



**DATE:** April 28, 2020

**CATEGORY:** Consent

**DEPT.:** Community Development

**TITLE:** **2019 Housing Element and General Plan Annual Progress Reports**

### **RECOMMENDATION**

Review and accept the 2019 Annual Housing Element and General Plan Progress Reports (Attachments 1 and 2 to the Council report).

### **BACKGROUND**

#### **Housing Element and Annual Progress Reports**

Government Code Section 65400 requires cities to prepare an Annual Progress Report on Housing Element implementation, using forms and definitions adopted by the California Department of Housing and Community Development (HCD). The report includes information on all levels of housing development activity, including application submittals for entitlement, building permit activity, certificate of occupancy, overall progress in meeting the City's Regional Housing Needs Assessment (RHNA), and the status of the Housing Element program implementation during the January 1 to December 31, 2019 reporting period. This is the fifth report for the 2015-23 Housing Element.

In previous years, the Housing Element and General Plan Annual Progress Reports were reviewed by the Environmental Planning Commission (EPC), and then the summary report was sent to the City Council in the City Manager's weekly update. Staff is now sending the Annual Progress Reports to the City Council to comply with Housing Element and General Plan implementation reporting requirements that now apply to Mountain View, as a charter city, under recent State legislation (SB 1333).

These items are information-only. The City Council will have multiple opportunities to modify implementation of the current General Plan or Housing Element through:

- Goal-setting and prioritization of work plans;

- Development review; and
- Direction on specific housing, transportation, and land use actions.

### **Environmental Planning Commission**

The 2019 Housing Element Annual Progress Report was presented to the EPC for review on March 4, 2020 (Attachment 3). EPC discussion included the following:

- Support for the City meeting overall housing production;
- Concern that the City is not on pace to meet low- and moderate-income goals;
- Good to see policies to create more low- and moderate-income units are having an effect on pipeline projects;
- Acknowledgement that demolishing naturally affordable rental units has a net negative effect on low-income unit production;
- Interest to stay engaged with the next cycle's RHNA methodology; and
- Support for regional collaboration on next RHNA cycle.

The 2019 General Plan Annual Progress Report was also discussed at the EPC meeting (Attachment 4). EPC was supportive of the progress made toward implementing the General Plan and did not have other comments.

## **ANALYSIS**

### **Housing Element Annual Progress Report Overview**

#### 1. RHNA Overview and Progress to Date

The Association of Bay Area Governments (ABAG) is responsible for assigning the Bay Area's RHNA to each city and county in the nine-county Bay Area. The RHNA allocation methodology assigns units by income category, specifically units serving very low-, low-, moderate-, and above-moderate-income households. Households are categorized in these income groups based on household size and percentage of the area median income (AMI). The City of Mountain View's RHNA allocation for the 2015-23 Housing Element period is shown in Table 1 below.

**Table 1: City of Mountain View RHNA Allocation Numbers for the 2015-23 Housing Element Period**

<b>Affordability by Household Income</b>	<b>Units</b>
Very Low 0%-50% AMI	814
Low 51%-80% AMI	492
Moderate 81%-120% AMI	527
Above Moderate 120%+ AMI	1,093
<b>Total</b>	<b>2,926</b>

As noted above, the 2019 Annual Progress Report includes information on the City’s yearly development activity between January 1 and December 31, 2019 for net new housing units. In 2019, construction began on approximately 294 net new residential units, including 61 new very low-income units (see Table 2 and Attachment 1, Tables A2 and B).

**Table 2: Building Permits Issued for New Residential Units between 2015 and 2019**

<b>Affordability by Household Income</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total Units to Date</b>	<b>RHNA Allocation</b>	<b>% of RHNA Allocation</b>
Very Low	0	17	98	0	61	176	814	21.6%
Low	9	109	39	10	0	167	492	33.9%
Moderate	0	0	0	0	0	0	527	0%
Above Moderate	237	285	1,312	320	233	2,387	1,093	218.3%
<b>Total</b>	<b>246</b>	<b>411</b>	<b>1,449</b>	<b>330</b>	<b>294</b>	<b>2,730</b>	<b>2,926</b>	<b>49%</b>

Staff also notes that the City has continued to experience a very high level of residential development activity. Currently, there are 1,642 net new residential units under construction. In addition, 2,715 net new residential units were recently approved but have not yet received building permits, and 1,839 net new units are under planning entitlement review.

Table 3 shows the number of units that were recently approved or are under entitlement review, illustrating likely future progress towards meeting the RHNA targets (though it should be noted that the timing, completion, and composition of future projects are uncertain, and additional projects may apply).

**Table 3: Future Building Permits for New Residential Units**

<b>Affordability by Household Income</b>	<b>Total Units to Date (Building Permits)</b>	<b>Approved, Permits not Issued</b>	<b>Under Review</b>	<b>Total Units</b>	<b>RHNA Allocation</b>	<b>% of RHNA Allocation</b>
Very-Low 0%-50% AMI	176	45	49	270	814	33.2%
Low 51%-80% AMI	167	76	99	342	492	69.5%
Moderate 81%-120% AMI	0	177	104	281	527	53.3%
Above-Moderate 121%+ AMI	2,387	2,417	1,587	6,391	1,093	584.7%
<b>Total</b>	<b>2,730</b>	<b>2,715</b>	<b>1,839</b>	<b>7,284</b>	<b>2,926</b>	<b>68%</b>

## 2. No Net Loss

SB 166, also known as the “No Net Loss” law, requires jurisdictions to maintain an inventory of sites zoned to accommodate their share of the region’s housing need at all income levels. In other words, if a site is approved for development with fewer units at the specified income level than identified in the Housing Element, the jurisdiction must identify (and rezone, if necessary) additional sites to make up the shortfall.

The 2015-23 Housing Element identified 23 sites to provide low- and moderate-income units. Nine of these sites were developed with fewer units than the number targeted for each income level since they were developed with mostly market rate units. However, there were additional project sites developed with low- and moderate-income units. In total, development to date has resulted in a net deficit of housing sites for 56 low-income units and 308 moderate-income units (Attachment 5).

In addition, the City recently approved both the North Bayshore Precise Plan and the East Whisman Precise Plan, which allow significant additional housing units, including policies and standards to create affordable units. The North Bayshore Precise Plan identified three residential neighborhoods with capacity for 9,850 units, including 1,970 BMR units. The East Whisman Precise Plan was adopted in November 2019 and identified residential neighborhoods with capacity for 5,000 units, including 1,000 BMR units. Therefore, the available sites provided in these Precise Plans are significantly more than the City's RHNA shortfall noted above, and the City is in compliance with SB 166.

### 3. Housing Policies and Programs

The Annual Progress Report also includes an update on the City's implementation of its Housing Element policies and programs. These policies and programs address various housing priorities, including adding to the diversity, supply, and affordability of housing opportunities in Mountain View. The 2019 Annual Progress Report includes an update on these policies and programs, including:

- An amendment to increase the percentage requirement of affordable ownership units from 10 percent to 15 percent and from 10 percent to 25 percent for townhomes and rowhomes;
- Utilization of City housing funds to support affordable housing developments through the Notice of Funding Availability process;
- Providing support for affordable housing developers; and
- Implementation of the Community Stabilization and Fair Rent Act.

### General Plan Status and Implementation Progress

In 2012, the City Council adopted the 2030 General Plan and the related General Plan Action Plan. The General Plan Action Plan includes 155 specific actions for new

projects, programs, or policies. To date, 61 of the 155 action items have been completed, while 57 are currently in progress. Work on the remaining 37 action items has not yet started. Other General Plan action items are completed on an ongoing basis through day-to-day operations.

Since the 2030 General Plan adoption in 2012, the City has completed several major General Plan actions, including adoption of the North Bayshore, San Antonio, and El Camino Real Precise Plans. During 2019, several specific action items were completed, including:

- Adoption of the East Whisman Precise Plan, including new goals and policies supporting residential uses in the area;
- The Permanente Trail was completed to Middlefield Road; and
- Child care became permitted in more employment areas (including East Whisman).

Three projects approved during 2019 (777 West Middlefield Road, 1720 Villa Street, and 555 East Evelyn Avenue) involved General Plan amendments to allow for higher densities of housing.

Attachment 2 provides more detail on the progress of actions in the General Plan.

**FISCAL IMPACT** – None.

### **NEXT STEPS**

Staff submitted the Annual Housing Progress Report to the HCD and the Governor's Office of Planning and Research on April 1, 2020 and will continue to implement the Housing Element.

In past years, the General Plan Annual Progress Report has not been integrated into the Council goals process. In future years, staff will plan on having the EPC review the General Plan Action Plan, and make recommendations to the Council as it prioritizes its goals.

**PUBLIC NOTICING** – Agenda posting.

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- Attachments:
1. Housing Element Annual Progress Report
  2. General Plan Action Plan Progress Table
  3. [Environmental Planning Commission Housing Element Staff Report Dated March 4, 2020](#)
  4. [Environmental Planning Commission General Plan Staff Report Dated March 4, 2020](#)
  5. Housing Element Sites for RHNA Requirement