



DATE: October 14, 2014

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **2015-2023 Draft Housing Element**

RECOMMENDATION

1. Adopt a Resolution Amending the General Plan to Adopt the 2015-2023 Housing Element Update and an Addendum to the City of Mountain View 2030 General Plan and Greenhouse Gas Reduction Program Environmental Impact Report (GPEIR), to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt the 2015-2023 Draft Housing Element (Attachment 2 to the Council report).

BACKGROUND

Environmental Planning Commission April 16, 2014 Meeting

The Environmental Planning Commission (EPC) reviewed the 2015-2023 Draft Housing Element at their April 16, 2014 meeting. They made two recommendations to the City Council, including requiring a jobs/housing study and evaluating the City's Housing Impact Fee, described below.

Jobs/Housing Study

The EPC discussed the imbalance between the number of jobs and housing units in the City. They discussed including a new jobs/housing study that could include a set of "indicators" to monitor the City's progress toward meeting its housing goals. Potential indicators identified by staff could include, but not be limited to, the jobs/housing ratio within the City and/or a determined "subregion" of neighboring cities, jobs created or lost per housing permit granted, and monitoring housing affordability by the percentage of income spent on housing. The City would utilize indicators to determine the impact of anticipated housing and job types and numbers, and develop strategies to

further address housing and jobs linkages when reviewing development applications, Precise Plans, or General Plan updates.

Housing Impact Fees

The EPC also discussed revisiting the City's existing nexus studies for Housing Impact fees and possibly increasing the fees to provide additional funding for the development of subsidized housing (the current fees are below the upper end of the range identified in the nexus studies).

City Council May 13, 2014 Meeting

The City Council reviewed the 2015-2023 Draft Housing Element at its May 13, 2014 meeting and discussed the EPC recommendations. The City Council decided not to devote resources toward creating new indicators at this time to monitor the City's progress toward meeting its housing goals. The City Council stated that staff can monitor whether the City is achieving its goals through the "Annual Element Progress Report – Housing Element Implementation" submitted to the California Department of Housing and Community Development (HCD) and sharing this information with the City Council. The Progress Report provides an update on the City's Regional Housing Needs Allocation (RHNA) progress and implementation programs. The City Council stated that creating indicators would not resolve the imbalance, but providing more affordable housing units would narrow the gap.

The City Council stated its interest in reassessing the City's Housing Impact fees. On October 14, 2014, the City Council will have a Study Session to review the City's Office, Commercial, and Rental Housing Impact fees (see Program 1.1).

Environmental Planning Commission October 1, 2014 Meeting

At the October 1, 2014 meeting, the EPC voted to recommend that the City Council adopt the 2015-2023 Draft Housing Element (6-0-1, Trontell absent). The EPC also recommended adding an additional program to *Goal 6: Promote environmentally sensitive and energy-efficient residential development, remodeling, and rehabilitation*. The program would be similar to *Program 6.4 – Energy Efficiency*, but would be for water efficiency. The program would be aimed at promoting and encouraging water conservation and efficiency. If the City Council accepts the recommendation, the program could be added prior to submittal to HCD for final certification.

ANALYSIS

After the prior EPC and City Council review, the Draft Housing Element was submitted to HCD on May 23, 2014 for a 60-day review. Comments were received from HCD within this review period. The comments were minor and related to timing of action items and the addition of three new programs to be consistent with State law. The following table is a summary of the changes to the document based on HCD comments, with the newly added programs identified as “New Program” in the first column.

**Table 1
 Housing Element Summary Changes**

Section	HCD Comment	Proposed City Revisions
Housing Plan/Quantified Objectives		
Program 1.1 Financial Support for Subsidized Housing	Add timing of action for Program 1.1.	The City evaluated the Housing Impact fees in 2012. In October 2014, the City will be reassessing the Office, Commercial, and Rental Housing Impact fees to determine whether the fees should be increased. The timing of this program is specific as Council will consider this in October 2014 and again within five years of Housing Element (HE) adoption (by 2021).
Programs 1.2 Extremely Low- Income; 1.3 Partnerships with Subsidized Housing Developers; 1.5 Lot Consolidation; 5.2 Special Needs Housing; and 5.7 Housing for the Developmentally Disabled	Add timing of action for Programs 1.2, 1.3, 1.5, 5.2, and 5.7.	In September and October 2014, staff will conduct outreach necessary to update the Consolidated Plan. The Consolidated Plan contains strategies for addressing affordable housing needs for extremely low-, very low-, and low-income households. As part of the outreach, staff will be meeting with affordable housing advocates, public service providers, and other groups that serve lower-income and special-needs households, homeless, and disabled persons. The timing of this program is specific as Council will consider this in October 2014 and again within five years of HE adoption (by 2020).
New Program 1.12 Maintain Residential Development Capacity	Add a monitoring program to ensure that adequate sites are available through the planning period to accommodate the RHNA.	Added a monitoring program to ensure no net loss of units toward the City’s RHNA.

Section	HCD Comment	Proposed City Revisions
New Program 1.13 Boomerang Funds	Add a new program to address “Boomerang Funds” to ensure continued use of funds for the development of low- and moderate-income housing.	Added a new program to address “Boomerang Funds” (formally Redevelopment Agency funds), the City will continue to set aside 20 percent of the funds for the low- and moderate-income housing.
Program 2.4 Anti-Displacement Strategies/Tenant Relocation Program	Add language to the City’s Tenant Relocation Program to monitor displacement risk.	Added language to the City’s Tenant Relocation Program to conserve and improve the existing affordable housing stock.
Program 4.2 Reduced or Modified Parking Requirements	Add language about addressing “potential” parking incentives through the Zoning Code and Precise Plan updates.	Added language that the City will evaluate and consider adjusting parking standards as part of the Precise Plans and future Zoning Code update.
Program 4.3 Second Units	Add language regarding the analysis of Park Land Dedication In-Lieu fees as a constraint and a time frame for action.	Added language that the City will evaluate the Park Land Dedication In-Lieu Fee to determine if the current fee is appropriate to encourage second-unit development and added a time frame for action.
Program 5.4 Reasonable Accommodation	Include language that the City will remove constraints for Program 5.4 and a time frame for action.	Included language that the City will remove constraints (i.e., address the finding that requires surrounding properties not be adversely impacted) and a time frame for action.
New Program 5.9 Employee Housing Act	Add a new program to address the Employee Housing Act as required by State law.	Added a new program to address the Employee Housing Act to ensure compliance with State law. The Employee Housing Act permits employee housing for less than six persons as a single-family residential use.
Program 7.2 City Council Goal Setting	Add language to the program to ensure consistency with the General Plan.	Added language that the City will ensure consistency between the HE and the General Plan.
Table 3-1: Quantified Objectives	Add the number of units in the table under the Preservation of Subsidized Housing Stock that will remain affordable during the planning period.	Table modified to include the number of affordable units in the City that will remain affordable during the planning period.

Section	HCD Comment	Proposed City Revisions
Projected Housing Needs		
Table 5-3 Credits Toward the 2014-2022 RHNA	Add Table 5-3, provided data on units entitled, under construction, and approved since January 1, 2014 to be credited toward current RHNA obligation.	Added Table 5-3, provided data on units, under construction, and approved since January 1, 2014 to be credited during the planning period.
Housing Constraints		
Section 6.1.2 Precise Plans	Add San Antonio and El Camino Real Precise Plan descriptions to the Housing Element.	Added San Antonio and El Camino Real Precise Plans descriptions to the Precise Plan section of the Housing Element.
Section 6.1.4 Off-Street Parking Requirements	Add information on parking requirements and how adoption of the Precise Plans will provide flexibility.	Added information on parking requirements and how adoption of the Precise Plans will provide flexibility.
Section 6.1.13 Constraints for Disabled Persons	Evaluate any constraints regarding Reasonable Accommodation.	Reasonable Accommodation (Bullet 5) addresses finding that requires that surrounding properties will not be adversely impacted.
Housing Resources		
Section 7.1.3 Very Low- and Low-Income Housing Sites	Add information on incentives offered/standards adjusted through Precise Plans.	Added information that the City is evaluating incorporation of incentives to promote and encourage the affordable units. Potential incentives include reduced parking standards, increased densities, and reduction in private and/or public open space requirements.
Site Inventory for Lower-Income Households – Site 1a	Update existing use for Site 1a.	Added information about existing uses/compatibility.
Other		
Section 1.2 Public Participation	Update public participation section to include letters received from community groups.	Added language to recognize comment letters received from community groups and the process for posting/noticing of the Draft Housing Element for the public.

HCD Resubmittal

Changes were made to the document and resubmitted to HCD. On July 21, 2014, staff received a conformance letter from HCD stating that the Draft Housing Element meets the statutory requirements of State housing law. In order to remain on an eight-year

planning cycle pursuant to Senate Bill 375, the Housing Element must be adopted by January 31, 2015. If it is not adopted within 120 days of this deadline, then it reverts back to a four-year planning cycle.

ENVIRONMENTAL REVIEW

An addendum to the GPEIR was prepared in accordance with the California Environmental Quality Act (CEQA) for the Draft Housing Element. This document serves as an addendum to the previously certified Mountain View 2030 General Plan and Greenhouse Gas Reduction Program Final Environmental Impact Report (FEIR). The GPEIR addendum found the environmental analysis, impacts, and mitigation requirements identified in the GPEIR remain substantially unchanged by the Draft Housing Element. The addendum supports the finding that the Draft Housing Element does not result in any new impacts. The addendum does not require circulation for public review.

FISCAL IMPACT – None.

ALTERNATIVES

1. Adopt the Housing Element with the added EPC recommendation.
2. Adopt the Housing Element with other modifications.
3. Do not adopt the Housing Element and provide other direction to staff.

PUBLIC NOTICING

The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. Interested stakeholders were notified of this meeting.

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Attachments: 1. Resolution
2. 2015-2023 Draft Housing Element
3. Addendum to the Mountain View 2030 General Plan and GGRP