



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Planning and Building



Date: December 29, 2014
Board Meeting Date: January 27, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Steve Monowitz, Acting Community Development Director

Subject: Public hearing to consider submittal of the County's updated 2014-2022 Housing Element, which, on adoption, would replace the current 2007-2014 Housing Element of the County's General Plan, to the California Department of Housing and Community Development for review and approval, and certification of the associated Initial Study and Negative Declaration for the updated Housing Element.

County File Number: PLN 2014-00386

RECOMMENDATION:

1. Find that the proposed updated Housing Element of the General Plan is internally consistent with the remainder of the County's General Plan, as adopted in 1986, and as subsequently amended by the Board of Supervisors.
2. Find that adoption of the updated Housing Element advances the County's intent, as described in the County's Shared Vision 2025, to promote affordable, livable connected communities.
3. Find that adoption of the updated Housing Element is consistent with the requirements of State Housing Element law, including both substantive and procedural requirements, and with the requirements for a timely update on the schedule established in the California Government Code.
4. Certify the attached Negative Declaration as complete and correct.
5. Direct the Planning and Building Department to submit the updated Housing Element to the California Department of Housing and Community Development for certification.

BACKGROUND:

Proposal: Submittal of the County's updated 2014-2022 Housing Element, which, on adoption, would replace the current 2007-2014 Housing Element of the County's General Plan, to the California Department of Housing and Community Development for review and approval, and certification of the associated Initial Study and Negative Declaration for the updated Housing Element. This Housing Element update is required by State law, and the updated Housing Element must also be submitted to the State Department of Housing and Community Development (HCD) for HCD's certification of compliance with State law.

The draft of the updated San Mateo County's Housing Element is available here: https://planning.smcgov.org/sites/planning.smcgov.org/files/SMCo%20Draft%20Housing%20Element%202014-2022.PUBLIC_2.pdf

Planning Commission Action: On December 17, 2014, the Planning Commission recommended that the Board of Supervisors certify the Initial Study and Negative Declaration for the Housing Element update and make the findings listed above under "Recommendations," and direct Planning and Building Department staff to submit the Housing Element to the State of California for review and approval. The Planning Commission also directed staff to make a number of minor changes to the draft Housing Element, all of which have been incorporated in the current version of the draft.

Report Prepared By: William Gibson, Project Planner, Telephone 650/363-1816

Applicant: San Mateo County Planning and Building Department

Location: Countywide, unincorporated areas

APNs: Countywide

Environmental Evaluation: Staff has completed an Initial Study of the project, indicating that adoption of the updated Housing Element will not have any significant environmental impacts. The Initial Study and Negative Declaration for the project are attached to this report as Attachment B.

DISCUSSION:

A. KEY ISSUES

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 the following:
 - a. Goals, policies, quantified objectives and scheduled programs to preserve, improve and develop housing.

- b. Identification of existing and projected housing needs for all segments of the community.
 - c. Identification of adequate sites that are zoned and available in the Housing Element cycle to meet the County's fair share of regional housing needs at all income levels.
 - d. A description of constraints on the development of housing in San Mateo County.
 - e. An evaluation of the existing Housing Element.
 - f. A statement of quantified objectives that estimates the number of housing units by income level to be provided for by the end of the Housing Element cycle.
2. The 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 for 2007 to 2014; the updated Housing Element will, on adoption, replace the existing Housing Element, and will cover the period from 2014 through 2022.
 3. Adoption and Department of Housing and Community Development (HCD) Certification. The County must submit a revision or amendment of the Housing Element to HCD for HCD's review and approval; until certification by HCD, the Housing Element is not legally valid. The Housing Element should be certified by HCD, and adopted by the Board of Supervisors, by January 2015; however, there is a subsequent four-month grace period, ending in May 2015, which allows jurisdictions to complete and adopt Housing Elements after January 2015, while remaining in compliance with State law.

Because the California Department of Housing and Community Development must review the Housing Element and certify it as compliant with State law prior to the Housing Element being legally valid, the Planning and Building Department is submitting the Housing Element to the Board of Supervisors at this time not for adoption, but for review, for recommendation of any changes, and for direction that the Planning and Building Department submit the Housing Element to HCD for review. After HCD's review, and after any revisions that may be required by HCD, the Housing Element would return to the Board of Supervisors for additional review and adoption.

4. Housing Element Contents. Consistent with State law, the revised Housing Element: (1) provides an updated assessment of the County's existing and projected housing needs; (2) identifies opportunities and constraints relevant

to meeting those needs; (3) evaluates the effectiveness of current housing programs; and (4) develops new policies, programs, and quantified objectives to meet identified housing needs in unincorporated areas. The draft Housing Element is organized into eleven sections and an appendix, as described below:

- a. Introduction. This section explains the scope and purpose of the Housing Element and its relationship to other County plans and programs.
- b. Public Outreach. This section describes the County's efforts to maximize public participation and input from all parts of the unincorporated County community in the Housing Element update.
- c. Existing Conditions. This section describes existing conditions in the County, including basic geographic and demographic information, housing conditions, economic conditions, and other current information.
- d. Housing Constraints. This section analyzes potential non-governmental, governmental and infrastructure constraints to housing development in unincorporated areas and summarizes potential constraints Countywide.
- e. Housing Needs. This section assesses current and projected housing needs, both Countywide and in unincorporated areas, related to housing supply, overpayment, overcrowding, rehabilitation, special needs, affordable units at risk of conversion to market rate units, and other factors.
- f. Energy Conservation. This section addresses the County's energy conservation efforts related to housing.
- g. Review of Prior Housing Element. This section evaluates the effectiveness and achievements of the policies/programs from the previous Housing Element, and makes recommendations on whether to continue, modify, or discontinue each policy/program.
- h. Housing Resources. This section summarizes the resources available to the County to address housing needs.
- i. Adequate Sites Inventory and Analysis. This section presents an inventory of all of the sites in the unincorporated County that could potentially be developed with new housing or redeveloped at higher intensities, and an assessment of the realistic development and/or redevelopment potential of each site.

- j. Housing Goals, Policies and Programs. This section describes the new and continued policies and programs that the County will implement to address the County’s housing needs, including an implementation timeframe and targets for each policy/program.
- k. Five-Year Quantified Housing Objectives. This section presents the County’s goals for new housing production.
- l. Appendix. The Appendix presents additional details on the public outreach process, summaries of public comment, and examples of outreach materials.

The draft of the updated San Mateo County’s Housing Element, as modified based on public comment, stakeholder input, and Planning Commission direction, is available here:

https://planning.smcgov.org/sites/planning.smcgov.org/files/SMCo%20Draft%20Housing%20Element%202014-2022.PUBLIC_2.pdf

- 5. Regional Housing Needs Allocation. A core component of the Housing Element, and one of the most important legal requirements, is a demonstration that the County can meet its Regional Housing Needs Allocation, or “RHNA.” The RHNA is the County’s share of overall regional housing need, as determined by the State of California and the Association of Bay Area Governments, and modified and agreed to by the local San Mateo County jurisdictions through a collaborative process. San Mateo County’s RHNA for the 2014-2022 period is:

| Income Category¹ | Units Needed |
|--|---------------------|
| Extremely Low (up to \$33,950) | 77 |
| Very Low (between \$33,950 and \$56,550) | 76 |
| Low (between \$33,950 and \$90,500) | 103 |
| Moderate (between \$90,500 and \$123,600) | 102 |
| Above Moderate (greater than \$123,600) | 555 |
| Total | 913 |
| ¹ Income category from 2014, based on a family of four. | |

Analysis completed for this Housing Element update indicates that the County has enough available sites for new development and/or redevelopment of housing to meet the need indicated in the County’s RHNA, without changes to zoning or other land use and development policies. The total sites available for housing production are contrasted with the County’s RHNA in the table below:

| Table 9-5 RHNA vs. Capacity of Developable and Redevelopable Sites San Mateo County, 2014-2022 | | | |
|---|---------------------|------------------------------------|-------------------------------|
| Income Category | Units Needed | Capacity of Available Sites | Surplus/ (Deficit) |
| Extremely Low Income | 77 | 87 | 10 |
| Very Low Income | 76 | 85 | 9 |
| Low Income | 103 | 104 | 1 |
| Moderate Income | 102 | 125 | 2 |
| Above Moderate Income | 555 | 1,347 | 792 |
| Total | 913 | 1,726 | 813 |
| <i>Note: Capacity of Available Sites includes units already approved, but not yet built, and units on developed sites that could be redeveloped at higher intensities. Only parcels that could be developed without changes to zoning and/or land use are included.</i> | | | |

The Housing Element does not create any new housing or other development, but only contains policies intended to encourage and facilitate development and redevelopment of housing, particularly housing affordable to lower-income households.

6. Changes from the Prior Housing Element. The County's Housing Element has been revised and updated to reflect current conditions, current housing needs, best practices, the requirements of State law, and input received from stakeholders and County residents. However, because the prior Housing Element was adopted very recently, most changes are merely updates to existing data, existing policies and programs, and other information, including the adequate sites inventory, which must be modified to address changing conditions or new data. There are some exceptions, which are required to address new requirements in State law or new policies proposed as part of the Housing Element update. In addition, some policies that are no longer relevant, or that have been completed, have been removed from the Housing Element. Changes include:
 - a. Assessment of the number and needs of the developmentally disabled in the County.
 - b. Removal of policies relating to adoption of the North Fair Oaks Community Plan, which has been adopted.
 - c. Removal of policies related to Senate Bill 2 compliance, which relates to zoning appropriately for emergency shelters and transitional and supportive housing; these zoning amendments have been adopted and/or are in the process of adoption.

- d. Addition of a policy regarding pre-approved development prototypes for small or substandard lots.
- e. Addition of a policy committing the Housing Department and Planning Department to train County employees in various departments on housing policies and housing needs, to ensure that the policies and programs in the Housing Element are correctly implemented by relevant staff.
- f. Addition of a policy committing the County to study areas for potential affordable housing overlay zones, which provide additional incentives.
- g. Commitment to explore policies to incentivize so-called “tiny houses,” which can be significantly cheaper than conventional single-family housing.
- h. Commitment to analyze the potentially displacing effects of ABAG and MTC’s One Bay Area/PDA program, which provides resources for development and redevelopment of specifically targeted priority development areas. These resources are a valuable source of development funding, but any new development can have displacing effects on existing affordable housing and low income residents, and these impacts should be weighed against program benefits if the County relies on One Bay Area program resources.

A number of these changes, including the policies listed as “f,” “g,” and “h,” were the direct result of input from public workshops, public comments, and/or input from housing policy stakeholders.

7. Public Participation. The updated Housing Element is based on public outreach and participation, including the following components:
 - a. 21 Elements Stakeholder Forums and Input. Through the Countywide 21 Elements Collaborative, which is an ongoing joint effort by all twenty-one County jurisdictions to share information, data, and best practices on Housing Element update and implementation, the County participated in stakeholder forums that provided input from developers, housing advocates, and other stakeholders on housing trends, housing needs, and other relevant information.
 - b. Public Workshops. The County has held two public workshops, one on the coastside and one on the bayside, prior to creation of the draft Housing Element, and two additional workshops, also on the coast and the bayside, to receive comments after preparation and publication of the draft Housing Element.

- c. Brochures. The County has produced informational brochures in English and Spanish for the Housing Element update. The brochures have been distributed through County departments, through local libraries, and by email to a variety of stakeholders and partners.
 - d. Online Survey. The County prepared a survey to obtain feedback on the housing issues most critical to County residents. The survey was available through the County's website, in English and Spanish, and was publicized by email, at the workshops, and in the brochure. Comments received prior to publication of the draft Housing Element are included in the Appendix.
 - e. Website. The County has maintained a website describing the Housing Element update, providing information on housing issues, providing notice of meeting and hearing dates and other key dates and deadlines, and providing access to the current Housing Element, the online survey, electronic versions of the informational brochure, contact information for County staff, and other information.
8. Next Steps. As noted above, the California Department of Housing and Community Development must review the updated Housing Element, and certify its compliance with State law, before the Housing Element is legally valid. The proposed timeline of submittal, review, and Board of Supervisors action is as follows:
- January 2014: Board of Supervisors Housing Element review and recommendation of any required amendments or modifications
 - January/February 2015: Submittal to HCD for review
 - February/March/April 2015: HCD review, modifications as required by HCD
 - April/May 2015: Board of Supervisors re-review, Board of Supervisors adoption
9. Conclusion. The Housing Element was updated in collaboration with the County Housing Department, and was augmented by significant input from the 21 Elements Collaborative, County residents, and a variety of stakeholders, including advocates, policymakers, developers, and others. As noted above, several policies were added to the Housing Element as a direct result of public and stakeholder input; public input also resulted in changes to the housing sites inventory, and Planning Commission input also resulted in modifications to the housing sites inventory, resulting in a more accurate and robust inventory. Since the prior, the 2007-2014 Housing Element was adopted relatively recently, and was completed with a very robust and comprehensive process, the revisions to this Housing Element

are relatively minor, and the updated Housing Element does not differ dramatically from the prior Element. However, this Housing Element accurately and adequately reflects both the analytical detail required by State law, and the County's overall housing policy direction, as well as providing appropriate guidance for policy and program implementation over the next seven years.

B. ALTERNATIVES

The County is required by State law to update the Housing Element of the General Plan, on a schedule also prescribed by law. There is no feasible, legal alternative to updating the County's Housing Element.

C. ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act, staff has completed an Initial Study for this project. Based on the analysis and findings of the Initial Study, the project has no potentially significant environmental impacts, and a Negative Declaration has been prepared. The Initial Study and Negative Declaration were posted on November 26, 2014; to date, no comments on the environmental review have been received.

D. REVIEWING AGENCIES

San Mateo County Housing Department; County Counsel

The adoption of the updated Housing Element contributes to the 2025 Shared Vision outcome of a Livable Community by promoting affordable, livable connected communities.

FISCAL IMPACT:

There is no direct fiscal impact to the County from adoption of the updated Housing Element, although policies and programs in the Housing Element commit the County to pursue various actions that might ultimately require indeterminate amounts of funding, some of which might be provided by grants or other external sources, but some of which might require direct County resources. The nature and type of this funding would be determined as these policies and programs are further explored. Foregoing adoption of the Housing Element would place the County out of compliance with State Housing Element law, with the consequence that the County's HOME funding, and other sources of funds provided to the County Housing Department from the California Department of Housing and Community Development, could be curtailed.

ATTACHMENTS:

- A. Recommended Findings
- B. Initial Study and Negative Declaration

COUNTY OF SAN MATEO
PLANNING AND BUILDING DEPARTMENT

RECOMMENDED FINDINGS

Permit File Number: PLN 2014-00386

Board Meeting Date: January 27, 2015

Prepared By: William Gibson
Project Planner

For Adoption By: Board of Supervisors

RECOMMENDED FINDINGS:

Recommend that the Board of Supervisors:

1. Find that the proposed updated Housing Element of the General Plan is internally consistent with the remainder of the County's General Plan, as adopted in 1986, and with all subsequent amendments to the County's General Plan.
2. Find that adoption of the updated Housing Element advances the County's intent, as described in the County's Shared Vision 2025, to promote affordable, livable connected communities.
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