



MEMORANDUM

DATE: March 5, 2009

TO: Planning Commission

FROM: David Kornfield, Planning Services Manager

SUBJECT: HOUSING ELEMENT UPDATE

RECOMMENDATION

Motion to recommend approval of the draft 2009 Housing Element to the City Council.

PROJECT DESCRIPTION

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 housing goals, policies and programs of the City.

BACKGROUND

By law, every city and county in California must adopt a Housing Element as part of its General Plan. The purpose of the Housing Element is to ensure that local governments adequately plan to meet the housing needs of all people within the community—regardless of their income. The underlying premise of Housing Element law is that, for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. This housing element will cover the period up to 2014.

Staff hired a consultant—PMC—to help prepare the Housing Element update. The consultant helped staff develop the public participation process, analyze the existing Housing Element, assess the current and projected housing needs, create an inventory of potential housing sites, analyze governmental and non-governmental constraints, prepare revised goals, policies and programs, and prepare the draft Housing Element for State certification.

As part of our initial public outreach, staff and the consultant held an informational meeting on January 15, 2009. The purpose of the meeting was to educate the public on the requirements of housing element law, the required contents of a housing element, the process for updating the Housing Element and information about the effectiveness of the current Housing Element. That

meeting also provided an early opportunity for the public to present any concerns or share information relevant to the update. Page 10 of the draft Housing Element contains that input.

Following a review by the Planning Commission, the draft Housing Element will be subsequently reviewed by the City Council and submitted to the State for review. After considering the State Housing and Community Development comments, if any, the Housing Element will be finalized for formal adoption and for environmental impacts. Staff anticipates that the environmental review will result in a Negative Declaration since there are no anticipated significant changes such as rezoning properties to a higher density.

DISCUSSION

Summary

This draft Housing Element reorganizes, and in some cases clarifies, the existing Goals, Policies and Programs in structure. The new organization maintains the existing principles and emphasizes the hierarchy between the goals, policies and programs. For example, some goals were restated as policies and some policies were restructured as programs due to their inherent specificity. Most of the existing goals, policies and programs were continued; however some of them were modified or combined to clarify their purpose such as existing Policy 3.6 that was split into two different programs: one to facilitate alternative transportation modes and the other to accommodate the needs of children. Program 1.5.5 was added to support the City's existing subdivision policy. A few were discontinued because they were obsolete or completed such as Program H-5 where the Affordable Housing Mixed Use Overlay zone was implemented, and such as Program H-10 where funding for home-sharing services is lacking. The attached spreadsheet summarizes the draft goals, policies and programs and relates them to the existing Housing Element.

There were new goals, policies and programs added to comply with the State law. Goal 3 was created to help create housing opportunities for people with special needs. Supporting Goal 3 are two new policies related to supporting the County's efforts: to serve the homeless, and to address the State requirements for emergency shelters, transitional housing and supportive housing. Three key programs were added in accordance with State law to establish the zoning for such special needs housing. Goal 8 was created to support regional efforts to advance responsibility in housing policy and planning, and to address the new statutory reporting requirements.

Policy 4.3 was added to facilitate the development of affordable housing in support of the Goal to provide housing for all income levels. Program 4.3.2 was added to reflect the desire to define the number and type of required below-market-rate housing units and to provide an emphasis on Moderate Income housing units (see *Performance* below). Separate from this action, staff has prepared a code amendment implementing Program (see related Memorandum).

Performance

In evaluating the Housing Element, the State considers the City's performance in meeting its Regional Housing Needs Assessment (RHNA) during the last planning period, which was 1999 to

2006. One of the main considerations is how well or not the City achieved its fair share of housing units. The table below shows the City's performance:

Los Altos Performance Against RHNA 1999 - 2006												
Very Low			Low			Moderate			Above Moderate			
RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	Total Permits Issued
38	24	63%	20	16	80%	56	2	4%	147	705	480%	747

*Data was provided by local planning or housing staff.
 Source: A Place to Call Home: Housing in the San Francisco Bay Area, ABAG. 2007. 39.

The City attained far greater housing numbers than the overall allocation; however, we met only two percent of our allocation for moderate income units; we performed fairly well in the other lower income categories. Accordingly, in support of Policy 4.3 we created Program 4.32 in an effort to produce more Moderate Income units.

Regional Fair Share and Quantified Objectives

Our regional fair share of housing is determined in conjunction with the Association of Bay Area Governments (ABAG). Our Regional Housing Needs Assessment is as follows:

Income Category	Income Level	# of Units	% of Total
Extremely Low	0-30% of AMI	49	15.5%
Very Low	30-50% of AMI	49	15.5%
Low	50-80% of AMI	66	21%
Moderate	80-120% of AMI	79	25%
Above Moderate	120%+ of AMI	74	23%
Total		317	100%

Source: ABAG 2007.

The State added the Extremely-Low Income category to our allocation. This was added late in the RHNA process and resulted in splitting the original Very-Low Income allocation in half. Pending implementation of the legislation requiring provisions for Extremely-Low Income units we do not

have to provide for such units in our housing plan. Extremely-Low Income units are generally attained through the development of Single Room Occupancy units and other forms of high density housing. The City will be amending its code according to State law to allow for Single Room Occupancy units under Program 3.2.3. It is likely that we will allow them as conditional uses in the Commercial Thoroughfare District. In the meantime, there is nothing the City needs to do in its housing plan to provide specifically for Extremely-Low Income units.

During this planning period—2007 to 2014—we expect to meet our RHNA with the following quantified objectives:

	Very-Low	Low	Moderate	Above-Moderate	Total
Single Family	0	0	0	74	74
Multi-Family	82	50	79	0	211
Second Units	16	16	0	0	32
Total	98	66	79	74	317

Source: City of Los Altos 2009.

We assumed that the vacant single-family parcels will develop with 74 Above-Moderate Income housing units. We then assumed that we would attain 16 Second Living Units distributed equally among the Very-Low and Low Income categories. Finally, we distributed the remaining multiple-family unit expectation among the below-moderate income categories to arrive at the quantified objectives.

Considering the vacant and underutilized land we calculate that we have the capacity to yield 333 housing units across all income categories not including the potential for additional units through the application of the State Density Bonus laws. Based on our housing needs assessment (RHNA) and an analysis of our vacant and underutilized sites, staff and the housing consultant believe that we can meet our housing objectives without the need for rezoning properties to a higher density.

CORRESPONDENCE

Staff received a letter from GreenTown Los Altos recommending expansion of the Energy Efficiency goal and policies and the addition of a new goal and policies related to encouraging higher density mixed-use development in the downtown and neighborhood commercial areas. Staff found that the recommendations regarding energy efficiency are covered under Goal 7 and its Policies. However, we added the term “water” to Policy 7.2. We think it is premature to recommend adding language such as “sustainability” or “green house gas reduction” as these are difficult terms to create specific regulatory programs for, and perhaps, more significantly, the State has yet to implement the relevant legislation.

We do not recommend any new goals or policies related to intensifying the downtown or neighborhood commercial areas. The City Council recently considered such a program for the downtown area and in doing so implemented zoning changes to allow three-story development in the CD district and omitted the floor area limits for the downtown triangle. Policy 2.2 and Program 2.2.1 address the general policy of providing incentives for mixed-use development in commercial areas.

Staff also received two letters from a resident/small business owner expressing concerns about the priority list the City uses when administering the transfer of affordable housing units and about a perceived lack of responsiveness in administering such housing. The priority list is a matter of City Council policy. The resident's concerns about the priority list are inherent in such a system where the Council determined that public employees that serve the City should be given first priority; that City residents are a second priority; and City business owners are a third priority. This is opposed to a simple waiting list where priority is given to the first applicants. As a matter of City Council policy, and not Housing Element policy, staff recommends that these concerns are best addressed outside of the Housing Element process.

David Kornfield, AICP
Planning Services Manager

Attachments

- A. Housing Element Program Mapping Matrix
- B. Correspondence
- C. Draft Housing Element