

## CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION  
STAFF REPORT  
MARCH 15, 2023

## 5. PUBLIC HEARINGS

## 5.1 2023-2031 Housing Element

**RECOMMENDATION**

That the Environmental Planning Commission consider the 2023-2031 Housing Element, update the Environmental Impact Report (certified and adopted by Resolution No. 18755), and recommend the City Council adopt a Resolution of the City Council of the City of Mountain View Amending the General Plan to Update the Housing Element of the General Plan for the Period of 2023-2031 in Substantial Compliance with State Housing Element Law (Exhibit 1 to the EPC Staff Report).

**PUBLIC NOTIFICATION**

The Environmental Planning Commission (EPC) agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. A notice regarding the availability of the March 2023 Housing Element and the EPC and City Council public hearings was emailed to all persons subscribed to the Housing Element mailing list (approximately 500 people); a physical mailer was sent to tenants and owners of properties within 750' of properties affected by draft Housing Element programs (approximately 40,000 postcards); and a notice was published in the *Daily Post*.

**BACKGROUND**

For information regarding progress on the Housing Element prior to December 13, 2022, please see the following City Council Study Session materials: [November 16, 2021](#), [March 8, 2022](#), [June 14, 2022](#), [December 13, 2022](#).

**November Draft—Comments and Revisions**

Staff submitted the Second Draft Housing Element to the Department of Housing and Community Development (HCD) on November 18, 2022, and during the 60-day review period met with HCD several times, held a City Council Study Session, and accepted public comments throughout. Staff made changes to the November Draft based on HCD's preliminary comments and City Council direction, made the revised "December Draft" available to the public on December 22, 2022, and submitted to HCD on January 4, 2023

within the 60-day review period. This essentially created two rounds of review within one HCD comment period. The following is an overview of those comments. For an in-depth discussion of these changes, see the [January 4, 2023 EPC Staff Report](#).

#### *HCD Comments in December*

On December 12, 2022, staff met with HCD reviewers to discuss their review of the Second Draft. Comments from that meeting included the following:

1. Clarify the Gatekeeper process and how findings for landscaping requirements are evaluated.
2. Specify the type of housing each special housing-needs population requires and which programs address the needs.
3. Add deliverables or metrics on specific programs, including how:
  - Reasonable accommodations findings will be amended;
  - The City will support emergency rental programs;
  - Program 3.2, Displacement Prevention and Mitigation, intersects with other programs; and
  - The City will encourage more developers' engagement with the community.

#### *City Council Study Session in December 2022*

On [December 13, 2022](#), the City Council reviewed the Second Draft Housing Element. Eleven (11) speakers spoke during the meeting, and five written items of correspondence were received (see [correspondence](#) for the December 13, 2022 meeting).

Council provided the following direction:

1. Include a program to eliminate parking requirements for 100% affordable housing.
2. Reduce the number of total projected units included in the Sites Inventory for the 1500 North Shoreline Boulevard property by a reasonable number to reflect what could be expected to be built within the eight-year Housing Element period.
3. Consider including City-owned property to the extent it is suitable for residential use and does not have other limitations or obligations, such as leases, etc., if HCD

determines that the proposed Sites Inventory does not meet Affirmatively Furthering Fair Housing (AFFH) requirements.

Additionally, Council was interested in preserving retail uses in back-pocket “neighborhood shopping centers” (that are not Village Centers but listed in the General Plan).<sup>1</sup>

### **December Draft—HCD Comments**

On January 4, 2023, staff met with HCD, and additional comments surfaced. HCD completed their formal review of the Second Draft and provided the City with written comments on January 17, 2023 (Exhibit 2 to the EPC Staff Report). The comment letter stated that the revised draft addresses most statutory requirements and provided a few remaining comments:

1. Sites Inventory:

- Recategorize Pipeline Projects without any preliminary/formal application as Opportunity Sites.
- Provide a Nonvacant Site Analysis demonstrating that existing uses are not an impediment to residential development on sites that were recategorized from Pipeline Projects to Opportunity Sites.

2. AFFH:

- After recategorization, reevaluate Sites Inventory to ensure inventory meets AFFH goals.
- Address the impacts on disproportionate housing needs, specifically related to recreational vehicle (RV) dwellers on 87 East Evelyn Avenue when the project site is redeveloped.
  - Add metrics to further fair housing (e.g., add metric to Program 1.4).

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<sup>1</sup> These neighborhood shopping centers were identified as areas that could be rezoned to meet any shortfall during the Regional Housing Needs Assessment (RHNA) period under Program 1.11, No Net Loss of Housing Element Sites. However, the most recent changes to the document incorporated the back-pocket sites into the Sites Inventory and, thus, the reference to “back-pocket” sites has been removed from this program. See the section entitled “March Draft.”

### 3. Public Participation:

- Include all segments of the community, particularly members of the community with limited English proficiency.

Responses to these comments are provided later in this report. See Exhibit B of Exhibit 1 to the EPC Staff Report.

## **ANALYSIS**

### **Housing Element Project Overview**

The Housing Element update is the culmination of almost two years of direct work, but it also benefits from eight years of City actions promoting housing generally and affordable housing specifically. These actions include rezoning actions that have increased the City's housing capacity by over 60%, policies such as the East Whisman Jobs-Housing Linkage policy that create additional incentives for housing, and partnerships with and funding for affordable housing developers to provide housing in the City. **As a result, Mountain View starts the Sixth Cycle with a significant housing pipeline, including a commitment by major property owners to implement the housing-rich vision for large swaths of the City.** Because the land uses and regulatory standards that promote housing development are already in place, Mountain View will create these units faster than if the City had waited until the start of the Sixth Cycle to begin rezoning sites. Moreover, most of the planned units and potential development sites benefit from comprehensive Precise Plans that support the sustainability, mobility, and open space goals of the City.

In addition to the pipeline projects, Site Inventory, and programs in the Housing Element, there are a number of additional projects that the City is undertaking over the next eight years to address the City's housing needs. These include:

- The R3 Zoning Update, which is intended to update standards with form-based codes and enable more diverse housing types, including stacked flats;
- Other future rezonings, such as a Moffett Boulevard Precise Plan; and
- The Displacement Response Strategy, which will study development requirements for the preservation and/or replacement of naturally affordable units once the Housing Crisis Act (Senate Bills 330 and 8) sunsets.

### *Overview of Public Input*

The Housing Element Update project started in early 2021, and public outreach and community engagement were critical components to the development and refinement of the Update. In 2021, the community engagement efforts began with publicizing and marketing the Housing Element Update process and collecting data and initial comments, including:

- Creating a project-specific educational webpage ([MVHousingElement.org](http://MVHousingElement.org)) with video content, educational resources, and notification sign-ups;
- Posting flyers in Spanish, Chinese, and English at City locations and along Castro Street; promoting events and input opportunities on social media, in the *Mountain View Voice*, and City publications, such as *City Hall Connection* and *The View*;
- Hosting stakeholder interviews with business leaders, community leaders, and service providers;
- Hosting two virtual community workshops;
- Tabling at local events like Farmers' Markets, Monster Bash, and Tree Lighting Ceremony;
- Creating an online community input survey and receiving comments from more than 300 respondents;
- Meeting with individual community groups, including, but not limited to, Cafecito, District English Language Advisory Committee (DELAC), Business Issues & Public Policy (BIPP) Committee, Fondo de Solidaridad, Livable MV, MV YIMBY, residents in the Blossom Valley area, SV@Home, Mountain View Coalition for Sustainable Planning, Greenspaces MV, Mountain View Tenants Coalition, and Reach Potential Movement to present the Housing Element Update process and receive comments; and
- Presenting and receiving public comments and policy direction at EPC and Council Study Sessions in late 2021.

Exhibit 3 summarizes the public outreach received in this later phase of the project and the feedback received in early 2023 and how it was integrated into the Housing Element update.

### **Recommended Adoption Schedule**

Staff is recommending that the City Council take action on the Housing Element without receiving HCD certification that the Housing Element is in substantial compliance with State Housing Law. There are several reasons for this:

- The City has made revisions to the Housing Element in direct response to HCD written comments and discussed the revisions with HCD, and the proposed resolution (Exhibit 1) includes findings explaining why the City believes the Housing Element is legally adequate as provided under Government Code Section 65585(f)(2);
- HCD has advised City staff that remaining comments are minimal in scope and should not require another draft review;
- Another round of review could take an additional two to three months, depriving the City access to key funding opportunities and putting the City at greater risk of “Builder’s Remedy”; and
- Staff is recommending Council adopt a clause in the resolution allowing staff to make certain limited changes to the Housing Element to comply with HCD certification direction, including changes related to nonvacant sites in the Sites Inventory (included in Exhibit 1).

### **March Draft (Changes Since the December Draft)**

The latest draft of the Housing Element was published on March 8<sup>2</sup> and reflects the changes made in response to HCD’s second review comments and public input received since January 4, 2023. A clean copy of the latest draft is attached as Exhibit D to the draft resolution (Exhibit 1) to this staff report. In addition, a version with redlines from the December version is also attached as Exhibit 4. For a version with redlines between the November draft (the latest draft reviewed by the City Council) and December drafts, see the [January 4, 2023 EPC agenda](#).

Exhibit 3 includes public comment received since December 13, 2023, to which the following sections respond.

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<sup>2</sup> The March 2023 Draft Housing Element was first published on March 6; however, one page of the Sites Inventory Table (Table A) was not included in the PDF. The printing error was corrected, the document was replaced on the website, and email subscribers were notified of the change on March 8. The version attached to this staff report reflects the correction.

### *Sites Inventory Changes*

The following are key changes to the Sites Inventory. Refer to Table 1, Sites Inventory, for information about how the Sites Inventory complies with the Regional Housing Needs Assessment (RHNA).

<p><b>HCD Comment:</b> Recategorize sites from “pipeline” to “opportunity sites” if applications showing actual building plans have not been submitted or a Request for Proposals (RFP)/Request for Qualifications (RFQ) has not been issued by the City.</p>	<ul style="list-style-type: none"> <li>• In the previous draft, “pipeline” sites were those with owner commitment to affordable housing, including master plans, ownership by affordable housing developers, and sites dedicated to the City for affordable housing, even if no application with building plans had been submitted. These sites were removed from the “pipeline” and added to the “opportunity sites.”</li> <li>• The calculation of vacant and nonvacant sites was changed since “pipeline” sites are allowed to count as vacant. This affected the “nonvacant sites analysis” (see next section).</li> </ul>
<p><b>Public Comment (MV YIMBY):</b> Rezone all “back-pocket” areas.</p>	<p>A program to rezone the “back-pocket” areas was added, and any site meeting redevelopment opportunity site criteria was added to the inventory.</p>
<p><b>Project Update:</b> The 355-401 East Middlefield Road project is currently on hold since staff discovered a potential significant environmental impact to historical resources affecting one of the sites.</p>	<p>The project and the site affected by the historical resource finding were removed from the inventory. The remaining site was added back to the inventory as an opportunity site.</p>
<p><b>Public Comment (property owner):</b> The City received interest in inclusion at 2105 Old Middlefield Way, a site that was rezoned in January.</p>	<p>This site was added to the inventory.</p>

**Table 1: Sites Inventory**

	Low-Income Units	Moderate- Income Units	Above Moderate- Income Units	Total Unit Capacity
<b>Sixth-Cycle RHNA</b>	<b>4,370</b>	<b>1,885</b>	<b>4,880</b>	<b>11,135</b>
<b>Pipeline Projects</b>				
Approved/Under Construction	533	248	2,984	3,765
Proposed Projects	668	26	1,327	2,021
<i>Subtotal</i>	<i>1,201</i>	<i>274</i>	<i>4,311</i>	<i>5,786</i>
<b>Opportunity Sites</b>				
Developable Sites	4,100	1,873	4,512	10,485
ADUs	146	73	24	243
<i>Subtotal</i>	<i>4,246</i>	<i>1,946</i>	<i>4,536</i>	<i>10,728</i>
<b>Total Unit Capacity</b>	<b>5,447</b>	<b>2,220</b>	<b>8,847</b>	<b>16,514</b>
<b>Surplus from RHNA</b>	<b>1,077</b>	<b>335</b>	<b>3,967</b>	<b>5,379</b>
<b>Buffer</b>	<b>25%</b>	<b>18%</b>	<b>81%</b>	<b>48%</b>

*Substantial Evidence for Nonvacant Analysis*

Under Housing Element law, if a city relies on nonvacant sites to accommodate 50% or more of its RHNA for lower-income households, the Housing Element must provide evidence to show that the current use is likely to be discontinued and would not impede residential development. In addition, the City Council must adopt written findings of the same based on this evidence. Pages 307 to 317 of the redlined draft Housing Element (Exhibit 4) describe the nonvacant sites analysis. In addition, the Sites Inventory, Table A on Pages 361 to 367 of the redlined draft apply that description to individual sites. Lastly, the draft resolution includes the required findings.

The evidence can be comprised of several factors but typically fall into three categories: market and development trends, site-specific characteristics, and City commitment to programs and actions to facilitate and spur development on particular sites.

- Market and Development Trends: Many of the opportunity sites have similar characteristics to precedent projects that have been redeveloped in the last several years. These characteristics include having older buildings with low floor area ratio (FAR), lower-valued uses such as retail and outdated industrial, and/or some or high tenant vacancy.



- Site-Specific Characteristics: Some opportunity sites are also owned by property owners who have stated interest in redevelopment, including submittal of master plans with residential development early in their development phasing.
- City Commitment to Programs: Some opportunity sites will involve City actions to develop with affordable housing, including sites dedicated to comply with Below-Market-Rate (BMR) requirements.

### *Program Changes*

Since January 4, staff has reached out to key community groups that have expressed ongoing concerns during the process, including the Mountain View Tenants Coalition, MV YIMBY, Reach Potential Movement/Cafecito, and Livable MV. Substantial changes to the programs have been made based on these discussions. The changes below reflect the outcomes of these discussions as well as comments from the January HCD letter and are captured in the March version (Exhibit D of Exhibit 1). The first column of each table reflects the public input or HCD direction, while the second column reflects action taken in the latest March draft. Other changes proposed to the programs are minor and intended to facilitate clarity and implementation.<sup>3</sup> Please see Exhibit 4 for a redlined version of the latest Housing Element.

Since the latest Housing Element draft was released on March 8, staff has continued to engage community groups and is recommending additional revisions to the March Draft Housing Element. This is discussed later in this staff report. Staff has added a note (“Note changes under Additional Comments and Staff Recommended Edits section below”) where additional changes are being recommended.

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<sup>3</sup> The most significant of these involves utilizing a Countywide approach to promoting Accessory Dwelling Units in Program 1.7.

<b>PUBLIC COMMENT</b> <b>January and February</b>	<b>DRAFT HOUSING ELEMENT</b> <b>March 2023</b>
<b>1.1 Zoning Ordinance Update for Consistency with State Laws</b>	
<b>Public Comment (MV YIMBY):</b> <ul style="list-style-type: none"> <li>• Include back-pocket sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Added rezonings to areas along Leong Drive, Fairchild Drive, Miramonte Avenue, Cuesta Drive, Moffett Boulevard, and Mountain View Transit Center, and removed the “back-pocket” discussion from Program 1.11.</li> <li>• Some neighborhood shopping centers (Bailey Park on Shoreline Boulevard/Montecito Avenue and Monta Loma on Middlefield Road/Rengstorff Avenue) were not included since they do not further AFFH goals or provide viable development opportunity sites.</li> <li>• Added language about neighborhood commercial preservation standards for select sites to comply with Council direction to preserve retail in neighborhood commercial shopping areas.</li> </ul>

<b>1.2 Eliminate Minimum Parking Standards for Residential in Transit-Oriented Precise Plans, Affordable Housing Developments, and Other Cases</b>	
<b>Public Comment (MV YIMBY and Chamber of Commerce):</b> <ul style="list-style-type: none"> <li>• Eliminate parking minimums for all housing developments.</li> <li>• Reduce parking requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Included exemptions to vehicular parking standards for residential developments in El Camino Real, San Antonio, Downtown, and East Whisman Precise Plans, and Moffett Boulevard General Plan Change Area. These are key transit-oriented areas where reduced parking may facilitate the City’s transportation goals.</li> <li>• Moved up the time frame for Zoning Ordinance updates to December 2024.</li> <li>• Included exemptions to vehicular parking standards for projects (outside of the Precise Plan areas mentioned above) that meet enhanced transportation demand management (TDM) measures with a completion date of December 2026.</li> </ul>

**1.3 Review and Update Ordinance and Precise Plan Residential Standards**

**Public Comment (MV YIMBY and Chamber of Commerce):**

- Ensure development projects can meet their allowed densities and are economically feasible.
- Move the time frame earlier to 2024.
- Eliminate and replace the Gatekeeper process with an “early consideration” process (new proposed program).
- Rezone R2 areas for up to 10 units in high-opportunity areas south of El Camino Real (proposed in Program 2.6).
- Revise Gatekeeper process by allowing projects to go straight to staff.
- Revise how FAR is calculated.

- Added language clarifying that economic feasibility and cumulative effects of standards will be evaluated with the goal of reducing constraints.
- Added action item to identify projects exempt from Gatekeeper process and commit to holding one Gatekeeper meeting annually.
- Included a review of R2-zoned sites for added residential capacity, either through R3 or through allowance of up to four units. Focus higher density increases in high-opportunity areas.
- Moved up the time frame for Zoning Ordinance updates to December 2025.

*Note changes under Additional Comments and Staff Recommended Edits section below.*

**1.4 Religious and Community Assembly Sites or Housing**

**HCD Comment:**

- Add concrete objectives and metrics to further fair housing in higher resource areas.

**Public Comment (MV YIMBY and League of Women Voters):**

- Increase density from 30 to 40 dwelling units per acre (du/ac) to a density consistent with recent affordable developments (60 du/ac, to achieve 100 du/ac with State Density Bonus).

- Added objective of 65 units proposed on religious/institutional sites south of El Camino Real with a time frame of 2027, with additional actions for policy change if objective is not met.
- Included a density analysis as part of the outreach to property owners and affordable housing developers to determine viable affordable housing density on religious/institutional sites with a time frame of December 2024.

<b>1.8 Park Land Ordinance Update</b>	
<p><b>Public Comment (MV YIMBY and Chamber of Commerce):</b></p> <ul style="list-style-type: none"> <li>Recalibrate park in-lieu fees based on Citywide land valuation.</li> <li>Review cumulative impact of all City-imposed fees and ensure new fees do not constitute a constraint on development.</li> <li>Limit overall fees to less than 100% area median income (AMI) for a family of two (currently \$134,800).<sup>4</sup></li> <li>Increase predictability and reduce per-unit cost of fee.</li> </ul>	<ul style="list-style-type: none"> <li>Included a nexus study to find opportunities for lowering residential park in-lieu fees with a time frame of December 2025.</li> <li>Upon adoption of reduced fees, reevaluate the cumulative impact of all residential fees.</li> </ul> <p><i>Note changes under Additional Comments and Staff Recommended Edits section below.</i></p>

<b>2.1 Subsidize and Support Affordable Housing Programs</b>	
<p><b>Public Comment (Reach Potential Movement/Cafecito):</b></p> <ul style="list-style-type: none"> <li>Reevaluate aspects of the affordable housing program, including usage of the area median income guideline which has outpriced households most in need.</li> </ul>	<ul style="list-style-type: none"> <li>Included language about barriers to accessing housing, including the calculation of prices/rents based on AMI and targeting extremely low-income populations.</li> </ul>

<b>2.4 Inclusive and Equitable Affordable Housing Application Processes</b>	
<p><b>Public Comment (Reach Potential Movement/Cafecito):</b></p> <ul style="list-style-type: none"> <li>Support for improving access to affordable units, such as eliminating requests for social security numbers for affordable housing rental assistance.</li> </ul>	<ul style="list-style-type: none"> <li>Clarified language to increase outreach and technical assistance to facilitate access to affordable housing.</li> <li>Added detail on removing barriers to application process.</li> </ul>

<sup>4</sup> It is difficult to determine whether this is less than current fees since fee payment by individual developments can vary widely due to factors such as park land provision, BMR unit provision, time and complexity of project review, and other factors. If no BMR is provided as fees and 100% of park land is provided as fees, the total is approximately \$110,000 per unit, two-thirds of which is the park land fee.

<b>2.5 Mediation and Fair Housing Programs</b>	
<p><b>Public Comment (Reach Potential Movement/Cafecito and Tenants Coalition):</b></p> <ul style="list-style-type: none"> <li>• Uncertainty about housing laws and concerns about landlord retaliation if issues are reported.</li> </ul>	<ul style="list-style-type: none"> <li>• Added clarifying language on objectives to address landlord retaliation.</li> </ul>

<b>2.6 Affirmatively Further Fair Housing</b>	
<p><b>Public Comment (MV YIMBY):</b></p> <ul style="list-style-type: none"> <li>• Entitle at least 100 units of affordable housing or Senate Bill (SB) 9 Dual Urban Opportunities (DUOs) south of the El Camino Real Precise Plan by 2027.</li> <li>• Build at least 262 units in each Mountain View Whisman School District (MVWSD) school’s enrollment boundary by 2027 and 524 units in each boundary by 2031.</li> <li>• If the above bullets are not met by 2027, rezone sites or adopt other policies intended to meet them by 2031, such as SB 10 rezonings.<sup>5</sup></li> <li>• Develop two City-owned properties with affordable housing, either downtown or south of El Camino Real.</li> <li>• Rezone Moffett Boulevard and Transit Center.</li> </ul>	<ul style="list-style-type: none"> <li>• (In Program 1.11) Separately account for “no net loss” of lower-income capacity in areas south of El Camino Real and near downtown, ensuring that new market-rate and nonresidential development do not reduce the availability of land for lower-income units in these areas.</li> <li>• (In Program 1.4) 65 units of affordable housing on church sites south of El Camino Real (see description above).</li> <li>• (In Program 4.5) 65 units of affordable housing on City-owned sites downtown (see description below).</li> <li>• (In Program 1.1) Moffett Boulevard and the Transit Center are previous “back-pocket” areas proposed for rezoning (see description above).</li> </ul> <p><i>Note changes under Additional Comments and Staff Recommended Edits section below.</i></p>

<sup>5</sup> Under SB 10, a California Environmental Quality Act (CEQA) streamlining measure, rezoning for increased densities up to 10 units per parcel is exempt from environmental review.

**3.1 Homelessness Prevention and Services for the Unhoused**

<p><b>Public Comment (Reach Potential Movement/Cafecito):</b></p> <ul style="list-style-type: none"> <li>• Provide support for women and children, such as 24/7 shelter solutions, including domestic violence beds for women and children.</li> </ul>	<ul style="list-style-type: none"> <li>• New and expanded partnerships to address populations at risk of homelessness, such as domestic violence victims.</li> </ul>
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**3.2 Displacement Prevention and Mitigation**

<p><b>Public Comment (League of Women Voters, Tenants Coalition, Reach Potential Movement/Cafecito, and Mobile Home Alliance):</b></p> <ul style="list-style-type: none"> <li>• Increase and measure effectiveness of outreach and programs to renters and ethnic minorities.</li> <li>• Include local replacement requirements.</li> <li>• Major concerns about rent increases for mobile home owners and tenants.</li> <li>• Provide additional funding and support services for households experiencing eviction.</li> </ul>	<ul style="list-style-type: none"> <li>• Added objective to evaluate the efficacy of the Tenant Relocation Assistance Ordinance (TRAO).</li> <li>• Included language about Council evaluation of local replacement requirements.</li> <li>• Added objective to study amendments to the Mobile Home Rent Stabilization Ordinance (MHRSO) that reduce annual allowable rent increases.</li> </ul>
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<b>4.1 Development Streamlining and Processing Revisions</b>	
<p><b>Public Comment (MV YIMBY, League of Women Voters, and Chamber of Commerce):</b></p> <ul style="list-style-type: none"><li>• Provide ministerial approval process for code-compliant projects and/or Bonus FAR projects (proposed in Program 1.3)</li><li>• Implement all high-priority recommendations from the Development Review Assessment (“Matrix Study”).</li><li>• Commit to specific Matrix Study process improvements, including coordination, design review, slow start to CEQA, etc.</li></ul>	<ul style="list-style-type: none"><li>• Added action to identify thresholds for multi-family projects that can be eligible for ministerial approvals.</li><li>• Added action to streamline review of compliant projects in Precise Plans so that they can be approved at the Zoning Administrator level.</li><li>• Added key Matrix Study recommendations.</li></ul>

**4.5 Partnerships with Affordable Housing Developers**

<p><b>HCD Comment:</b></p> <ul style="list-style-type: none"> <li>• Add actions to facilitate development of Opportunity Sites and provide information on existing RV tenants (i.e., 87 East Evelyn Avenue).</li> </ul> <p><b>Council Comment:</b></p> <ul style="list-style-type: none"> <li>• If HCD determines that the proposed Sites Inventory does not meet AFFH requirements, consider including City-owned property (to the extent it is suitable for residential use and does not have other limitations or obligations such as leases, etc.).</li> </ul> <p><b>Public Comment (MV YIMBY and Reach Potential Movement/ Cafecito):</b></p> <ul style="list-style-type: none"> <li>• Develop City-owned lots downtown with affordable housing (proposed in Program 2.6).</li> <li>• Ensure affordable housing developments provide practical amenities (like child care).</li> </ul>	<ul style="list-style-type: none"> <li>• Added more detail on City partnerships with affordable housing developers for specific sites so they can be used in the Sites Inventory.</li> <li>• Added details on support for existing RV dwellers at 87 East Evelyn Avenue once the site is redeveloped.</li> <li>• Added metric for 65 additional affordable units in downtown. If not met by 2027, the City will issue an RFP for a City-owned site for at least this many units.</li> <li>• Added objective to create a priority list of amenities that should be on-site or nearby affordable housing developments, including child care.</li> </ul>
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**4.7 Neighborhood Engagement**

<p><b>Public Comment (Tenants Coalition):</b></p> <ul style="list-style-type: none"> <li>• Provide translated documents, present to community groups, and provide opportunity to hear community input.</li> <li>• Provide community meetings in native languages.</li> </ul>	<ul style="list-style-type: none"> <li>• Added details about tenant relocation efforts and additional translation and interpretation services.</li> </ul>
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### *Assembly Bill 2339—Emergency Shelters*

Last year, the State adopted Assembly Bill (AB) 2339, a bill that seeks to facilitate the development of emergency shelters throughout the State. It includes several key components:

- Cities must identify zoning districts where emergency shelters are allowed without a conditional use permit or other discretionary permit and subject only to specific objective standards.
- Housing Elements must identify sites in these zoning districts for emergency shelters. The demand for such sites is based on the number of unhoused in the City as well as the City's pipeline of permanent supportive housing and rapid rehousing units.

The required analysis is shown on Pages 370 to 371 of the redlined draft Housing Element. In summary, the City's need for emergency shelter land is only 6,400 square feet. The Housing Element identifies 860 Bay Street, a 10,900 square foot vacant site in the El Camino Real Precise Plan, as a potential site to accommodate a shelter. The site is near many goods, services, and key bus routes. This site is not used in the housing inventory and will not impact the RHNA Sites Inventory.

To ensure compliance with AB 2339, Program 1.1 commits the City to amending the El Camino Real Precise Plan to allow emergency shelters and define objective standards.

HCD has advised staff that if they adopt the Housing Element before resubmitting to HCD for review, *compliance with AB 2339 is not required*. Therefore, this section, as well as the language in Program 1.1, is optional. However, staff recommends its inclusion in case unforeseen events preclude the City's adoption of the Housing Element before the next HCD review and to better prepare the City for future Housing Element cycles.

### **Additional Comments and Staff-Recommended Edits to the March Draft Housing Element**

The Housing Element draft released on March 8 reflects community input provided through that date. Since then, community groups have provided additional input. In addition, staff sought HCD input about how best to integrate this direction into the Housing Element. These "Additional Comments and Edits" to the March Draft Housing Element are reflected in Exhibit E of the Resolution (Exhibit 1) and are summarized below.

Other minor technical changes are also included in Exhibit E to Exhibit 1.

Public Input— March	Additional Staff Recommended Edits to the March Draft Housing Element
<b>Goal: Mitigate Constraints—Park Land Dedication In-Lieu Fee</b>	
<p><b>Public Comment (MV YIMBY):</b> March draft language is vague about the extent and significance of fee reduction. Commit to meaningful reductions.</p> <p><b>HCD Input:</b> Provide specific reduction target, if possible.</p>	<p><b>Program 1.8:</b> The revised program will target a monetary fee reduction of at least 20% on average across a range of typical residential projects through a combination of the following:</p> <ul style="list-style-type: none"> <li>• Adopt a Nexus Study that compares the City’s in-lieu fee to other cities, incorporates other sources of funding, revises valuation methodology, considers all or partial payment of fees at project occupancy, and other factors for the adoption of lower residential park in-lieu fees.</li> <li>• Find other ways for developments to receive park land credit and, thereby, reduce park fees through relaxing regulations on the size and type of privately owned, publicly accessible (POPA) areas and/or allowing park land credit for new pedestrian connections and trails.</li> </ul>

<b>Goal: Mitigate Constraints—Development Standards and Economic Feasibility</b>	
<p><b>Public Comment (MV YIMBY):</b> March draft language does not provide adequate commitment to reduce or eliminate standards that constrain economic feasibility.</p> <p><b>HCD Input:</b> Commit to objective, quantifiable, written development standards, conditions, and policies that will facilitate and accommodate development at the maximum density permitted on the site.</p>	<p><b>Program 1.3:</b> The March draft program already committed to meaningful reductions in standards when they constrain the maximum density. The revised program provides greater commitment to further reducing physically constraining standards where possible to make projects economically feasible at maximum allowable densities (recognizing that economic feasibility is often affected by factors outside the City’s control, such as lot size, existing uses, construction costs, and expected prices/rents).</p> <p>Lastly, the City integrated recommended language from the HCD (left) regarding objective, quantifiable, written development standards.</p>

<b>Goal: Affirmatively Furthering Fair Housing</b>	
<p><b>Public Comment (MV YIMBY):</b>                      March draft programs are inadequate to address AFFH issues in low-density, high-opportunity areas south of El Camino Real, including:</p> <ul style="list-style-type: none"> <li>• Upzoning R2;</li> <li>• Commitment to 65 units on church sites;</li> <li>• Facilitating Accessory Dwelling Units (ADU) and Senate Bill (SB) 9 Dual Urban Opportunities (DUO); and</li> <li>• No net loss of lower-income capacity south of El Camino Real and near downtown.</li> </ul>	<p><b>Program 2.6:</b>                      The March draft committed to new units south of the El Camino Real Precise Plan, including at least 65 units on church sites, plus approximately 120 additional units through ADUs or SB 9 (based on the half of all R1 properties that are south of El Camino Real) as well as upzoning R2.</p> <p>In addition, the revision also commits the City to develop incentives and zoning to facilitate property owners south of the El Camino Real Precise Plan (other than churches) to dedicate land to affordable housing developers or build affordable housing. The incentives and zoning will target the development, in expectation, of at least 100 additional affordable units.</p>

**ENVIRONMENTAL REVIEW**

The EPC recommended Council certify the 2023-2031 Housing Element Update Environmental Impact Report (EIR) and adopt associated rezonings on [December 7, 2022](#). The City Council certified and adopted related findings for the EIR on [January 24, 2023](#).

While there have been changes to the Housing Element Update since then (as highlighted in the sections above)—mainly program details, changes to Sites Inventory sites/assumed capacities, and clarification on background narrative and analysis—they do not affect the environmental analysis and conclusions in the EIR, and the certified EIR may be relied upon for approval of the Housing Element.

In general, a new supplemental or subsequent EIR shall only be required if changes to the project, new information, or changes to circumstances involve new significant environmental effects or substantial increase to the severity of previously identified effects. None of these circumstances apply. See Exhibit 5 to this staff report for this analysis.

**CONCLUSION**

Staff recommends the EPC recommend to the City Council adoption of the 2023-2031 Housing Element (see Exhibit D of Exhibit 1) with the recommended language changes described in the Additional Comments and Staff-Recommended Edits section above (see Exhibit E of Exhibit 1).

## **NEXT STEPS**

The EPC's recommendation will be forwarded to Council for consideration on April 11, 2023. Once adopted, staff will submit the Housing Element to HCD for their 60-day review. If HCD finds that there are changes necessary before providing certification, the resolution attached to this report includes a clause directing and authorizing staff to make non-substantive changes as well as specific site inventory changes without the need to bring it to EPC for a recommendation and for Council to readopt.

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EY/6/CDD  
810-03-15-23SR

- Exhibits:
1. Resolution for 2023-2031 Housing Element
  2. HCD Comment Letter—January 17, 2023
  3. Public Comments and Staff Responses
  4. Redlined 2023-2031 Housing Element
  5. CEQA Memorandum