing Element revisions (Programs 9, 10, 12 and 15).
- Began an Apartment Preservation Program through the Code Enforcement Division to identify and repair substandard apartment units and encourage their long-term maintenance. Applied for a grant from HCD to further implement efforts (Program 1).
- Funded an apartment acquisition and rehabilitation loan and brought 81units from market rate rents to rents affordable to 9 very low-, 48 low- and 24 moderate-income levels (Program 2).
- Funded improvements and approved improvement plans for Central Avenue (Program 5).
- Adopted the 2001 California Building, Plumbing, Mechanical, Electric and Fire Codes pursuant to State law in order to prevent unsafe or hazardous building conditions (Program 7).
- Facilitated numerous projects with affordable units, including:

  a) The Benton [65 very low income rental units] Construction nearly complete.
  b) Fremont Vista Assisted Living [4 very low- and 16-low income units]. Now under construction.
  c) Fremont Oak Gardens [30 very low- and 20 low income units] Ground breaking on May 2nd.
  d) Bridgeway Transitional Housing [10 very low income units] Project approved. Issued construction loan.
  e) Central Avenue Condos [2 moderate income units] Project approved.
  f) Warm Springs "Rosewalk" [19 moderate income units] Project approved.
  g) Brookvale Villas [1 moderate income unit] Project approved.

h) Mission Villas [7 moderate income units] GPA approved, PD under review.
i) Carol Commons [2 moderate income units] Under review.
j) Maple Street-Centerville [15 extremely low, 81 very low, 36 low-income units] Under review.
k) Lincoln Street [Special needs housing] Request for land acquisition funds underway.
l) Mercy Housing [100+ affordable units] Site identified, due diligence underway.

- Began development of Mixed Use Zoning District for the Niles and Irvington Community Commercial area (Program 15).
- Began the redesignation and rezoning processes called for in Programs 18 through 23.
- Began the development of a new Second Dwelling Unit Ordinance (Program 26).
- Established a fee deferral program for affordable projects meeting certain criteria (Program 33).
- Adopted an Affordable Housing Investment Strategy providing that 80% of the Redevelopment Agency's financial resources that are reserved for new construction be directed to rental housing developments serving extremely low, very low and lower income households (Program 34).
- Approved Affordable Housing Bond Issuance to promote development of affordable housing (Programs 32 & 34).
- Continue administration of the Mobilehome Ordinance (Program 25).
- Preserved 32 units of affordable housing in danger of conversion to market rate (Program 35).
- Completed an Analysis of Constraints to the development of housing for persons with disabilities and eliminated one of the constraints, namely eliminated fees for Reasonable Accommodation applications (Programs 44 & 45).

Environmental Analysis: An Initial Study and Draft Negative Declaration, has been prepared for this project and submitted through the State Clearinghouse (SCH# 2003032115). A more detailed description of the project is provided within the Initial Study for PLN2001-00111, which is included as an enclosure. A finding is proposed that this project would not have a significant effect on the environment. Accordingly, a Draft Negative Declaration has been prepared for consideration by the Planning Commission.

The initial study conducted for PLN2001-00111 has evaluated the potential for this project to cause an adverse effect -- either individually or cumulatively -- on wildlife resources. There is no evidence the proposed project would have any potential for adverse effect on wildlife resources. Based on this finding, a Certificate of Fee Exemption will be submitted with the Notice of Determination after project approval, as required by Public Resources Code section 21089 (see attachment to draft Negative Declaration). The Certificate of Fee Exemption allows the project to be exempted from the review fee and environmental review by the California Department of Fish and Game.

Enclosures (Previously transmitted with April 24, 2003 report):

- Exhibit "A" (Revised General Plan Housing Element-April 2003 Edition) including Addendum A-1
- Exhibit "B" (Revised General Plan Land Use Element)
- Initial study and draft negative declaration
- HCD Letters (September 7, 2001, June 3, 2002 and March 28, 2003)
- Other Correspondence
- Table of Contents of the Record of the Proceedings for the City of Fremont Housing Element
- Informational Exhibit 1 – Chronology
- Informational Exhibit 2 – Amendments based upon the Hill Area Initiative of 2002 (Measure T) and the text of that Measure.
- Informational Exhibit 3 – Recently enacted legislation related to housing issues (AB-1866, AB 2292 and SB-520)

Additional Enclosures:

- Draft Planning Commission Minutes of April 24, 2003
- Additional Correspondence
- 2003 Income Limits Chart
- Housing Element Addendum A-1
- Informational Exhibit 4 - Analysis for Specific Sites

Exhibits:	Exhibit "A"	Draft General Plan Housing Element (Including Addendum A-1)
	Exhibit "B"	(Revised General Plan Land Use Element)
	Exhibit "C"	Vacant and Underutilized Sites Map
	Exhibit "D"	Program Lands Map

Recommended Actions:

1. Hold public hearing.

2. Recommend the City Council find the initial study conducted for PLN2001-00111 has evaluated the potential for this project to cause an adverse effect -- either individually or cumulatively -- on wildlife resources. There is no evidence the proposed project would have any potential for adverse effect on wildlife resources.

3. Recommend the City Council approve draft Negative Declaration (PLN2001-00111) and find it reflects the independent judgment of the City of Fremont.

4. Recommend to Council approval of PLN2001-00111 a General Plan Amendment proposing revisions to the Housing Element (Exhibit "A" and "A-1") and revisions to the Land Use Element (Exhibit "B").