

EPC Questions – October 20, 2021

Item 5.1 – 282 East Middlefield Road

1. Has the developer explored with Staff a smaller-scale project that would conform to the precise plan and that would “pencil out”?

Staff will respond at the meeting.

2. I see the Owner/Developer requested a continuance and understand the city's response (Exhibit 7). I just wanted to find out whether a gatekeeper application is considered the "same application" or a "new application" if the developer returns with the 2nd option city staff listed (submit new compliant application OR a gatekeeper application)?

Staff will respond at the meeting.

Item 6.1 – Housing Element Update

1. What are the main reasons for Bay Area RHNA’s significant increase from the 2015-23 period to the 2023-31 period? And why is Mountain View’s increase so much more significant than the Bay Area’s?

Why is growth in MV's proposed allocation so much higher than other cities?

The allocations for the Bay Area’s 5th cycle RHNA were determined during the downturn of the Great Recession; therefore, the determination included an adjustment reflecting the uncertain conditions affecting the economy and the housing market. For comparison, the 4th cycle RHNA for 2007-2014 was 214,500 units. Second, for the 6th cycle, the State made a major modification to determining RHNA allocations where *existing needs* that have not been met is included with the *projected population growth*. The change is to address overcrowding (more than one person per room) or cost-burden households (overpaying for housing defined as paying more than 30% of gross income).

ABAG adopted a methodology that places significant emphasis on specific factors such as access to opportunities, like jobs and transit, which directed a greater share of regional RHNA to Silicon Valley relative to other areas like San Francisco and the East Bay. The percentage change of 5th cycle RHNA to 6th cycle RHNA for jurisdictions in Santa Clara County range from 62% to 1000%. In addition, the RHNA is based on the Plan Bay Area growth model, which made some assumptions about future redevelopment in different areas. These assumptions, which are based

in part on existing Zoning but also include other factors, seemed to have also contributed to Mountain View's higher RHNA.

2. What are SB9's impacts on Mountain View's RHNA, if any?

SB 9 is a recent law that allows single-family residential lots to subdivide into two lots and allows for two units on each lot. The likelihood of creating new housing opportunity in Mountain View due to SB 9 largely depends on factors such as development costs, lot sizes, and other local regulations. Guidance from the State is still pending and the effects of SB 9 on Mountain View's housing development is uncertain at this time.

3. Were the 2020 census data taken into consideration in the new housing element requirements?

Housing Element requirements and the draft RHNA were determined before the completion of the 2020 census data and were not taken into consideration in the requirements. As part of the City's Housing Element update, the project team will be using the most recent data, including the 2020 census, to evaluate existing conditions and housing needs.

4. Does ABAG ever respond to letters from the city, or is it standard for cities to wait for the draft numbers to come out?

First, for RHNA, ABAG involves local jurisdictions throughout this process. The process includes several ways for cities to learn and comment on draft RHNA numbers. The process includes sharing of data; technical resources and memos; workshops; ABAG Executive meetings; meeting with staff; and participation through the Housing Methodology Committee (HMC) which includes representative members from cities within the Bay Area. The HMC is the formal process for how cities can be most engaged in how the RHNA numbers are created. Mountain View was engaged with all of these processes.

ABAG reviews all letters from cities, and includes them during formal ABAG review and public discussion of RHNA.

5. Please define "likely to be developed" under HCD guidelines?

HCD evaluates several factors that may affect development of residential units on a site, and requires jurisdictions to justify their inclusion of each site. Some of these factors include development standards such as parking ratios, density, and height that promote development; accessibility of water, sewer, and dry utilities; and the realistic potential for non-vacant, viable uses on sites to redevelop as residential.

HCD's evaluation is based on evidence provided by the City whether similar cases have or have not resulted in development and the number of units those similar cases generated.

6. Page 8 discussed population growth. What was Residential Unit Growth over the same periods?

	1990 - 2000	2000 - 2010	2010 - 2021
Population Change	4.9%	4.7%	12.0%
Residential Unit Change	3.0%	4.4%	11.8%

7. What percent unit growth is 11,135 additional units citywide?

Approximately 30%. The current number of residential units citywide is 37,820.

8. Page 9 discusses Burden by Income and also mentions Burden by Race. Have these been factors in the past? Do we have good data on this today? Do we have any reason to believe that San Antonio, El Camino, North Bayshore or East Whisman would be likely to have some of this uneven burden?

Prior Housing Elements have looked at housing cost burden as part of the needs assessment. Specifically, Mountain View's last Housing Element included an analysis of housing cost burden by income but not by race. However, with the increased emphasis on affirmatively furthering fair housing, sixth cycle Housing Elements must consider disproportionate housing needs such as differences in housing cost burden by race and ethnicity. The data provided in Exhibit 2 attached to the staff report provides data on housing cost burden by income and race based on American Community Survey data, which is generally considered reliable for this purpose.

The prevalence of high housing cost burden is typically higher in areas where housing costs are high, so if housing costs in these Precise Plan areas are similar to the rest of the City these areas could show similar trends related to housing cost burden. If housing costs in these Precise Plan areas are lower overall than in other areas of the City, these areas might have a smaller proportion of households with a high housing cost burden. However, the prevalence of high housing cost burden would likely continue to be higher for lower-income households than for households with higher incomes. To the extent that some racial and ethnic groups tend to have lower incomes than average, the prevalence of high housing cost burden would likely be higher among these groups. These trends could be mitigated somewhat by policies that ensure the availability of housing for households at various income levels.

9. Same general question but what about R3? Since R3 has almost all of the rent controlled units, it seems like it might be more likely to be impacted by income and maybe race as well?

Yes, it's possible. However, it would depend both on the units removed as well as the units built. In addition, rent-stabilized units do not necessarily mean that they aren't still a cost-burden. If preliminary R3 policies are included in the Housing Element, the project team would need to assess these factors and may need to adjust the policies as necessary.

10. It seems odd to me that if the school district imposes high fees, the city might have to cut its fees. Has this happened before?

If the school district CFD tax were in place, it would likely reduce housing production as it may raise the cost of home ownership or it may reduce developer's incentive to build in those areas affected by the tax. That in turn would require the City to identify sites that would be more likely to redevelop or to evaluate other options to reduce constraints or increase incentives to build in order to comply with State Law. This could include evaluating City fees, among other options, but further analysis of the CFD and its effect on the Housing Element will be needed.

11. Are costs for the infrastructure to handle the additional growth separate from additional fees like parkland and community benefits? Just wondering how we pay for sewers, water systems, etc. that will have to scale if fees are restricted.

The City levies utility fees on new development, both generally and on a project-by-project basis, to ensure that new demand can be accommodated in the City's infrastructure. These fees would not likely be eliminated or reduced based on their public health and safety needs, and if necessary, other fees would be prioritized, or sites needing fewer utility upgrades would be identified. However, it should be noted that these fees are generally small relative to the overall cost of construction.

12. If something that is BMR or rent controlled is torn down for redevelopment, what happens to our count until it is rebuilt? Could be 3-4 years until something is replaced?

The demolished units are subtracted from the overall project units when they are reported in the APR, so there is no temporary reduction due to redevelopment.

13. If a developer wants to rezone a property identified in the Housing Element as a potential housing site (as described on page 11-12), would that developer have to go through a gatekeeper process or would it be approved by right?

If the proposed project is not consistent with the current Zoning or General Plan designation, they would need gatekeeper authorization from the City Council. Housing Element sites need to be zoned for the density assumed in the Housing Element, so the most likely occurrence would be a developer seeking additional density, which would still need a gatekeeper. If the developer is seeking a rezoning of a Housing Element site for another use (such as office), the City would have to identify other housing sites as a part of the rezoning process to comply with State Law.