County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING
File #: 24-200 Board Meeting Date: 3/26/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Steve Monowitz, Director of Planning and Building

Subject: County's 2023-2031 Draft Housing Element Update

RECOMMENDATION:

Review the status of the County's response to the California Department of Housing and Community Development's comments on the County's 2023-2031 Draft Housing Element Update.

BACKGROUND:

Draft Housing Element, California Department of Housing and Community Development (HCD) Review, and County Response

On November 15, 2022, and January 6, 2023, the Board of Supervisors considered the County's draft 2023-2031 Housing Element update and adopted a resolution directing submittal of the draft Housing Element to the Department of Housing and Community Development for review and comment.

The County received HCD's comments on the County's submitted draft 2022-2031 Housing Element on April 20, 2023. Since that date, the County has been working to address those comments in a manner that will ensure compliance with state law. The County has made the changes based on the comments by HCD's review team and is targeting release of the updated Draft of the Element on March 25, 2024. On release, the updated draft will be available on the Housing Element Update website <https://www.smcgov.org/planning/san-mateo-county-housing-element-update-2023-2031>.

DISCUSSION:

1. Draft Housing Element

The Housing Element is a required component of the County's General Plan, mandated by State law. State law also mandates specific contents of the Housing Element, including:

Identification of housing needs for all segments of the community;

Goals, policies, and programs to address housing needs;

Identification of developable or redevelopable sites to meet the County's fair share of regional housing needs (Regional Housing Needs Allocation, or RHNA) for all income levels over the next 8 years;

An assessment of constraints on the development of housing;

An evaluation of the existing Housing Elements; and

A specific assessment of how the County's housing policies and programs and identified sites for development affirmatively further fair housing (AFFH).

State law requires all local jurisdictions to periodically update their Housing Element, on a schedule established by the State. A comprehensive summary of the contents of the draft Housing Element, are included in the materials from the prior Board of Supervisors hearings on the update, also included as Attachment B to this memorandum.

The County is required to submit the draft Housing Element to HCD for HCD's review of the Housing Element's compliance with State law. After review, HCD provides a letter summarizing HCD's assessment of compliance, and describing HCD's recommendations regarding potential changes to achieve compliance, if necessary. After the County makes any necessary amendments to the draft Housing Element, the Housing Element must be re-submitted to be certified by HCD as compliant with State law and adopted by the Board of Supervisors.

At the direction of the Board of Supervisors, the County submitted the draft Housing Element to HCD on January 20, 2023. By law, HCD had 90 days to review the Housing Element. The County received HCD's comments on April 20, 2023. HCD's review letter, inventorying the requested changes to the draft Housing Element, is included as Attachment A.

The Department of Planning and Department of Housing staff utilized consultants to help update the Housing Element draft as per the HCD review letter. The Consultants have assisted the County on revising the sites inventory and substantiating the Affirmatively Furthering Fair Housing (AFFH) components of the Element. The primary change has been a comprehensive revision to the sites inventory and rezoning program, based on extensive reanalysis of development feasibility, and an expansion of the rezoning program to include a greater range of sites at greater densities, including a number of sites in the County's Midcoast, as well as a significant reduction of sites in the Harbor Industrial Area, based on further development feasibility analysis in collaboration with the City of Belmont. With the reassessment, the County housing sites account for a capacity of 4854 units, which is over 170 percent of the County RHNA allocation. The table below outlines the estimated units from the Sites Inventory, Rezoning and assumption of ADU and SB 9 units that will be produced during the current RHNA cycle.

Income Category	RHNA	Sites Inventory Units	ADUs	Units from Rezoning	Total Capacity
Very Low	811	530	0	619	1,149
Low	468	472	60	619	1,151
Moderate	433	320	120	619	1,059
Above Moderate	1,121	814	60	619	1,493
Total	**2,833**	**2,377**	**240**	**2,477**	**4,854**

The County has also updated the Affirmatively Furthering Fair Housing (AFFH) sections of the Element, identifying and adding policies that specifically address remediating historic discrimination and segregation based on race and income. The updates to the expanded AFFH assessments and incorporation of a number of new programs addressing fair housing, and a reevaluation of the fair housing implications of the sites inventory and rezoning program include:

- A new Rural South Coast Housing Study and Strategy;
- A comprehensively updated Farm Labor Housing Study and Strategy;
- An initial study of a Community Plan for Pescadero;
- A site-by-site assessment of the feasibility of developing farm labor housing in the County's Coastal Zone;
- Encourage the use of local labor and provide publicly-available labor resources;
- Creation of an ADU resource center to facilitate and incentivize the creation of accessory dwelling units, and;
- Various other expanded programs committing to development of housing and housing assistance to various special needs populations, including farm laborers, the homeless, low income seniors, large families, and female-headed households.

In addition to the above, various new, expanded, or clarified data and explanatory materials to provide additional information as requested by HCD, related to housing needs, housing constraints, the County's current regulations and programs, and the effectiveness of the prior Housing Element have been added. A more specific and aggressive set of timelines, milestones, and outcomes for policies and programs have also been added throughout the Element.

The Department met with its HCD reviewers to solicit feedback and guidance on the key updates on March 21.

2. Environmental Review

Adoption of the updated Housing Element is a project requiring environmental review under the California Environmental Quality Act. The County prepared an Initial Study and Negative Declaration for the Housing Element, as required by the California Environmental Quality Act. The Initial Study and Negative Declaration determined that, as a programmatic document that does not directly impact the environment absent subsequent implementation actions, adoption of the Housing Element has no potential environmental impacts. Subsequent implementation of some programs in the Housing Element will require additional environmental review, which will take place as those programs are implemented. The Initial Study and Negative Declaration were circulated for public review between May 3 and June 9, 2023. The current amendments to the Housing Element do not alter the scope or determination of the Initial Study and Negative Declaration, and no additional environmental assessment is required. The Initial Study and Negative Declaration will be presented to the Board of Supervisors for certification concurrent with consideration of the adoption of the updated Housing Element.

3. Next Steps

The updated draft will be released on March 25 for public review. Following the review period, the Housing Element would return to Planning Commission on April 10, and the Board of Supervisors for the Board's review on April 23, 2024.

4. Other Information

The County's current Housing Element, Chapter 7 of the General Plan, is available on the Planning and Building Department website.

The full draft of the 2023-2031 Housing Element submitted to HCD is available on the Planning and Building Department website.

The Housing Element Sites Inventory, including vacant single-and multifamily parcels, non-vacant multifamily parcels, and pipeline projects, demonstrating the County's ability to meet its RHNA, and the various sites proposed for rezoning to meet need that cannot be accommodated by existing sites, is available through an interactive web application, showing the location and various other characteristics of the sites identified in the inventory, here.

FISCAL IMPACT:
This item is informational only.

ATTACHMENTS:
A. Department of Housing and Community Development Comment Letter to County of San Mateo
B. Comprehensive summary of the contents of the draft Housing Element presented a prior Board of Supervisor hearings