



CITY OF SAN MATEO

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Agenda Report

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TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development Department
MEETING DATE: May 23, 2022
SUBJECT:
Draft 2023-2031 Housing Element Public Hearing

RECOMMENDATION:

Receive information from staff and public comments, and provide direction to staff on the Draft 2023-2031 Housing Element.

BACKGROUND:

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of their community. California's local governments meet this requirement by adopting housing elements, which are updated every 5-8 years. Housing Elements are one of several "chapters," or elements, of a city's General Plan, and are required by the State. Housing Elements are the only element of a General Plan subject to State requirements for content and they must be certified by the State Housing and Community Development Department (HCD). State funding programs for transportation, infrastructure, and housing often require or consider in decision making a local jurisdiction's compliance with housing element law. In addition, non-compliance with housing element requirements and targets could potentially affect a local jurisdiction's ability to impose local zoning and land use controls over housing development.¹

For the upcoming eight-year housing element cycle (2023-2031), HCD has identified the nine-county Bay Area region's housing need to be 441,176 units, with this number broken down into four income categories, from very low-income households (which includes extremely low) to above moderate (market rate) housing. This Regional Housing Needs Determination (RHND) is based on population projections produced by the California Department of Finance (DOF), as well as adjustments that incorporate the region's existing housing need. The City of San Mateo's Regional Housing Needs Allocation (RHNA) for this housing cycle is 7,015 new housing units distributed across the four income groups as outlined in Table 1.

Table 1: San Mateo RHNA Targets Summary

| Income Category | Very Low 50% AMI | Low 80% AMI | Moderate 120% AMI | Above Moderate | Total |
|--------------------|---------------------|----------------|----------------------|-------------------|-------|
| 2023-31 Allocation | 1,777 | 1,023 | 1,175 | 3,040 | 7,015 |

Table Source: Housing Element Cycle 6 RHNA Allocation

The City's Draft Housing Element ([Attachment 1](#)) identifies how the City can accommodate its RHNA of 7,015 new homes

¹ California Department of Housing and Community Development, *Housing Elements and Accountability and Enforcement*, <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> and <https://www.hcd.ca.gov/community-development/accountability-enforcement.shtml>.

over the next eight years, and establishes goals, policies and programs to help address the City's current and future housing needs. Preparation of the City's Housing Element initially started in January 2021, with City Council adoption projected for the beginning of 2023 and HCD certification anticipated within the statutorily-defined timeline 60 days after submission. As part of the Housing Element update process, a formal 30-day public review and comment period is required. While the City has been actively conducting public outreach and community engagement since the beginning of summer 2021, the formal public review period began on April 6, 2022 with the publication of the Draft Housing Element document. This 30-day public review period concluded on May 6, 2022. A summary of the public comments received during this review period is included later in this report, and all comments are included in [Attachment 9](#). However, the public can continue to provide input beyond this review period until final adoption by City Council.

The Draft Housing Element ([Attachment 1](#)) includes the following sections:

1. **Executive Summary**
2. **Introduction and Background** - Includes the history of San Mateo, the legislative framework for housing, consistency and relationship with other General Plan Elements, and a discussion on water/sewer capacity.
3. **Housing Needs and Sites Inventory** - Describes the City's housing needs summary, RHNA allocation, sites inventory methodology and an overview of the adequate sites list. A capacity of up to 10,922 housing units could be accommodated on the identified adequate sites under the City's existing zoning designations.
4. **Other Required Housing Element Components** - Provides an overview of the City's governmental and non-governmental constraints to meet its housing goals, summarizes existing and potential housing resources, and describes the climate change context and energy conservation requirements.
5. **Public Participation** - Summarizes the City's efforts to engage with the community, including under-represented groups, key accomplishments of the outreach efforts as well as critical take-aways based on community input, and how the feedback was incorporated into the Housing Element goals, policies and programs.
6. **Affirmatively Furthering Fair Housing (AFFH) Assessment** - Provides an overview of AFFH requirements, a history of segregation in the region, and an assessment of the San Mateo's AFFH issues with primary findings, contributing factors, and the AFFH action plan.
7. **Housing Plan** - Describes the policies, programs, actions, and timelines associated with the City's five goals for production and preservation of housing, protection of its residents, promotion of education and outreach, and affirmatively furthering fair housing.
8. **Quantified Objectives** - Includes an estimate of actual preservation and production of housing units given available resources and projected pipeline projects anticipated for completion over the eight-year cycle.
9. **Review of Prior Housing Elements** - Highlights key accomplishments of, as well as challenges and opportunities learned from, the previous Housing Element.

The Housing Element also includes six technical appendices ([Attachments 2 to 7](#)) with detailed analysis and information that supports the findings and conclusions in the main document.

Goals, Policies and Programs (GPPs)

Based on the City's RHNA allocation, constraints analysis, AFFH issues, and input from the community, consultant team, and decisionmakers, the Draft Housing Element articulates five goals to shape policies and programs over the next eight years as follows:

- **Goal 1 – Production**. Facilitate and support the production of new housing at all income levels, but especially affordable housing. Eighteen policies have been identified to support this goal.
- **Goal 2 – Preservation**. Preserve existing housing that is affordable to lower- and middle-income residents. Six policies have been identified to support this goal.
- **Goal 3 – Protection**. Protect current residents to prevent displacement. Seven policies have been identified to support this goal.
- **Goal 4 – Promotion**. Promote social resilience through public education and community outreach to make information more available and accessible. Four policies have been identified to support this goal.
- **Goal 5 – Affirmatively Furthering Fair Housing (AFFH)**. Address the issues of fair housing, equity and access while

reinforcing the objective that AFFH is both a stand-alone priority and inseparable from achieving the Housing Element's other goals. Thirteen policies have been identified to support this goal.

At the joint study session before the City Council and Planning Commission on February 7, 2022, the "Three Ps" concept for Goals 1 to 3 was first introduced. Subsequently, Goals 4 and 5 were added based on community input and to emphasize prioritization of AFFH. To support attainment of the five goals, each policy and program therein identifies the lead department, funding source if known, target work plan, and timeline, to provide an adequate level of specificity. However, individual action items associated with each of these policies and programs will be considered independently for adoption and include appropriate community engagement and environmental review when the effort is undertaken.

It should also be noted that goals and policies in the General Plan are often aspirational. However, based on the legal and legislative requirements for a Housing Element, the goals and policies in this document are much more binding and function like a contract with the State and HCD. Thus, it is critical to balance aspiration with realistic and achievable targets when developing policies and programs for the upcoming eight-year housing cycle.

Sites Inventory and RHNA Strategy

The purpose of the adequate sites list (Sites Inventory) is to evaluate whether there are sufficient sites with appropriate zoning capacity to meet the City's RHNA goal. The Sites Inventory analysis does not include the economic feasibility of specific sites, does not take into consideration the owner's intended immediate use of the land, and does not dictate where residential development will actually occur because these are not statutorily required for this analysis. Based on previous Housing Elements and development proposals in the City, it is anticipated that some of the sites on the list will be developed with new housing, some will not, and some housing will be built on sites not listed in the inventory. Overall, the Sites Inventory is not a prescription to build each identified site at the specified income category or density, as the decision to develop a site is always at the discretion of the owner.

Staff used a conservative methodology to estimate the development potential of each property included on the Sites Inventory based on the criteria established by State law, development/redevelopment feasibility, site constraints, zoned capacity versus real capacity, prior project history, and developer interest. The Sites Inventory identifies sites around the City that have capacity for potential development of up to 10,922 housing units, or 156% of the City's RHNA in the Draft Housing Element. However, this number will be changing based on input from the public and Planning Commission and may further change once City Council direction is received. In addition, new development proposals and/or property owner interest could result in further adjustments. Thus, the Sites Inventory should be viewed as an iterative list that will continue to be refined until the final adoption of the Housing Element.

The following table provides an initial summary breakdown of the Sites Inventory by income category, associated with the Draft Housing Element that was published on April 6, 2022.

Table 2 - San Mateo Sites Inventory Breakdown

| Housing Opportunity Areas | Total Units | Very Low | Low | Moderate | Above Mod. |
|---------------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Bridgepointe | 1,845 | 405 | 274 | 281 | 885 |
| Hillsdale Station South | 2,465 | 629 | 364 | 409 | 1,063 |
| 101/92 Interchange | 2,076 | 360 | 165 | 191 | 1,381 |
| Downtown | 1,087 | 199 | 273 | 72 | 543 |
| 92/El Camino Real | 867 | 205 | 112 | 127 | 423 |
| Other Sites | 2,969 | 416 | 363 | 417 | 1,752 |
| ADUs | 480 | 24 | 144 | 240 | 72 |
| Totals | 10,922 | 2,033 | 1,583 | 1,610 | 5,696 |
| RHNA | 7,015 | 1,777 | 1,023 | 1,175 | 3,040 |
| Buffer | 3,907 (56%) | 256 (14%) | 560 (55%) | 435 (37%) | 2,656 (87%) |

Most of the properties listed in the Sites Inventory are located within one of the ten General Plan Land Use Study Areas that are being evaluated for change and increased density as part of the City's General Plan Update process. Adoption of the updated General Plan, which is anticipated to increase density on a significant number of the housing sites, will further increase development capacity and the City's RHNA buffer. Additional information about the anticipated land use designation in the General Plan Update will be added to key sites in the Inventory that are within a Study Area.

Affirmatively Furthering Fair Housing (AFFH)

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. California law, as established by Assembly Bill 686, requires all public agencies to "administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation." The law also requires that housing elements include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

For the City of San Mateo, a Fair Housing Assessment prepared by 21 Elements, a countywide jurisdictional collaborative, describes fair housing enforcement and outreach capacity, integration and segregation, access to opportunity and disparate housing needs as contributing factors that needed to be addressed in the City's fair housing action plan. Some primary findings and the contributing factors in the Fair Housing Assessment included:

- 16% of fair housing complaints filed in San Mateo County between 2017 to 2021 (9 out of 57 total) were in the City of San Mateo, which is approximately aligned with the City's share of the County's population (14%).
- Racial and ethnic minority populations are disproportionately impacted by poverty, low household incomes, overcrowding, and homelessness compared to the non-Hispanic White population in the City of San Mateo. Additionally, racial and ethnic minorities are more likely to live in moderate resources areas and be denied for a home mortgage loan.
- The northeast area of San Mateo is disproportionately impacted by high poverty, low educational opportunity, low economic opportunity, low environmental scores, high social vulnerability scores, concentrations of cost burdened households, overcrowding, and moderate resource scores. These areas are generally on either side of Highway 101 and stretch to the San Francisco Bay waterfront, encompassing the North Central and Shoreview neighborhoods.
- The City of San Mateo has a slight concentration of residents with a disability with 9% of the population compared to 8% in the county. Residents living with a disability in the city are more likely to be unemployed and are largely concentrated in areas around Highway 101.
- Racial and ethnic minority students in the City of San Mateo—served by the San Mateo Union High School District and the San Mateo-Foster City Elementary School District—experience lower educational outcomes compared to other students.
- Nearly half of all renter households in the City of San Mateo are cost burdened—spending more than 30% of their gross income on housing costs—and one in four are extremely cost burdened—spending more than 50% of their gross income on housing costs.

Contributing factors to these primary findings include:

- Higher rates of mortgage denial rates among Hispanic households stems from decades of discrimination in housing markets and challenges building wealth through economic mobility and homeownership.
- The northern portion of the City offers the most affordable homes, and as such, residents living in these areas have lower incomes and higher rates of poverty.
- Hispanic residents are more likely than others to work low-wage jobs that do not support the City's or region's housing prices, resulting in higher rates of cost burden and overcrowding.
- Hispanic residents are primarily concentrated in the northeastern area of the city where residents face higher poverty and cost burden as well as poor opportunity outcomes according to California's Tax Credit Allocation Committee's (TCAC) opportunity maps.
- Concentration of naturally occurring affordable ownership and rental housing opportunities in the northeast areas

of the City further concentrates poverty, cost burden, and overcrowding in areas with low economic and environmental outcomes.

- There is a relative lack of affordable housing opportunities in higher-resourced areas of the City.
- Highway 101 creates a major barrier between the Shoreview neighborhood and the rest of the City of San Mateo.
- The unemployment rate for the City's residents with a disability is four times that of persons without a disability.
- The undersupply of accessible housing units, particularly for renters, creates a scarcity of units for residents living with a disability.
- There are concentrations of the population living with a disability west of Highway 101 in the North Central neighborhood.
- Residents with disabilities and Hispanic households face increased housing discrimination.

In response to this analysis, as well as community input, an Affirmatively Furthering Fair Housing Action Plan, which details how the City proposes to respond to the factors contributing to the fair housing challenges identified in this analysis, was developed. The Action Plan is included in Appendix D of the Draft Housing Element ([Attachment 5](#)) and the policies and programs to implement the Action Plan are included in the Housing Plan under Goal 5.

Public Outreach Summary

To support the preparation of the Draft Housing Element, a robust and inclusive community outreach and ongoing engagement process was initiated in March 2021. Over the past fourteen months, the City conducted 19 public and community meetings and workshops, five intercept/pop-up events, four surveys, and community engagement through partnership with 21 Elements. The outreach effort included an emphasis on connecting with community members for whom English was not spoken at home, renters, those under 45 years of age, low-income and very low-income households, people with disabilities, seniors, single female heads of household, people experiencing homelessness, and those from under-represented neighborhoods. All public comments and input received as part of the Housing Element outreach and engagement activities are included in Appendix F: Public Participation ([Attachment 7](#)).

Key accomplishments of the community outreach efforts included:

- Launch of a Housing Element Update website.
- Two mailers inviting participation – one citywide in October 2021 and a second in January 2022 targeted to renters.
- Three public Housing Element workshops, five presentations/discussions at City Council and Planning Commission public meetings, a focus group discussion with builders, developers and architects, and presentations to many local community-based organizations, including the Chamber of Commerce, Downtown Merchants Association and San Mateo-Foster City School District Parent Teacher Association (SMFCSD PTA).
- Two related Housing Element Surveys between October 11, 2021 and January 16, 2022 receiving a total of 750 responses (594 Online responses and 156 intercept survey responses during pop-up events in the North Central and Shoreview Neighborhoods, as well as Macedonia food distribution events).

Feedback and insights from tenants, non-English speakers, lower-income residents, property owners and developers helped to highlight new policy opportunities and ways to strengthen and improve existing policies, with the overarching challenge of housing affordability and availability being a reoccurring topic. Themes that were incorporated into the Housing Plan included production of more missing middle housing, more outreach and education to tenants and landlords, streamlining and simplifying development review and permitting processes, establishing programs to address fair housing and equity, and ensuring that new housing is sustainable and addresses climate change.

Public Comments

During the formal 30-day public review period of the Draft Housing Element, which ran from April 6, 2022 to May 6, 2022, a total of 18 comment letters were received, and are included in [Attachment 9](#). The comments received by the City offered a wide variety of opinions and input on the Draft Housing Element. Those that expressed opposition to the planned growth noted concerns about whether or not the City's resources, namely water supply, would be able to support the population increase. They also expressed a general concern that R-1 single-family neighborhoods would be negatively impacted or even eliminated if new development were allowed. Other comments pushed for the Housing Element to go further

beyond the goals currently outlined in the plan, expressing concern that the City is too optimistic in redevelopment potential of the sites contained in the Sites Inventory. They encouraged the City to include re-zoning of the single-family neighborhoods as a program while going further to remove existing constraints to development (namely Measure Y) to increase housing production potential. Both those for and against the draft plan agreed that if housing density were to increase, commensurate upgrades to transit options must be made to mitigate traffic impacts. Finally, some commenters emphasized the importance of working towards housing affordability as vital for protecting individuals with disabilities, for sheltering low-income families in danger of experiencing homelessness, and to affirmatively further fair housing through racial equity.

In response to the public comments, staff will be making a number of revisions, clarifying edits and corrections to the Draft prior to submittal to HCD. Those actions and updates include follow-up with both of the City's water providers (CalWater and Estero Municipal Improvement District) to provide additional information on existing water infrastructure and future supply to support the projected growth in the Housing Element. While staff acknowledges the concerns about impacts to single-family neighborhoods, an overarching objective of the Housing Element and General Plan Update (GPU), which is moving concurrently with this process, is to focus new housing growth in proximity to transit and other amenities. While new accessory dwelling units (ADU), Senate Bill 9² units, and other types of new or redevelopment is expected in all neighborhoods around the City, rezoning single-family neighborhoods is not necessary to meet the City's RHNA obligations. The Sites Inventory will also be reviewed and updated as necessary to add information related to site selection, anticipated GPU land use designation, and bolstered explanations for density projections. Policies and programs related to transportation and circulation upgrades will be addressed as part of the updated Circulation Element in the GPU. For other public comments that may require more substantive changes, staff will await direction from the City Council before initiating revisions to the Draft Housing Element.

Public comments received after the comment period for the Draft Housing Element ended on May 6, 2022 are included as Attachment 9b. Public comments submitted after the publication of this agenda report will be posted to this item on the City's [Public Meeting Portal](#) as "Post Packet Public Comments."

Planning Commission Review

At public meetings on April 26 and May 3, 2022, the Planning Commission provided input on the Draft Housing Element. Following each of the two Planning Commission meetings, Commissioner Nugent submitted additional written input to City and HCD staff. That input has been included as Attachment 9a. Since the document is still in draft form, pending HCD review, each commissioner provided input and feedback, but an overall recommendation from the Commission was not made. A formal recommendation from the Planning Commission to the City Council will be provided later this year when the Housing Element is ready for adoption. When providing input, the Commission broke up their comments into four categories: Sites Inventory; Affirmatively Furthering Fair Housing; Other Housing Element Sections; and the Goals, Policy and Programs. The following summaries of the Commission's input on each category are intended to highlight critical points and themes but are not intended to be comprehensive. Full videos of both public meetings are available for viewing on the City's [Public Meeting Portal](#).

Sites Inventory

The Commission expressed concern with the Sites Inventory methodology, the estimated housing capacity and the development feasibility of many of the sites listed in the Inventory. Concerns included that the estimates for lower income units were not realistic, there were no sites identified in the Highest Resource or single-family areas of the City, many of the owners of sites on the list did not have plans to develop, density projections were too optimistic, the methodology was not quantitative enough, and ADU production estimates are not defensible. However, one commissioner did note that context and timing is important and that there are many factors, such as the Great Recession and the COVID-19 pandemic, that limited housing production during the prior cycle that would not be present in this upcoming cycle, so past trends do not necessarily dictate future production.

² SB 9 allows for the ministerial (staff-level) approval of certain housing development projects containing up to two (2) residential units (i.e. duplexes) or lot splits on single-family zoned parcels.

In response to the Commission's critique, staff will be reviewing, and where appropriate, clarifying, the Sites Inventory methodology to confirm that outliers are not driving estimated development densities. A new column will also be added to provide site specific notes on the analytical reasoning for development potential, with references to property owner letters and development project proposals where applicable. Some sites may be added or removed as a result of this review, specifically where recent permits have been issued for non-residential uses or if there is developer interest in building housing. However, anecdotal information and informal conversations about the development potential of a specific site are considered speculative and would not be the basis to remove a site from the Inventory or affect the methodology. In addition, the methodology utilizes qualitative assumptions that were developed based on guidance from HCD staff, housing specialists working with 21 Elements, and the City's housing consultants. It also bears repeating that the purpose of the Sites Inventory is to evaluate if the City has sufficient sites with appropriate zoning capacity to meet the City's RHNA goal, but it does not need to determine economic feasibility of specific sites, take into consideration the owner's immediate intended use of the land, or dictate where residential development will actually occur.

Affirmatively Furthering Fair Housing (AFFH)

The Commission expressed concerns about many aspects of the AFFH background data points, findings, conclusions and how the City should respond. Concerns included insufficient information regarding the City's history and issues such as overcrowding, gentrification, and displacement, and racially segregated concentrated areas of affluence; placing affordable housing sites within 500 feet of major thoroughfares (101 and 92); not placing enough new housing in the City's highest resource neighborhoods; and dissatisfaction with the City's outreach efforts.

In response to the Commission's comments on AFFH, it should be noted that guidance from HCD on how to address AFFH has shifted over the past year and there are still competing perspectives on how the many racial, equity and access issues should be addressed. This is a challenging and complex subject that often requires solutions that are beyond the City's control. While the City is striving to dedicate more resources and take many new steps to address this issue, the scope of the Housing Element is limited in terms of its breadth, timeline (eight years), and applicability and cannot, by itself, eliminate or undo the many decades of racial segregation history in the City, the region, and the country.

In response to several specific issues raised, it should be noted that housing sites can be placed within 500 feet of highways when appropriate mitigations are provided. With regard to placing additional housing, particularly affordable housing, in the highest resource areas of the City, many of these areas are auto centric with limited access to transit, grocery stores, and other urban services, and often located in high fire hazard and geological hazard areas, thus not ideal for higher-density housing and inconsistent with the City's goal of reducing Vehicle Miles Traveled (VMT). However, it is anticipated that new ADU and SB 9 housing units will be developed in all of the City's single-family areas. With regard to the City's outreach efforts, significant time and effort has been expended since the beginning of 2021 to engage with all segments and demographics of the community as part of the Housing Element effort and the larger General Plan Update effort. While there is always more work to do, and staff continues to implement new tactics and strategies to reach and encourage participation from all segments of the community, this effort has resulted in a significant amount of input from historically under-represented populations and the data collected have been used to craft many aspects of the Draft Housing Element.

Other Housing Element Sections

The Planning Commission's comments in this area focused on the Housing Element's Quantified Objectives and Constraints Analysis. Regarding the Quantified Objectives, concerns were raised about inconsistent information on pipeline projects and reported numbers, and that it confirmed that Housing Element was inadequate in meeting the City's RHNA goal. Regarding the Constraints Analysis, the Commission felt that Measure Y should be more clearly described as a constraint and how it limits the City's ability to develop new housing and increase its inclusionary requirement. Concerns were also raised about high permitting fees associated with small-scale multi-family development.

Staff did identify an error in the fees analysis calculation within the Draft Housing Element; this analysis is being revised. The pipeline projects list will also be reviewed to ensure it is current and additional discussion about Measure Y will be added to the Constraints Analysis. With regard to the quantified objectives, they are intended to set realistic goals for the City to achieve, based on needs, resources, and constraints. Per HCD guidance, "When a locality has determined total

housing needs exceed the locality's ability to meet those needs with existing resources, the quantified objectives may be less than the total identified need as specified in the locality's RHNA."

Goals, Policies and Programs

Overall, the Commission raised concerns that many of the goals, policies and programs were too vague, redundant, not quantifiable and actionable, and that they needed to be more visionary and aspirational to meet the City's housing and equity challenges. Specific commissioner comments included removal of exploratory language and to be more committal on adopting policies and programs, removal of programs already required by State law such as for density bonus, SB 9 and 10, commit to going above and beyond the minimum State requirements, removal of policies and programs that are duplicative, creation of policies and programs to eliminate disparity and overcrowding within one to two decades, increase density in the single-family zone districts and put forward a ballot measure to remove Measure Y, and explore public banks and other public funding sources for developing affordable housing units.

Given that the City will have legal obligations to complete and implement the policies and programs in the Housing Element within the eight-year housing cycle, staff focused on developing aspirational yet *realistic* targets that establish a workplan for the upcoming cycle based on likely available monetary and staff resources. While it is feasible and appropriate to update the policies and programs to address some of the Commission's input, to fully implement the Commission's comments would require allocation of significant additional resources and increase the risk of noncompliance if the City is unable to meet these ambitious objectives. The City always has the ability to go further than the targets set in the Housing Element, but we will have a legal obligation to deliver on the targets established within the Housing Element. It is important to also note that with the many new requirements associated with this Housing Element cycle, it will be a learning experience that we can build upon for the next two+ cycles that will be part of the updated General Plan.

To provide some additional context, as the City prepares to submit to HCD, three other California regions had a deadline of October 15, 2021 to have their Housing Elements certified. As of May 10, 2022, seven months past that deadline, only 13 of 197 jurisdictions in the Southern California Association of Governments region (7%), 7 of 19 jurisdictions in the San Diego region (37%) and 9 of 28 jurisdictions in the Sacramento region (32%) are certified to be in compliance. The substantial revisions to Housing Element requirements for this cycle has necessitated multiple revisions to every jurisdiction's draft Housing Element before it has been deemed sufficient to move forward with adoption. As a result, HCD has indicated that cities should plan for two 90-day review cycles prior to certification instead one 60-day cycle, which is not typical of past Housing Elements. In addition, obtaining clear technical guidance from HCD on the new requirements has been an evolutionary process and, as a result, there is a high volume of speculative and anecdotal interpretation of the new requirements. For this reason, City staff has maintained consistent communications with HCD staff throughout development of the Draft Housing Element. Staff is working to ensure that the Draft is as complete and comprehensive as possible and will make any additional revisions as directed by the City Council. However, given the shifting requirements and complexity of HCD guidance, the Council may wish to consider whether it may be prudent to have HCD weigh in on the necessary revisions before further significant revisions are made to the Draft Housing Element.

Next Steps

Once the City Council provides direction on the Draft Housing Element, the next steps and anticipated timeline for approval and certification of the Housing Element are as follows:

- May/June 2022 Update Draft Housing Element based on Council direction and public input
- June 2022 Submit Draft Housing Element to HCD for first 90-day review
- Summer/Fall 2022 Update Draft Housing Element in response to HCD comments and resubmit for second review
- Fall 2022 Planning Commission recommendation and City Council approval of Housing Element
- January 2023 Submit approved Housing Element to HCD for certification

The first review by HCD will take up to 90 days, and, based on other jurisdiction's experiences with the HCD review process, it is anticipated that at least one or two round of revisions will be required before HCD is prepared to accept the City's Housing Element. Once the Draft Housing Element has been updated to address all HCD comments, public hearings

before the Planning Commission and City Council will be scheduled for final review and adoption of the plan. This will also be a time for additional community input. Following City Council adoption, it will be submitted to HCD for final certification. The deadline to submit an adopted and compliant housing element to HCD is January 31, 2023. However, the schedule to bring the final draft of the Housing Element back to Planning Commission and City Council for adoption may be revised depending on the number of HCD reviews required.

BUDGET IMPACT:

There are no direct budgetary impacts to taking this action. The preparation of the Housing Element has been accounted for in the City's budget.

ENVIRONMENTAL DETERMINATION:

This input provided by the City Council on the Draft Housing Element is not a project subject to CEQA, because the City is not taking action at this time and it can be seen with certainty that the City Council's input will not cause a physical change in the environment (Public Resources Code Section 21065). Since the Housing Element does not require the City to process any land use or zoning designation amendments, it is currently anticipated that the Housing Element can be processed with an exemption under CEQA (California Code of Regulations Section 15061(b)(3)). Preparation of documentation to support this CEQA determination will be provided prior to consideration of the Housing Element by the Planning Commission and City Council for adoption later this year.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Draft Housing Element
Att 2 - Appendix A Needs Analysis
Att 3 - Appendix B Constraints Analysis
Att 4 - Appendix C Housing Resources and Sites Inventory
Att 5 - Appendix D Affirmatively Furthering Fair Housing Narrative
Att 6 - Appendix E Review of Prior Housing Element
Att 7 - Appendix F Public Participation
Att 8 - Adequate Sites Inventory/TCAC Map
Att 9 - Public Comments
Att 9a - Commissioner Nugent Comments to HCD
Att 9b - Post Public Review Period Comments

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