



August 4, 2023

Paul McDougall
State Department of Housing and Community Development
C/O Land Use and Planning Unit
2020 W. El Camino Ave, Suite 500
Sacramento, CA 95833

RE: Submission of Revised Housing Element for the City of San Mateo

Dear Mr. McDougall,

The City of San Mateo is pleased to submit its Revised Housing Element for the State of California's sixth housing cycle (2023-2031) to the Department of Housing and Community Development (HCD) for review and certification. The Housing Element has been updated to respond to all of the comments contained in HCD's second letter received on March 27, 2023. In addition to the revisions in response to HCD comments, the City made additional revisions to improve internal consistency, updated the Sites Inventory to reflect current circumstances, and in response to public comments. A matrix of HCD comments and how the Housing Element was revised to address each one is attached with this letter.

The Revised Housing Element was made available for public review and comment from **July 26, 2023 to August 9, 2023**. Since the document has now been available for more than seven days, we are now submitting it for your review. If additional comments are received between now and August 9th, a supplemental attachment will be submitted to HCD to ensure that all public comments are available for HCD's consideration. This 14-day public review period exceeds the requirement in AB215 for revised housing elements and provides additional time for the public to review and provide comments. It was posted to the City's website and all interested parties were notified of the publication. Additional outreach, including social media posts and eblasts to all City maintained mailing lists, was completed to ensure community awareness of the revised document.

The Revised Housing Element includes some notable revisions and clarifications that we would like to highlight to demonstrate the City's commitment to expanding housing production, meeting and exceeding our Regional Housing Needs Allocation (RHNA), and doing our part to address the region's housing needs.

General Plan Update and Measure Y

The City is in the process of completing a comprehensive General Plan Update (GPU), with a target for adoption in early 2024. As part of this process, we have been working to build community consensus around a path forward with Measure Y – the City's voter approved growth limits – since the GPU's draft land use map includes densities that exceed Measure Y's density limit of 50 units per acre. The Housing Element has been updated to provide more information about the GPU, articulate the Housing Element's relationship to the GPU and how addressing Measure Y as part of the GPU is a key action that would enable San Mateo to unlock a significant amount of additional housing capacity. To demonstrate our commitment to successful completion of the GPU

process, we expanded upon Policy H1.20 to include a commitment to complete the GPU effort and build consensus for an update to Measure Y (page H-80). The City is committed to adopting a General Plan that will create capacity for at least 10,000 new housing units and increase the base densities in the ten General Plan Study Areas by at least 25 du/ac and height limits by at least two stories. It also includes an implementation action to place an updated Measure Y initiative on the ballot in November 2024 and explore alternatives within six months if the Measure Y initiative does not pass.

Housing Sites Inventory

There were multiple comments related to the feasibility and realistic capacity of the opportunity sites included on the City's Sites Inventory and there have also been public concerns raised about the ability to meet our statutory requirements without including a policy to rezone. The Housing Element has been revised to specifically respond to these comments and demonstrate that the City has developed a plan to meet and exceed its RHNA requirements. Specific revisions and information that we would like to highlight include:

- Staff has spent a significant amount of time reviewing and confirming the assumptions and realistic capacity estimates for each site. As a result of this work, the updated total housing capacity for the Sites Inventory is now 9,855 units, which demonstrates that the City can meet its RHNA of 7,015 units with a 40% buffer.
- The City has a significant amount of new housing development in the pipeline, including 658 new housing units under construction, 1,470 new housing units approved and 979 new housing units under review. This means that a total of 3,107 units are in the pipeline, which represents 47% of the City's total RHNA.
- Staff identified sites that demonstrated trends and interest in redeveloping nonvacant sites. These include sites with property owner/developer interest in redevelopment; sites that are developer owned; and sites with previous redevelopment proposals.
- For sites that did not meet the evaluation criteria immediately above, the City established updated criteria and thresholds based on recent trends for selecting sites, including age of structure and improvement to land value ratio. The revised sites inventory demonstrated how each selected parcel meets the criteria and thresholds, and is feasible for housing development during this housing cycle.

Constraints Analysis

There were several comments related to the constraints analysis, including infrastructure and local processing and permit procedures. Appendix B - Constraints Analysis of the Housing Element has been revised to address these comments. Specific revisions that we would like to highlight include:

- The City is committed to reducing and eliminating constraints to housing production. As part of the many policies and programs to update Zoning requirements and streamline review, the Revised Housing Element includes specific commitments to eliminate the pre-application process for housing projects, allow residential projects with up to 25 units to be approved administratively, and reduce off-street parking requirements.
- Updated discussion on water and sewer infrastructure needs to address future development concerns and a revised Policy H.19 that includes programs to work with water service providers to establish a procedure to prioritize water allocation for developments that include units set aside as affordable housing for lower income households and to establish a written procedure for the City to grant priority sewer service to developments with units that are affordable to lower-income households.

Affirmatively Furthering Fair Housing

The City's Fair Housing Assessment (prepared by Root Policy and reviewed by the Lawyer's Committee for Civil Rights Under Law) describes fair housing enforcement and outreach capacity, integration and segregation, access

to opportunity and disparate housing needs as contributing factors that needed to be addressed in the City's fair housing action plan. The Revised Housing Element includes an extensive new narrative on a variety of topics in response to HCD comments, including more context on the history of the City's development, the prioritization of contributing factors and enhanced discussion of special needs groups. In addition, the following areas of the AFFH section were expanded to include:

- Updated programs to address mobility, housing choice, and place-based strategies to address disproportionate needs;
- Provided new analysis of the sites inventory to ensure appropriate distribution of units throughout the community; and
- Linked general policies and environmental justice actions of the Land Use Element as to further support to AFFH efforts.

Root Policy conducted an extensive analysis of the revised inventory of housing sites based on their location and projected income distribution, using the AFFH data viewer to determine whether the inventory complies with the requirements of AFFH. Key findings include the following:

- The distribution of units in the inventory does not exacerbate concentrations of low-income units in low-income areas.
- Units are equally distributed among areas where people of color are located, which should mitigate exacerbating concentrations.
- The units have been distributed throughout the community with a focus on ensuring access to transit and services.

These four areas represent just a part of the many ways in which San Mateo's Housing Element has been updated and strengthened to meet, and exceed, statutory and HCD requirements to achieve certification. However, we are fully committed to continuing to work with you and your team to address any remaining comments or concerns and achieve HCD certification. We would also appreciate the opportunity to meet with you and your staff as soon as possible to discuss our Revised Housing Element and how we can work together to ensure we have a fully compliant housing element. Please contact our Housing Manager, Eloiza Murillo-Garcia, at (650) 522-7223 or emurillogarcia@cityofsanmateo.org for any questions or to schedule a meeting to discuss our 2023-2031 Housing Element.

Sincerely,



Zachary Dahl, AICP
Interim Community Development Director

Attachments:

1. HCD Comment Matrix
2. Revised 2023-2031 Housing Element (in track changes)
 - Appendix A - Needs Analysis
 - Appendix B - Constraints Analysis
 - Appendix C - Housing Resources and Sites Inventory
 - Appendix D - Affirmatively Furthering Fair Housing Narrative
 - Appendix E - Review of Prior Housing Element
 - Appendix F - Public Participation
 - Appendix G - Public Review Period Comments