

## City Council Questions

### November 16, 2021 Special City Council Meeting

#### ITEM 3.1 Housing Element Update

1. What does “meeting RHNA numbers” mean? I’ve heard various definitions. Does it mean the total number of housing units built (or permitted?) is equal to or more than the total RHNA number? Does it mean the number of housing units built per income level is equal to or more than the RHNA number by income level? Does it mean the city has zoned for the number of units? Does it mean something else such as the formula behind the Percent of RHNA allocation in Table 3? Has the definition changed since the current cycle?

The law requires local jurisdictions to show that there are adequate sites to reasonably develop the number of units prescribed by the RHNA, considering zoning, development standards, fees, existing uses, and other factors. The consequences of not meeting these laws are significant, including fines, loss of permitting authority to issue building permits, increased streamlined ministerial approval process, and lawsuits from the State, developers, third parties, and individuals. This requirement applies separately at each income level.

Cities are not required to build the number of units prescribed by RHNA, however, there are some consequences of not doing so. The primary consequence is SB35, which mandates ministerial (non-discretionary, no hearing) approval of housing projects that meet a range of criteria, such as percent affordable units (10% if not meeting the above moderate RHNA and 50% if not meeting the lower-income RHNA). In addition, whether cities build their RHNA is public information and is often perceived as a universal benchmark for whether they are meeting regional housing goals.

While basic distinction has not changed this cycle (i.e., cities are only responsible for enabling housing, not building it), some of the consequences have significantly changed, such as new penalties in the first paragraph above and SB35.

2. What is the formula used in Table 3 to calculate the Percent of RHNA allocation?

Percent of RHNA means the number of RHNA units built relative to the number of units required by Income Levels of Affordability. For the Very Low Income level, we have a RHNA of 814 units and to date we have constructed 218 units so we have met 26.7% of the required number of Very Low Income Units. The total is calculated by taking the units built to satisfy the RHNA at each income level. The City cannot take credit for more than 100% of the RHNA requirement in any category. Here is the formula to calculate the City’s performance for the 2015-2023 RHNA cycle:

$$\frac{218 + 212 + 18 + 1,093}{2926} = 52.7\%$$

3. Can the state’s density bonus law be factored in to the number of units that could be built on a parcel?

No. We cannot use state density bonus to demonstrate that zoning for RHNA is met. However, HCD would consider other strategies that have a similar effect, such as the City’s Bonus FAR programs, that would provide increased density for housing developments that include a certain minimum amount of affordability.

4. How are other cities in Santa Clara County doing in terms of reaching their RHNA for the current cycle?

Please see Attachment 1. The data is provided to HCD by each jurisdiction through the housing element annual progress report (APR).

5. Has HCD defined specific areas as high or low resource areas? Or have they just defined characteristics of high or low resource areas?

HCD uses the California Tax Credit Allocation Committee/HCD Opportunity Map to identify high- and low-resource areas, though the City can present alternative methodologies or other considerations for HCD's review. Draft 2022 resource areas can be reviewed at this link: <https://belonging.berkeley.edu/2022-tcac-opportunity-map>.

The Opportunity Map was initially created in order to determine need for Low Income Housing Tax credits for new affordable housing construction and therefore the methodology and data inputs were geared towards addressing that need. TCAC/HCD look at a number of criteria, including economic, environmental and education indicators to develop the opportunity areas that are referenced in addressing AFFH.

6. Does HCD take into consideration existing housing when determining the concentration of affordable housing throughout a city?

Yes. For example, HCD would be concerned if a local jurisdiction had an existing concentration of housing units accommodating lower-income households and the Housing Element proposed to accommodate a substantial amount of the lower-income RHNA in that same area.

7. Some have suggested the use of community land trusts. Is there anything that prevents these from happening right now in Mountain View?

Staff have conducted some preliminary research community land trusts. CLT's can be setup to serve a variety of functions and be structured in different ways, depending on the particular goals of the CLT or the needs of a community. In general, CLT's are non-profit organizations who undertake activities such as land banking, developing/administering affordable homeownership opportunities, administering other housing programs on behalf of cities, acquisition/preservation, etc. Based on staff's research and in discussions with various housing/non-profit organizations, there are two primary challenges for a CLT to operate in Mountain View: the lack of CLTs with the capacity and scale to operate in the City and lack of funding. Beyond these issues, there does not appear to be a structural or legal reason that prevents the activity of a community land trust in Mountain View. The establishment of a community land trust requires financial, legal, and staffing resources (public, private, or both). If the City wishes to work with a CLT, a CLT would need to be identified or created and a program would need to be developed that clearly identifies the specific goals, purposes, and activities of the CLT.

8. How does the City's discretionary Bonus Floor Area Ratio review process mentioned on page 13 come into play?

The City is currently considering the Bonus FAR process in our assumptions for allowable density on sites identified in the sites inventory. This is because we have consistently seen developers electing to build using Bonus FAR, rather than Base FAR. We have had preliminary conversations with HCD about this and they seem initially supportive, but we will not know for certain until later in the process when HCD has a chance to review the program and the City's assumptions on densities based on the Bonus FAR in the Housing Element.

9. Can school TDRs be solely housing?

Yes, for example, the approved project at 400 Logue included school TDRs and it was a 100% residential development.

10. Can we see the site inventory in Excel format?

The site inventory is still under development. For this study session, Councilmembers may provide input that will guide the development of the sites inventory. Progress will be shared with Council in early 2022 in Excel and map formats.

11. In the staff report, profit housing developers commented that their buildings are under parked. Housing and sustainability advocates are lobbying for much less parking. Please comment. Are our affordable housing developments underparked?

The non-profit housing developers that we spoke to did not say that affordable housing developments are under-parked. The comment about certain areas being under-parked was made in the context of public perceptions about parking impacts from new development.

Non-profit developers have consistently, and increasingly, cited the cost of providing parking as a key challenge to financing and building more affordable housing units, especially in high development/land cost areas such as Mountain View. The parking for the City's existing affordable housing projects have been based on trying to appropriately size the amount based on the tenants they are serving (such as special needs), location of the project, and some have incorporated a parking study. In addition, State Density Bonus Law allows developments to provide reduced parking.

12. In the staff report, profit housing developers commented that turnover is very high. Do you know why this might be?

Staff will follow up with the developers to better understand the nature of this comment. Staff does not have data regarding turnover rates in affordable housing. In general, turnover rates in affordable housing tend to be lower than in market rate units. Additionally, there are many factors that might explain turnover in affordable housing developments, including household composition, presence and ages of children, elderly and disability status, market characteristics, employment, neighborhood characteristics, income levels, and sources of income. Income is perhaps one of the most significant predictors of length of stay for very low-income households, since even minor changes in income can affect their ability to pay rent, even for rent-restricted units. Similarly, increases in income may disqualify tenants for affordable housing. Finally, the pandemic has caused instability, which may have impacted turnover rates during this time.

13. Is there a wait list or not for our affordable housing? How long is the list if there is one at this point?

Yes, there is a waitlist for the City’s BMR units. The waitlist was closed to new applicants a few years ago, and still has over 300 households on it. City staff are working with the City's BMR administrator, Housekeys, to update the waitlist and waitlist process. The BMR program is open to non-waitlist applicants if there are not enough eligible and qualified waitlist applicants for a given unit.

Separately, 100% affordable housing properties (including City NOFA projects) maintain their own waitlists through the developer/property manager. Staff does not have data on these waitlists but it is staff’s understanding that there is high demand for the units. There are also over 300 households affiliated with the City of Mountain View on the County's "Community Queue", most of whom qualify for Rapid Rehousing or Permanent Supportive Housing units throughout the County.

The City also maintains an affordable housing interest list, which is an email list of over 8,000 individuals and organizations. The City advertises BMR and 100% affordable housing openings to the interest list.

**ITEM 4.4 2022 City Council Meeting Schedule**

1. The meetings on 2/22 and 4/12 fall on school breaks. We have traditionally tried to avoiding having meetings during school breaks to allow for the public to participate as much as possible. Can we move these dates?

Staff does not recommend moving the dates. There are numerous events and holidays in 2022 that conflict in various ways with the regular meeting schedule that have already been taken into account. The schedule has been adjusted to accommodate for a longer Council recess (meeting August 30 instead of August 23), to not hold a Council meeting on Election Day (meeting November 1 instead of November 8) and to not hold Council meetings the week of the November and December holidays. Staff recommends sticking to the regular meeting schedule throughout the remainder of the year to provide consistency for staff and for the public. In addition, participating remotely will still be an option for Councilmembers and the public.

**ITEM 6.2 Rowhouse Development at 294-296 Tyrella Avenue**

1. Why was this application, submitted on September 5, 2018, only now being heard by Council?

The project was not brought forward for a decision because the application was not complete and ready for consideration by the recommending bodies and City Council. An application is deemed complete when all information in the City’s published Required Formal Application Checklist is provided. The project had a total of four submittals between September 2018 and August 2021 before a complete application was provided as shown in the table below. City Staff reviewed the application in compliance with permit streamlining requirements.

	Date	Status
Submittal 1	September 5, 2018	Incomplete
Submittal 2	August 15, 2019	Incomplete
Submittal 3	April 20, 2020	Incomplete
Submittal 4	August 30, 2021	Complete

2. Why wasn't this application "deemed complete" by January 1, 2020?

Please see response to Question # 1.

3. Would the students who live in this development attend Landels or Vargas elementary school?

Vargas Elementary is the project site's school per Mountain View Whisman School District.

4. I think the shopping center is much closer than 1.25 miles from this development. Please double check the distance.

The shopping center is approximately one-quarter mile from the project site.

5. How does the five foot sidewalk with no planting strip and the 12' front setback compare to other rowhomes of this height and other housing along E Middlefield?

The front setback of the proposed units along East Middlefield Road is 15' with approximately 3' front porch encroachments for two of the five units, consistent with the standards in the Rowhouse Guidelines. The other developments along this stretch of East Middlefield Road are approximately 25' from the property line.

The existing sidewalk along the project frontage and this stretch of Middlefield Road is 5' wide and attached to the curb (no planter strip) with trees behind the sidewalk closer to the buildings. The project frontage improvements are proposed to be consistent with the surrounding street improvements and the project is retaining the significant trees along the Middlefield Road frontage behind the sidewalk as well as adding new trees. Additionally, there is existing telecommunications infrastructure along the project frontage which would need to be relocated to accommodate a detached sidewalk and would add significant cost to the project.

	VERY LOW INCOME			LOW INCOME			MODERATE INCOME			ABOVE MODERATE INCOME			TOTAL 5th CYCLE RHNA	Total Units Built	% Attained
	5th Cycle Permits	5th Cycle RHNA	% Attained	5th Cycle Permits	5th Cycle RHNA	% Attained	5th Cycle Permits	5th Cycle RHNA	% Attained	5th Cycle Permits	5th Cycle RHNA	% Attained			
<b>Campbell</b>	11	253	4.3%	4	138	2.9%	16	151	10.6%	521	391	100.0%	933	552	45.2%
<b>Cupertino</b>	19	356	5.3%	0	207	0.0%	93	231	40.3%	216	270	80.0%	1,064	328	30.8%
<b>Gilroy</b>	102	236	43.2%	529	160	100.0%	39	217	18.0%	1,195	475	100.0%	1,088	1,865	71.3%
<b>Los Altos</b>	2	169	1.2%	28	99	28.3%	2	112	1.8%	558	97	100.0%	477	590	27.0%
<b>Los Altos Hills</b>	28	46	60.9%	11	28	39.3%	8	32	25.0%	53	15	100.0%	121	100	51.2%
<b>Los Gatos</b>	49	201	24.4%	3	112	2.7%	82	132	62.1%	154	174	88.5%	619	288	46.5%
<b>Milpitas</b>	142	1,004	14.1%	0	570	0.0%	0	565	0.0%	3,504	1,154	100.0%	3,293	3,646	39.4%
<b>Monte Sereno</b>	52	23	100.0%	1	13	7.7%	1	13	7.7%	68	12	100.0%	61	122	60.7%
<b>Morgan Hill</b>	80	273	29.3%	190	154	100.0%	404	185	100.0%	1,431	316	100.0%	928	2,105	79.2%
<b>Mountain View</b>	218	814	26.8%	212	492	43.1%	18	527	3.4%	3,771	1,093	100.0%	2,926	4,219	52.7%
<b>Palo Alto</b>	101	691	14.6%	60	432	13.9%	42	278	15.1%	541	587	92.2%	1,988	744	37.4%
<b>San Jose</b>	1,525	9,233	16.5%	336	5,428	6.2%	2,466	6,188	39.9%	14,109	14,231	99.1%	35,080	18,436	52.6%
<b>Santa Clara</b>	168	1,050	16.0%	179	695	25.8%	105	755	13.9%	4,370	1,593	100.0%	4,093	4,822	50.0%
<b>Saratoga</b>	0	147	0.0%	61	95	64.2%	43	104	41.3%	25	93	26.9%	439	129	29.4%
<b>Sunnyvale</b>	132	1,640	8.0%	61	906	6.7%	277	932	29.7%	2,859	1,974	100.0%	5,452	3,329	44.8%
<b>Unincorporated</b>	98	22	100.0%	0	13	0.0%	2,597	214	100.0%	358	28	100.0%	277	3,053	95.3%
<b>Countywide</b>	2,727	16,158	16.9%	1,675	9,542	17.6%	6,193	10,636	58.2%	33,733	22,503	149.9%	58,839	44,328	56.3%