



ADMINISTRATIVE REPORT

TO: PLANNING COMMISSION

FROM: JULIA KLEIN, SENIOR PLANNER, AND
DIANA ELROD, PRINCIPAL OF D.R. ELROD AND ASSOCIATES

PREPARED BY: COMMUNITY DEVELOPMENT DEPARTMENT

MEETING DATE: JUNE 19, 2014

SUBJECT: DRAFT HOUSING ELEMENT (2014-2022)

RECOMMENDATION

Review and comment on the Draft Housing Element for the new planning cycle (2014-2022).

BACKGROUND

State Law Requirements

The Housing Element is one of seven state-mandated elements of the City's General Plan. California State law sets forth many content and schedule requirements for the Housing Element, thus reflecting on the importance of housing as a statewide issue. It is the only Element of the General Plan that must be approved ("certified") by a State agency in order to be in compliance with State law. In addition, Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need. The City of San Mateo and other northern California cities are required to submit revised Housing Elements to the State of California's Housing and Community Development Department (HCD) by January 31, 2015.

Draft Housing Element

The City hired Diana Elrod of D.R. Elrod and Associates to prepare the update to the Housing Element. Ms. Elrod has significant experience in the preparation of housing elements and also prepared the City's last two Housing Element revisions. Due to state mandated timelines, the

Housing Element has been separated from the rest of the General Plan update process. This Housing Element update is consistent with the existing General Plan.

OUTREACH AND FEEDBACK

Public Meetings and Workshop

The City Council and Planning Commission in a joint study session on March 3, 2014, reviewed a preliminary draft Housing Needs Analysis for the Housing Element and proposed outreach/schedule of meetings. Comments from the study session include the role of public participation and input in this update effort, and supported the schedule of meetings. For more information, refer to Attachment 1 for the administrative report and minutes.

On March 19, 2014, the same preliminary draft Housing Needs Analysis for the Housing Element was reviewed by the Senior Citizens Commission and Community Relations Commission at a joint study session. The administrative report and staff notes of the meeting are included as Attachment 2.

A community workshop was held on March 26, 2014 in the Oak Room at the San Mateo Main Library. Workshop attendees were asked to evaluate existing policies/programs and to make suggestions to further improve or adjust our housing policies. The workshop notes are included in Attachment 3.

The Senior Citizens Commission (SCC) held a study session public meeting in the afternoon of June 5, 2014 at the Main Library on the draft Housing Element. The Commission articulated their interest in housing policies and programs that support seniors, including more funding for housing programs for seniors. The draft minutes are included as Attachment 4.

The Community Relations Commission (CRC) also held a study session on the draft Housing Element on the evening of June 5th. The CRC hears appeals on property nuisance conditions and code violations, and provides oversight for Federal grant programs that implement public services, housing, and community development programs with a focus on serving the populations most in need in the San Mateo community. The Commission expressed support for the city's current Home Sharing effort and pursuing the Commercial Linkage Fee, and they voiced support for considering the following tenant rights policies: Just Cause Eviction, Rent Control/Rent Stabilization, and Source of Income Anti-Discrimination. The draft minutes of the CRC meeting are included in Attachment 5.

Public Comments

In addition to the above, the city also received written correspondence from members of the community. The city's online public comment forum called "SanMateoTownHall.com" was also utilized to solicit public input. The public comments received range from "no more high density housing" to "build more high density housing". Public comments received to date are included in Attachment 6 – Public Comments.

A Matrix Summary of Public Comments was developed to aggregate the comments (see Attachment 7). The Matrix illustrates the major housing policy themes that have been articulated by community members at public meetings/workshop, letters, and through the online forum "SanMateoTownHall.com".

The city also received two letters from housing advocates: 1) February 24, 2014 letter from the Housing Leadership Council (HLC) titled "Housing Element Policy Best Practices" which was sent to all 21 jurisdictions in San Mateo County, and 2) a letter from HIP Housing regarding HIP Housing's Home Sharing program. HLC's recommended policies are included in the Matrix Summary, which shows that several of the city's housing policies/programs address many of the recommendations in HLC's letter.

Collectively, the comments illustrate the community's strong interest in housing in San Mateo, highlight a need for housing for a broad and aging demographic, and that there are opportunities to further improve the city's Housing Element policies/programs.

Any correspondence received following the printing of this administrative report will be incorporated as part of the public record and will be provided to the Commission separately on the day of the meeting at their desks.

DISCUSSION

As mentioned in previous meetings, cities throughout the State are required to regularly update their Housing Element and demonstrate compliance with housing laws to address the need for and planning of housing. This is typically addressed through the Regional Housing Needs Allocation (RHNA) process, see discussion below.

Regional Housing Needs Allocation and Adequate Sites

The Regional Housing Needs Allocation (RHNA) process is a State mandate, devised to address the need for and planning of housing across a range of affordability levels and in all communities throughout the State. The Bay Area's regional housing need is allocated by the

California State Department of Housing and Community Development (HCD), and finalized through negotiations with Association of Bay Area Governments (ABAG). Each city is provided a housing unit goal/allocation that is its "fair share" of the regional housing need. Cities are then required to identify enough land zoned at appropriate densities to accommodate the need at various income categories.

For the current Housing Element update, the County of San Mateo, in partnership with all twenty cities in the county, formed a sub-region that was responsible for completing its own RHNA process. In 2006 the San Mateo County sub-region created its own methodology for distributing housing units and, with the approval of ABAG, issued final housing allocations to members of the sub-region. The following table shows the final ABAG housing allocation for the City of San Mateo for the 2014-2022 planning period.

As part of the Sub-Region RHNA process, both a Policy Advisory Committee and a Technical Advisory Committee were formed to develop the RHNA methodology and determine proposed housing allocations. The San Mateo City/County Council of Governments (C/CAG) facilitated this process. The City of San Mateo was represented on the Technical Advisory Committee by Ronald Munekawa, Chief of Planning. The City of San Mateo representative on the Policy Advisory Committee was Mayor (at that time) David Lim.

The City Council accepted the Committee’s RHNA recommendations on January 22, 2013 by adopting Resolution No. 12 (2013) Accepting the Proposed Housing Allocation for the City of San Mateo for Use in the 2014 housing element. The following table shows this final housing allocation for the City of San Mateo for the 2014-2022 planning period.

REGIONAL HOUSING NEEDS ALLOCATION (RHNA), 2014 – 2022

Total Projected Need	Extremely Low	Very Low	Low	Mod	Above Mod	Average Yearly Need
3,100	429	430	469	530	1,242	388
	14%	14%	15%	17%	40%	

This Regional Housing Needs Allocation is also consistent with the Plan Bay Area, which was approved by the Association of Bay Area Governments (ABAG) on July 18, 2013. Plan Bay Area represents the San Francisco Bay region’s compliance with the Sustainable Communities and Climate Protection Act of 2008 (also known as SB 375), which requires preparation of a Sustainable Communities Strategy (SCS) to both reduce Greenhouse Gas Emissions and provide housing opportunities for the region.

To show that the City has properly zoned land to meet the RHNA numbers, the City is required to complete an Adequate Sites Inventory (Attachment 8). All property listed on the Adequate Sites Inventory must allow residential uses as of right without a Special Use Permit (SUP).

Currently, the City of San Mateo has sufficient land to meet the current Housing Element RHNA numbers; therefore, no General Plan Land Use designations or zoning changes are required. The RHNA Progress table shows that the City issued permits for 454 units from 2007 to 2012, and shows the city's progress toward addressing the RHNA affordable housing goal based on level of affordability (Attachment 9).

Local Policies and Programs

In addition to addressing RHNA affordable housing goals, cities also consider other policies/programs to address localized housing interests and needs. The following summarizes staff's analysis based on the feedback received to date.

The comments received at public meetings and workshop show that the San Mateo community generally support and appreciate the city's current housing efforts. A review of existing housing element programs is included in Attachment 9. The following highlights some of the city's most significant efforts toward addressing housing needs and planning for housing:

- Condominium Conversion.
 - Current Condominium Conversion code requires implementation of tenant notification, purchase opportunities, long-term leases, and relocation assistance.
- Encourage New Housing Construction.
 - Continue to use available funds to increase supply of extremely low, very low, low and moderate-income housing through land purchases, partnering with nonprofit sponsors, and applying for subsidized financing from federal and state sources. City has set a policy to voluntarily set aside 20% of returned tax increment from the former redevelopment agency to be used for affordable housing, sometimes referred to as "boomerang" funds.
 - Encourage senior housing development close to services & transit.
 - Encourage Mixed-Use (residential and commercial uses) and Transportation Oriented Development (TOD).
 - Current code allows for applications for Senior Citizen Overlay districts and Residential Care Facilities with Special Use Permits on multi-family and non-residentially zoned properties.
 - Current code allows for applications for Secondary Units (aka In-Law Units).
- Private Development of Affordable Housing.
 - Continue requiring a percentage of units in private development projects be affordable, generally referred to as inclusionary housing.

- Provide density bonuses and priority processing for projects which qualify for density bonus under State law.
- The Homeless.
 - Continue existing support for organizations that seek to prevent homelessness.
- Special Needs Groups.
 - Continue to support existing programs that assist special needs groups, including the elderly, large families, female heads of households, and the disabled.
 - (In Progress) Adopt new Reasonable Accommodation ordinance to help individuals with disabilities have equal access to housing.

Commercial Linkage Fee

The existing Housing Element includes City Council consideration of an impact fee for housing that is charged to commercial developments which is referred to as a Commercial Linkage Fee (*Program H2.4*). The Council last considered this program in 2008. The City is participating in a countywide nexus study to evaluate the housing needs resulting in the increase in workers associated with new commercial development so the draft Housing Element includes this as a program work item for 2015.

Shared Housing

The existing Housing Element refers to Shared Housing as a potential program to address housing for special needs groups (*Program H 2.16*). The new draft includes this program also as a potential program to address prevention of homelessness (*Program H2.14*)

New Policies/Programs Proposed by Advocates and Others

Tenant Rights Policies

Considerable comments were made by community members and affordable housing advocates that encourage San Mateo to look into tenant rights policies; specifically, Just Cause Evictions, Rent Control/Rent Stabilization, and Source of Income policies. The Housing Leadership Council's letter contains examples of their research (Attachment 6), a brief description of the objective of each policy follows:

- Just Cause Evictions ordinances provide protection for tenants from arbitrary, discriminatory or retaliatory evictions.
- Rent Control/Rent Stabilization ordinances gives tenants certainty that their rents will not increase more than a certain amount each year by limiting the amount/rate at which landlords can increase rents each year.
- Source of Income anti-discrimination ordinances make it unlawful for landlords to discriminate against tenants solely based on the tenant's status as a recipient of the federal Housing Choice Voucher program (Section 8).

The Draft Housing Element reflects the city's current approach to primarily focus on an adequate supply of housing for all income groups. Consideration of tenant rights policies and other social policies can be included in the Draft Housing Element or studied as a separate work plan item, depending on the direction of the City Council.

Universal Design Standards

The city's Building Official reviewed the information provided by the Housing Leadership Council in their letter, researched existing Universal Design Standards from other jurisdictions, and provided a memorandum summarizing his findings (Attachment 10). The purpose of codifying a Universal Design Standard (UDS) to require the provision of accessibility features in residential dwellings is largely met through current Building codes, which became effective on January 1, 2014 and generally apply to multifamily projects of 20 units or greater. UDS typically are not applied to custom homes and single-family projects as mandatory accessibility requirements may not be appropriate for all households and may be considered unreasonably burdensome for some families. Currently, any accessibility features including ramps, grab bars, wheel-in showers can be accomplished through remodeling building permits. Developing a Universal Design Standard policy was an effective way to address unmet accessibility issues in 2004 (which is when one of the earliest UDS codes was adopted); currently, these objectives are addressed in the Building codes.

STUDY SESSION OBJECTIVES

The primary objective of the study session is to seek the Planning Commission's input on the draft housing programs/policies to address housing needs.

NEXT STEPS

The Planning Commission's comments on the draft Housing Element will be forwarded to the City Council at their July 21, 2014 meeting.

ATTACHMENTS

1. 3/3/14 Joint Study Session of the City Council and Planning Commission - Administrative Reports with Associated Minutes
2. 3/19/14 Joint Study Session of the Senior Citizens and Community Relations Commissions - Administrative Reports with Associated Staff Notes

3. 3/26/14 Community Workshop Comments
4. 6/5/14 Study Session of the Senior Citizens Commission – Administrative Report with Associated Draft Minutes
5. 6/5/14 Study Session of the Community Relations Commission – Administrative Report with Associated Draft Minutes
6. Public Comments (including SanMateoTownHall.com)
7. Matrix Summary of Public Comments
8. Adequate Sites Inventory
9. Evaluation of RHNA Progress and Existing Housing Element Programs
10. Memo from Building Official regarding Universal Design Standards
11. Draft Housing Element 2014 (separate spiral bound document for ease of reference)

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