



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: February 24, 2025

Report #:2411-3795

TITLE

Authorize Transmittal of the 2024 Comprehensive Plan Annual Progress Report to the Office of Planning and Research and the 2024 Housing Element Annual Progress Report to the Department of Housing and Community Development.

RECOMMENDATION

The Planning and Transportation Commission and staff recommend City Council review the following State-mandated Annual Progress Reports and direct staff to submit them to the appropriate State authorities by April 1, 2025:

1. 2024 Comprehensive Plan Annual Progress Report (Attachment A) to the Office of Planning and Research (OPR); and
2. 2024 Housing Element Annual Progress Report (Attachments B and C) to the Department of Housing and Community Development (HCD).

EXECUTIVE SUMMARY

This report provides an update on the status of the 410 implementation programs contained in the Comprehensive Plan (Comp Plan) and the 110 implementation programs in the 2023–2031 Housing Element (Housing Element), a chapter of the Comp Plan. The City is required to submit an annual progress report on the implementation progress of the Comp Plan and Housing Element annually by April 1.

With the program status updates in 2024, a total of 17 (4%) of the 410 Comp Plan programs have been, or are now complete, and 291 (71%) are considered ongoing tasks. The remaining 102 (25%) of the programs, the partially complete and pending programs, still need to be completed.

For the Housing Element, certified in August 2024, the City has made progress on program implementation; approximately 56% of the programs are considered either complete or part of on-going operations, and 26% of the programs are considered in progress. See Attachment B and discussion below for more information about the Housing Element program implementation status.

On November 13, 2024, the Planning and Transportation Commission (PTC) reviewed the statuses of the Comp Plan and the Housing Element Implementation programs. There were no public comments and the PTC voted unanimously to recommend the Council review and transmit the annual reports to the relevant State entities by April 1, 2025.

BACKGROUND

This Annual Progress Report (APR) is for the seventh year of annual reporting since the adoption of the 2030 Comprehensive Plan in 2017 and for the second year of the 6th Cycle Housing Element. The City Council reviewed the 2023 annual reports on March 11, 2024.¹ The PTC reviewed the 2024 APRs on November 13, 2024.

2030 Comprehensive Plan Implementation APR

The Comprehensive Plan Implementation APR is a State mandated report, required by Government Code Section 654003, and submittal is due by April 1 each year. The Government Code states that after a legislative body (City Council) adopts the Comp Plan, an annual review must be submitted to the City Council, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) on the status of the plan's progress in implementing programs.

In addition to the State mandated annual reporting, the Palo Alto Municipal Code (Section 19.04.030)² specifies that the PTC shall annually review the Comprehensive Plan "and recommend to the City Council such extensions, changes or additions to the plan as the commission may consider necessary in the view of any change in conditions." The PTC did not recommend any extensions, changes, or additions to the plan this year.

2023-2031 Housing Element APR

The HCD requires an APR addressing the City's progress in implementing the Housing Element. The report is due by April 1. The report includes data on housing production and accomplishments toward the City's Regional Housing Needs Allocation (RHNA) goals. The 2023 Housing Element APR, submitted in March 2024, was the first year of reporting on the implementation of the 6th Cycle Housing Element programs.

¹ [2024-03-11 City Council Agenda Packet](#)

² https://codelibrary.amlegal.com/codes/paloalto/latest/paloalto_ca/0-0-0-82254

The 2024 Housing Element APR reflects the second year of the 6th Cycle Housing Element that was readopted by City Council on April 15, 2024, and certified by HCD on August 20, 2024.

HCD mandates that the APR for the Housing Element focus on three topics:

- Total number of net housing units produced or “permitted” by the City in a calendar year;
- Status of jurisdiction’s progress in addressing its RHNA; and
- Status of the implementation of the Housing Element’s programs and goals.

Planning and Transportation Commission Review

On November 13, 2024, the PTC reviewed the Comp Plan and HE implementation programs.³ The PTC’s questions ranged from procedural review schedules to specific program implementation practices. The PTC unanimously approved staff’s recommendation to take the year-end statuses of programs to City Council in early Spring. The minutes for the November 13, 2024, PTC meeting are available here.⁴

ANALYSIS

This section provides an overview of 2024 APRs for the Comp Plan and Housing Element and provides high-level summaries of the related data. See Attachments A and B for individual program details and information about the City’s RHNA progress.

Comprehensive Plan Program Implementation Status

The Comp Plan is intended to be a living document, to grow and evolve as local conditions change. The City Council’s role is to review the Comp Plan programs annually and consider any modifications that may be necessary. All amendments require public hearings by the PTC and City Council and evaluation of the potential impacts on Palo Alto’s physical environment, in accordance with the California Environmental Quality Act (CEQA).

Attachment A provides detailed status summaries of the 410 programs.

Staff assessed the implementation programs of the Comp Plan and reported on the following three aspects:

1. Completion Status

Staff have categorized programs as follows:

- Complete: Program implemented; tasks complete; no follow-up needed.
- Partially Complete: Program implementation tasks in-progress.

³ [2024-11-13 Planning & Transportation Commission Agenda Packet](#)

⁴ [2024-11-13 Planning & Transportation Commission Summary Minutes](#)

- Ongoing: Program activities ongoing as standard business practice.
- Pending: Program implementation not started.

The table below indicates how many programs fall into each of these categories as of the end of December 2024 and compares this to the status at the end of 2023. Note that some programs that were considered ongoing in 2023 have since been either completed or partially completed, leading to an overall reduction in ongoing programs and an overall increase in completed and partially completed programs.

Table 1. Completion Status of the Comprehensive Plan Programs (through December 2024)

Completion Status	Number of Programs (2023)	Percent of Total (2023)	Number of Programs (2024)	Percent of Total (2024)
Complete <i>Program implemented; tasks complete; no follow-up needed</i>	13	3%	17	4%
Ongoing <i>Program activities ongoing as standard business practice</i>	301	73%	292	71%
Partially Complete <i>Program implementation tasks in-progress</i>	36	9%	52	13%
Pending <i>Program implementation not started</i>	60	15%	49	12%
Total	410	100%	410	100%

Source: City of Palo Alto, Planning and Development Services, January 2025

2. Target Completion Date at Time of Comp Plan Adoption

Comp Plan Implementation Programs priorities were identified in 2017 when the Plan was adopted. These priorities correlated to the timeframe within which the programs should be completed.

Table 2. Completion Status of the Comprehensive Plan Programs by Target Completion Date (through December 2024)

Target Completion Date at Time of Comp Plan Adoption	Number of Programs	Complete	Ongoing	Partially Complete	Pending
By 2022	97	7	62	21	7
2022-2027	93	4	43	20	26
After 2027	11	1	4	1	5
Continuous <i>(not expected to be completed)</i>	209	5	183	10	11
Total Programs	410	17	292	52	49

Source: City of Palo Alto, Planning and Development Services, January 2025

Note: Please see November 13, 2024, PTC packet for an explanation of terminology changes.⁵

3. Level of Effort Required to Complete

For each Comp Plan program, the level of effort for program implementation is assessed annually. The level of effort reflects the magnitude and complexity of the program in terms of project size (e.g., small, medium, or large), required staffing, departmental planning, interdepartmental or cross jurisdictional involvement, and overall financial cost.

The levels of effort are as follows:

- **Standard:** Relatively lower level of effort to complete; can likely be accomplished with existing resources.
- **Significant:** Moderate level of effort required to complete; may require some additional resources.
- **Substantial:** High level of effort required to complete; very likely to require additional staffing, financial or other resources.

Table 3. Completion Status of the Comprehensive Plan Programs by Level of Effort for Programs Not Yet Completed (through December 2024)

Level of Effort to Complete Implementation	Number of Programs	Ongoing	Partially Complete	Pending
Standard <i>Relatively lower level of effort to complete; can likely be accomplished with existing resources</i>	223	181	22	20
Significant <i>Moderate level of effort required to complete; may require some additional resources</i>	121	79	20	22
Substantial <i>High level of effort required to complete; very likely to require additional staffing, financial or other resources</i>	49	32	10	7
Total	393	292	52	49

Source: City of Palo Alto, Planning and Development Services, January 2025

Note: Please see November 13, 2024, PTC packet for an explanation of terminology changes.⁶

Housing Element Program Implementation Status

In 2024, Planning & Development Services staff remained focused on tasks associated with the 6th Cycle Housing Element revision and readoption process based on HCD comments. The City Council readopted the 2023-2031 Housing Element on April 15, 2024, and HCD certified it on August 20, 2024.

⁵ [2024-11-13 Planning & Transportation Commission Agenda Packet](#)

⁶ [2024-11-13 Planning & Transportation Commission Agenda Packet](#)

The Housing Element has 110 implementation program objectives that address a range of initiatives to support housing in the City. At this time, considerable progress has been made on program implementation. Of the 110 adopted program objectives, staff has addressed approximately 62 (56%). Many of these program objectives are part of ongoing operations. An additional 29 (26%) of the program objectives are considered in progress. The list of Housing Element programs is provided in Attachment B.

2024 Achievements Toward 2023-2031 RHNA

For the 2023-2031 RHNA cycle, the City's allocation is 6,086 units. Table 4 shows the City's progress in housing production as of December 31, 2024.

Table 4. City Progress Towards 2023-2031 RHNA Allocation (as of December 31, 2024)

Income Level	2023-2031 RHNA (by Income Level)	Total Units Permitted as of December 2024	Total Remaining RHNA	% of RHNA Permitted
Extremely Low Income	778	0	778	0.00%
Very Low Income	778	0	778	0.00%
Low Income	896	89	807	9.93%
Moderate	1,013	71	942	7.01%
Above Moderate	2,621	285	2336	10.87%
Total	6,086	445	5,641	7.31%

Source: City of Palo Alto, Planning and Development Services, December 2024

As of December 31, 2024, the City issued building permits for 445 units. Approximately 64% of these units were in the Above Moderate-Income category (223 accessory dwelling units and 27 single family homes).

FISCAL/RESOURCE IMPACT

There is no resource impact anticipated. Staff time to prepare and submit reports was contemplated in the allocation of resources to the department.

STAKEHOLDER ENGAGEMENT

Members of the public had an opportunity to comment on the draft APR reports during the PTC hearing held on November 13, 2024. There were no public speakers for this item. Other than the required noticing for City Council and PTC meeting in a local paper and public media, staff did not perform any specific community outreach.

ENVIRONMENTAL REVIEW

This report on the City's progress of the existing Implementation Chapter of the Comp Plan and the Housing Element is not a project requiring review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

Attachment A: Comp Plan Implementation Program Status, 2024

Attachment B: 2023-2031 Housing Element Implementation Program Status, 2024

Attachment C: City's RHNA Progress, 2024

APPROVED BY:

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