

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION STAFF REPORT OCTOBER 20, 2021

5. STUDY SESSION

5.1 Housing Element Update 2023-2031

RECOMMENDATION

That the Environmental Planning Commission provide input to the City Council on initial Housing Element program and policy direction.

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 meeting reminder was emailed to about 380 people on the Housing Element mailing list, including stakeholders. A calendar of events advertising all Housing Element events, including the EPC and City Council Study Sessions for 2021, is posted on the City's website, is available at City facilities (City Hall, Library, Senior Center, and Community Center), and was sent to 46 stakeholders and organizations to post on-site.

OVERVIEW

This report includes an overview of 2023-31 Housing Element requirements, including the City's Regional Housing Needs Allocation (RHNA), which is the number of housing units the City must plan for during this Housing Element period. The report then summarizes the City's progress in implementing its current 2015-23 Housing Element.

The Analysis section of the report includes key City housing and demographic data and a summary of key Housing Element policy topics. These are intended to provide the EPC with an initial set of policy topics that will be further analyzed during the Housing Element update process. The EPC is encouraged to review these topics and the summary of recent Housing Element workshops and meetings and provide staff with initial questions or comments to help inform the Housing Element update process.

Information from this report, including EPC input, will then be presented to the City Council on November 16, 2021. The Housing Element update process will then continue per the schedule included at the end of this report. The City's Housing Element must be certified by the State's Department of Housing and Community Development (HCD) by January 31, 2023.

BACKGROUND

2023-31 Housing Element Overview and RHNA Overview

The City is currently preparing for the Sixth Cycle Housing Element update which covers the eight-year planning period of 2023 to 2031. The Housing Element is one of seven State-mandated General Plan elements and is the only General Plan element subject to mandatory review by a State agency (HCD). The purpose of the Housing Element is to analyze the housing needs of a community's current and future residents across various income categories; create, update, and guide housing policy in the City; and identify locations to accommodate the City's RHNA.

The Housing Element, as a key chapter of the General Plan, includes the City's overall policy direction to housing issues in Mountain View. State law mandates that Housing Elements include the following components:

- Housing needs to evaluate the existing, projected, and special housing needs, such as planning for new housing units and specific policies and programs to serve special-needs populations.
- Site inventory and analysis to identify the number of adequate housing sites with appropriate zoning and development standards and access to services and facilities to facilitate and encourage the development of a variety of housing across income categories and to satisfy the RHNA.
- Barriers to address housing needs/constraints analysis to evaluate market/nongovernmental, governmental, infrastructure, and environmental factors that may constrain the development of housing.
- Program requirements to review the existing 2015-23 Housing Element, including recommendations for the addition, continuation, modification, and/or removal of objectives, policies, and programs to meet City housing goals and State requirements.

- Affirmatively Furthering Fair Housing (AFFH) to address any discrimination and segregation patterns or trends in housing.
- Environmental justice to reduce health risks and address the needs of disadvantaged communities who may be subject to greater exposure to environmental contamination or risk.

Additional information on these requirements is presented in HCD's Housing Element Checklist.¹

2023-31 RHNA Overview

Per Government Code Section 65584, HCD is mandated to determine the Statewide need for new housing based on an analysis of population and employment trends. In 2020, HCD provided its determination for the next RHNA cycle to the Association of Bay Area Governments (ABAG), which is responsible for assigning the RHNA for each local jurisdiction in the nine-county San Francisco Bay Area. HCD's determination was 441,176 units, a 135% increase from the previous cycle of 187,990 units.² Working with local governments, ABAG developed an allocation methodology for assigning units by income category to each city and county in the Bay Area.³

RHNA is the number of additional dwelling units that the City must plan for over the next eight years. The City's draft RHNA is 11,135 units, shown in Table 1. This is a substantial increase in the number of units from Mountain View's previous RHNA period of 2,926 units. The overall trend of substantially more RHNA units is applicable to many cities throughout the Bay Area, reflects the overall regional planning focus on increasing the supply of housing throughout the region, and is based on various factors, such as employment growth, location, and proximity to transit, resources, and infrastructure. ABAG is currently in the process of considering RHNA appeals submitted by Bay Area cities. Mountain View did not appeal their draft RHNA since appeals could only be based on specific factors, such as ABAG's failure to adequately consider information provided to them or major changes in circumstances. However, a letter was submitted noting several concerns

¹ HCD's Housing Element Completeness Checklist is available at: <https://hcd.ca.gov/community-development/housing-element/docs/housing%20element%20completeness%20checklist.pdf>.

² HCD's Final Regional Housing Need Determination letter is available at: [https://hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920\(r\).pdf](https://hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920(r).pdf).

³ ABAG's Final Regional Housing Needs Allocation (RHNA) Methodology and Draft Allocations is available at: https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf.

and challenges the City will be faced with in planning for this additional housing (see Exhibit 1). The Final RHNA Plan is anticipated to be adopted by the ABAG Executive Board in December 2021.

Table 1: City of Mountain View 2023-31 RHNA

Income Group	Area Median Income %	Units	% of 2023-31 Total
Very Low	0-50%	2,773	26%
Low	51%-80%	1,597	15%
Moderate	81%-120%	1,885	17%
Above Moderate	120%+	4,880	42%
Total		11,135	100%

The RHNA is divided into four income categories: Very Low, Low, Moderate, and Above Moderate. Each category is based on a percentage of the Area Median Income (AMI) of the County as established annually by HCD and adjusted by household size. The current AMI for a four-person household in Santa Clara County is \$151,300 (see Table 2).

Table 2: Santa Clara County 2021 Income Limits

Number of Persons in Household		1	2	3	4
Income Category	Area Median Income %				
Very Low	0-50%	\$58,000	\$66,300	\$74,600	\$82,850
Low	51%-80%	\$82,450	\$94,200	\$106,000	\$117,750
Moderate	81%-120%	\$105,900	\$121,050	\$136,150	\$151,300
Above Moderate	120%+	\$127,100	\$145,250	\$163,400	\$181,550

The RHNA requirement is satisfied through a site inventory, which identifies and analyzes adequate land available and suitable for the required number and affordability of the units. The identification of sites must meet criteria set by the State (see Figure 1), such as the following:

- The site is zoned for residential use, at least 20 dwelling units per acre for lower-income sites;

- The site has access to adequate utilities and infrastructure; and
- The site is likely to be developed within the planning period.

Additionally, HCD provides guidance on factors used to select sites to accommodate for lower-income units in the RHNA such that affordable units:

- Should not be clustered together;
- Should have equitable access to high-resource areas (high-performing schools and jobs);
- Should have equitable access to amenities (parks, health-care facilities, grocery stores); and
- Should not require environmental mitigations.

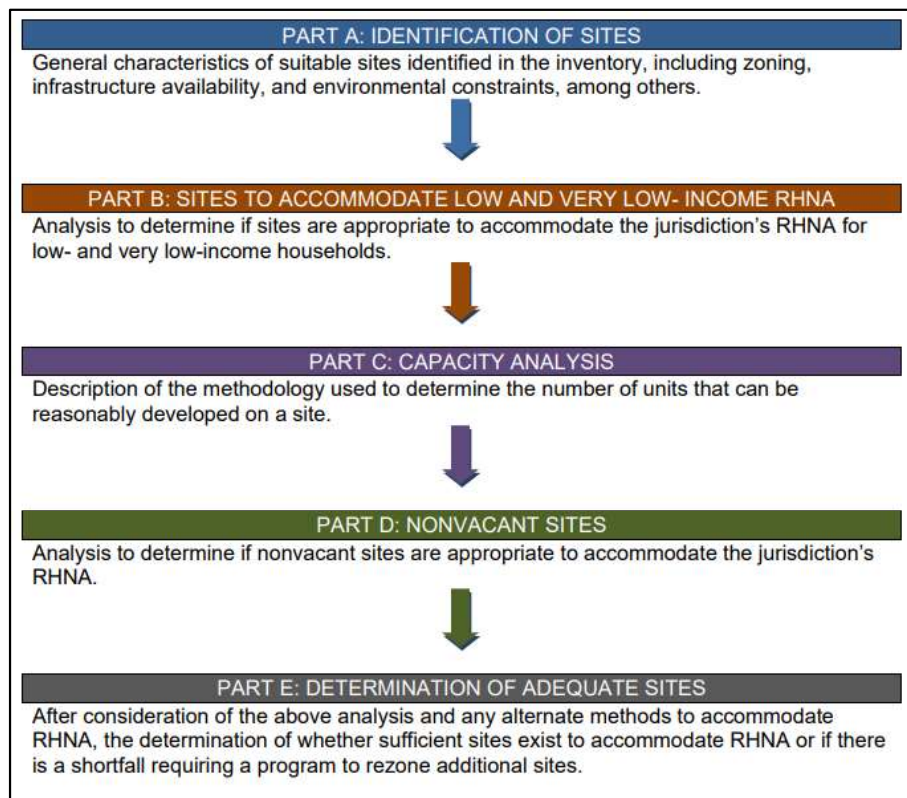


Figure 1: HCD's Site Inventory Guidebook Framework⁴

⁴ HCD's Site Inventory Guidebook is available at: https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

Existing Housing Element 2015-2023

The Housing Element includes several goals, under which specific policies and programs that support the broad goals are defined. Together, the goals, policies, and programs make up the Housing Plan for the City for the eight-year planning period. The following definitions are used in the Housing Element:

- **Goal**: Main purpose of an effort that is general in nature and often abstract and immeasurable.
- **Policy**: Specific statement guiding action and implying clear commitment.
- **Program**: Specific details that carry out the policy. A program typically lists the responsible party for carrying out the action; an estimated time frame or deadline for completion of the action; funding sources; and objectives in carrying out the program.

Mountain View's existing Housing Element was adopted in 2012.⁵ It includes seven goals that inform a broad range of policies. The goals are:

- **Goal 1**: Support the production of new housing units serving a broad range of household types and incomes.
- **Goal 2**: Provide assistance to households at different income levels to address their housing needs.
- **Goal 3**: Conserve and improve Mountain View's housing stock.
- **Goal 4**: Address, remove, or mitigate constraints to housing production.
- **Goal 5**: Support fair and equal housing opportunities for all segments of the community.
- **Goal 6**: Promote environmentally sensitive and energy-efficient residential development, remodeling, and rehabilitation.
- **Goal 7**: Maintain an updated Housing Element that is monitored, reviewed, and effectively implemented.

⁵ Mountain View's 2015-2023 Housing Element is available at: <https://www.mountainview.gov/depts/comdev/planning/regulations/general.asp>

The goals and policies inform a number of Housing Element programs. The following are a selection of last cycle's accomplishments that were based on Housing Element programs:

- The City continued its financial support for subsidized housing through the Notice of Funding Availability (NOFA) Program, which directly supported over 400 affordable units;
- The City adopted major Precise Plans, allowing thousands of new units in East Whisman and North Bayshore, and approved Zoning Ordinance amendments, expanding allowance of Accessory Dwelling Units;
- In 2016, the Community Stabilization and Fair Rent Act was approved by voters to regulate rent increases and provide just-cause eviction provisions;
- The Tenant Relocation Assistance Ordinance (TRAO) has been implemented, maintained, and updated, providing resources to displaced residents; and
- The City has been an active player in the response to homelessness, including the support and operation of local transitional housing, the development of new emergency housing, and COVID-19 rent relief funding.

Since 2015, the City has issued more building permits than the RHNA requirement of 2,926 units for the current RHNA cycle (2014-22) (see Table 3), though most have been above-moderate income housing due to the response of market-rate developers to this segment's demand and purchasing power. There continues to be a significant deficit in the construction of very low-, low-, and moderate-income housing due in large part to insufficient/lack of funding for these lower-income units and increasing construction costs. This trend is typical across most Santa Clara County jurisdictions except for unincorporated Santa Clara County.

**Table 3: Building Permits Issued for New Residential Units
 in Mountain View Between 2015 and 2020**

Affordability by Household Income	2015-2019	2020	Total Units to Date	Percent of RHNA Allocation	RHNA 2014-2022
Very Low 0%-50% AMI	176	141	218	26.7%	814
Low 51%-80% AMI	167	45	212	43.0%	492
Moderate 81%-120% AMI	-0-	18	18	3.4%	527
Above Moderate 121%+ AMI	2,387	1,384	3,771	345.0%	1,093
Total	2,730	1,588	4,318	52.7%*	2,926

* The 52.7% is not a summation of the individual percentages but a calculation based on the ratio of completion at all income levels utilizing 100% completion for Above Moderate.

ANALYSIS

Housing Needs Data

Below are several key demographic and economic trends over the last two decades (see Exhibit 2 for graphs).⁶ This information can help inform the City’s Housing Element policy options.

Population

According to the 2020 Census, Mountain View’s population is 82,376, an increase of 21% since 1990. From 1990 to 2000, the population increased by 5%; from 2000 to 2010, it increased by 4.7%; and in the most recent decade, it increased by 11.1%, significantly surpassing the previous decades’ rate of growth. These trends are similar to many cities in the region that have seen substantial growth in jobs and population, but the City’s rate is above the region as a whole. (POPEMP-01: Population Growth Trends, 1990-2020)

Housing production, however, has not kept pace with the City’s population growth. Of the housing units built over the last decade, most were in multi-family

⁶ ABAG-MTC’s Housing Needs Data Packets are available at: <https://abag.ca.gov/our-work/housing/regional-housing-technical-assistance/tools-and-resources>

developments with more than five units, which is indicative of the trend toward building more multi-family housing units (i.e., apartments, rowhouses, and condominiums). (HSG-04: Housing Units by Year Structure Built and HSG-01: Housing Type Trends)

Job Growth

The City is a jobs-rich jurisdiction, which means there are more jobs than employed residents. This translates to a high jobs-to-household ratio as the City imports more workers than its resident population. Additionally, the City's jobs-household ratio has continued to increase from 1.68 jobs per household in 2002 to 2.74 jobs per household in 2018. (POPEMP-13: Jobs-Household Ratio) In a metropolitan area such as the Bay Area, residents who travel across city borders for employment is commonplace, and such movement can be an indication of unconstrained job growth leading to higher housing and transportation costs. This can also indicate regional imbalances where at the individual or household level, a larger portion of incomes is dedicated to housing and transportation costs. (POPEMP-10: Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence)

Housing Cost Burden by Income

In Mountain View, of those households that make less than 30% AMI (less than \$49,700 annually for a four-person household), 66.9% are severely cost-burdened (spending 50% or more of their income on housing). Of those households that make 31% to 50% AMI (\$49,700 and \$82,850 annually for a four-person household), 43.4% are severely cost-burdened. But for households that make above AMI, less than 1% are severely cost-burdened.

Residents making less than 30% AMI are often renters who are typically more cost-burdened due to variable housing costs compared to homeowners who have mortgages with fixed rates. Additionally, low-income residents bear more impact to even small increases in cost as a ratio to their income than high-earners. (OVER-05: Cost Burden by Income Level) Furthermore, in the City, Hispanic or Latinx residents are the most cost-burdened, with 26.6% spending 30% to 50% of their income on housing and another 26% spending more than 50% of their income on housing. (OVER-08: Cost Burden by Race)

Housing Units by Number of Bedrooms

In Mountain View, household sizes are typically small as more than 60% of households are comprised of one to two people. This is higher than the Santa Clara

County average for similar-sized households (51% of households). (LGFEM-02: Households by Household Size; HSG-05: Housing Units by Number of Bedrooms; and OVER-04: Overcrowding by Income Level and Severity)

New Key Housing Element Requirements and Challenges

There are several new key requirements and challenges affecting this Housing Element cycle, as summarized below. The project team is working to address these requirements as part of the Housing Element update by reviewing recently adopted Housing Elements in other regions, meeting with HCD staff, and identifying best practices from technical resources (ABAG, Santa Clara County Collaborative, and HCD). The following requirements are also opportunities to evaluate current City approaches with new policy perspectives and to craft a Housing Element that best addresses the City's housing goals and needs.

1. **Increase in RHNA Numbers.** As noted, cities and counties throughout the State have been allocated increased RHNAs from the previous Housing Element cycle. The City's RHNA has increased from 2,926 to 11,135 units.

Since the adoption of the 2030 General Plan, the City has planned for new higher densities and residential capacity in the following mixed-use Precise Plan areas: North Bayshore, East Whisman, San Antonio, and El Camino Real. The City has approved a significant number of new housing units in these areas since that time, as shown below in Table 4.

Table 4: Approved Residential Units in Major New Precise Plans

Precise Plan	Approved Units
El Camino Real	843
East Whisman	871
North Bayshore	635
San Antonio	1,395

In addition to these units, the City is updating development standards for the R3 Zoning Update, which is expected for approval in 2023. This project will likely increase the amount of residential capacity within the R3 District, though further analysis is necessary to determine the amount of additional capacity. The City is also currently reviewing Master Plans submitted by Google within the North Bayshore and East Whisman areas, which could add approximately 9,000 additional units to these areas. These Master Plans are expected to be considered by the EPC and City Council in 2022.

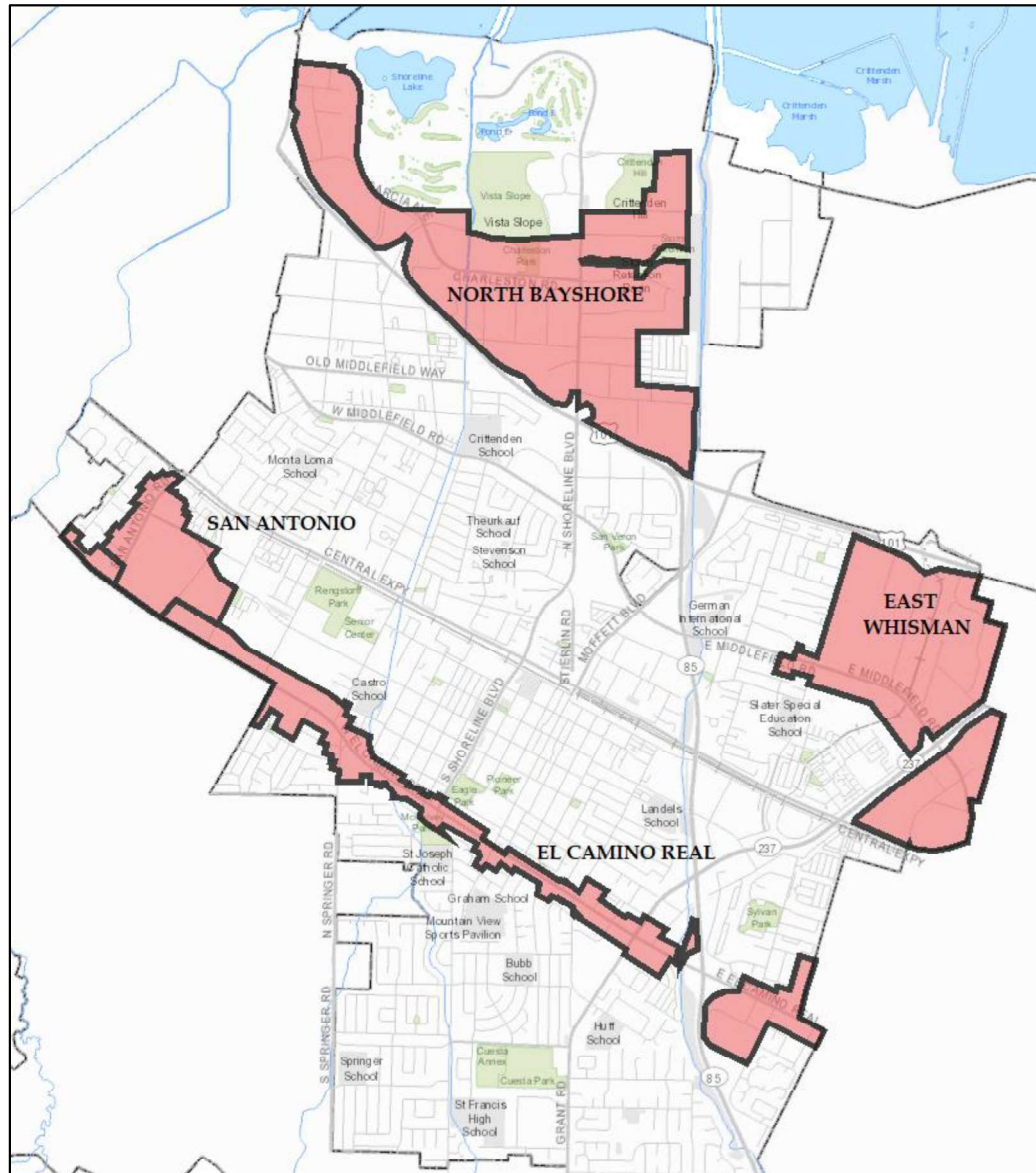


Figure 2: Map of Change Areas to Accommodate RHNA Sites

While the City has zoned for more overall capacity in these areas than our draft RHNA allocation, other sites may need to be identified. This is because HCD will review sites for their likelihood of redeveloping during the entire eight-year Housing Element period. Factors that may limit a site's ability to redevelop include: viable existing uses (such as office); large Master Plans with multiple phases to convert office uses into residential uses beyond the eight-year Housing Element period; costs and market feasibility; and the City's discretionary Bonus Floor Area Ratio review process.

In case there is not enough capacity in areas noted above, the City will need to identify additional sites to meet RHNA. These additional sites may be in other opportunity areas that do not require rezoning, such as underutilized sites, commercial or industrial areas, or additional areas that the City could consider rezoning to create additional capacity. Staff will analyze areas within the City in greater detail following further discussions with HCD. Staff will then return to the EPC and City Council with information on the overall zoning capacity and will present a recommended housing sites strategy.

2. School District Community Facilities District. Housing sites identified in the Housing Element must meet the criterion that they are likely to be redeveloped within the eight-year planning period specified by State law. In order to meet that criterion, every site must be analyzed for constraints on housing development, such as site conditions, City development standards, and fees and special taxes imposed by governments which serve the area. As housing sites are selected and reviewed for these constraints, the City may have to adopt strategies to either:

- Reduce constraints to a level where redevelopment is likely, such as by modifying fees or development standards; or
- Select alternative sites where the constraints are less of a barrier to development, redistributing the obligation to identify sites for the development of relatively dense housing in the City.

At its August 12, 2021 meeting, the Mountain View Whisman School District (School District) Board of Trustees provided direction for the School District to explore the establishment of a Community Facilities District (CFD). The purpose of the district would be to support the siting and construction of new schools to serve the anticipated population growth. CFDs fund these facilities through parcel taxes, which could be enacted through a two-thirds vote of the residents in the affected area.

The August 12, 2021 presentation to the School District Board indicates the School District's intention to apply the CFD to the area north of Central Expressway, which would include much of the City's R3 areas which house apartments and other multi-family units as well as new housing areas in North Bayshore and East Whisman. The tax would be based on the number of units on a parcel and would levy a significantly higher tax on new units than existing ones. In October 2021, the School District began polling a sample of registered

voters in the affected area about the creation of a CFD. It is unknown whether the School District will ultimately decide to place a CFD on the ballot and whether voters would approve such a measure.

If a CFD parcel tax as presented to the School District Board of Trustees in August were in place, it would likely reduce housing production, especially affordable housing production, in the City since it would raise the cost of home ownership or depress developers' incentive to build for-sale housing and apartments and other rental housing. As a result, it would be considered a constraint on housing development, which could preclude the City's use of those areas for the site inventory used to satisfy the City's obligation under the state's Regional Housing Needs Assessment (RHNA). If the City cannot include the area north of Central Expressway in the site inventory, more areas south of Central Expressway would need to be rezoned to comply with RHNA, bearing more of the community's obligation to site new housing at densities which promote affordability.

3. Additional Requirements for RHNA Sites. In 2017, the State Legislature passed Assembly Bill (AB) 1397, which implemented new requirements for sites identified in the site inventory portion of the Housing Element. Key changes included a requirement that cities and counties conduct additional analysis for nonvacant sites, small sites (less than one-half acre), and large sites (more than 10 acres) that are included in the site inventory to demonstrate that these sites are reasonably likely to be developed as shown in the site inventory. In addition, in order to reuse sites that were listed in the site inventory from the prior Housing Element (for nonvacant sites) or the prior two Housing Elements (for vacant sites), cities and counties must rezone these sites to allow residential use by right for housing developments in which at least 20% of units are affordable to lower-income households. Exceptions apply if the reused site has been rezoned to a higher density since the adoption of the last Housing Element.

The site inventory is currently in progress and will continue over the next few months. The Housing Element team is taking all new considerations related to site identification into account as part of this process. Despite the new requirements, staff anticipates that the site inventory will be able to identify enough sites to meet the City's RHNA requirements.

4. No Net Loss Provisions (Government Code Section 65863). Senate Bill (SB) 166 (2017) enacted new "no net loss" provisions that require cities and counties to maintain adequate sites to accommodate the unmet RHNA by income category

throughout the entire planning period. If a site in the site inventory is developed with nonresidential uses, fewer residential units, or fewer units in a particular affordability category than shown in the site inventory, the City will need to determine if the remaining sites in the site inventory continue to provide enough capacity to meet the RHNA. If not, the City is required to take immediate steps to correct the shortfall, either by identifying previously unidentified sites or by rezoning sites to create the additional capacity needed to accommodate the unmet RHNA. If a rezoning is needed, the City is required to complete the rezone within 180 days from the approval of the project that triggered the no-net-loss provision. However, a jurisdiction cannot deny approvals for a housing project on the basis that approval would trigger the no-net-loss provisions. SB 166 also prohibits the City from taking any actions that would reduce the density on a parcel in the site inventory unless the remaining sites in the inventory provide enough capacity to address the unmet RHNA. Throughout the planning period, the City must maintain a database of all Housing Element sites and account for approved housing by income level on each site to determine if the no net loss provisions apply. To reduce the chances of triggering the no net loss provisions, HCD recommends that the site inventory include a buffer of at least 15% to 30% more capacity than required to accommodate the RHNA.

Staff anticipates including a buffer in the Housing Element site inventory that is at least as large as the buffer that HCD recommends. Staff will continually monitor the site inventory throughout the sixth cycle planning period to identify any potential issues related to the no-net-loss provisions.

5. AB 686 – Affirmatively Further Fair Housing. In 2018, AB 686 was passed by the State Legislature, expanding the role of the Housing Element in addressing local governments' obligation to affirmatively further fair housing under State law. Under State law, affirmatively furthering fair housing means "taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." Key provisions of AB 686 that affect Housing Elements adopted on or after January 21, 2021 include:
 - Housing Elements must include a public participation process that incorporates meaningful efforts to include all community stakeholders.
 - Housing Elements must include an Assessment of Fair Housing (AFH) that is consistent with the core elements of the Federal Affirmatively

Furthering Fair Housing (AFFH) Final Rule from July 2015 and HCD guidance. The AFH includes, but is not limited to, a summary of fair housing issues; an assessment of fair housing enforcement and outreach capacity; and an analysis of patterns of integration and segregation, disparities in access to opportunity, disproportionate housing needs, and displacement risk.

- The site inventory portion of the Housing Element must be evaluated to address the extent to which the identified sites will affirmatively further fair housing. This generally means that the Housing Element should avoid concentrating affordable housing in areas with high proportions of lower-income residents or in racially or ethnically concentrated areas of poverty and should ensure that affordable housing sites are located in high-resource areas. High-resource areas are those that have characteristics that have been shown to improve economic, educational, and health outcomes for lower-income residents, which links the AFFH requirements to environmental justice considerations. Mountain View has many high-resources areas.
- The goals, policies, and programs in the Housing Element must respond to the findings from the AFH and the site inventory to include programs that address fair housing issues and affirmatively further fair housing.

The Housing Element Update will include a comprehensive response to the AFFH requirements by incorporating an assessment of fair housing into the needs assessment chapter to determine where needs and disparities currently exist and the factors that contribute to these needs and disparities. The Housing Element will also evaluate the site inventory through the AFFH lens and incorporate policies to affirmatively further fair housing. In addition, staff is considering additional strategies to ensure meaningful outreach to all segments of the community.

EPC Question No. 1: Does the EPC have any comments regarding new key Housing Element requirements?

Preliminary Policy Topics

City Council Strategic Roadmap

The City Council adopted the City's Strategic Roadmap in June 2021, replacing the previous Council Goals process that happened every two years. The Strategic

Roadmap includes Strategic Priorities, one of which is “Intentional Development and Housing Options,” which includes the following description: “Support an increase in the quantity and diversity of housing options, including assistance for the unhoused. Provide opportunities for affordable housing as well as home ownership. Plan for neighborhoods with nearby transit, jobs and amenities that balance density with livable, green, mixed-use development.” The Strategic Roadmap also includes City actions over the next two years. These actions may inform or be identified as Housing Element implementation programs and may also inform key policy topics.

This City Council policy direction will be included within the Draft Housing Element goals, policies, and programs.

- Displacement Response Strategy. Hold a Study Session on a displacement response strategy and net loss; develop a work plan for any desired follow-up actions.
- R3 Zone. Review and propose revisions to the R3 Zone standards that consider form-based zoning, incentivizing stacked flats, and updated rowhouse guidelines.
- School Districts. Work with the Mountain View Los Altos Union High School District (LAUHSD) to explore the possibility of the LAUHSD acquiring the Shenandoah property and the opportunity for shared uses and affordable housing on the site.
- Homelessness Response Strategy. Develop a Citywide strategy to respond to homelessness, including facilitating the development of various housing types to meet the wide range of housing needs for the unsheltered population and those at risk of homelessness.
- Middle-Income Housing. Develop strategies for middle-income persons to afford different housing types.
- VTA Lot – Evelyn Avenue. Facilitate the development of affordable housing at the Santa Clara Valley Transportation Authority (VTA) Evelyn Avenue site.
- Lot 12. Facilitate the planning/entitlement and building permit process for Lot 12.

- Housing Densities. Conduct a review of parcels with existing units that exceed the density currently allowed by the Zoning Ordinance/General Plan and hold a Council Study Session to discuss a recommended approach.
- County Partnership. Partner with the County to explore the potential conversion of the Crestview Hotel to housing for people who are unstably housed.

Potential Housing Policy Topics

Staff is seeking guidance from the EPC on whether the following potential preliminary policy topics should be prioritized and whether there are other topics that should be addressed in the Housing Element Update. Based on EPC and City Council direction, staff will further refine and analyze these topics, consolidate them into crafted goals and policies, and use them to inform additional programs.

- Displacement. There is a tradeoff between the development of new units in residential areas and displacement of existing tenants. New policies can help navigate this tradeoff.
- Affordable Housing Production. The City requires affordable units from market-rate developments and supports new affordable developments. However, the RHNA and no-net-loss provisions increase the stakes of generating affordable units.
- Funding, Capacity, and Partnerships. The need for affordable housing exceeds the funding and capacity available to build the units. New funding, capacity-building, and developing partnerships can increase the available resources to help meet the need. This could also include legislative advocacy efforts to create the resources and systems needed to meet the affordable housing requirements.
- Large-Unit Production. The majority of units in recent developments have been one-bedroom apartments with a few studios and two-bedroom units. Three-bedroom units have not been consistently produced.
- Entry-Level Ownership Production. The price of existing housing and units in new ownership projects is out of reach for most people without family sources of wealth.

- Diversity, Equity, and Inclusion. Housing can affect different populations in different ways. The Housing Element can include policies and programs that ensure Mountain View maintains and welcomes diversity.
- Preservation and Improvement of Naturally Affordable Stock. Many of the apartments in Mountain View are over 50 years old and approaching the end of their useful lives. These units can be naturally affordable places to live, but they may need maintenance and upgrades to ensure all residents have access to the City's minimum quality of life.
- Acquisition. Affordable housing developers have to compete with market-rate developers for land. There may be opportunities, such as land trusts or other funding strategies, that can increase the opportunity for these acquisitions.
- Sustainability. Housing is a major source of greenhouse gas emissions, and programs can help incentivize increased efficiency of new buildings and efficiency upgrades in existing buildings.
- Impacts to Infrastructure and City Facilities. The effects of the City's growth on facilities and infrastructure are regularly assessed through California Environmental Quality Act (CEQA) documents, department studies, and other processes.
- Development Review. There may be opportunities to improve efficiency and reduce uncertainty with targeted changes to the development review process.
- Development Standards and Fees. Development regulations can be a major source of government constraints on housing production. Targeted changes to standards and fees may enable some new housing development opportunities.
- Notice of Availability Process Review. In 2014, the City implemented an "over-the-counter" NOFA process to make City housing funds available on a continuous basis to 100% affordable housing projects. Since that time, many things have changed, such as new State legislation impacting housing requirements and timelines, new policy issues, the increased cost of development, and the increase in the City's project pipeline. Staff recommends reviewing the NOFA process and best practices to identify potential modifications that may improve the process based on current development conditions and requirements.

- Targeted Populations. Affordable housing could target seniors, disabled individuals, specific income levels (e.g., extremely low income or moderate income), families, community-serving or local employees, homeless, or other specific populations.
- Engagement and Education. Throughout the Housing Element process, the City will engage residents and other stakeholders on the key topics the Housing Element may address. In addition, ongoing outreach efforts can ensure programs and policies are effectively implemented.
- Data Efficiency. The City can look to acquire tools and software that will improve development review, monitoring of housing supply, management of funding, and other processes involved in housing development.

EPC Question No. 2: Does the EPC support the initial list of draft Housing Element policy topics? Are there other policy topics that should be included?

Public Outreach

The Housing Element process includes two main phases of public outreach. The first phase has been in progress since spring 2021 and will continue through the rest of the year. This input can help guide the development of potential Housing Element goals, policies, and programs. The outreach efforts so far include: creating an educational webpage,⁷ hosting stakeholder interviews, community workshops, attending farmer's markets, and creating a community input survey. The second phase will occur in early spring 2022 and will focus on receiving feedback on the Draft Housing Element.

Summaries of community outreach meetings to date are included in Exhibit 3.

CONCLUSION

In conclusion, staff is seeking EPC input on the key questions presented in this report:

1. Does the EPC have any comments regarding new key Housing Element requirements?
2. Does the EPC support the initial list of draft Housing Element policy topics? Are there other policy topics that should be included?

⁷ Mountain View's Housing Element Update webpage is available at: www.MVHousingElement.org.

NEXT STEPS

Following this meeting, staff and the consultant team will present EPC input at a Study Session with the City Council tentatively scheduled for November 16, 2021. Based on direction from the EPC and City Council, the project team will conduct additional outreach, continue the RHNA site inventory, and begin the required CEQA analysis and work. Staff may return for another round of Study Sessions with the EPC and City Council with draft policies and programs and an update of the sites inventory in early spring 2022. Based on the direction from the EPC and City Council, City staff will complete the draft Housing Element and present it to the community for public review and present at the last Study Sessions with the EPC and City Council later that spring.

The City will submit the draft Housing Element to HCD for a 60-day review and revise the document for the Final Housing Element. The public hearings for the Final Housing Element will occur during fall 2022, and the City will submit to HCD for a 90-day review by winter 2022 for final certification.

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EY/6/CDD
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- Exhibits:
1. Letter to ABAG – July 2, 2021
 2. Data Graphs
 3. Outreach Summary and Outcomes