

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION
STAFF REPORT
JANUARY 4, 2023

5. PUBLIC HEARINGS

5.1 2023-2031 Housing Element

RECOMMENDATION

That the Environmental Planning Commission 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 (Government Code Sections 65580 through 65589.11) (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 public hearing notice was emailed to all persons subscribed to the Housing Element mailing list (approximately 480 people); a physical mailer was sent to the project's interest list (approximately 280 postcards); and a notice was published in the *Daily Post*.

Notices regarding the availability of the Public Review Draft Housing Element and the EPC and Council meetings in May and June were mailed to all addresses in the City and all owners of property in the City. Property owners of draft and other prospective Housing Element Sites Inventory sites were mailed letters regarding their status in May.

BACKGROUND

Meeting with HCD—Second Draft Housing Element

On December 12, 2022, staff met with the Department of Housing and Community Development (HCD) reviewers to discuss their review of the Second Draft. Overall, HCD found their September 29, 2022 comments were addressed and had no comments on the Sites Inventory or Affirmatively Furthering Fair Housing (AFFH) analysis, which are two of

the most substantive components of the Housing Element. However, they provided a list of remaining comments:

- Clarify the Gatekeeper process and how findings for landscaping requirements are evaluated.
- Specify the type of housing each special-housing-needs population requires and which programs address the needs.
- 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.

More details on the comments and how they were addressed in the revised Housing Element are in the HCD Informal Comments section below.

City Council Study Session—Second Draft Housing Element

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 directed staff to revise the Sites Inventory and programs and provided additional direction as follows:

1. Include a program to eliminate parking requirements for 100% affordable housing.
2. Create a reasonable discount of the total projected units included in the Sites Inventory for the 1500 North Shoreline Boulevard property to reflect what could be expected to be built within the eight-year Housing Element period.
3. 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. Note that, based on staff's discussions with HCD, the Housing Element's AFFH analysis

appears to be adequate in its current form, so at this time, no further revisions are proposed in response to this component of Council's direction.

Additionally, Council did not add any sites to the back-pocket list of sites that could be considered for inclusion in the Sites Inventory, but Council was interested in preserving retail uses in "neighborhood shopping centers" (that are not Village Centers but listed in the General Plan). These neighborhood shopping centers are 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. The Housing Element has been updated to indicate that the zoning for these sites will require retail/neighborhood-serving uses in addition to any housing that could develop during the Housing Element period, and the development standards could be similar to those for the General Plan Mixed-Use Village Center development types that EPC reviewed in December.

ANALYSIS

Housing Element 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 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, while its peer cities are only just now rezoning to meet their substantial new RHNA numbers. 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 Site Inventory and pipeline projects 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 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, and Livable MV 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.

After the initial data-collecting phase of the Housing Element process, staff continued to update the community with the project's progress through the City's main landing page, project website ([MVHousingElement.org](https://www.mountainview.org/MVHousingElement.org)), and sending notifications to subscribers on the Housing Element email list. Public comment continued to be collected at public Study

Sessions and meetings with individual community groups, including, but not limited to, MV YIMBY, residents in the Blossom Valley area, SV@Home, Mountain View Coalition for Sustainable Planning, Greenspaces MV, and Mountain View Tenants Coalition. This additional public comment was forwarded to Council at Study Sessions where it informed Council direction on the Sites Inventory and goals, policies, programs, and drafts of the Housing Element Update. Exhibit 2 summarizes the public outreach received in this later phase of the project and how it was integrated into the Housing Element update.

Changes Since Second Draft (November 2022)

HCD recommended that cities could use time most efficiently by submitting revised drafts after receiving HCD's comments in response to the initial Housing Element submittal. This allows HCD to provide iterative assistance and guidance and to comment on subsequent Housing Element submittals within the 60-day review period. The second Draft Housing Element was submitted to HCD on November 18, 2022; HCD provided informal comments during a meeting with staff on December 12, 2022; the latest Housing Element was made available for a seven-day public review period starting on December 22, 2022; and staff anticipates resubmitting this updated Housing Element to HCD on January 3, 2023, within the 60-day review period that began on November 18, 2022.

The latest Housing Element (attached as Exhibit 1—Exhibit C to this staff report) reflects the changes made in response to HCD comments, EPC recommendations, and Council direction received after November 18, 2022 (more details in the HCD Informal Comments and Council Direction sections below). Staff is recommending the EPC recommend the Council adopt this version of the Housing Element as revised.¹ Based on the initial feedback from HCD on our responses to their comments, staff believes the Housing Element is in substantial conformance with State Housing Law, and HCD is likely to find the same; however, HCD has until the end of their 60-day review period (mid-January) to formally provide a determination on compliance.

HCD Informal Comments

HCD staff met with City staff on December 12, 2022 to provide informal comments on the second Draft. HCD stated that they did not have comments on the Sites Inventory or AFFH, but there were still some minor issues to address related to data and programs. The comments from HCD and the revisions made are presented below. The specific redlined revisions made in the Housing Element can be found in the revised Housing Element

¹ Note that because the City has made revisions to the Housing Element in response to HCD comments received to date and because staff is recommending that the City Council take action on the Housing Element after receiving HCD certification that the Housing Element is in substantial compliance with State Housing Law, the proposed Resolution (Exhibit 1) does not need to include findings explaining why the City believes the Housing Element is legally adequate as provided under Government Code Section 65585(f)(2).

(December 2022) in track changes on the project website MVHousingElement.org (Exhibit 3 to this report).

HCD Comment	Revision
Incorporate how public comments regarding fees and exactions are addressed.	<ul style="list-style-type: none"> Added details in Appendix D, Fees and Exactions, about how public comments and the constraints analysis informed relevant policies and programs. Referenced the constraint analysis and public input in the Programs section (Examples: Programs 1.8 and 1.9).
Describe how the Reasonable Accommodation program will be revised to address State Law.	<ul style="list-style-type: none"> Clarified the change to the Reasonable Accommodation Ordinance is to remove the Findings related to “adverse impacts to surrounding properties or uses,” which conflicts with State law.
Describe the Gatekeeper process in more detail.	<ul style="list-style-type: none"> Added additional information about the Gatekeeper process, including information on projects exempt from the authorization process.
Provide additional information regarding how landscaping standards are independently verifiable.	<ul style="list-style-type: none"> Added a discussion of specific landscaping requirements to demonstrate they are objective standards, such as tree spacing, required irrigation elements, etc.
Describe the type of housing each of the following special-needs groups require (elderly, persons of disabilities, large families, families with female-headed households, families in need of emergency shelter, farmworkers) and connect to programs to address the needs.	<ul style="list-style-type: none"> Clarified and described in more details the needs and resources for each special-needs group in the section “Housing and Special Needs Populations.” Connected each of the needs to the programs provided in the Housing Element.
<p>1.9 BMR Program Review Specify a deliverable or measurable outcome, such as what will be reviewed.</p>	<ul style="list-style-type: none"> Added more detail on goals of the program to provide housing that meets a range of needs. Specified the outcomes from the BMR Review.

HCD Comment	Revision
<p>3.1 Homelessness Prevention and Services for the Unhoused Remove “may” from “Milestone and Time Frame”; specify concrete actions (such as how City will support emergency rental programs).</p>	<ul style="list-style-type: none"> Removed “may.” Clarified that the Homeless Prevention Strategy will include the use of City funding to support rental assistance programs, use of City-subsidized housing developments for households who experience or at risk of experiencing displacement; and creation of pathways for households to move from homelessness to supportive housing.
<p>3.2 Displacement Prevention and Mitigation Provide additional objectives or metrics related to preservation of naturally occurring affordable units and include references to other programs with intersecting goals.</p>	<ul style="list-style-type: none"> Added additional objectives related to right of first refusal, tenant displacement assistance, obtaining outside funding, property owner education on local rental regulations and laws, and supporting the Multi-Family Housing Inspection Program for preserving units. Added references to other programs with overlapping objectives.
<p>4.1 Development Streamlining and Processing Revisions Provide language that connects program to constraints analysis and public input and add in Constraints section how program addresses comments.</p>	<ul style="list-style-type: none"> Added information linking each action to the specific public comment received to address governmental constraints. Added reference to other program with overlapping objectives. Program 4.1 is referenced as a response to comment in Appendix D, Processing and Permit Procedures.
<p>4.4 Partnerships to Support Affordable Housing Provide estimated dollar for milestones under “Milestone and Time Frame,” if possible.</p>	<ul style="list-style-type: none"> Added estimated \$50 million for preservation and rehabilitation projects.
<p>4.7 Neighborhood Engagement Add detail on the City’s objective for encouraging developers’ engagement with community.</p>	<ul style="list-style-type: none"> Added information about expected outcomes from neighborhood engagement, including mutually acceptable design improvements and communication of project characteristics and constraints.

Council Direction

As summarized earlier, Council provided direction on the following four topics.

Council Direction	Revisions
<p>Include a program to eliminate parking requirements for 100% affordable housing.</p>	<ul style="list-style-type: none"> • Modified Program 1.2 from “reducing” to “eliminating” parking standards for 100% affordable housing developments throughout the City. • Moved up the completion time frame to December 2024. • Removed extraneous tasks related to the program.
<p>Create a reasonable discount of the total projected units included in the sites Inventory for the 1500 North Shoreline Boulevard property to reflect what could be expected to be built within the eight-year Housing Element period.</p>	<ul style="list-style-type: none"> • A discount of 50% was applied on the 1500 North Shoreline Boulevard property. This results in a total of 1,000 units, of which 100 are low-income units and 100 are moderate-income units. This percentage reflects the reality of developing a large site within the eight-year planning period while reducing the risks of a “no net loss”² issue.
<p>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.).</p>	<ul style="list-style-type: none"> • At the latest HCD meeting on December 20, 2022, HCD confirmed they had no additional comments on the Housing Element’s AFFH analysis or the Sites Inventory. Therefore, no changes are currently proposed in response to this component of Council’s direction. However, if necessary, after receiving HCD’s formal determination, staff will evaluate and report on this direction.

² Cities are required to maintain a Sites Inventory that identifies sites for development of lower- and moderate-income households to meet their RHNA. If sites are developed with nonresidential uses or units at different affordability levels than assumed, a city is required to prevent “No Net Loss” by identifying other sites or units to make up for the difference. By assuming a lower percentage of units on the 1500 North Shoreline Boulevard site that would develop for moderate- and lower-income households, there is a greater likelihood a project will meet the City’s affordability assumptions, which would eliminate the need to make “No Net Loss” findings or identify replacement sites midcycle.

Council Direction	Revisions
Preserve retail uses in “Neighborhood shopping centers” that were identified as areas that could be rezoned to meet any shortfall during the RHNA period under Program 1.11, No Net Loss of Housing Element Sites.	<ul style="list-style-type: none"> Updated Program 1.11 to specify that the rezonings for other “Neighborhood shopping centers” would also include establishment of standards to replace or preserve retail and neighborhood-serving uses.

Other Changes

Two Pipeline Projects (1919 Gamel Way and 870 West El Camino Real) were removed from the inventory after discussion with project applicants confirmed that they are pausing or not interested in moving forward with their entitlements. Due to the timing of the Housing Element Draft, and to be conservative in the accounting of lower-income units, the sites were not converted to Opportunity Sites even though these sites would qualify as such. As noted in Table 1 below, the revisions reduce the buffer for low- and moderate-income units. The moderate-income unit buffer is now 14%, slightly lower than what HCD recommends (15% to 30%). However, it is still an appropriate buffer because lower-income sites can be converted to moderate-income through the annual reporting process. This method cannot be applied to moderate-income units converting to lower-income units because lower-income units have additional requirements. Combining the calculation of the buffer of the two income categories results in a combined buffer of just over 20%.

Table 1: Site Inventory

	Low-Income Units	Moderate- Income Units	Above Moderate- Income Units	Total Unit Capacity
Sixth-Cycle RHNA	4,370	1,885	4,880	11,135
Pipeline Projects				
<i>Approved/Under Construction</i>	447	247	2,965	3,659
<i>Proposed Projects</i>	1,992	252	5,232	7,476
<i>No Rezoning Required</i>	1,497	252	5,232	6,981
<i>Rezoning Required</i>	495	0	0	495
Subtotal	2,439	499	8,197	11,135
RHNA Remaining	1,931	1,386	-3,317	0
Opportunity Sites				
<i>Developable Sites</i>	2,907	1,604	852	5,363
<i>ADUs</i>	48	38	10	96
Subtotal	2,955	1,642	862	5,459
RHNA Remaining	-1,024	-256	-4,179	-5,459
Total Unit Capacity	5,394	2,141	9,059	16,594
Buffer	23%	14%	86%	49%

ENVIRONMENTAL REVIEW

The EPC recommended the Council certify the EIR for the HEU update and associated rezonings on [December 7, 2022](#). While there have been changes to the HEU since then (as highlighted in the sections above)—mainly program details, reductions in site inventory sites/assumed capacities, and clarification on background narrative and analysis—they do not affect the environmental analysis and conclusions, and the EPC’s prior recommendation regarding certifying the EIR remains applicable. Additional discussion on the EIR is in the staff report for the December 7, 2022 EPC public hearing.

CONCLUSION

Staff recommends the EPC recommend to the City Council adoption of the 2023-2031 Housing Element.

NEXT STEPS

The statutory deadline for HCD to provide formal comments to the second Draft Housing Element is January 17, 2023. If HCD approves the second Draft, the EPC's recommendation will be forwarded to Council for consideration on January 24, 2023 (along with the certification of the EIR and adoption of the related General Plan, Zoning, and Precise Plan amendments previously reviewed by the EPC on December 7, 2022).

However, if HCD determines that the second Draft is not in substantial compliance with State Housing Element Law and that substantive revisions must still be made, the EPC will have an opportunity to review and make a recommendation to the City Council on the revised Draft at a later date.

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- Exhibit:
1. Resolution for 2023-2031 Housing Element
 2. Public Comments and Staff Responses
 3. Red-lined 2023-2031 Housing Element