

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Community Development Director
Subject: Submission of the County's draft updated 2023-2031 Housing Element to the California Department of Housing and Community Development for review and comment.

RECOMMENDATION:

Recommendation to:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution directing the Community Development Director to submit the draft updated 2023-2031 Housing Element to the California Department of Housing and Community Development for review and comment.

BACKGROUND:

1. The 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, which include:
 - Identification of existing and projected housing needs for all segments of the community
 - Goals, policies, quantified objectives and scheduled programs to address housing needs
 - Identification of developable or redevelopable sites to meet the County's fair share of regional housing needs at all income levels over the next 8 years
 - An assessment of constraints on the development of housing
 - An evaluation of the existing Housing Element
 - A specific assessment of how the County's housing policies and programs and identified sites for development affirmatively further fair housing (AFFH).

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

The public review draft of the 2023-2031 Housing Element is also available on the [Planning and Building Department website](#).

2. Housing Element Update. State law requires all local jurisdictions to periodically update the Housing Element of their General Plan, on a schedule established by the State. The current Housing Element covers the period from 2014 to 2022. The updated Housing Element will, on adoption, replace the existing Housing Element, and cover the period from 2023 to 2031.
3. Adoption and Department of Housing and Community Development (HCD) Certification. The County must submit the updated Housing Element to HCD for HCD's review and approval. The Housing Element must be certified by HCD and adopted by the Board of Supervisors. The deadline for a certified Housing Element is January 31, 2023, although there is a subsequent four-month grace period ending in May 31, 2023 which offers temporary relief from some legal requirement related to Housing Element adoption.
4. Collaborative Update Process. The draft updated Housing Element was created in collaboration with the Housing Department, Office of Sustainability, Department of Health, Office of Community Affairs, and other partners. In addition, the County shared the service of a consultant with multiple other jurisdictions; the consultant, Baird + Driskell, worked with various subconsultants to provide assistance on public outreach and participation, technical analysis, fair housing analysis, and other tasks. The Association of Bay Area Governments (ABAG) also provided significant technical assistance to all Bay Area jurisdictions.
5. Adoption Process. Upon adoption, the 2023-2031 Housing Element will replace the current Housing Element of the General Plan, constituting a General Plan text amendment, enacted by the Board of Supervisors. Prior to adoption by the Board, the County is required to submit a first draft Housing Element to HCD for review. Based on the experience of other jurisdictions, staff anticipates that, HCD may request amendments to the draft Element. After HCD's review and comment, the draft Housing Element will be revised to address the comments, if any, and returned to the Board of Supervisors for adoption, along with any required environmental review of the updated Housing Element.
6. Public Outreach, Participation and Input in the Housing Element Update. To engage community members in the Housing Element update process and solicit input on housing issues, needs, and strategies, the County participated in, co-facilitated, and/or held a number of forums, workshops, and hearings, as well as distributing a housing survey, and receiving comment by other means. Outreach, input, and participation included:

- A Countywide forum and workshop; four Housing Element Stakeholder Listening Sessions, with stakeholders in the topic areas of Fair Housing, Housing Advocates, Builders and Developers, and Service Providers; a series of webinar presentations and discussion forums on the broad implications of housing policy; a web-based training to help educate community members on the regional housing needs allocation process, the sites inventory requirement, and related issues; and two informational videos concisely summarizing the Housing Element update process.
- The County, in collaboration with other jurisdictions, relied on guidance and input from an Equity Advisory Group (EAG), composed of various stakeholders, organizations and experts working on equity issues.
- Multiple hearings and forums at the North Fair Oaks Community Council, Sustainable Pescadero, the Midcoast Community Council, the County Planning Commission and County Board of Supervisors.
- The County maintained a Housing Element update [website](#), with information on the update process, links to the housing survey, information on outreach efforts and public input, as well as a separate website through the Let's Talk Housing collaborative, with both San Mateo County-specific [information](#), and information on interjurisdictional Housing Element update efforts.
- The County distributed a *Housing Issues and Needs Survey*, focused on unincorporated County housing issues, needs, and other input.
- Consultants engaged through the 21 Elements collaborative to complete a fair housing assessment for every jurisdiction also conducted an *Affirmatively Furthering Fair Housing resident survey* focused on fair housing issues.

The comment received from the public and stakeholders through the updated process informed the goals, policies and programs incorporated in the draft Housing Element.

7. Draft 2023-2031 Housing Element Content. The full content of the draft 2023-2031 San Mateo County Housing Element is available [here](#).

The Housing Element is organized in the following sections:

1. Introduction and Executive Summary
2. Housing Plan: Goals, Policies and Programs
3. Regional Housing Needs Assessment and Adequate Sites Inventory

4. Background Appendices:
 - a. Demographics, Housing Conditions and Needs
 - b. Housing Constraints Analysis
 - c. Housing Resources
 - d. Assessment of Prior (2014-2022) Housing Element
 - e. Detailed Sites Inventory and Methodology
 - f. Public Outreach and Participation
 - g. Analysis of Fair Housing

The content of each of these sections is summarized below and described in more detailed in the attached Introduction and Executive Summary of the Draft Housing Element.

Housing Plan: Goals, Policies and Programs. Section 1 of the Housing Element contains the County's Housing Plan, which presents the goals, policies and programs for addressing the County's housing needs, resources and constraints described in the Housing Element. The section is divided into six goals:

- Protect Existing Affordable Housing Stock
- Support New Housing for Extremely Low to Moderate-Income Households
- Promote Sustainable Communities through Regional Coordination Efforts and Locating Housing Near Employment, Transportation, and Services
- Promote Equal Housing Opportunities
- Promote Equity through Housing Policy and Investments
- Require or Encourage Energy Efficiency, Resource Conservation, and Climate Resiliency Design in New and Existing Housing

Key programs pursuant to each goal include the following, each of which is implemented by a variety of more specific policies, described in greater detail in the attached Executive Summary:

- Support Conservation and Rehabilitation of Viable Deteriorating Housing

- Continue to Prohibit Conversions of Rental Housing to Condominium Ownership
- Retain Existing Lower-Income Units
- Continue to Provide Rent Subsidies to Lower-Income Households
- Protect the County's Mobile Home Park Tenants
- Support Community Resources for Landlords and Tenants
- Minimize Displacements Due to Code Enforcement
- Amend Zoning and General Plan Land Use Designations to Meet Future Housing Needs
- Encourage Residential Uses in Commercial and other Non-Residential Zones
- Encourage Residential Mixed-Use and Transit Oriented Development
- Support Development of Affordable and Special Needs Housing on Available Sites
- Continue to Apply the County's Local Density Bonus Ordinance
- Continue to Use Available Funds to Increase the Supply of Lower-Income Affordable Housing
- Continue to Use Available Funding to Support Affordable Housing and Supportive Services for Special Needs Populations
- Increase Accessibility of Housing
- Incentivize and Support Affordable Housing Opportunities for Large Family Households
- Support the Development of Housing for Farm Laborers, and Monitor the Quality and Safety of Farm Labor Housing Sites
- Provide Affordable Housing Opportunities and Supportive Services to Homeless Individuals and Families
- Assist and Support the Development of Housing for Extremely Low-Income Households of All Types

- Continue County Participation in and Facilitation of Inter-Jurisdictional and Cross-Sectoral Collaborations
- Strengthen and Clarify County Inclusionary Housing Requirements
- Continue to Impose and Collect the County's Existing Affordable Housing Impact Fee
- Encourage and Facilitate Accessory Dwelling Unit Development:
- Continue to Provide Support for Affordable Homeownership Opportunities
- Continue to Support Programs That Facilitate Co-Living
- Minimize Permit Processing Fees
- Update Parking Standards
- Promote Community Participation in Housing Plans
- Encourage Transit Oriented Development, Compact Housing, and Mixed-Use Development
- Enforce Fair Housing Laws
- Encourage the Development of Multi-Family Affordable Housing in High Opportunity Areas
- Support Anti-Displacement and Preservation Efforts in Lower- Resourced Communities of Color
- Promote the Hiring of Economically-Disadvantaged Workers and Certified Minority- and Women-Owned Businesses
- Promote Energy Conservation and Transition from Natural Gas to All-Electric Appliances in Existing Housing

Sites Inventory and Regional Housing Needs Assessment (RHNA). A key component of the Housing Element is identification of sufficient development capacity to meet the County's housing need over the 8 years of the Housing Element planning period. State law requires that every jurisdiction's Housing Element demonstrate sufficient appropriately zoned developable or redevelopable land to accommodate the jurisdiction's share of regional housing need, as determined by HCD and the local council of governments (the Association of Bay Area Governments). The includes total

projected residential units needed to meet demand, and a breakdown of units needed by income level. The County’s RHNA shown below.

San Mateo County RHNA, 2023 - 2031

	% of County Area Median Income (AMI)	Units	% of Units
Very Low	0-50%	811	29%
Low	51-80%	468	17%
Moderate	81-120%	433	15%
Above Moderate	120% +	1,121	40%
Total		2,833	100%

Appendix E of the Housing Element includes the full Adequate Sites Inventory and methodology, including a detailed inventory and description of developable and redevelopable sites; units that will be created by projects already underway; projected future development of ADUs; and projected development pursuant to the provisions of the recently adopted State law SB 9, which facilitates small-scale multifamily development on single-family zoned parcels.

While the combination of these categories provides sufficient capacity for the County to meet its RHNA in total, there is a substantial deficit in the very low-income category, and limited surplus capacity in the low- and moderate-income categories of housing need. Should any of the development projected in the Sites Inventory not be completed or be completed at lower densities or at different affordability mixes than anticipated in the Sites Inventory, the County would be unable to meet its RHNA obligations, and would be required to find suitable substitute sites to accommodate this shortfall. To account for this possibility, the Housing Element incorporates a Rezoning Program, Policy HE 11.3 of the Housing Plan. The Rezoning Program identifies up to 89 parcels, constituting approximately 30 acres, located in the unincorporated Colma, Broadmoor, and Harbor Industrial areas, currently zoned either for commercial and industrial development, or for very low intensity residential development, that can be rezoned to provide additional capacity for residential development in order to meet the County’s Regional Housing Needs Assessment. The County’s capacity to meet the RHNA, without rezoning and with rezoning, is shown in the tables below. The potential rezoning sites are shown in the Housing Element Sites Inventory.

RHNA vs DEVELOPMENT CAPACITY (without rezoning)

Income Category	RHNA	Vacant SFR	Vacant MFR	Non-Vacant MFR	Pipeline (RHNA Credits)	ADUs	SB 9 Units	Total Units	Surplus/ (Deficit)
Very Low	811	0	23	265	296	107	0	690	(121)
Low	468	0	22	260	239	107	0	627	159
Moderate	433	0	55	214	44	107	88	508	75
Above Moderate	1,121	493	181	645	147	36	88	1,589	468
Total	2,833	493	280	1,384	726	355	176	3,414	581

Note: total may not sum due to rounding.

RHNA vs DEVELOPMENT CAPACITY (with rezoning)

Income Category	RHNA	Total Units	Original Surplus/ (Deficit)	Units from Rezoning	Surplus/ (Deficit) w/ Rezoning
Very Low	811	690	(121)	513	392
Low	468	627	159	513	672
Moderate	433	508	75	513	588
Above Moderate	1,121	1,589	468	395	863
Total	2,833	3,414	581	1,934	2,515

Note: total may not sum due to rounding.

Sites Inventory Explorer Web Application. The Sites Inventory, including vacant single- and multifamily parcels, non-vacant multifamily parcels, and pipeline projects, is available through an interactive web application, showing the location and various other characteristics of the sites identified in the inventory, [here](#).

Demographics, Housing Conditions and Needs. To help determine the amounts and types of housing needed in the unincorporated County, the Housing Element assesses a variety of demographics and housing conditions and characteristics. Key factors include:

Population. The unincorporated County's population has grown moderately over the last decade, largely keeping pace with the growth of the County overall. Unincorporated population remains approximately 8% of total County population.

Age. The County's population is aging, with the greatest increase in the age groups over 55 years. However, there was also a significant increase in the 18 to 34-year-old age group, likely driven by an influx of younger workers.

Housing Tenure and Type. Most of the unincorporated County's housing, approximately is owner-occupied. However, younger residents, as well as Black and Hispanic residents, are significantly more likely to be renters than other residents. In addition, most of the unincorporated County's housing is detached, single-family ownership housing, while the small amount of multifamily housing stock is primarily rental housing.

Housing Affordability and Overpayment. Housing costs continue to be unaffordable to most county residents, and many households in the County, including a disproportionate number of renter households, as well as younger households, overpay for housing.

Overcrowding. Overcrowding is a problem in most unincorporated areas and is particularly significant for renter households.

Farm Labor Housing. The unincorporated County's farm labor population has declined over the past decade, but there remains a shortage of farm labor housing, and farm laborers face significant housing affordability issues.

Housing for Disabled Persons. While the unincorporated County's disabled population did not significantly increase over the past decade, persons with disabilities face unique affordability challenges and may require a variety of specific housing types, and housing affordable and accessible for persons with disabilities continues to be a distinct need.

Housing for the Homeless. Like almost every jurisdiction in the County, the unincorporated County's homeless population has increased, indicating a continued need for housing for the homeless, and the need for affordable housing of all kinds.

Constraints to Housing Production. Constraints to the development of housing include non-governmental constraints, including construction costs, environmental factors, and natural hazards, and governmental constraints over which the County may have control, including development regulations, approval processes, time, costs, and other factors.

The County made significant strides in reducing constraints to housing production during Housing Element Cycle 5 (2014-2022), including:

- Expediting and streamlining creation and legalization of ADUs
- Updated Density Bonus Regulations to allow additional density and other development exceptions for projects providing affordable housing
- Adoption and application of objective design standards for various kinds of development in most areas of the County, reducing the time and cost of review and approval
- Streamlined farm labor housing permitting, and a pilot program funding new farm labor housing units
- Permitting emergency shelters by-right in the Planned Colma District, and allowing shelters as a conditionally permitted use in multiple other areas
- Adoption of new high-density residential zoning of up to 120 units/acre in proximity to transit in the North Fair Oaks community
- A new entirely electronic application and permit review process, streamlining submittal, review, and issuance of permits

The cost of permitting fees and the processing time for development permitting in the unincorporated County compare favorably to other local jurisdictions.

There remain potential regulatory and other governmental constraints that may impact housing production, and the County will continue to take steps to facilitate housing production, streamline development processing, apply objective standards, and address other constraints.

Housing Resources. The County Department of Housing (DOH) is a primary provider and coordinator of housing resources. DOH collaborates with diverse stakeholders to facilitate the development and preservation of affordable housing through provision of local, state, and federal funding to unincorporated areas and incorporated jurisdictions, along with the sharing of best practices and innovative policies. DOH also supports public service agencies, microenterprises, homeless and transitional shelters, core services, and fair housing organizations through grant funding and technical assistance. The Housing Authority directly provides rental subsidies to low-income households, manages County-owned housing projects, and provides funding and support for preservation and development of affordable housing.

Federal Resources in the County include the Community Development Block Grant Program, HOME Investment Partnership Program, Emergency Solutions Grants Program, and the U.S. Department of Housing and Urban Development's (HUD)

Section 8 Rental Voucher Programs. The Department of Housing also helps manage a significant amount of emergency pandemic-related housing resources made available through the Coronavirus Aid, Relief, and Economic Security Act and the Federal American Rescue Plan.

Local Resources include the County's Affordable Housing Fund (AF), supported on an ongoing basis by dedicated Measure K funds, derived from a countywide half-cent sales tax; the County's Inclusionary Housing Ordinance which requires all new multi-family developments creating five or more units to set aside a minimum of 20% of the total units for extremely low to moderate income households; dedication of County-owned land for development of affordable housing, and the County Housing Authority manages County-operated affordable housing projects; the countywide housing trust fund, the Housing Endowment and Regional Trust (HEART), supports construction, rehabilitation, and purchase of affordable housing for low and middle-income workers and residents on fixed incomes. The County Human Services Agency's Center on Homelessness is responsible for coordination of homeless services within County agencies, and works with non-profits, other local governments, business and other parts of the community.

State Resources include the Local Housing Trust Fund Program; Housing for a Healthy California Program; the Mental Health Services Act Housing Program No Place Like Home Permanent Local Housing Allocation; the Homekey Program; the Multifamily Housing Program; Infill Infrastructure Grant Program; Veterans Housing and Homelessness Preventions Program; Joe Serna, Jr. Farmworker Housing Grant Program; Affordable Housing and Sustainable Communities Program; State Low Income Housing Tax Credits; and Tax-Exempt Bond Financing.

Regional Resources. The County also participates in a variety of regional collaborations and partnerships focused on addressing regional housing issues and collectively planning for and funding housing needs, including intergovernmental collaborations, and collaborations across the public, private, and nonprofit sectors.

Assessment of Prior Housing Element. Accomplishments during Housing Element Cycle 5 include:

- Significant strides to increase the production of accessory dwelling units
- Expansion of health and safety inspections in multifamily residential structures
- Development of new revenue sources for affordable housing
- Streamlining of residential development approval processes
- Contribution of significant funding and other resources for the production and preservation of affordable housing, direct assistance for low-income renters and homebuyers, and for fair housing enforcement assistance

- Adoption new regulations protecting mobile home parks from conversion, and provided financing and other assistance for mobile home rehabilitation and replacement
- Assistance for energy efficiency audits and upgrades in residential structures, and new requirements for solar installation and all-electric construction in residential and commercial buildings
- Adoption of a number of new high-density residential zoning districts, allowing up to 120 units/acre in proximity to transit

Summary and Key Themes of Input Received. Key themes in input from community members, stakeholders, workshop and forum participants, survey respondents, and others included:

- Housing costs are an almost universal concern
- More housing supply is needed, although there is diversity of opinion on how and where to provide it
- There is a need for greater diversity of housing stock, with more multifamily housing, more housing for special needs populations, supportive housing, and housing appropriate for different household types
- Housing pressures are making it difficult or impossible for workers and families to stay in their communities
- Housing costs, as well as pressures from new development, are driving gentrification and displacement
- New development and increased density, including development driven by state mandates, may negatively impact traffic, parking, infrastructure, open space, and services, and there is a need to comprehensively plan to address these impacts
- The development process and the permitting process are too slow, too costly, too opaque, and too inefficient
- Transportation, climate change, and access to jobs and educational opportunities are all issues that relate to housing, and should be addressed together
- The County's housing policies should recognize housing inequities and the disparate impacts of housing issues across different communities, and explicitly consider and address equity and fair housing

- The County should provide more resources for farm labor housing
- There is a need for better information resources on housing issues and policies and on the availability of affordable housing

Comment letters were also received from YIMBY law and from the Childcare Partnership Council, offering general policy advice and comment, from the Midpeninsula Regional Open Space District (MROSD), commenting on the specific developability of sites included in the Sites Inventory, and from Green Foothills, supporting MROSD's letter. The responses to the first two letters are described in Appendix F, and the County worked extensively with MROSD to refine the Sites Inventory. In addition, the Inventory was further refined with the input of Planning Commissioner Lisa Ketcham on the developability of coastal sites, and the Rezoning Program was incorporated to address changes to the Sites Inventory and RHNA capacity resulting from public input.

All comments and other input received informed the drafting of the policies and programs in the Housing Element, and comments received during circulation of the draft Housing Element will also be addressed prior to submission of the first draft to HCD.

Fair Housing Assessment. Fair housing is the condition in which all residents, regardless of race, ethnicity, gender, income, class, sexual orientation, ability status, or other status have equal access to housing.

Affirmatively furthering fair housing (AFFH) “means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development.” (Gov. Code § 8899.50(a)(1).)

By law, the Housing Element must incorporate analysis of fair housing conditions, and policies and programs to address housing disparities and inequities. The findings of the AFFH analysis include:

- No fair housing complaints were filed in unincorporated San Mateo County from 2017 to 2021.
- Racial and ethnic minority populations are disproportionately impacted by poverty, low household incomes, overcrowding, and homelessness compared to the non-Hispanic White population in unincorporated San Mateo County.

Additionally, racial and ethnic minorities are more likely to live in low resources areas and be denied home mortgage loans.

- North Fair Oaks is disproportionately impacted by high poverty, low education opportunity, low economic opportunity, high social vulnerability scores, concentrations of cost burdened households, overcrowding, and low resource scores.
- Many areas in the unincorporated County have low environmental scores.
- Unincorporated San Mateo County has the same proportion of residents with a disability (8%) as the entire county. Additionally, the aging population is straining paratransit access countywide.
- Racial and ethnic minority students in unincorporated San Mateo County experience lower educational outcomes compared to other students.
- Over half of all renter households in unincorporated San Mateo County are cost burdened—spending more than 30% of their gross income on housing costs—and nearly one in three are extremely cost burdened—spending more than 50% of their gross income on housing costs.

Based on these findings the analysis includes a set of recommendations to address the identified disparities. These recommendations were incorporated in the Programs and Policies in the Housing Element. These include:

- Identify barriers for tenant-based voucher holders seeking housing in areas with greater access to resources and opportunities.
- Refine the ADU Amnesty and Loan Program to better provide ADU housing for low- or very low-income households.
- Implement additional higher density transit-oriented zoning in North Fair Oaks.
- Assess the status of implementation of the North Fair Oaks Community Plan, including a specific fair housing assessment to determine unmet needs of North Fair Oaks residents.
- Inventory publicly-owned properties and incorporate fair housing assessment in the prioritization of use of these properties for below-market rate housing.
- Prioritize housing funding to provide affordable housing and supportive services for elderly and/or disabled persons, and adopt universal design

standards and reasonable accommodation procedures to ensure the provision of housing appropriate for these populations.

- Work with the Housing Endowment and Regional Trust to target mortgage assistance to communities experiencing high rates of mortgage denials.
 - Encourage transit-oriented, high-density development, and continue to participate in local and regional efforts to increase transit availability and accessibility, including for special needs populations.
 - Continue to support fair housing enforcement, education, and technical assistance.
 - Affirmatively market County-supported affordable housing to underrepresented communities.
 - Prioritize affordable multifamily housing development in high opportunity areas, and creation and preservation of affordable housing in low resource areas.
 - Promote hiring of economically-disadvantaged workers and certified minority and women-owned business in housing development and rehabilitation.
7. Planning Commission Review and Recommendation. The San Mateo County Planning Commission reviewed the draft Housing Element on October 12, 2022, and recommended that the Board of Supervisors direct staff to submit the Housing Element, amended to incorporate comments received before, during and after the Planning Commission review, and comments received during the 30-day formal public review period, to the Department of Housing and Community Development for review and certification.
8. Next Steps. The draft updated Housing Element must be available for public review and comment for 30 days, after which public and other response will be considered for incorporation into the draft. Subsequently, should the Board of Supervisors so direct, staff will submit the draft Housing Element to the California Department of Housing and Community Development, which will review the Housing Element and provide any recommended changes. Staff will review the Housing Element to address comments from HCD, and would then submit the final Housing Element to the Board of Supervisors for adoption, replacing the 2014-2022 Housing Element. Any required environmental review of the Housing Element would also be considered by the Board of Supervisors at the time of adoption.

The resolution has been reviewed and approved by County Counsel as to form.

FISCAL IMPACT:

The is no fiscal impact from submittal of the draft Housing Element to the California Department of Housing and Community Development.

ATTACHMENTS:

A. Draft Updated 2023-2031 Housing Element: Introduction and Executive Summary