



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

File #: 22-351

Board Meeting Date: 5/17/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Steve Monowitz, Community Development Director

Subject: An informational briefing on the status, process, and timeline of the County's 2023-2031 update to the Housing Element of the County General Plan

RECOMMENDATION:

Accept this informational briefing on the status, process, and timeline of the County's 2023-2031 update to the Housing Element of the County General Plan.

BACKGROUND:

California Housing Element law requires every local jurisdiction to have a Housing Element as part of its General Plan, in order to assess and address the housing needs of the community. State law also requires jurisdictions to update their Housing Elements periodically, on a schedule established by the State, and significantly prescribes both the contents of the Housing Element, and the manner in which it must be updated. Once updated, the Housing Element must be submitted to the California Department of Housing and Community Development for certification that it complies with State law; until certification, the Housing Element is invalid. The current Housing Element is in effect from 2014 to 2022; the updated Housing Element will cover the period from 2023 to 2031, and must be submitted and certified by January 2023. The Planning and Building Department and the Housing Department, with assistance from other County Departments and various consultants, are currently updating the Housing Element, consistent with State requirements. This report provides an overview of the requirements, process, and timeline of the update.

The County's current Housing Element, Chapter 7 of the General Plan, is here:

[https://planning.smcgov.org/sites/planning.smcgov.org/files/documents/files/SMCo%20Adopted%20Housing%20Element%202014-2022%20\(12-29-15\).pdf](https://planning.smcgov.org/sites/planning.smcgov.org/files/documents/files/SMCo%20Adopted%20Housing%20Element%202014-2022%20(12-29-15).pdf)

DISCUSSION:

1. Required Contents of the Housing Element. State law mandates specific contents of the Housing Element, which include the following:

- Housing Conditions and Needs. The Housing Element must include and assessment of

current and future housing conditions and needs. This assessment relies on basic geographic, demographic, and economic characteristics and trends, and an analysis of housing challenges, including affordability, overpayment, overcrowding, rehabilitation needs, special needs, affordable units at risk of conversion to market rate units, and other factors.

- Constraints Analysis. The Element must assess and describe constraints to housing production, including potential governmental constraints, such as regulations, fees, and approval processes, and non-governmental constraints, such as the cost of housing production, environmental factors, and others.
 - Evaluation of the Current Housing Element. The updated Element must include an assessment of the (Housing Element for the 2014-2022 period, primarily focused on the effectiveness, necessity, feasibility and suitability of the policies and programs in the current Element, with recommendations to continue, modify, or discontinue each program.
 - Housing Resources. The Housing Element must summarize the various resources available to address housing needs, including sources of housing funding, assistance programs, and other resources.
 - Adequate Sites Inventory. The Housing Element must identify sufficient, adequate sites that are available for development or redevelopment of housing during the Housing Element cycle to meet the County's Regional Housing Needs Allocation (RHNA), the County's share of regional housing needs at all income levels, as determined by the Association of Bay Area Governments. The RHNA process and adequate sites inventory requirement is described in more detail below.
 - Goals, Policies and Programs. The Housing Element must incorporate goals, policies, and programs, with quantified objectives and definitive timelines, in order to preserve, improve and develop housing, address identified housing needs, and if necessary, address any unmet portion of the County's RHNA.
 - Five-Year Quantified Housing Objectives. The Housing Element must estimate the number of housing units by income level to be provided in the five years after Housing Element adoption, primarily based on the County's RHNA.
 - Affirmatively Furthering Fair Housing (AFFH). New in this Housing Element cycle, the Housing Element must include a specific assessment of how the County's housing policies and programs, and identified sites for development, affirmatively further fair housing for all segments of the community. The AFFH requirement is described in more detail below.
 - Public Outreach. The Housing Element must include a description of the County's efforts to maximize public participation and input from all parts of the unincorporated community during the Housing Element update.
2. Changes from the Current (2014-2022) Housing Element. The Housing Element will be comprehensively revised to reflect current conditions, current housing needs, best practices, the requirements of State law, and input received from stakeholders and County residents.

Many changes are straightforward updates to existing Housing Element materials, including

demographic, economic, and housing data, assessments of existing conditions, housing resources, and housing needs. Others are more comprehensive revisions, addressing new conditions, new requirements of state law, new policy approaches the County is pursuing, and other factors. In addition, the requirements of State law mandate new approaches to several components of the Element, including the analysis of adequate sites, and analysis of how the Housing Element furthers fair housing goals.

Changes to policies and programs will include removal of completed programs or programs found to be unnecessary or ineffective, continuation or expansion of programs determined to remain necessary, and incorporation of continuing relevant programs initiated since adoption of the prior Housing Element, as well as new policies to address new requirements of State law.

3. Regional Housing Needs Allocation and Adequate Sites Inventory. A core component of the Housing Element, and one of the most important legal requirements, is a demonstration that the County has sufficient, realistically developable or redevelopable sites to meet its RHNA. The RHNA is the County’s share of overall regional housing need, by income level, as determined by the State of California and the Association of Bay Area Governments (ABAG), for the Housing Element period. Unincorporated San Mateo County’s RHNA for the current Housing Element period (Cycle 5), and the 2023-2031 period (Cycle 6), are shown below.

Income Level	RHNA 5 Allocation	RHNA 6 Allocation*	Increase
Very Low Income (50% AMI)	153	811	658 (430%)
Low Income (60% AMI)	103	468	365 (354%)
Moderate Income (80% AMI)	102	433	331 (325%)
Above Moderate Income (120% AMI)	555	1,121	566 (102%)
TOTAL:	913	2,833	1,920 (210%)

The unincorporated County, like most jurisdictions in the Bay Area and the state, must identify sufficient sites to meet a substantially greater need than in prior cycles. The assessment of development potential to meet the RHNA is the “Adequate Sites Inventory” (Chapter 9 of the current Housing Element). If the County cannot identify sufficient sites to meet the RHNA, it must commit to policies and programs that will increase development potential sufficient to address the shortfall; typically, this requires rezoning non-residential and/or residentially zoned areas to allow higher density residential development (a “rezoning program” required to be completed on a state-mandated timeline).

Staff is currently analyzing the capacity of existing sites, and a determination of the County’s ability to meet the RHNA is not yet complete. However, early assessment indicates that existing, undeveloped sites alone may be insufficient, but existing sites in combination with pipeline projects already planned and/or underway may suffice (projects planned for construction that have not yet been issued building permits prior to July 2022 can be counted toward the Cycle 6 RHNA). This indicates, however, that in subsequent Housing Element cycles, should RHNA numbers continue to equal or surpass those of the current cycle, future rezoning will almost certainly be required.

4. Policies and Programs. The Housing Element must include policies and programs that address the identified housing needs of the unincorporated County, as well as addressing any unmet

portion of the County's RHNA. Typically, these policies and programs include a broad range of different efforts, led by various County departments and agencies, sometimes in collaboration with outside partners. The goals, policies and programs of the current Housing Element are set forth at Chapter 10 of the Housing Element. Examples of policies and programs that have been implemented during the current Housing Element cycle include:

- A completed study of farmworker housing needs, and creation a pilot program to fund farm labor housing units.
- Updates to the County's Accessory Dwelling Unit (ADU) regulations, both to meet new requirements in state law, and to incentivize production of ADUs beyond the State's requirements.
- Updates to the County Density Bonus Regulations, to meet requirements of state law and facilitate the production of affordable housing.
- Adoption of comprehensive new protections for mobile home parks and mobile home park tenants, to mitigate the threat of displacement and conversion.
- Completion of multiple phases of rezoning to implement the North Fair Oaks Community Plan and facilitate production of higher-density, transit-oriented residential mixed-use development.
- Expansion of the County's multifamily residential health and safety inspection program.
- Adoption of an affordable housing impact fee on certain types of commercial and residential development, with funds dedicated to the production of affordable housing.

Because the County's current Housing Element demonstrated sufficient sites to meet the 2014-2022 RHNA, no rezoning program was required in this Housing Element cycle, although the County did undertake multiple significant rezonings to facilitate higher density and transit-oriented development, most significantly in North Fair Oaks.

5. Affirmatively Furthering Fair Housing (AFFH). State law now requires the Housing Element to include substantive assessment of fair housing issues, and to incorporate policies to redress barriers to fair housing. Per HCD, a fair housing issue is:

“[a] condition in a geographic area of analysis that restricts fair housing choice or access to opportunity, and includes such conditions as ongoing local or regional segregation or lack of integration, racially or ethnically concentrated areas of poverty and affluence, significant disparities in access to opportunity, disproportionate housing needs, and evidence of discrimination or violations of civil rights law or regulations related to housing.” (HCD Affirmatively Further Fair Housing Guidance Memo, 2021)

Through the 21 Elements consultants, the County and a number of other jurisdictions have contracted with Root Policy, a firm with expertise in fair housing analysis, to complete the County's AFFH assessment. The analysis will constitute a standalone appendix to the Housing Element, with a set of policy recommendations to address fair housing issues; the policy recommendations will be incorporated in the update policies and programs in the Housing Element.

6. Collaborative Update Process. Planning and Building Department and Housing Department staff are collaborating on the update, with assistance from the Office of Sustainability, Department of Health, Office of Community Affairs, and other partners. In addition, the County is sharing the service of a consultant with multiple other jurisdictions; the consulting firm, Baird + Driskell, which manages the County-sponsored 21 Elements collaborative, is with various subconsultants, providing assistance on public outreach and participation, technical analysis, fair housing analysis, and other services. ABAG is also providing substantial technical assistance in this update cycle.
7. Public Participation. The updated Housing Element will be based on public outreach and participation. Public participation includes the following components:
 - Public Workshops and Forums. The Planning Department and Housing Department participated in multiple multijurisdictional workshops and forums for members of the public, community-based organizations, and other stakeholders, organized by 21 Elements. Outreach also included multiple other forums, including the North Fair Oaks Community Council and the Sustainable Pescadero organization. Additional forums are planned for the Midcoast Community Council and Pescadero Municipal Advisory Council, and additional forums will be held once the draft updated Housing Element is complete. The Planning Commission held a hearing on the Housing Element update on March 23, 2022.
 - Online Surveys. The Planning Department prepared a survey to obtain feedback on the housing issues most critical to County residents, available through the County's website in English and Spanish, and publicized by email and at various forums. At least one additional survey will be distributed when the draft Housing Element policies and programs and adequate sites inventory are available for public review.
 - Website. The Planning Department has maintained a website for 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 surveys, contact information for County staff, and other information. The website is here: <https://planning.smcgov.org/san-mateo-county-housing-element-update-2023-2031>. Draft sections of the Housing Element will be posted to the website for public review and comment.
 - Mailing List. The County has maintained a Housing Element update email notification list for notification and information distribution. Sign-up is available through the website.
 - Adequate Sites Inventory. The draft adequate sites inventory will be provided as an online GIS map, with opportunity for the public to scrutinize both the overall inventory, and individual sites, and provide comment.
8. 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; until certification by HCD, the Housing Element is not legally valid. If HCD finds any aspect of the updated Housing Element to be insufficiently compliant with State law, they may require changes to the Housing Element in order to achieve certification. The Housing Element can be adopted by the Board of Supervisors prior to submittal to HCD, or the draft can be submitted to

HCD, and adoption can occur after any changes required to achieve certification.

Because each region in the state is on a different, staggered Housing Element update cycle, a number of jurisdictions have already completed their Cycle 6 Housing Elements and submitted them to HCD. Feedback from these jurisdictions indicates that, unlike prior cycles, very few Housing Elements in this cycle achieve certification by HCD without at least some modifications, in many cases extensive. While the County's update will incorporate the feedback received by these other jurisdictions into account in the updated Housing Element, it is likely the County will still be required to make some changes prior to certification. This suggests that the most efficient approach may be for the Board of Supervisors, after review and approval of the draft Housing Element, to direct submittal for review and certification prior to adoption, and to subsequently adopt the Housing Element after incorporating whatever changes HCD may require

9. Timeline and Next Steps

- Policies and Programs, Public Release Draft: May 2022
- Adequate Sites Inventory, Public Release Draft: May/June 2022
- Draft Existing Conditions, Housing Needs, Constraints Analysis: May 2022
- Updated Housing Element, Public Release Draft: May/June 2022
- Planning Commission and Board of Supervisors Hearings: July/August 2022
- Submittal to HCD: August 2022