

COUNCIL MEMBERS:

Mayor Robert Ross
Deputy Mayor Maureen Freschet
Council Member Joe Goethals
Council Member David Lim
Council Member Jack Matthews

CITY COUNCIL OF THE CITY OF SAN MATEO
City Hall, 330 W. 20th Avenue, San Mateo, California 94403



MINUTES OF THE CITY COUNCIL AND PLANNING COMMISSION SPECIAL JOINT MEETING

Monday, March 3, 2014

Conference Room C

5:30 PM

Present: All Council Members were present. Planning Commissioners present: Chris Massey, Dianne Whitaker and Rick Bonilla. Charlie Drechsler was absent. Commissioner Hugg recused himself due to conflict of interest as his principal income is derived from housing advocacy.

STUDY SESSION

1. HOUSING ELEMENT (2014-2022) UPDATE

Planner Julia Klein and Diana Elrod, Housing Consultant, presented the City's Housing Element for the new planning cycle (2014 to 2022). Staff and the Consultant responded to Council and Commissioner questions.

Public Comment: *Pamela Mallett* – Sunnybrae Neighborhood Association, stated concern with rumors of planned eminent domain use in the transit corridor. Council clarified no eminent domain is being discussed in R1 neighborhoods. *Joshua Hugg* – recused Planning Commissioner speaking as a member of the public, stated the importance of affordable housing requires a robust response to the housing element and encouraged wholehearted commitment to the element and out of the box thinking; *Peter Yeatrakas* – Senior Citizens Commissioner, asked for communication on the element with the Senior Commission and that information be provided in hardcopy; *Bertha Sanchez* – stated more meetings are needed to help make the element more understandable to citizens.

Council and the Commission provided comments. Council Member Matthews encouraged looking at a linkage fee connected to building commercial square footage; but would like to see this as a county-wide effort. He noted that putting the burden solely on developers to create low market rate housing is not equitable and as a society we should work together to create below market rate housing.

Council Member Lim stated the element is good and we should stay on track with what we have done including the proposed schedule. He noted additional public meetings should not be required for this technical document.

Council Member Goethals concurred with statements about the importance of this effort noting we are one of the least affordable places to live. He also noted the increase in renters as an important shift to pay attention to, as well as developing the transit corridor for affordable housing and giving choices to those who want to downsize.

Council Member Freschet commented that the housing element provides great awareness of the issues and expressed concern about the senior population and how many are living in low income households as well as children and that the trend is there are going to be an increase in low income jobs and how do we house that needed population.

Commissioner Bonilla stated the City has created a successful and pleasant place to live; and the housing element provides very informative, multi-faceted, dense facts, that it takes some time to process. He noted it is important to understand who we need to serve with housing; we have good policies and zoning in place.

Commissioner Whitaker stated her appreciation of the first joint study session and noted the input from the Housing & Land Use Technical Advisory Committee that was set-up six to eight years prior.

Chair Massey stated the housing element is a technical document aimed at meeting state requirements noting our community is committed to affordable housing and our goal is to make more affordable housing options. He noted the job trends indicate a need to plan for job/housing impact and feels it is worthwhile to pursue a linkage fee.

Mayor Ross thanked staff for work on the element and noted the city is committed to looking at housing needs for its citizens and this brings along huge issues and this is not an easy problem to solve. He noted that it appears that 80% of population is commuting in and out of the community and that should be a focus also.

Council and the Planning Commission concurred with the proposed schedule with the addition of a joint study session with the Senior Citizens Commission and Community Relations Commission in March.

ADJOURNMENT – The meeting adjourned at 6:56 p.m.

SUBMITTED BY:



Patrice M. Olds
City Clerk, City of San Mateo

APPROVED BY:



Robert Ross, Mayor



ADMINISTRATIVE REPORT

TO: CITY COUNCIL AND PLANNING COMMISSION

FROM: LARRY A. PATTERSON, INTERIM CITY MANAGER

PREPARED BY: COMMUNITY DEVELOPMENT DEPARTMENT

MEETING DATE: MARCH 3, 2014

SUBJECT: HOUSING ELEMENT (2014-2022) UPDATE

RECOMMENDATION

Review and comment on the City's Housing Element for the new planning cycle (2014-2022), including the update schedule, and provide direction to staff.

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. 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. This update must be reviewed and certified by HCD in order for the Housing Element to be in compliance with state law.

Since the last Housing Element certification in 2010, a number of new laws have passed which have established additional requirements for the current Housing Element update. These requirements include:

- I. A requirement to provide analysis of housing needs for people with developmental disabilities,

- II. Change in planning cycle. Jurisdictions are now on an eight-year planning cycle, unless they are late in submitting their revised Housing Elements. San Mateo's Housing Element planning cycle (5th cycle) is now 2014-2022.
- III. HCD now provides an option for streamlined review that focuses on material changes to a jurisdiction's Housing Element. To qualify, jurisdictions must demonstrate that the following have been met:
 - A. Must have a compliant 4th cycle Housing Element (previous housing element),
 - B. Any rezoning that is necessary to meet RHNA numbers are completed,
 - C. Zoning changes for emergency shelters are completed,
 - D. Zoning changes for transitional and supportive housing are completed,
 - E. Density bonus ordinance adopted,
 - F. Required Annual reports are submitted to HCD, and
 - G. Zoning changes for reasonable accommodation are completed.

The City of San Mateo has complied with all of the requirements, with the exception of item G. Zoning changes for reasonable accommodation (see below for status).

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. While the Housing Element is one of the seven required elements of the General Plan, due to state mandated timelines, updates of the Housing Element are on a separate update track from the rest of the General Plan. It is also important that revisions to the Housing Element be evaluated for consistency with the City's General Plan.

MAJOR ISSUES/REVISIONS

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.

By comparison, the 2007-2014 RHNA allocation from the last Housing Element reporting period was 3,051 units with: 348 extremely low, 347 very low; 500 low; 589 moderate; and 1,267 above moderate. The current need of 3,100 units represents a 1.6% increase over the previous reporting period.

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

In addition, the City must meet the RHNA numbers for each income category based on a realistic capacity (not a mathematical density capacity) for the zoning districts. The State has determined that it is not sufficient to simply calculate the number of units at the maximum zoned densities, especially if there are significant differences between zoned and built densities. From 2001-2008, the City’s difference between zoned and built densities was 77% of the maximum permitted density. The 77 % was also applied to the current Housing Element; therefore, when staff identified the available sites for housing by income categories, the City’s average of 77% was added into the equation.

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 table titled Housing Element 4th Cycle Programs MATRIX 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; please refer to Attachment 4 for more information.

Housing Element Implementation & Streamlined Review

A review of the prior Housing Element policies and programs show that one program remains to be implemented; the City must adopt zoning code amendments to address Reasonable Accommodation requirements for individuals with disabilities (Attachment 4). It is anticipated that this ordinance will be reviewed by the Planning Commission in March 2014, with City Council review in April or May 2014. Upon adoption of a Reasonable Accommodation policy, the City will meet all of the criteria to be eligible for the streamlined review. Those interested in this subject are encouraged to sign up for the interested parties list, so that they may receive email updates as new information is posted on the Housing Element webpage.

Housing for People with Developmental Disabilities

As mentioned above, the Housing Element update will be required to include an analysis of housing needs for people with developmental disabilities. It is anticipated that staff will research and identify Housing Element policy or program modifications to consider in an effort to support housing needs for people with developmental disabilities. Council, Commission and community input in this area are also requested.

Study Session Objectives

A study session with the City Council and Planning Commission is scheduled for March 3, 2014. The primary objectives of the study session are to seek Council and Commission input on the following:

- Discuss implementation progress & confirm interest in qualifying for streamlined review.
- Discuss and provide direction on the approach for community outreach and overall Housing Element update schedule.
- Provide initial identification of possible modifications to the Housing Element with respect to Reasonable Accommodation, housing for people with developmental disabilities, or other housing programs.

BUDGET IMPACT

It is anticipated that City staff and consultant time to complete the update of the Housing Element and other costs associated with this update effort will be covered by the Community Development Department - Planning Division's Advance Planning Fund (Fund 25). It is also anticipated that on-going costs associated with implementing new Housing Element policies and programs will be evaluated as part of the Housing Element update process.

ENVIRONMENTAL DETERMINATION

A study session to discuss state requirements and timeline for the updating of the Housing Element is not a project under the California Environmental Quality Act (CEQA). Revisions to the Housing Element are anticipated to include a review of potential environmental impacts, if any, and be consistent with applicable CEQA guidelines pertaining to public review.

NOTICE PROVIDED

Meeting notice requirements were met. Specifically, the meeting was published in the Examiner newspaper, placards were posted at three City facilities (City Hall and libraries), posted on the City's Housing Element update website, and emails were sent to those who have signed up for the interested parties list at least 10-days prior to the meeting.

ATTACHMENTS

Attachment 1 – Draft Housing Element 2014 – Housing Needs Section
(note: Very Rough Version)

Attachment 2 – Draft Update Schedule and Meetings

Attachment 3 – Regional Housing Needs Allocation (RHNA) Progress
(note: data is for 2012, data for 2013 is not yet available)

Attachment 4 – Housing Element 4th Cycle Programs MATRIX

Attachment 5 – Public Comments

HOUSING ELEMENT RESOURCES ONLINE

The current Housing Element as well as other background information are available on the Housing Element webpage online at:

www.cityofsanmateo.org/whats happening

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