



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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Housing and Neighborhood Improvement Manager
Chief of Planning
Interested parties (via email)

CC (Website link to AR and attachments via Email)
Interested Parties (if email address was provided)

The meeting was called to order by Chair Bonilla at 7:30pm. Those present were: Commissioners Whitaker and Massey; Commissioner Hugg and Vice-Chair Drechsler were absent & excused.

The Planning Commission Chair opened the public comment period.

- Bertha Sanchez spoke to the Planning Commission regarding the late notice that was given regarding Vector Control in San Mateo County spraying for West Nile Virus between the hours of 11pm and 5am – Poplar, 4th Avenue, El Camino, and Highway 101. It was mighty short notice.

No one else to speak the Chair closed the public comment period.

ITEM 1

STUDY SESSION, Draft Housing Element Update

Julia Klein, Senior Planner and Diane Elrod, D. R. Elrod & Associates.

Ms. Elrod gave the staff presentation; an overview on what is involved with the Housing Element.

The Planning Commissioners had the following questions for staff:

- When we met back in March, there was discussion about a streamlined process. Are we still trying to go that route? *Consultant: Yes, we are. We have finished the one item that was remaining, the Reasonable Accommodation Ordinance which was outstanding and needed to be completed before submission. The City Council adopted the Ordinance on June 16th.*
- The January 31, 2015 deadline? *Consultant: That refers to the submission date for the final adopted Housing Element. The city has to submit an adopted Housing Element and the state has 90 days to review the submission and decide to grant or not grant the certification.*

The Chair opened the public comment period. The following people spoke: Doreen Brown (Joiner), San Mateo; Tracy Choi, Housing Leadership Council; Reinalda Gonzalez*, San Mateo; Lucia Alvarez*, San Mateo; Ana Lopez*, San Mateo; Kathy Shea, San Mateo; Karyl Eldridge, San Mateo; Bertha Sanchez, San Mateo; Stacey Laumann, Habitat for Humanity; Amanda Kim, San Mateo.

- I have lived in San Mateo for 5 years, and I was fortunate to receive a Section 8 voucher as my salary is not enough for me to live in San Mateo in a safe healthy environment. I am supportive of rent protection being added to the Housing Element and not put off into a separate study. Tenants today are experiencing a lot of problems because of no protection. I was notified by my property management company that they would no longer accept the Section 8 voucher. Seven hundred other voucher holders in the city will be displaced if the property owners choose not to accept Section 8. For renters in San Mateo who do not have a voucher, there is additional difficulty. You are lucky if you find an apartment that you can afford but there is no guarantee that you will be able to keep it given the rate of rental increases. The demand for housing is high and availability is low. There needs to be protections from excessive rent increases and evictions without cause. Rent Stabilization, Just Cause Evictions, and enhanced relocation

benefits will provide much needed stability to those in the community who make a difference but don't have sufficient resources.

- The City of San Mateo has done a good job in committing to affordable housing through new projects. We commend the joint effort in the Grand Nexus study along with other jurisdictions. We hope that after the result of the study, the city will implement impact fees. In regards to this draft Housing Element, the need for more robust policies has reached critical levels. Demand for housing is far outpacing supply; simply building our way out of this problem is not going to be an end-all solution. Those at the highest risk of being impacted by such high housing prices are renters. Here in San Mateo they account for about 47% of the population. We urge the city to consider including policies and programs to provide renters, especially those that are low-income and very low-income with some sort of confidence that they can continue to live and work in San Mateo. When households experience sudden losses in household income or other extreme life circumstances, they could find themselves without a place to live, might find themselves homeless. When their situation stabilizes they could find themselves unable to move back into their community. We urge the city to include some type of program or policy to examine the risk of displacement, examining the impact on residents and how the city can respond. While fulfilling the statutory requirements for this Housing Element, we believe it is imperative to meet the letter of the law but also the spirit of the law.

* - the next 3 speakers spoke in Spanish and required an interpreter.

- * I am a leader with the San Francisco Organizing Project/Peninsula Interfaith Action (SFOP-PIA) and a member of St. Matthews Catholic Church. The last year my family went through a very rough problem. We live in an apartment with 3 bedrooms where I live with my 2 sons, husband, and grandchildren. My son had an accident and had knee surgery. I needed to get 3 jobs in order to pay rent, and buy food, etc. At the time I was only working a part-time job that paid \$1,000 a month and my rent is \$2,000 a month. Even after getting two more jobs, it was still not enough to take care of rent, food, shoes, etc. for my family. I felt desperate and cried because I could not protect my family much less my family in Mexico. Another thing I did to pay the rent was to sell my wedding ring and some of my other jewelry. Even now it is hard and my son is suggesting we move to Concord. I tell him no, that my community, work, and church is here. I want to ask for protections against displacement so I don't have to live in fear of having to abandon and leave this city where I've lived for 10 years.
- * I am a member of the St. Mathew's Church Community. I also volunteer at the library and help with a lot of activities for the Latino community. I live and work in San Mateo, I am a pre-school teacher. As a teacher I want to point out we deserve to live in this city. I use a housing voucher to pay for my rent but it is still not enough. I face discrimination by some landlords because they feel that people with these vouchers bring problems to the building. What I am asking for is policies that protect renters/residents. We need to pass on information to landlords because they do not know about these programs.
- * I am a leader with SFOP-PIA. I am here to raise concerns about the rents in San Mateo. In the past two years I have seen our rent increase a lot. Since my mother is pregnant I have to work two jobs to help my father. I want to help my parents. Sometimes I do not know what to do to help them. As the oldest child, it is a lot of pressure to help. I wish I could do more. I would also like to go to school and I want my family to have the means to live here. Right now it is really hard to pay rent. I want to affirm the need for tenant's rights.

- Resident of San Mateo. I am a member of SFOP-PIA. After speaking with hundreds of people across the Peninsula, we have found that people are scared and afraid of increasing rents and displacement.
- Member of SFOP-PIA and my focus over the past several years has been affordable housing. As rents have increased, this community faces the prospect of massive displacements. As time moves on many people are going to be forced out. SFOP-PIA has two main priorities: 1) rent stabilization. It is not mentioned in the Housing Element and would like the Housing Element to be modified to add exploring the possibility of this stabilization. It is the single thing that would have the most effect at stabilizing the community and families. 2) Commercial Linkage Fee. The language around this is rather tepid in the Housing Element. With the Redevelopment Agency (RDA) being dissolved, we need to do everything we can to fill this void. Burlingame is trying to adopt a linkage fee within the next year. We support approval of the draft Housing Element with these modifications.
- Resident of the North Central neighborhood, which is considered one of the poor areas in the city. I am a community activist. The housing voucher, Section 8, is governed by the Federal government and administered by the County. It is issued on a sliding scale. There is also Project Sentinel that calls up to find out if discrimination is occurring. I believe we need to be careful about restrictions. We have a lot of aging seniors. As they pass on, some of these properties are going to sell at the highest price possible and might be properties that are currently rented. Rent stabilization is rent control. It should be discussed more fully and thoroughly. My family added 2 units to the city's housing stock. I would ask that rather than just asking for specific rent stabilization, I think that this issue needs to be discussed further and with more input.
- With Habitat for Humanity and we are an affordable housing provider. We are a member of the Housing Leadership Council and I would support and echo the other speaker. We would love to build more but local funding is important. The loss of the RDA has been difficult. Other jurisdictions have used the commercial linkage fee. Please consider SFOP.PIA's recommendation to fast-track the commercial linkage fee adoption.
- Want to mention that Below Market Rate units that are available in San Mateo do not accept Section 8.
- I support rent stabilization as I believe it helps to stabilize the community. We've seen people evicted because of rent increases.

The Chair closed the public comment period.

The Planning Commission had the following questions:

- What is staff's position with respect to the proposals made tonight and in the public comments, specifically the package of protections we are being asked to add to the Housing Element. *Staff: These are not currently in the draft Housing Element; should the City Council request that they be added, we will do so. We are indicating that we feel we have a Housing Element that meets the state law and addresses the Regional Housing Needs Allocation for the upcoming years.*
- Proposal regarding the commercial linkage fee. What is the status? *Staff: All the San Mateo county jurisdictions formed a working group, called 21 Elements. All are working together to share resources as we work on our Housing Elements. A number have been interested in a commercial linkage fee and together we've hired a consultant to do a Nexus study. The*

information will be broken out for each jurisdiction. It is underway and we expect it to be done by end of 2014. We would take it to the City Council in 2015.

- *Bring the finished study to the Council in 2015 along with recommendations? Staff: Staff would support the adoption of Commercial Linkage Fee. There was a separate Affordable Housing Impact Fee that was initiated earlier, which would have conflicted with Measure P, and ultimately did not receive community support. That fee is not likely to move forward.*
- *A Commercial Linkage Fee is not impacted by Measure P? Staff: No.*
- *Source of Income Anti-discrimination and specifically for Section 8. I reviewed the ordinance adopted by Foster City, and I didn't find that it committed the city to doing anything. Is there any value for San Mateo in considering an ordinance of this nature? Consultant: I know of some ordinances that address anti-discrimination, broadly speaking, and not Section 8. They address discrimination against people whose income is from a government program. To focus it on one source of income is problematic. Section 8 is a federal program and the city has nothing to say about how it is administered. It would create a locally protected class of people that cannot be discriminate against for this reason. It is difficult to be too specific, especially for a program that the city does not control. Staff: The city contracts with Project Sentinel which investigates discrimination issues. Source of income is not a stated class for investigation.*
- *Under attachment 8, the listing of the adequate sites survey, the project at 888 North San Mateo Drive shows up on the underutilized, per the numbers on the chart. It looks as though it's built to the max. Staff: The Department of Housing and Community Development allows one year of double-counts, where cities are allowed to count housing towards production, as well as include certain sites in the inventory of available sites. It depends on where the project is in the pipeline between January 1, 2014 and January 31, 2015.*
- *Again, in attachment 8, at bottom of vacant sites list, there is a number under final adjustment of RHNA numbers and I've figured out that number comes from subtracting units currently in the pipeline. Staff: Correct. We are accounting for sites already in the pipeline.*
- *On the last page, the reference notes, there is one sentence that I cannot figure out the meaning. Under realistic capacity, it reads, "...furthermore the analysis shows that the maximum density can be reached with non-residential uses associated with the project." It isn't making sense to me. Staff: We have mixed-use projects that have included ground floor retail and it is still possible to achieve residential densities with a mixed use project.*
- *Do we have any knowledge of any other landlords denying Section 8 vouchers? Staff: I think in this situation, the tenants were Section 8 and the landlord chose to opt out. I don't know that this speaks to how many who do not want to participate. The county administers the Federal Section 8 Housing Choice Voucher program. Once you receive a voucher it is a dollar-amount of money based upon income. You are given a fixed-amount of voucher dollars to be paid against the rent.*
- *Is there an agreement/contract with the county? Staff: There is a contract with the county and the landlord. The money is paid directly to the landlord. The county inspects the property to ensure that it is meets health and welfare standards, etc.*
- *If the landlord chooses to opt out, what do they do? Staff: They are required to provide 90 days' notice if they choose to opt out.*
- *In the draft Housing Element, in the chart on page 44, it talks about commuting patterns of local workers and is based on 2010 statistics. In the City of San Mateo, 87% of the workforce commutes into the city and 88% of the workforce commutes out. Do we have any data on the*

number of persons who live & work in the City of San Mateo? Is there any way to get that percentage? *Consultant: Not that I am aware of. Due to budget restrictions at the federal and state levels, some of that data are no longer available; we don't get all of the information we used to.*

- Would it be possible to take a number in the chart of the number employed in 2010 and then work in the %'s to see if we can figure it out? *Consultant: We can look into it and report back when the Housing Element comes before the Commission for a final recommendation.*

The Planning Commission had the following comments:

- The more I delved into the materials, the more nervous I got and the more agitated I became. It is a very large problem, the jobs, etc. In reading through the comments from the public I believe there is a misconception that by putting a number on housing units, the fear is that the city is going to rush out and build 3,100 units over the next several years. It is up to the private market to build the projects, not the city. In looking over the statistics for the 2007 to 2013 period, past Housing Element, San Mateo's total allocation number was 3,051 units and during that time 991 units were provided.
- I would be interested in further discussion/study/implementation of four things: 1) rent stabilization; 2) housing overlay zones; 3) commercial linkage fee, last discussed by City Council in 2008; 4) parking. I would add tenant's rights policies: just cause evictions, rent stabilization. I'm also interested in hearing how the other commissioners' feel about those topics.
- Section L of Housing Element, the qualified objectives section that contains the city's projection of how many housing units are going to be built. It looks like the city expects to see enough housing units constructed when compared to the Regional Housing Needs Assessment (RHNA) need allocations. That's a big change from last time. We will produce more market rate and not as many units for low-income, very low-income, or extremely-low income. *Consultant: That's correct.*
- I think the draft Housing Element should be submitted to the state for their review. It is well prepared and shows that we meet or exceed the statutory requirements which this element was prepared to meet. This document has been written for a specific purpose. The Housing Element is not the best place to address the other issues brought up in the public comments. The issues raised here are serious and should be reviewed carefully. This is not the place for that review. These issues should be analyzed and studied separately. We have a serious problem and we are not alone in it – the bay area has the problem as well. It indicates that while San Mateo is seen as an affluent community, 40% of our population is low-, very-low, extremely low-income. The housing stock is not affordable to that 40%. The question then becomes what do we do about it? We have heard a lot about rent stabilization: stabilize the community, the rents, etc. By doing so we solve the problems we have today. Stabilizing or freezing our housing arrangements is not a prescription for the longer term future. Growth is a very charged issue in this community. We could provide more lower-income housing if developers could build beyond 55 feet. The voters said no and we respect that. This impacts our ability to develop affordable housing. I do think the issues we have heard tonight should be studied by the city separate from this Housing Element. We need to address the economic disincentives that come along with rent stabilization.
- We used to live in a society where one could work, and not have to have 3 jobs to live. Now, we live in an economy where multiple jobs are necessary. I wished we lived in a world where we

did not have to have affordable housing. I agree that the Housing Element is not the place to address rental control/stabilization, etc. The Housing Element document tells the state that we are doing what we are supposed to be doing per state law. Concerned about jobs and housing imbalance. I understand people feeling ashamed about asking for help much of the time. I would hope that people could work and have the funds to live in dignity. I would urge that we move this document along to the City Council with the verbiage that we would like to see additional studies be done on topics covered tonight. Also, would like to see the city move the commercial linkage fee along.

Announcement/Communications

1. Announcement from Staff
 - a. The draft Housing Element is scheduled for the July 21, 2014 City Council meeting.
 - b. June 24, 2014 Planning Commission meeting has been cancelled.
 - c. We will know within a week if we have items for July 8, 2014 Planning Commission meeting.
 - d. Commissioners Hugg & Chair Bonilla are not available in July.
 - e. Commissioner Massey is out in September.
 - f. Sustainable Streets Plan's Taste and Talk Series is scheduled for July 10, 2014; at Draper University auditorium room in Downtown San Mateo.
 - g. The Schmier planning application reviewed at the last Planning Commission meeting has been appealed to the City Council.
2. Announcements from Commissioners

The meeting was adjourned at 9:07 pm on Thursday, June 19, 2014.



ADMINISTRATIVE REPORT

TO: CITY COUNCIL

FROM: LARRY A. PATTERSON, CITY MANAGER

PREPARED BY: COMMUNITY DEVELOPMENT DEPARTMENT

MEETING DATE: JULY 21, 2014

SUBJECT: DRAFT HOUSING ELEMENT

RECOMMENDATION

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

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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.

The draft Housing Element was reviewed by the Planning Commission at a study session on June 19, 2014; where the Commission heard public comments and provided feedback on the draft document. The Commission generally recommended moving the draft Housing Element forward to the City Council and noted that the draft document addresses the requirements of State law. The public comments included personal stories as well as an overall message urging the city to include tenant rights policies such as Just Cause Eviction, Rent Control/Stabilization, Source of Income Anti-Discrimination, Commercial Linkage Fee, and parking. The Commission indicated support for studying these issues separately from the Housing Element update process.

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.
- 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

As noted earlier, considerable comments were made by community members and affordable housing advocates encouraging San Mateo to look into tenant rights policies, particularly Just Cause Evictions, Rent Control/Rent Stabilization, and Source of Income policies. The Housing Leadership Council's letter attached to this Administrative Report (Attachment 6) contains examples of their research with a brief description of the objective of each policy below:

- 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.

NEXT STEPS

Following this study session on the draft Housing Element, the document will be forwarded to the state Housing department for their 60-day review of the draft Housing Element. During the 60-day review, staff will continue working on the environmental document, and expect to bring this item back to the Planning Commission and the City Council later this year for approval. The updated Housing Element Update schedule is included in Attachment 11.

BUDGET IMPACT

The Housing Element update cost, including associated consultant services, is anticipated to be covered by the Community Development Department – Planning Division’s Advance Planning Fund (Fund 25). The on-going costs associated with implementing new Housing Element policies and programs will be evaluated during the implementation phase.

ENVIRONMENTAL DETERMINATION

A study session to discuss the draft Housing Element is not a project under the California Environmental Quality Act (CEQA). The Housing Element update process will include a review of potential environmental impacts of Housing Element policies/programs, if any, and will 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 – 3/3/14 Joint Study Session of the City Council and Planning Commission - Administrative Report with Associated Minutes.
- Attachment 2 – 3/19/14 Joint Study Session of the Senior Citizens and Community Relations Commissions – Administrative Report with Associated Staff Notes
- Attachment 3 – 3/26/14 Community Workshop Comments
- Attachment 4 – 6/5/14 Study Session of the Senior Citizens Commission – Administrative Report with Associated Draft Minutes
- Attachment 5 – 6/5/14 Study Session of the Community Relations Commission – Administrative Report with Associated Draft Minutes
- Attachment 6 – 6/19/14 Study Session of the Planning Commission – Administrative Report with Associated Draft Minutes
- Attachment 7 – Public Comments (including SanMateoTownHall.org)
- Attachment 8 – Matrix Summary of Public Comments
- Attachment 9 – Adequate Sites Inventory
- Attachment 10 – Evaluation of RHNA Progress and Existing Housing Element Programs
- Attachment 11 – Memo from Building Official regarding Universal Design Standards
- Attachment 12 – Draft Housing Element 2014

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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 REGULAR MEETING**

Monday, July 21, 2014

Council Chambers 7:05 PM

OPENING

- Pledge of Allegiance: Parks and Recreation Department
The Mayor presented a proclamation to the Parks & Recreation Department.
- Roll Call – Deputy Mayor Maureen Freschet was absent due to a vacation; all other Council Members were present.

CEREMONIAL MATTERS

- "National Night Out" - Police Department
Sgt. Rick Decker presented information on National Night out. John Rink Sr. (Ret.), Chairman of National Night Out, presented additional information on the importance of knowing your neighbors.
- Transportation Update from San Mateo County Transportation Authority Representative
Terry Nagel, Vice Mayor of Burlingame provided a brief update on the Transportation Authority noting they are beginning a strategic planning process and outlined the projects accomplished under Measure A.
- Proclamation: "Relay for Life"
Charlene Ip, Co-Chair, San Mateo Relay for Life, accepted the proclamation and invited attendance at Relay for Life in Central Park the weekend of August 2, 2014.

CONSENT CALENDAR – CITY COUNCIL

The following items were considered to be routine by the City Council. After the titles of the items were read by the City Clerk, the public was invited to comment and there were no speakers. Motion by Lim, second by Goethals, carried unanimously (4-0) to ADOPT CONSENT CALENDAR item 1, as amended; and items 2 through 11, and 13 through 19, as submitted. Item 12 was pulled and considered at the end of the Consent Calendar.

1. CITY COUNCIL MINUTES APPROVAL
APPROVE THE MINUTES of the City Council Special and Regular meetings of June 16, 2014, as amended.

2. LEAGUE OF CALIFORNIA CITIES VOTING DELEGATE FOR ANNUAL CONFERENCE
DESIGNATE MAYOR ROBERT ROSS AS THE CITY'S VOTING DELEGATE and City Manager Larry Patterson and City Attorney Shawn Mason as the City's Alternates for the 2014 League of California Cities Annual Conference in Los Angeles on September 3-5, 2014.

3. EMPLOYEE VISION INSURANCE CONTRACT RENEWAL
APPROVE A CONTRACT renewal with Vision Service Plan for employee vision insurance for two years, from July 1, 2014 to June 30, 2016, and authorize the Human Resources Director to sign the Renewal Agreement.

4. RENEW CONTRACT FOR THE PROVISION OF LIFE/ADDITIONAL DEATH AND DISMEMBERMENT, AND LONG TERM DISABILITY INSURANCE
APPROVE A CONTRACT renewal with Standard Insurance for life/additional death and dismemberment and long-term disability insurance for three years, from July 1, 2014 to June 30, 2017, and authorize the Human Resources Director to sign the Renewal Agreement.

5. 2014 SIDEWALK REPAIR
ADOPT RESOLUTION NO. 46 (2014) to appropriate and transfer funds from various sources to fund the 2014 Sidewalk Repair Project; AWARD A CONTRACT to FBD Vanguard Construction for the project in an amount of \$412,551; and authorize the City Manager to execute the contract.

6. STATE ROUTE 92/EL CAMINO REAL INTERCHANGE IMPROVEMENTS PROJECT COOPERATIVE AGREEMENT
ADOPT RESOLUTION NO. 47 (2014) to execute the Cooperative Agreement between the California Department of Transportation for design of the State Route 92/El Camino Real Interchange Improvements Project.

7. ON-CALL SANITARY SEWER MAINTENANCE REHABILITATION DESIGN SERVICES
APPROVE AN AGREEMENT for professional engineering consulting services with CSG, Inc., for the On-Call Sanitary Sewer Maintenance Rehabilitation Design Services Project in an amount not-to-exceed \$110,000; and authorize the City Manager to execute the contract.

8. RESIDENTIAL DOOR TO DOOR HOUSEHOLD HAZARDOUS WASTE PROGRAM
APPROVE AN AGREEMENT with South Bayside Waste Management Authority to continue providing the Door to Door Household Hazardous Waste, Universal Waste, Electronic Scrap, and Sharps Collection Program for all City of San Mateo residents and authorize the City Manager to execute the agreement.

9. POPLAR AVENUE AND COYOTE POINT PUMP STATIONS REHABILITATION PROJECT ENGINEERING SERVICES PROFESSIONAL SERVICES AGREEMENT
AWARD A PROFESSIONAL SERVICES AGREEMENT to Schaaf & Wheeler Consulting Civil Engineers, for engineering services for the Poplar Avenue Pump Station and Coyote Point

Pump Station Rehabilitation Project in the amount of \$546,300 with the use of an alternative purchasing procedure in accordance with Municipal Code Sections 3.60.040(c); and authorize the City Manager to execute the contract.

10. WASTEWATER TREATMENT PLANT – PRIMARY CLARIFIER #4 EQUIPMENT REPLACEMENT DESIGN SERVICES AGREEMENT
AWARD A PROFESSIONAL SERVICES AGREEMENT to Carollo Engineers, for design services, delivery of construction contract documents, and engineering support during construction (ESDC) for the Primary Clarifier 4 (PC4) Equipment Replacement Project in the amount of \$96,300 with the use of an alternative purchasing procedure in accordance with Municipal Code Sections 3.60.040(c); and authorize the City Manager to execute the contract.
11. WASTEWATER TREATMENT PLANT – PLANT CONTROL SYSTEM PROJECT DESIGN AMENDMENT NO. 1
APPROVE AMENDMENT NO. 1 to the professional services agreement with Carollo Engineers, Inc., for engineering services for the Wastewater Treatment Plant – Plant Control System Upgrade Project Phases II and III, in an amount not to exceed \$139,517 increasing the total not to exceed amount to \$772,546; and authorize the City Manager to execute the amendment.
13. WASTEWATER TREATMENT PLANT GRAVITY THICKENER 1 AND 2 REHABILITATION PROJECT PROFESSIONAL SERVICES AGREEMENT
AWARD A PROFESSIONAL SERVICES AGREEMENT to Hydrosience Engineers, Inc. for design and engineering services during construction for the Wastewater Treatment Plant Gravity Thickener 1 and 2 Rehabilitation Project, in the amount of \$207,620; and authorize the City Manager to execute the agreement.
14. WASTEWATER TREATMENT PLANT – PRIMARY CLARIFIER #3 REHABILITATION PROJECT CONTRACT CHANGE ORDER NO. 8
APPROVE CONTRACT CHANGE ORDER No. 8 to JMB Construction, Inc., for coating work for the Primary Clarifier #3 Rehabilitation Contract, in the amount of \$141,517; and authorize the City Manager to sign the change order.
15. BERMUDA DRIVE BRIDGE REPLACEMENT PROJECT
ADOPT RESOLUTION NO. 48 (2014) to appropriate an additional \$352,460 for the Bermuda Drive Bridge Replacement Project funded by the Highway Bridge Replacement and Rehabilitation Program; APPROVE AMENDMENT NO. 2 to the professional services agreement with Biggs Cardosa Associates, Inc. for the complete design of the Bermuda Drive Bridge Replacement Project in a not-to-exceed amount of \$402,000 to bring the total agreement amount to \$629,000; and authorize the City Manager to execute the amendment.
16. REFUSE COLLECTION TRUCK PURCHASE
APPROVE THE PURCHASE CONTRACT with Husky International Trucks, Inc. for one 2015 Isuzu N-Series diesel powered cab-over truck with fully installed rear loader refuse body for \$141,107 in a not-to-exceed amount of \$154,159.40 to include imputed California

sales tax, and authorize the City Manager to execute the contract and any other documents required for this purchase.

17. EL CERRITO RELIEF LINE PROJECT CONSTRUCTION MANAGEMENT SERVICES AGREEMENT
AWARD A PROFESSIONAL SERVICES AGREEMENT to The Hanna Group to provide construction management services for the El Cerrito Relief Line Project, in an amount of \$550,028; and authorize the City Manager to execute the agreement.
18. CITYWIDE JANITORIAL SERVICES CONTRACT
AWARD A CONTRACT to Central Maintenance Company for Citywide janitorial services for twenty-two months with three one-year extension options in the amount of \$828,982; and authorize the City Manager to execute the contract.
19. COMMUNITY FACILITIES DISTRICT NO. 2008-1 BAY MEADOWS – FISCAL YEAR 2014-2015 SPECIAL TAX ROLL
ADOPT RESOLUTION NO. 49 (2014) by the City Council, acting in its capacity as the legislative body of the City of San Mateo Community Facilities District No. 2008-1, to approve the Special Tax Roll and authorize the levy of special taxes for Fiscal Year 2014-15.

END OF CONSENT CALENDAR

REMOVED FROM CONSENT CALENDAR

12. WASTEWATER TREATMENT PLANT ON-CALL REPAIR AND REPLACEMENT SERVICE
This item was pulled by two members of the public wishing to comment on the item.

Public Comment: *Richard Woo* – stated he is a maintenance worker for the Waste Water Treatment Plant and requested hiring per diem workers instead of the hiring of an outside contractor. *Aaron Shong* – stated he has been a plant mechanic for 16 years and is opposed to the on-call service noting one plant mechanic remains on call 24 hours a day and the back-log is primarily preventative maintenance work orders.

City Manager Larry Patterson responded noting the first priority is for preventative maintenance and the importance of catching up with the back-log of work orders for safety reasons. He stated this is to address the back-log and is not intended as a worker replacement and would only be used as needed. He responded to Council's questions noting that no positions could be eliminated without discussion with the labor union.

Lim moved to continue this item to the August 18 City Council meeting, Goethals seconded, motion failed (2-2) with Lim and Goethals voting yes and Matthews and Ross voting no. Discussion ensued on the reasons for continuing the item.

Motion by Goethals, second by Matthews, carried (3-1) to AWARD A CONTRACT to Monterey Mechanical Co. for the Wastewater Treatment Plant On-Call Repair/ Replacement Services work in an amount not to exceed \$225,000 for a three-year term, and authorize the City Manager to execute the contract.

PUBLIC COMMENT – There were no speakers.

PUBLIC HEARINGS

20. APPEAL OF PLANNING COMMISSION APPROVAL OF SCHMIER RESIDENCE –
3328 VERDUN AVENUE

Disclosures – Council Members disclosed contact they have had with parties involved in this project. Lim spoke with the Applicant and the Appellant and noted he submitted all email communication to be made a part of the public record. Matthews stated he had an email exchange with several parties and visited the Schmier home for a tour. Ross and Goethals had no items to disclose.

Associate Planner Christy Usher reported that on June 10, 2014, the Planning Commission approved a project located at 3328 Verdun Avenue for an 889 square foot second-story addition, and a 149 square foot uncovered balcony, to an existing one-story single-family dwelling. On June 17, 2014 the decision was appealed to the Council.

The Council asked questions of staff.

The Mayor opened the Public Hearing.

Applicant's Presentation: Michael and Terri Schmier presented their project.

Appellant's Presentation: Karen Trudell presented her appeal. Scott Finley spoke on her behalf.

Public Comment – *Renee Johnson* stated she is in support of the Schmier application noting the generational demographic currently buying in the neighborhood, that the 1950s style home does not work for this demographic, and noted that the Schmier's have air rights. *James Morris* – stated his support of the Schmier's application noting they have gone through all the proper steps and the Planning Commission made the right decision. *Warren Gammeter* – stated he is a 30-year resident and encouraged the City to consider a view protection ordinance.

Eileen Helbig – stated she is opposed to the application as it will block her kitchen window view. *Judy Stevens* – stated she is a 40-year home owner and is opposed to the two-story addition on the basis of precedent stating view homes paid a premium for their view and now these views are an object of value being stolen. *Wayne Deutscher* – stated the project should be passed back down to staff as there is no definition of view equity and what the impact will be when these cases happen in the future. *Royce Gardner* – stated there is a dollar value to views but there is no legal right to a view and at a minimum, story poles should be installed before approval.

Sia Gafkicks – stated she is a real estate broker and there is a financial impact to loss of view. *Jennifer Deutscher* – stated she is in favor of tabling the item so story poles can be used and offered that redesign is needed to make the project fit in with the

neighborhood. *Nereyda Salinas* – stated she is in favor of the Schmier application and commended them for the direct and proactive communication noting the multiple concessions made, they have followed every current law, and noted story poles are not going to change the laws. *Karen Herrel* – stated she is in opposition to the addition and said the use of flat roofs throughout would be a better compromise and noted the porch should be conditioned for the future.

Susan Glasgow – stated she is in favor of the appeal and she is a one-story home. *Julie Kaprielian* – stated her support for the applicant stating they have made many compromises and noted the diversity in the community. *Kelly Westberg* – stated she is in support of the renovation plans and the value and strength of neighborhood schools and how that impacts the community.

Rebecca Fewkes – stated she is in favor of denying the appeal noting the Schmier's commitment to the community. *John Farrow* – stated his support for the Schmier's application and how critical it is to make space for families to stay in the community and cited the Federal takings law, State law and CEQA. *Jason Bell* – stated his support of the Schmier's application noting views do not trump all other considerations. *JoAnn Flower* – stated her support for the appeal as infringing on others right. *Rich Seguire* – stated his support for the Schmier's application and noted the thought they have put into the process.

Megan Gaggins – stated she paid more for their home to have views and noted they lost significant views over Council Member Lim's addition. *Patti Nash* – spoke on behalf of the Schmier's noting their contributions to the community and views are not the only thing to consider. *Bess Wieissema* – Architect for the Applicant, Studios Design Inc. – noted that the Schmier's have followed the process that protects the neighbors noting a unanimous Planning Commission approval and commented that Council should update the City process.

Gordon Strause – stated citizens need the flexibility to renovate their homes for a vibrant community. *Mark Dixon* – stated he wants both sides to win and offered compromises where the Schmier's offer the Appellant a financial recompense for the value lost; or to change the roofline to limit the view issue. *Gretchen Warner* – stated she is concerned with architectural integrity and impact of loss of views and encouraged not making a decision tonight.

Appellant's Rebuttal: Karen Trudell addressed concerns raised in the hearing.

Applicant's Rebuttal: Terri Schmier addressed concerns raised in the hearing.

The Mayor closed the Public Hearing. Council provided comments.

Council Member Goethals commended the neighbors for coming out to comment, the Planning Commission and the staff for their work, and noted how hard a remodel is on everyone involved.

Council Member Matthews stated he was on the Planning Commission back when the view ordinance was crafted. View and view equity is subjective and views need to be shared. The opinion that obscuring a portion of someone's view is a taking - is regressive. In his opinion the ordinance has worked well and noted this is hard on the Applicant and the neighborhood when a compromise cannot be reached. He further noted the Schmiers have followed the design guidelines, have followed the intention of the laws, made various efforts to accommodate their neighbor, and stated there is no way to add on without impacting Ms. Trudell's view. The architecture is a modern interpretation of the existing forms and will be a good addition to the street. He is supporting the Applicant.

Council Member Lim stated this is an extremely personal and emotional decision. He agrees with colleagues that the viewpoints on both sides are valid and noted the emotional toll taken in trying to do a change to improve a home. He stated this is not a popularity process and his job is to apply the law as it currently exists in this case noting the hearing tonight is an adjudicated hearing. The parties are entitled to a ruling based on the current guidelines. He stated there is a generational change and cultural change that would be served with better communication among parties. He noted that if restrictive zoning was put on the homes, leaving new families unable to make changes, then new families are not going to come here. If no changes are allowed, then property values plummet. It is important to improve and rebuild existing stock. The Applicant has made major concessions, spent time, and made compromises resulting in three to four changed plans in response to concerns raised. He stated it is fundamentally unfair for the person there first to have sole access to the views and noted this action tonight does not set a precedent as our guidelines have evaluation on a case-by-case basis; however there is nothing easy about this process and that this has been heard by two legislative bodies who act as a backstop to decisions. He also noted story poles may not add much to this project as the CAD drawings show the impacts. He supports the Applicant.

Mayor Ross mostly concurred with statements previously made by his colleagues and stated he feels for all parties involved in this issue. He sees an evolution in our community as there were as many speakers in opposition to the appeal as in favor of the appeal noting there will be future challenges on this issue. He commented that if you want your views protected then you need to get a majority to participate. He stated he is here to apply the current laws noting that if you purchase a lot, you have the right to build on it. The Applicants have done everything they can, have been reasonable, and have worked with the neighbors. He is in support of the Applicant.

Motion by Lim, second by Matthews, carried unanimously (4-0) to ADOPT RESOLUTION NO. 50 (2014) to uphold the June 10, 2014 Planning Commission decision and deny the appeal regarding the approval of the Schmier Residence at 3328 Verdun Avenue based on the Findings and the Conditions of Approval.

The Council recessed from 10:25 to 10:40 p.m. Council elected to take the remaining items out of order.

NEW BUSINESS

23. DRAFT HOUSING ELEMENT

Senior Planner, Julia Klein, and Diana Elrod, Housing Consultant, reported that the Housing Element is one of seven state-mandated elements of the City's General Plan. California State law sets forth the content and schedule requirements for the Housing Element and noted 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. Housing Element law requires local governments to plan to meet their existing and projected housing needs. Cities are required to submit revised Housing Elements to the State of California's Housing and Community Development Department (HCD) by January 31, 2015. Council asked questions of staff and disclosed contacts with parties involved in the issue.

Public Comment – *Reyna Gonzales* – San Francisco Organizing Project/Peninsula Interfaith Action (SFOP/PIA), commented on her experience on not earning enough to pay rent without having three jobs and noted she is now considering moving out of the area. *Veronica Guzman* stated her experience having to move out of her home due to rental increases and then having to parcel her family out to give them a place to live. *Tony Samara* – Urban Habitat, stated he is alarmed at the severity of the affordable housing crisis and noted the need to dramatically improve affordable housing inventory.

Diane Reddy – Housing Leadership Council, stated the economy surge has put pressure on low income families to live here. *Paul Stewart* – San Mateo County Association of Realtors, stated the value of using incentives for a home ownership in affordable housing. *Karyl Eldridge* – SFOP/PIA, explained the goal of the association is to build social equity and affordable housing is one of their issues noting the Housing Element can be more robust in the tenant protection area as rents in this community have gone up 50% and rent stabilization is required.

Pilar Lorenzana-Campo – Non-Profit Housing Association of Northern California, noted she had provided comments in writing, stated the market does not provide for affordable housing, and asked Council to show leadership at the local level and lead the State in providing affordable housing. *Tracy Choi* – Housing Leadership Council, explained how limited rent increases are done in other cities. *Aris & Kayla Payan* – stated the impact on their lives of being forced out of their rental housing and hope their circumstances will help highlight this issue.

Alexi Rosales – 15-year resident, and has been told he has to move or pay rent that is increasing 110%. *Yolanda Mauzanares* – stated she has lived at her address in San Mateo for 18 years, is a single mother, and is being forced to move as rents are too high for the income she can earn. *Dilsia Mauzanares* – stated she only has 60 days to find a new location to live, and more time is needed to find a place to live. *Hector Payan* – stated his job is here and he now has to move and he needs more time to find a place. *Araselis Marte* – stated they are losing their rental home based on a law written in the 1940s allowing tenants 90 days to find a new house and noted proper protection and regulations for tenants and mid- to low-income tenants is needed.

David Zisser – Public Advocates staff attorney, noted the need to have the housing element protect housing displacement, citing the inordinate impact on people of color, and stated that displacement policy is housing policy. *Doreen Joiner* – stated her situation with regard to section 8 housing vouchers no longer being accepted and asked to direct the Planning Department to work on a rent stabilization ordinance, and research an anti-discrimination ordinance that includes just cause for eviction ordinance. *Eleanor Valdes Dwyer* – 42-year resident, highlighted that the City of San Mateo has a housing first policy; noting housing is part of dignity, disabled seniors and adults, families evicted, resulting in social workers addressing these needs, and the lack of affordable housing contributors to mental illness.

Jennifer Martinez – stated 50% of citizens in San Mateo rent, the current housing element does not account for protection for these 50%, and renters' needs to be included in the housing element. Please do not allow this to go to the State without consideration of this issue. *Mark Roest* – stated he is favor of protection for renters in all forms. *Rhovy Lyn Antonio* – California Apartment Association, Tri-County Division, spoke in support of the housing element as it is. *Nancy Whelan* – stated her support of the housing element, and she supports the many ways we have outlined smart growth and encouraged new housing supplies to also grow affordable housing.

Bruce Rueppel – stated his support of the housing element noting the need to build homes of all levels, low-income to high-income, and suggested continuing to look at transit-oriented development noting adding more regulations on the property owner is not going to help; building more housing will help.

Council Member Goethals stated the Council's focus is addressing living and working or working and living in San Mateo, from flood insurance to housing costs and he sees it as their job to try and make it a little easier for people who live and work in San Mateo; especially those being squeezed. He noted the various ways the Council is addressing issues with various initiatives from taking on pay-day lenders to FEMA flood insurance issues to providing prevailing wages for the local union workers and ensuring that Project Labor Agreements are enforceable. He also sees the Council support in this housing element. He noted the variety and diversity of speakers on this issue and expressed his appreciation to them for bringing forward the situation and highlighting the impact on them personally. He stated his support to work on issues such as building more housing because of housing scarcity, housing displacement, allowing remodeling to keep family in homes, noted the need to build and allow remodeling, the impact on transportation initiatives to help people live and work here, and noted the need for the housing element to support building more housing that keeps workers here.

Council Member Matthews noted he has been a dedicated supporter of affordable housing for many years, stating there are housing policies in our cities and others that sets aside a certain percentage of market rate housing for low-income housing. Current requirements are 15%; that is that 15 units out of 100 units are dedicated. He noted that in our last project over 2,000 qualified applicants applied for affordable housing demonstrating the high need. He noted there is more that has to be done and if there is

concurrence that it is a goal to be able to provide affordable housing, it will require more than an inclusionary housing requirement. He noted the need for a housing trust fund and the need to address a commercial linkage fee. He also stated he is in favor of studying rent stabilization in the future, noting it needs to be looked at carefully. The issue is just being examined and much more needs to be done.

Council Member Lim stated he is very conflicted on this issue noting he has lived and worked in communities with rent stabilization and rent control, and he is not entirely sold that that is the solution; especially in a community with limited land to build on, it can make the problem worse rather than better, and noted that more discussion is needed about solutions. He stated he is moved and touched by all the testimony here tonight. He is not convinced it is something that needs to be put into the housing element and noted his understanding the advocacy for this here tonight, especially the urgency and importance of wanting to get it into the element as it commits the City to a course of action that is State mandated. He commented on the equity/inequity in the RHNA process with regard to allocating based on sub-regions. He is interested in discussions about this, it is a bigger issue that requires a discussion that is not rushed, he supports keeping it separate from the housing element noting we need to find the balance between the haves and have-nots.

Mayor Ross noted his heart goes out to each and every one of the speakers who presented testimony tonight. From a socio-economic standpoint the pressure from the economy is evident. He noted he is taking time to meet with developers, builders, property managers and property owners as well as the San Mateo Realtors Association and Apartment Association. He stated rent control and rent stabilization issues need to be studied but should not be part of the housing element right now. He spoke of his experience as a realtor for 31 years and impacts seen from rent control initiatives in other communities. He noted he is hopeful and optimistic that reasonable solutions can be implemented and stated that affordable housing needs multiple approaches and he is open to discussion on all proposed methodologies.

Council Member Lim requested using the eviction situation at 1642 S. Grant Avenue as a case study, follow up with the tenants to provide information on what is going on there, why the notices, what is happening to the apartment building, and enhance understanding of the situation and it will be instructive in guiding us as we set policy further down the line.

Matthews moved, Goethals seconded, carried unanimously (4-0) to direct staff to submit the draft Housing Element to HCD for review.

21. 2014 PROPOSED PROPERTY TAX LIENS FOR UNPAID CODE ENFORCEMENT FEES AND CITATIONS

Sandra Council, Neighborhood Improvement and Housing Manager, reported on the proposed lists of properties identified for tax lien for uncollected code enforcement fees for fiscal year 2015.

Public Comment – There were no speakers.

Motion by Lim, second by Goethals, carried unanimously (4-0) to ADOPT RESOLUTION NO. 51 (2014) to approve the list of properties proposed for tax liens for unpaid Code Enforcement Citations, and direct staff to forward the list to the San Mateo County Controller's Office to be included in the current year tax roll.

22. FOSTER SQUARE SENIOR HOUSING FUNDING APPROVAL AND AMENDMENT OF 2010-15 CONSOLIDATED PLAN AND 2014-15 ANNUAL ACTION PLAN

Sandra Council, Neighborhood Improvement and Housing Manager, reported that a \$500,000 fund must be reprogrammed into another project that meets HOME program requirements or \$210,000 will have to be returned to HUD by July 31, 2014 if another project is not identified and an agreement executed. An additional \$210,000 needs to be committed by July 31, 2015.

Public Comment – There were no speakers.

Motion by Lim, second by Matthews, carried unanimously (4-0) to ADOPT RESOLUTION NO. 52 (2014) to approve the Substantial Amendment to the 2010-2015 Consolidated Plan and 2014-15 Annual Action Plan; approve \$420,000 from HOME Fund 22 for a loan to assist Foster Square Senior Housing; approve the Regulatory Agreement and City HOME Loan Agreement including the Promissory Note and Deed of Trust; and authorize City Manager to execute the documents and approve future revisions with the concurrence of the City Attorney, so long as the changes do not alter substantial rights and obligations of the City.

24. PUBLIC EMPLOYEE PENSION REFORM ACT 180 DAY WAITING PERIOD WAIVER REQUEST

Motion by Matthews, second by Lim, carried unanimously (4-0) to ADOPT RESOLUTION NO. 53 (2014) to waive the Public Employee Pension Reform Act 180 day waiting period to hire retired annuitant, Chet Gossett, to perform Building Maintenance Supervisor duties on a limited basis in 2014.

REPORTS AND ANNOUNCEMENTS

25. COUNCIL MEMBER AND STAFF ANNOUNCEMENTS / REPORTS ON ACTIVITIES

City Manager, City Attorney and Council Members reported on their various assignments and liaison roles.

CLOSED SESSION

Following the opportunity for public comment, there were no speakers, the City Council convened into closed session to consider:

26. CONFERENCE WITH LABOR NEGOTIATOR

Agency designated representative: Larry Patterson, City Manager

Unrepresented Employees: Human Resources Director, Assistant Human Resources Director, Police Chief, Deputy Police Chief, Fire Chief, Deputy Fire Chief, Director of Parks and Recreation, Community Development Director, Public Works Director, Deputy Public Works Director, Library Director, Deputy Library Director, Finance Director, Deputy

Finance Director, Deputy Director of Information Technology, City Clerk, and Assistant City Manager.

ADJOURNMENT – The Council meeting adjourned at 10:35 p.m.

SUBMITTED BY:



Patrice M. Olds,
City Clerk, City of San Mateo

APPROVED BY:



Robert Ross, Mayor