

Housing Element Update CEQA Exemption Technical Memorandum

City of San Mateo

Prepared for:

City of San Mateo

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1. Introduction

1.1 PURPOSE

This Technical Memorandum serves as an evaluation of the City of San Mateo 6th Cycle Housing Element Update (proposed project) for California Environmental Quality Act (CEQA) compliance. This Technical Memorandum was prepared to present: 1) the findings resulting from the CEQA compliance review, as described below; and 2) the recommendations concerning the appropriate CEQA compliance documentation.

1.2 STATUTORY AUTHORITY AND REQUIREMENTS

Once it is determined that an activity is a project subject to CEQA, it is then determined whether the project is exempt from CEQA. State CEQA Guidelines Section 15061(b) outlines the ways in which a project may be exempt as follows:

A project is exempt from CEQA if:

- 1) The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).
- 2) The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Section 15300.2.
- 3) The activity is covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- 4) The project will be rejected or disapproved by a public agency. (See Section 15270(b)).
- 5) The project is exempt pursuant to the provisions of Article 12.5 of Chapter 3.

The proposed project would be exempt as a “common sense” exemption under State CEQA Guidelines Section 15061(b)(3) because implementation of the Housing Element Update would not have the potential to cause a significant effect on the environment, as further discussed below in Section 3, *Findings Concerning CEQA Exemption*.

2. Project Description

2.1 REGIONAL LOCATION

San Mateo is in the northern portion of San Mateo County. It is bordered by the San Francisco Bay and City of Foster City to the east, the City of Burlingame and Town of Hillsborough to the north, the City of Belmont to the south, and the Town of Hillsborough and unincorporated San Mateo County to the west. San Mateo is roughly 10 miles south of San Francisco and 25 miles northwest of downtown San Jose. State Route 82 (El Camino Real), State Route 92, Highway 101, and Caltrain provide regional transportation connections.

2.2 PROPOSED PROJECT

2.2.1 Project Background

The City of San Mateo is preparing a comprehensive update to its existing Housing Element. The update is expected to be completed in January 2023 and will guide the City's housing development from January 2023 through January 2031.

The 6th Cycle Housing Element is a State-mandated eight-year policy document that is a component of the San Mateo General Plan. The overall purpose of the Housing Element Update is to identify current and projected housing needs, show locations where housing can be built, and set goals, policies, and programs to meet the community's housing needs. The foundation of the Housing Element is the Regional Housing Needs Allocation (RHNA), which begins with a determination of housing need issued by the California Housing and Community Development Department (HCD) and allocated by the Association of Bay Area Governments (ABAG). A jurisdiction is required to demonstrate whether it has sufficient capacity to achieve its RHNA. However, identification of a site's capacity does not guarantee that construction will occur on that site, as the actual construction of units would occur as a result of a development application from a private or non-profit developer. The RHNA for San Mateo for this Housing Element Update is 7,015 units, including 1,777 Very Low income units, 1,023 Low income units, 1,175 Moderate income units, and 3,040 Above Moderate income units.

2.2.2 Proposed Sites and Zoning

State law requires that the Housing Element identify adequate sites for housing by including an inventory of land suitable for residential development, including vacant sites and non-vacant sites having potential for redevelopment, with an analysis of the development capacity that can realistically be achieved for each site. The purpose of the Sites Inventory is to evaluate whether there are sufficient sites with appropriate zoning density to meet the RHNA. It is based on the City's current land use designations and zoning requirements. The City of San Mateo's Sites Inventory for future housing identifies housing sites spread

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throughout the city that could be developed with up to 10,820 new housing units, exceeding the RHNA assigned to the City. Figure 2-1, *Housing Sites Inventory*, shows a map of where each site is located within the city and the housing opportunity areas. The development capacity of each of the identified housing sites is based on existing land use and zoning densities currently in place. No redesignations or rezoning are necessary and no redesignation or rezoning would occur as part of the adoption of the proposed Housing Element Update. Most of the identified sites are currently developed, although not to the maximum extent allowed under current land use and zoning designations. Based on market trends observed in the city, property owner and developer interests, and the characteristics of new development approved over the past five years, the City has developed a sites inventory that includes properties most likely to be redeveloped to provide new housing over the next eight years. A significant number of these sites are located in high resource areas to meet Affirmatively Furthering Fair Housing (AFFH) requirements and avoid adding to any Racially/Ethnically Concentrated Areas of Poverty (RECAP).

2.2.3 Proposed Housing Plan

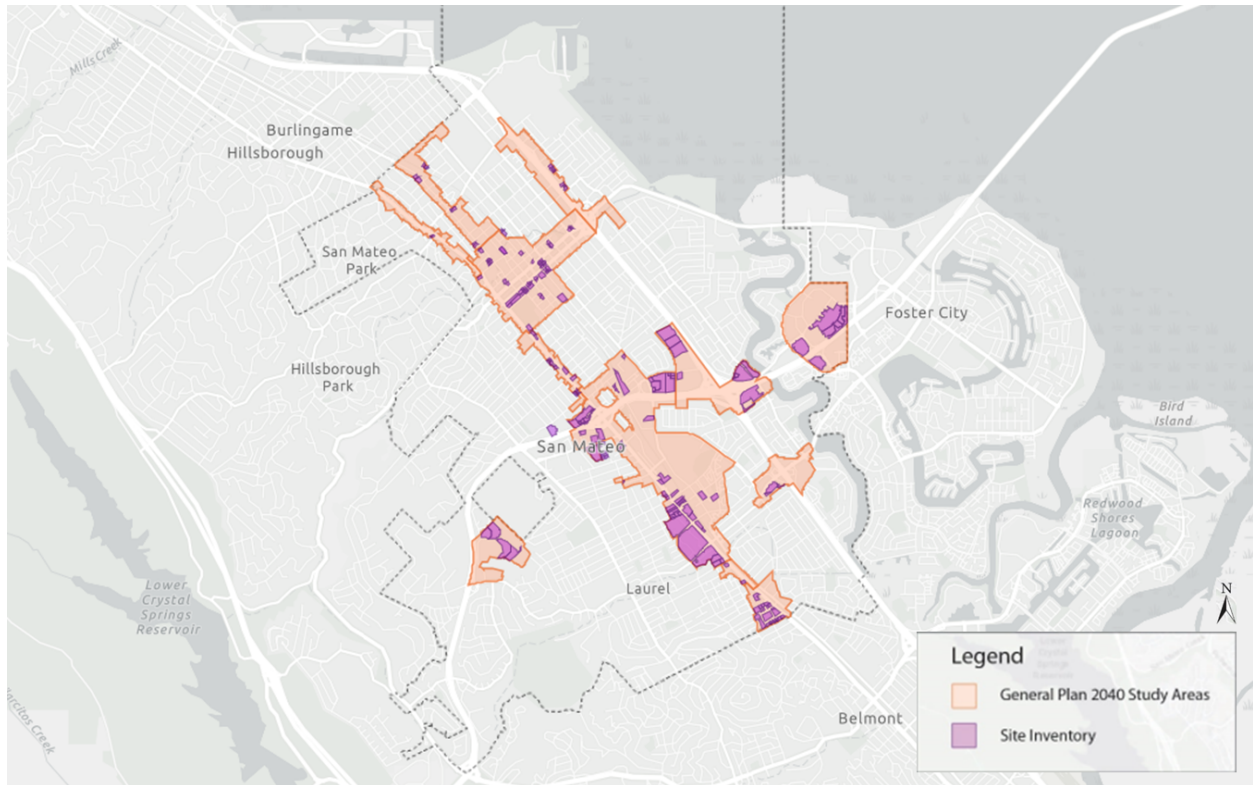
The City has identified five goals to guide the Housing Element Update's policies and programs. Goals H1 through H3 address the region's housing needs through a combination of production, preservation, and protection. Goal H4 promotes community engagement and public outreach to support social resilience, and Goal H5 is to affirmatively further fair housing.

Goal H1 is to facilitate and support the production of new housing at all income levels, but especially affordable housing. The City will employ two approaches to support this goal: being directly involved in housing production and encouraging and streamlining housing developments. Policies proposed under this goal encourage utilization of public funds to build more units, partnerships to support increased production of accessory dwelling units, usage of local ordinances to require developers to create affordable units that serve a variety of populations and provide incentives for affordable unit development, adoption of objective design standards, updates to the Zoning Code, creation of minimum densities for mixed-use projects with a housing component, development of policies to support production of "missing middle"¹ housing, and streamlined application review and processing timelines for affordable development projects. Those policies under Goal H1 that have the potential to affect land use regulations related to housing production are discussed in further detail and analyzed below in Section 3.2, *Analysis in Support of Findings*.

¹ "Missing middle" housing refers to multi-family housing in walkable neighborhoods built at a scale compatible with single-family homes.

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Figure 2-1 Housing Sites Inventory



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Goal H2 is to preserve existing housing that is affordable to lower- and middle-income residents. This goal can be achieved most directly through policies encouraging the use of public funds to acquire existing affordable housing units or requiring developers to replace any lost units. Alternatively, the City can indirectly achieve this goal by improving the quality of life for the current residents through policies incentivizing upgrades through rehabilitation, accessibility modifications, or energy efficiency changes. Enhancements to low-income neighborhoods can also be achieved through capital improvements and resiliency projects that protect against threats posed by climate change.

Goal H3 is to protect current residents and prevent displacement. Commercial linkage fees, relocation fees, documentation requirements for landlords, and right to return policies are proposed under this goal to help balance the scales against market forces that lead to displacement, while extending vital tenant protection. Policies under this goal also address homelessness and increase shelter capacity that can protect housing insecure individuals and families from having to leave San Mateo entirely, allowing service providers an opportunity to intervene and lead clients to housing stability. Other policies relate to affirmative marketing, prioritizing special needs tenants in below market rate units, establishing a rental registry to monitor trends in evictions, and undertaking several actions to affirmatively further fair housing.

Goal H4 is to promote social resilience through public education and outreach. Policies under this goal work to increase community outreach and availability of resources in multiple languages, support the development of a countywide affordable rental waitlist, expand community education and outreach, and enable affirmative housing.

Goal H5 is the Fair Housing Action Plan, meant to implement the overarching goal of AFFH. Action areas under this goal include enhancing housing mobility strategies, encouraging new housing choices and affordability in high resource areas, improving place-based strategies to encourage community conservation and revitalization (including preservation of existing affordable housing), and protecting existing residents from displacement. Many of the policies and programs that support AFFH also support the other goals of the Housing Element Update discussed above, which further highlights how fair housing is interwoven with achieving the City's larger housing production, preservation, protection, and promotion goals.

3. Findings Concerning CEQA Exemption

3.1 SECTION 15061(B)(3): COMMON SENSE EXEMPTION

The proposed project is exempt as a “common sense” exemption under State CEQA Guidelines Section 15061(b)(3) because the project involves policies, programs, and actions to meet the City’s RHNA and AFFH goals. As described above, the Housing Element Update creates a roadmap on how to achieve its RHNA and AFFH goals through identification of suitable sites for development and identifying programs and actions that could remove constraints and promote affordable housing development. Because the City does not have to rezone any sites or make any physical improvements to adopt the Housing Element, it can be seen with certainty that there is no possibility that the proposed Housing Element Update would have a significant effect on the environment. Thus, the Housing Element Update is exempt from CEQA under the common-sense exemption.

3.2 ANALYSIS IN SUPPORT OF FINDINGS

The proposed Housing Element Update is strictly a policy document that does not provide entitlements to any specific development projects and would not result in any direct or indirect physical changes to the environment. As discussed in Section 2.2.2, *Proposed Sites and Zoning*, the Housing Sites Inventory utilizes existing land use and zoning densities and does not require redesignation or rezoning to meet the City’s RHNA. The Housing Element Update does not propose any changes to the City of San Mateo General Plan land use map and would not modify any General Plan land use designations. Future implementation actions would include amendments to zoning and other regulations to facilitate housing development consistent with State housing law. These future amendments are discussed in detail below.

Policies, programs, and actions included in the proposed Housing Element Update encourage housing production and outline steps for the future implementation of certain actions. As discussed in Section 2.2.3, *Proposed Housing Plan*, Goal H1 of the proposed Housing Element Update is to produce new housing at all income levels, with a focus on affordable housing. Policy H1.5 encourages family housing by prioritizing acquisition and new construction of housing that accommodates families when possible and requiring subsidized projects to include family-sized units. Policy H1.8 is to adopt Objective Design Standards for multi-family residential projects and mixed-use projects with a residential component to expedite the production of housing. Policy H1.9 creates minimum residential density requirements to ensure mixed-use development will contain an appropriate amount of housing in commercial/office developments. Policy H1.12 encourages residential uses within the Housing Overlay by amending the overlay to encourage residential projects in commercial zones, not just mixed-use zones. Policy H1.13 encourages development

Findings Concerning CEQA Exemption

of missing middle housing by supporting small infill residential construction (4-10 units) through policy updates and code amendments. These policies encourage and promote housing production under existing land use regulations but do not increase the amount of allowable development allowed in the city when compared to existing land use regulations.

The policies described above—and their corresponding implementing programs and actions—under Goal H1 could be considered potentially growth inducing. However, none of these policies involve any land use or zoning changes that could increase the amount of housing allowed in the city or otherwise create physical impacts on the environment. These policies are structured to incentivize housing development within the framework of existing density and buildout provisions envisioned in the City’s existing General Plan, and through the appropriate ministerial or discretionary review depending on the type of projects proposed by developers.

Furthermore, the proposed Housing Element Update would not increase water demand in comparison to growth projections already reflected in relevant urban water supply planning documents. The City of San Mateo receives its water supply from California Water Service (CalWater) and Estero Municipal Improvement District (EMID). Urban water management plans (UWMP) are prepared by urban water suppliers and are updated every five years to support the supplier’s long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Because the proposed Housing Element Update would retain existing land use and zoning designations, the Housing Element Update would not increase water demand projections for San Mateo. Furthermore, it is reasonable to assume that 2025 UWMPs will be prepared in the future based on the City’s forthcoming 2040 growth projections from the City of San Mateo General Plan, which is currently undergoing an update separate from the proposed Housing Element Update.

The proposed Housing Element Update does not include specific amendments to any land use regulations at this time but rather provides a timeline for future amendments. Subsequent amendments to the City’s land use or zoning regulations would be subject to separate CEQA review at the time those amendments are prepared, if required. Therefore, it can be seen with certainty that the City of San Mateo 6th Cycle Housing Element Update would not have a significant effect on the environment and is therefore exempt from CEQA review.