

## COMMUNITY NEWS

### FOR IMMEDIATE RELEASE:

Oct. 14, 2021

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# City to Settle Lawsuit Over Housing Accountability Act

## San Mateo Agrees to Pay \$450,000 and to Not Appeal to State Supreme Court in 10-Unit Housing Redevelopment Case

**San Mateo, CA** — The City of San Mateo has reached a settlement agreement with a Bay Area housing advocacy group that sued the City over its denial of a 10-unit market-rate housing project, which prompted questions over the constitutionality of the Housing Accountability Act (HAA).

While this case drew the attention of State officials and media, the reality of the City's strong track record of promoting affordable housing through innovative policies and programs was overlooked.

"This lawsuit over a 10-unit market rate housing development that offered no affordable units was not reflective of the City's history of expanding affordable housing opportunities through innovative policies and programs. We agree that expanding housing in California is critical and over the last four years alone the City has approved over 2,000 new housing units, including more than 430 affordable below-market rate homes," said San Mateo Mayor Eric Rodriguez.

As part of the settlement, the City will agree to not appeal the case to the California Supreme Court and will pay \$450,000 in attorney's fees and costs to petitioners including the California Renters Legal Advocacy and Education Fund (CARLA). CARLA filed the lawsuit against the City alleging it violated the HAA when it denied a 10-unit, market-rate condominium project on W. Santa Inez Avenue in 2018. Following neighbors' concerns over the project, the City denied the proposal based on its failure to comply with the City's Multi-Family Design Guidelines, specifically a requirement to step back or create a transition between the proposed 4-story building and neighboring single-story homes. Instead, the City encouraged the developer to resubmit an application that complied with the step back requirement.

In late 2019, the San Mateo County Superior Court ruled in favor of the City's argument that the step back requirement was an objective standard. The Superior Court went on to rule that the HAA interfered with cities' constitutional ability to make their own decisions around land use and development. CARLA filed an appeal and the California Attorney General intervened arguing in support of the HAA. On Sept. 10, 2021, the California Court of Appeal ruled that the step back requirement in the Guidelines was not objective for the purposes of the HAA and therefore could not be applied to the project, and also affirmed the constitutionality of the HAA.

After the City carefully considered its options, a tentative agreement was reached and on Monday, Oct. 18, the City Council will vote on a resolution approving the settlement with CARLA. The proposed development project will return to the Council for reconsideration at a later date.

"We remain committed to assisting with development of much-needed affordable housing through inclusionary housing policies, long-range planning informed by community input, allocating local funding where available, and leveraging city-owned land to build affordable homes in our community," Rodriguez said.

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