



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

File #: 23-658

Board Meeting Date: 8/1/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Community Development Director
Subject: Status of the County's Amendments to the Draft 2023-2031 Housing Element.

RECOMMENDATION:

Receive an informational briefing on the status of the County's amendments to the draft 2023-2031 Housing Element update in response to comments from the California Department of Housing and Community Development (HCD) and comments and input from various other stakeholders and members of the public.

BACKGROUND:

The Housing Element is a required component of the County's General Plan. State law requires all local jurisdictions to periodically update their Housing Element, 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 by the Board, replace the existing Housing Element, and cover the period from 2023 to 2031.

State also law establishes the requisite contents of the Housing Element and the process for updates. Before adopting an updated Housing Element, the County must submit its draft to HCD for review to ensure compliance with State law. After review, HCD provides a letter summarizing its assessment of compliance, and describing recommendations regarding potential changes to achieve compliance, if necessary. After the County makes any necessary amendments to the draft Housing Element, the County must resubmit the revised draft to HCD for further review.

At the direction of the Board of Supervisors, the County submitted its draft Housing Element to HCD on January 20, 2023. The County received HCD's comments on April 20, 2023. HCD's comment letter, inventorying the requested changes to the draft Housing Element, is included as **Attachment A**.

In addition, a number of stakeholders have submitted written and oral comments on the Housing Element update and suggested strategies and contents for inclusion in the update. Much of this commentary was included in a letter submitted by the Housing Leadership Council on behalf of a number of housing advocacy organizations, which letter the Board received in advance of its June 13, 2023, meeting.

At the June 13 meeting, staff provided the Board an informational briefing on HCD's comment letter and responded to questions surrounding stakeholder comments. The Board then provided direction to staff on amendments to the Housing Element in response to both HCD's review letter and stakeholder comments.

This further informational briefing provides an update on the status of the ongoing revisions to the Housing Element, and an overview of how the County is addressing input from HCD and various stakeholders.

DISCUSSION:

A. Amendments in Response to HCD Comments

HCD's comment letter contained a number of comments that do not require changes to the Housing Element, but which are reminders of the legal requirements for process and submittal of the Housing Element. Many of the comments require minor edits or language revisions to the Housing Element and are not discussed here.

There were, however, more substantive revisions suggested by HCD in its comment letter, and the County's responses those revisions are summarized as follows:

1. *HCD requested an expanded affirmatively furthering fair housing (AFFH) analysis, including analysis of County fair housing patterns versus the broader region, integration and segregation, access to opportunity, more in-depth analysis of areas of concentrated poverty and affluence and their characteristics versus the region, and other additional analysis and, as needed, policy response.*

The Planning and Building Department and the Department of Housing have re-engaged the services of Root Policy, the fair housing consultant that completed the initial AFFH analysis in the Housing Element, to undertake a comprehensive expansion of the fair housing assessment, adding regional context, and addressing the other aspects of HCD's requested revision. The updated Housing Element will fully address this comment.

2. *HCD requested more analysis of displacement risk due to disaster, such as earthquake, fire, flood.*

Root Policy will also complete this analysis, which will be included in the revised Housing Element.

3. *HCD requested an expanded assessment of housing stock conditions and rehabilitation need, beyond the at-risk affordable housing analysis included in the Housing Element.*

The revised Housing Element will include this expanded assessment, including information from Root Policy's countywide housing survey work, code enforcement data, anecdotal data from community-based organizations, and expanded data on housing stock age versus condition.

4. *HCD requested more rental housing cost data from sources other than the U.S. Census.*

The Housing Element will be updated to include data from rental listings such as Zillow and others.

5. *HCD requested revisions to SB 9 and ADU projections to address HCD's concerns about the accuracy of trend and projection data.*

These projections will be comprehensively revised, and more backup data for the projections will also be provided.

6. *HCD requested various clarifications that the County complies with all state laws regarding permitting of emergency shelters, by-right permanent supportive housing, navigation centers, SROs, ADUs, and other housing types.*

While the County affirmatively complies with all state laws regarding these housing types regardless of zoning regulations, and the County has updated most regulations to ensure consistency with state law, the Housing Element will be revised to include a program to complete any formal amendments required to ensure that the zoning regulations match the County's practice.

7. *HCD requested an expansion of existing sections regarding land use regulations, permitting and impact fees and exactions, permit processing procedures and timelines, and a variety of other constraints analysis already included in the Housing Element, but possibly not provided with sufficient clarity or breadth.*

The Housing Element sections addressing these topic areas will be revised for clarity and detail.

8. *HCD requested greater specificity on timelines, deadlines, milestones, and deliverables for a variety of programs identified by Housing and Community Development.*

The Planning and Building Department and Department of Housing will revise all of the identified programs to address HCD's desire for greater specificity of commitments.

9. *HCD requested significant revisions to the Housing Sites Inventory and Rezoning Program.*

The Sites Inventory is the assessment of all existing sites available for residential development or redevelopment to meet the County's Regional Housing Needs Assessment (RHNA), the amount of housing that the Housing Element must demonstrate capacity for over the next eight years. If the Sites Inventory does not identify sufficient existing capacity to meet the RHNA, the Housing Element must include a Rezoning Program, to change development regulations for specifically identified sites to generate new capacity for residential development.

HCD requested revisions to both the Sites Inventory and Rezoning Program in a number of areas, including more data on developability of non-vacant sites and smaller

sites, more data justifying the various development capacity assumptions of sites, and, in general, significantly more analysis of developability and redevelopability of sites included in the Sites Inventory. In addition, a number of sites included in the unincorporated Harbor Industrial area have subsequently proved infeasible for inclusion in the Sites Inventory at this time, necessitating identification of significantly more development capacity.

The County has engaged a consultant to comprehensively reassess and revise the Sites Inventory and the Rezoning Program to address HCD's comments. Initial strategies include:

- Revised analysis of all existing sites to ensure that development and redevelopment capacity assumptions are reasonable, and to identify additional capacity where possible.
- Rezoning the entirety of unincorporated Colma to allow up to 150 units per acre of multi-family development by right. The previous proposal was up to 87 units per acre; this modification will yield substantially more development potential than the prior program.
- Assessing redesignation of multiple existing R-3 zoned sites in the County's coastal zone from medium high to high density residential, allowing up to 87 units per acre, making these sites significantly more developable.
- Assessing rezoning of multiple commercially zoned sites in the County's coastal zone from C-1 zoning to a mixed-use residential zoning at densities to be determined, enabling significantly more residential development.
- Assessing rezoning of multiple vacant or unused parcels in West Menlo Park currently designated for parking or commercial use to higher density multifamily use.
- Reassessing proposed sites in the Harbor Industrial area, with a significant reduction in proposed units in these areas, consistent with identified resource constraints and the City of Belmont's intended future zoning plans for these areas.
- Identifying other strategies and other County areas that might be appropriate for rezoning to address the County's RHNA shortfall, if needed.

B. Comments from Stakeholders

The substance of written and verbal public comments received prior to and at the June 13 Board meeting falls in four main categories. Those categories are outlined below, along with the County's response to each:

- *Rezone throughout the County, not just in North Fair Oaks.*

The updated Housing Element submitted to HCD already contains a rezoning program that includes unincorporated Colma, areas of Broadmoor, and the Harbor

Industrial area. The revised Housing Element rezoning program will include significantly more up-zoning in unincorporated Colma, may include additional areas of the coastal zone, and West Menlo Park, and will retain areas of Broadmoor, and some portion of the Harbor Industrial area.

- *Protect tenants from displacement by implementing stronger tenant protections, particularly just cause for eviction protections.*

The County is engaged in the process of exploring updated tenant protection regulations, and the Board held a study session on potential updates on July 10, 2023. At the study session, the Board directed staff to continue work on developing potential additional tenant protections to apply in the unincorporated area and to return with a plan for outreach regarding existing state law tenant protections under Assembly Bill 1482. Thus, development of potential local tenant protection measures is proceeding on a different timeline than the Housing Element update. Lack of inclusion of any such measures in the Housing Element, however, will not impact the feasibility of implementing them in the future at the discretion of the Board.

- *Plan for the specific housing needs of those in protected classes, including people with disabilities, the homeless, extremely low-income households, and farmworkers.*

The revised Housing Element update will include various strategies to more specifically assist these vulnerable communities, including funding strategies, and revised and more robust commitments to adopt regulations guaranteeing accessibility of housing for disabled populations. The County is also engaged separately in a number of efforts to create new homeless housing and new farm labor housing, but these efforts are not sufficiently developed to be included in the Housing Element at this time.

- *Provide new subsidy for affordable homes.*

A number of stakeholders have suggested adopting various new fixed allocations of annual housing funding from the County's budget. While such proposals may warrant separate consideration by the Board, they are not appropriate for inclusion in the Housing Element. The Department of Housing is actively exploring various ways to identify and allocate additional housing funding, and to more efficiently target existing funding.

C. Next Steps

The Planning and Building Department and Department of Housing will continue to revise and refine the draft Housing Element, with the assistance of the fair housing consultant and sites inventory/rezoning consultant, to incorporate the changes requested by the Board and the revisions required by HUD. The updated Housing Element is currently scheduled to be considered by the Board at the regularly scheduled hearing on September 12, 2023.

FISCAL IMPACT:

This item is informational only.

ATTACHMENTS:

- A. Department of Housing and Community Development Comment Letter to County of San Mateo

