



## AGENDA REPORT

**DATE:** April 14, 2009  
**TO:** City Council  
**FROM:** David Kornfield, Planning Services Manager  
**SUBJECT: HOUSING ELEMENT UPDATE**

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### **RECOMMENDATION**

Approve the administrative draft of the Housing Element and submit it for State review.

### **BACKGROUND**

This is an update to the City's General Plan Housing Element. The purpose of this update is to comply with State housing element requirements and to maintain the existing and effective housing goals, policies and programs of the City. This meeting is intended to review the draft Housing Element and direct staff to submit it to the State Department of Housing and Community Development (HCD) for their 60-day review. Following a response to any HCD concerns, we will schedule the adoption of the Housing Element and its environmental review for this June or July. The Housing Element will cover the period up to 2014.

Following a public informational meeting in January, last month the Planning Commission reviewed the draft Housing Element including such changes as:

- Strengthening Goal 7 and its related policies on energy efficiency by adding references to sustainability and water conservation in accordance with the recommendation of GreenTown Los Altos (Page 34);
- A revised approach to the quantified housing objectives (Table 2, Page 40); and
- Clarifying the information on Extremely-Low Income households in the City (Tables 9 and 9A, Pages 48-49).

The Planning Commission did not support changes to Policy 2.2 to further intensify development for commercial mixed-use projects that included housing, changes to the second living unit policies (Policy 4.2 for example), or to consider using City owned land for affordable housing as recommended by the League of Women Voters.

In their consideration of the changes to the Housing Element, the Planning Commission added an independent study session item to review the administrative polices associated with implementing the City's affordable housing program. The study session will include meeting with the City's

housing administrator to discuss such topics as the program's application priority system, the income levels, and how prices are set.

The attached memorandum to the Planning Commission summarizes the draft Housing Element in more detail and contains public correspondence. The memorandum to the Planning Commission has a useful summary of the Goals, Policies and Programs in the draft Housing Element that coordinates the changes from the existing Housing Element to the proposed draft Housing Element. Also attached is a summary of changes to the draft Housing Element from the version the Planning Commission considered.

Also on the April 14<sup>th</sup> agenda is a related but independent zoning amendment that implements draft Housing Element Program 4.3.2 to define the specific number of Below Market Rate units by development size and type.

## **DISCUSSION**

The initial approach in setting the Housing Element's Quantified Objectives was to set our objectives to coincide with the Regional Housing Needs Assessment (RHNA). The RHNA is shown in Table 32, Page 71 of the draft Housing Element. Setting the objectives to the RHNA is typical approach used by many cities in their housing elements knowing that the actual performance often falls short of the objectives in some of the income categories. The Planning Commission preferred a more relative approach based on actual housing trends and production in the community. Accordingly, we revised the Quantified Objectives to include two years of actual data and projections from a few larger sites that are more likely to develop within the next five years. The result is lower objectives in each category but with an emphasis on above-market-rate housing (Table 2, Page 40).

This revised draft of the Housing Element also offers more definition on the community's Extremely-Low Income households. Although approximately 12 percent of the households in Los Altos have incomes in the Extremely Low Income range (Table 9, Page 48) further data suggests that almost half of those households are older homeowners, which means that there is a less significant issue related to providing Extremely-Low Income housing for such households. The State has only recently added the Extremely-Low Income category for consideration of our housing element policies. Draft Housing Element Program 4.3.3 addresses this issue with a program to be implemented over the next year to consider any changes to our regulations related to providing Extremely-Low Income housing.

## **ALTERNATIVES**

The City Council may recommend changes to the Housing Element as appropriate. Staff promotes an approach, that if changes are deemed necessary, to direct staff to work with the consultant to affect such changes and submit the Housing Element to the State for their required review. It is important in staff's view to have the State review the element as soon as possible and to consider any last changes in light any State comments prior to adopting the element in June.

Attachments:

1. Draft Housing Element
2. Summary of Modifications
3. Memorandum to the Planning Commission dated March 5, 2009