

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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April 25, 2012

ATTACHMENT B

Mr. Jim Eggemeyer, Director
Planning and Building Department
County of San Mateo
455 County Center, 2nd Floor
Redwood City, California 94063

RE: Review of the County of San Mateo's Draft Housing Element

Dear Mr. Eggemeyer:

Thank you for submitting San Mateo County's revised draft housing element update received for review on April 17, 2012. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b).

The revised draft element addresses the statutory requirements described in the Department's February 17, 2011 review. For example, the element now identifies adequate sites to accommodate the County's regional housing need. As a result, the revised element will comply with State housing element law (Article 10.6 of the Government Code) when the revisions are adopted and submitted to the Department, pursuant to Government Code Section 65585(g).

The Department appreciates the hard work and dedication of Mr. Will Gibson, County Planner, in preparation of the housing element and looks forward to receiving San Mateo County's adopted housing element. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 323-3175.

Sincerely,

A handwritten signature in black ink that reads "Glen A. Campora". The signature is written in a cursive style.

Glen A. Campora
Assistant Deputy Director

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February 17, 2011

Mr. Jim Eggemeyer, Director
Planning and Building Department
County of San Mateo
455 County Center, 2nd Floor
Redwood City, California 94063

Dear Mr. Eggemeyer:

RE: Review of the County of San Mateo's Draft Housing Element

Thank you for submitting San Mateo County's draft housing element received for review on December 20, 2010. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on February 1, 2010 with Mr. William Gibson, Planner, facilitated the review. In addition, we considered comments from California Rural Legal Assistance, Inc., pursuant to Government Code Section 65585(c).

The Department commends the County on its collaborations and partnerships to address housing issues, particularly the County's leadership in the 21 Elements Countywide Housing Element Update project. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include complete analyses of sites and potential governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation and efforts of Mr. Gibson during the course of the review. We are committed to assist San Mateo County in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 323-3185.

Sincerely,

Glen A. Campora
Assistant Deputy Director

Enclosure

APPENDIX

COUNTY OF SAN MATEO

The following changes would bring the County of San Mateo's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The County has a regional housing need allocation (RHNA) of 1,506 housing units, of which 590 are for lower-income households. To demonstrate the adequacy of sites to accommodate the RHNA, the element must include analyses as follows:

Progress in Meeting the RHNA: While the element indicates 186 units affordable to lower-income households were built, proposed or under construction (Table 9-7), it provides no information documenting how affordability of the units was determined or the date the units were completed, approved or when construction began. As you know, the County's RHNA may be reduced by the number of new units built or approved since January 1, 2007; however, the element must describe the methodology for assigning these units to the various income groups based on actual or projected sales price or rent levels or other mechanisms (e.g., financing) establishing affordability in the planning period.

For example, the estimate of affordability for second units is based on average rental costs per square foot, including units constructed years ago (page 192). However, the analysis of affordability should examine rents for new second units and/or reasonably *comparable* rental properties. For more information, see the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing_element2/HN PHN regional.php](http://www.hcd.ca.gov/hpd/housing_element2/HN_PHN_regional.php).

Realistic Capacity: The element indicates each sites' residential development capacity is no greater than allowed by zoning and development standards (page 186). However, it must describe the methodology used to consider the impact of zoning and development standards on residential capacity. The methodology must also account for site improvements and could reflect recently built densities of housing developments. Please see the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing_element2/SIA zoning.php](http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php).

Suitability of Non-Vacant Sites: The element generally describes the existing uses of non-vacant redevelopable sites (Table 9-12). However, if non-vacant sites are necessary to demonstrate adequate sites, the element must describe the existing uses sufficiently to demonstrate the potential for redevelopment and evaluate the extent to which existing uses may impede additional residential development. The evaluation should include an analysis of development trends, market conditions and regulatory incentives and standards to facilitate redevelopment or reuse and could describe any expressed interest in redevelopment. For sites with residential uses, the inventory could generally describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For non-residential sites, the inventory could generally describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment. Refer to the sample analysis on the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_home.php.

Suitability and Availability of Infrastructure: The element generally describes water and sewer infrastructure availability (page 85), however it must identify whether sufficient total water and sewer capacity is planned or available to accommodate the County's regional housing need. This analysis will also assist the County in efforts to identify housing opportunity areas where infrastructure is available. Please see the enclosed sample analyses for your assistance. To assist the County in implementing Program 21.1 (Funding Sources for Infrastructure Improvements) (page 323), potential funding sources include the United States Department of Agriculture at <http://www.rurdev.usda.gov/>, California Infrastructure and Economic Development Bank at <http://www.ibank.ca.gov/> and Rural Community Assistance Corporation (RCAC) at <http://www.rcac.org/>. In addition, the County may wish to consult with the California Financing Coordinating Committee (CFCC) for assistance in identifying and applying for infrastructure funds. The CFCC is made up of seven State and federal funding agencies that coordinate assistance in developing infrastructure projects by helping potential customers combine the resources of different agencies. For more information, please visit the CFCC website at <http://www.cfcc.ca.gov/>.

Sites with Zoning for a Variety of Housing Types:

Transitional and Supportive Housing: The element did not address this requirement. Pursuant to Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing must be permitted as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. The element should demonstrate consistency with the requirements of SB 2 or include programs as appropriate. See the Department's SB 2 technical assistance memo at http://www.hcd.ca.gov/hpd/housing_element2/SB2memo071708_final.pdf.

Housing for Farmworkers: The element indicates farm labor housing is allowed in the RM and PAD zoning districts with a use permit (page 191). However, Health and Safety Code Sections 17021.5 and 17021.6 generally require employee housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for less than six persons and in *zones permitting agricultural uses* for up to 12 units or 36 beds. The element does not mention which zones in San Mateo County allow agricultural uses or whether zoning is consistent with

Section 17021.5 and 17021.06. The element must either demonstrate consistency with these requirements or include programs to amend zoning as appropriate. For more information, see the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/SHN_farmworkers.php.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Land-Use Controls: The element identifies development standards for most zones in Table 4-3 (page 41) and generally concludes development standards are “not onerous or excessive” (page 43). However, the element must analyze their cumulative impact on the cost and supply of housing and ability to achieve maximum densities. For example, the element should analyze the 1.5 parking space requirement on housing cost and the ability to achieve maximum densities in a multifamily housing zone. Refer to the sample analysis on the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/CON_landuse.php#Model_Analyses.

Local Processing and Permit Procedures: The element includes general information on approval authority and noticing requirements (Table 4-9, page 54) and typical processing times for some permits (Table 4-10, page 57). However, it must specifically describe and analyze the County's permit processing and approval procedures by zone and housing type. The element should also describe processing procedures for typical single- and multi-family projects, including type of permit and decision-making criteria, such as approval findings. Refer to the sample analysis on the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php.

Design Review: The element indicates the County has design review procedures and standards and generally describes the design review timeline for approval (page 55). However, the element should also describe the process, actual design review standards, and any guidelines written and analyze their impact on housing costs and approval certainty.

Constraints on Persons with Disabilities: The element indicates the County “could” adopt a reasonable accommodation procedure (page 78). In addition, Program 27.1(d) proposes to provide exception to development standards in regard to accessibility and visitability (page 327). The element should include a program to adopt a formal reasonable accommodation procedure. For example, the County should have a formal reasonable accommodation procedure which provides exception to broader zoning and land-use for maintenance, improvement and

development of housing for persons with disabilities. To assist the County, refer to the model ordinance and examples from several cities available on the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/PRO_mitigate.php.

3. *Analyze any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and person in need of emergency shelter (Section 65583(a)(7)).*

While the element generally quantifies the number of farmworkers (page 105), it must also define specific characteristics (e.g., seasonal, permanent, single males/females, families) and describe their housing needs. The needed analysis is the basis for identifying potential program or policy options and resources to address the identified housing need for farmworkers. For more information and a sample analysis, see the Department's *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/SHN_farmworkers.php. For additional information, see the following organizations and data sources:

- Migrant and Seasonal Farmworker Enumeration Profiles Study, California, 2000 -- <http://www.ncfh.org/enumeration/PDF2%20California.pdf>;
- USDA Census of Agriculture, 2002 -- http://www.agcensus.usda.gov/Publications/2002/Census_by_State/California/index.asp;
- Migrant Education, Region 1 -- 408-453-6770; and
- San Mateo County Farm Bureau -- (650) 726-4485.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A-1, the element does not include a complete site analysis and the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the County may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Program HE 15.1 (Zoning for Emergency Shelters) proposes to amend the zoning code to allow emergency shelters as a ministerially permitted use in the PC zone (page 319). However, the program must also commit to only subject shelters to the

same development and management standards that apply to other allowed uses within the identified zone. See the Department's SB 2 technical assistance memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

2. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

Program 25.1 proposes to develop a single-room occupancy ordinance and Program 27.1 proposes to prioritize housing funds for extremely low-income (ELI) elderly and persons with disabilities households. However, the programs do not appear to address the range of housing needs for ELI households, including non-elderly individuals and families with children. Pursuant to Chapter 891, Statutes of 2006 (AB 2634), existing programs should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of ELI households. To address this requirement, the element could revise programs to prioritize some funding for the development of housing affordable to ELI households, and/or offer financial incentives or regulatory concessions to encourage the development of housing types which address the needs of this income group. For example, among other revisions, Programs 17.1 (Promote Mixed-Use) and 17-6 (Promote Transit Oriented Development) could provide incentives for developments including ELI housing units and Program 26.1 (Funding For Low and Moderate Income Housing) could allocate a portion of funds to the development of units affordable to ELI households.

3. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

As noted in Finding A-2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the County may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color (Section 65583(c)(5)).*

While Program HE 44.1 indicates the County will continue to assist in the enforcement and education of State and federal fair housing law, the Program should include specific commitment to disseminate fair housing information throughout the County in a variety of public locations and to establish a process to refer or resolve fair housing complaints. Refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/PRO_eho.php.

C. Coastal Zone Localities

Coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided (Section 65588(d)).

While the element indicates 88 new housing units have been constructed within the coastal zone since June 30, 2007, it does not fully address whether the County's affordable housing stock in the coastal zone is being protected and provided as required by Government Code Section 65590. The element must be expanded to identify/inventory the number of low- and moderate-income dwelling units that have been replaced, demolished, and/or converted, within the coastal zone, since January 1, 1982.