

7. Supplemental Report - Adoption of a Resolution Adopting the 2023-31 Housing Element and Consideration of the Associated California Environmental Quality Act (CEQA)
Addendum to the Comprehensive Plan 2017 Final Environmental Impact Report



City Council Supplemental Report

CITY OF
**PALO
ALTO**

From: Jonathan Lait, Planning and Development Services Director

Meeting Date: May 8, 2023

Item Number: 7

Report #:2305-1394

TITLE

Supplemental Report - Adoption of a Resolution Adopting the 2023-31 Housing Element and Consideration of the Associated California Environmental Quality Act (CEQA) Addendum to the Comprehensive Plan 2017 Final Environmental Impact Report

RECOMMENDATION

Receive transmittal.

BACKGROUND

This report transmits Attachment F previously not included in the above referenced staff report packet. Attachment F is a document that identifies HCD's March 23, 2023 comments on the initial draft Housing Element and shows where those comments are addressed in the revised Housing Element.

It also transmits Exhibit D to the resolution, which demonstrates the Housing Element's compliance with requirements of state law.

ATTACHMENTS

Attachment F: City Response Matrix to HCD Comment Letter

Attachment C: Resolution to Adopt the 2023-2031 Housing Element, with updated Exhibit D

APPROVED BY:

Jonathan Lait, Planning and Development Services Director

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
1	A Review and Revision			
2	<p>Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)</p> <p><u>Special Housing Needs</u>: The element must provide an evaluation of the cumulative effectiveness of past goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness) and revise programs as appropriate. In addition to evaluating progress or effectiveness of programs to address special needs groups, the element can also discuss the results, success, or lack of, challenges and opportunities from outreach, coordination, application for funding, incentives or other activities and then discuss potential strategies set forth in the current element to meet the need.</p>	Added a section dedicated to the discussion of the effectiveness in addressing special needs including a list of programs from the 5th Cycle that address special needs housing and a list of accomplishments.	Appendix A: Past Accomplishments	Appendix A: Past Accomplishments; A.3 Effectiveness in Addressing Special Needs, page A-24 (redlined version)
3	B Housing Needs, Resources, Constraints			
4	<p>1. <i>Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)</i></p>			
5	<p><u>By-Right Permanent Supportive Housing (AB 2162)</u>: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.</p>	Added discussion on the contract with Project Sentinel for fair housing compliance (audits, outreach, information, etc.) City received 6 fair housing complaints with 1 resolved.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; C.2 Fairhousing Enforcement and Outreach; Local Trends, page p. C-10 (redlined version)

Palo Alto Response Matrix to HCD Comment Letter, April 2023

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6	<p><u>Patterns and Trends:</u> While the element reports general information and data, it must analyze this data for trends over time, patterns across census tracts, and coincidence with other components of the assessment of fair housing. Moreover, the element must supplement existing data with local data and knowledge and other relevant factors were applicable. Lastly, the element provides an evaluation of fair housing data on a regional basis that is generally limited, comparing only a few fair housing topics within Santa Clara County, and providing no analysis to the surrounding South Bay region. Once complete, the assessment of fair housing must include appropriate programmatic responses to encourage housing mobility and promote new affordable housing opportunities throughout the City, regardless of the regional housing need allocation (RHNA).</p>	Expanded the comparison of Santa Clara County to the Bay Area in each Regional Trend section.	Appendix C: Assessment of Fair Housing	<p>Appendix C: Assessment of Fair Housing; C.3 Integration and Segregation; Race and Ethnicity Regional Trends, page C-17 & 18 (redlined version); Persons with Disabilities Regional Trends, page C-23; Familal Status Regional Trends, page C-26; Household Income Regional Trends, page C-29;</p> <p>C.4 Racially and Ethnically Concentrated Areas of Poverty; Regional Trends, page C-33; Racially/Ethically Concentrated Areas of Affluence Regional Trends, page C-36;</p> <p>C.6 Disproportionate Housing Needs including Displacement Risk; Housing Cost Burden Regional Trends, page C-54; Substandard Housing Regional Trends,page C-57; Overcrowding Regional Trends Regional Trends page C-60</p>
7	<p><u>Racially Concentrated Areas of Poverty (R/ECAPs):</u> The element mentions that there are no racially concentrated areas of poverty within City; however, the element does provide analysis on distinct areas of poverty/lower income; and identifies two census tracts with 10-40 percent of the population below the poverty line. The analysis should include local data and knowledge to further evaluate patterns and changes overtime at a local (e.g., neighborhood to neighborhood) level and provide appropriate programmatic responses to address ongoing patterns and trends.</p>	Added discussion as to what population are within RECAP areas. Discussed RECAPS disappearing as there is continued investment in neighborhoods, and artificial low income with students.	Appendix C: Assessment of Fair Housing	<p>Appendix C: Assessment of Fair Housing; C.4 Racially and Ethnically Concentrated Areas of Poverty; Regional Trends, page C-33 (redlined version);</p> <p>Local Trends page C-34</p>

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8	<u>Racially Concentrated Areas of Affluence (RCAA)</u> : The element identified a total of 10 census tracts within City that qualified as RCAA; however, and as mentioned above, element provides limited analysis on the factors that contribute to this outcome. This analysis should utilize local data and knowledge and other relevant factors to achieve a comprehensive analysis. For example, the element could examine past land use practices, investments, quality of life relative to the rest of the City and region and then formulate appropriate programs to promote more inclusive communities and equitable quality of life. For example, the City should consider additional actions (not limited to the RHNA) to promote housing mobility and improve new housing opportunities throughout the City.	Added discussion on the location of RCAA and causation due to redlining. Also added how this may be changing as the City has a high amount of foreign and tech investment (which typically fairly diverse). Added Program 6.3, Middle Housing.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; Racially/Ethically Concentrated Areas of Affluence Local Trends, page C-36 & C-37 (redlined version) Chapter 5, Housing Plan, Program 6.3, Middle Housing, page 5-38 (redlined version)
9	<u>Disparities in Access to Opportunity</u> : The element provides datapoints and a general analysis on accesses opportunity including, education, economic, transportation and environmental outcomes; however, the element should analyze these data points for trends and patterns throughout the City, and any concentrations or coincidences with other components of the fair housing analysis. A complete analysis should revise and or provide additional policies and programs that meet the need of each of the components mentioned above.	An additional table was added for further analysis of local and regional access to opportunities. Programs discuss the opportunities in high resource areas.	Appendix C: Assessment of Fair Housing Chapter 5 Housing Plan	Appendix C: Assessment of Fair Housing; C.5 Disparities in Access to Opportunity; Table C-6, page C-39 & C-40 (redlined version); Transit Regional Trends, page C-43; Local Trends, page C-44 Chapter 5 Housing Plan; Program 3.1 Fee Waivers and Adjustments; Action B, preparation of an economic feasibility study, page 5-15; Program 3.5 Pedestrian and Transit Oriented Development (PTOD); Action A, discussed housing opportunities in closer proximity to transit, page 5-20); Program 6.3 Middle Housing, page 5-38; Program 6.6 Fair Housing, Action A, provide educational materials in multiple language, page 5-42; Action G, prioritize housing in high resource areas, page 5-43

Palo Alto Response Matrix to HCD Comment Letter, April 2023

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10	<u>Disproportionate Housing Needs including Displacement</u> : The element provides some analysis on overcrowding, overpayment, substandard housing, homelessness, and displacement risk; however, the element must analyze the data for local and regional patterns for overcrowding, overpayment, and substandard housing including any identified trends and coincidence with other components of the fair housing assessment. In addition, the element briefly mentions persons experiencing homelessness, but should provide additional information on the need, including, impacts and patterns within the City. For instance, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. Lastly, the element must describe characteristics of existing “sensitive communities” found on figures C-45 and 46 of the elements.	Added discussion of sensitive communities, opportunities for fair housing with Project Sentinel, and exacerbated conditions for the population.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; C.2 Fair Housing Enforcement and Outreach; Local Trends, page C-10 (redlined version), discussion of Project Sentinel and fair housing; C.5 Disparities in Access to Opportunity; Transit Regional Trends, page C-43; Transit Local Trends, page C-44; C.6 Disproportionate Housing Needs, Including Displacement Risk; Displacement Risk Local Trends, page C-63; C.8 Site Inventory; Exacerbated Conditions, page C-69, discusses conditions based on age and race
11	<u>Identified Sites and Affirmatively Furthering Fair Housing (AFFH)</u> : The element must include data on the location of RHNA sites by income group relative to all fair housing components. The analysis should address the isolation of the RHNA by income group, specifically in the GM and ROLM zones (p. C-86) magnitude of the impact on existing concentrations of socio-economic characteristics and discuss how the sites improve fair housing conditions. The analysis should be supported by local data and knowledge and other relevant factors and programs should be added or modified as appropriate to promote inclusive and equitable communities.	Substantially expanded discussion on the GM/ROLM areas.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; C.8 Site Inventory; Isolation of the RHNA, page C-70 (redlined version)

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12	<u>Local Data and Knowledge and Other Relevant Factors:</u> As noted in the prior findings, the element must supplement the analysis and complement state and federal data with local data and knowledge to capture emerging trends and issues, including utilizing knowledge from local and regional advocates, public comments, and service providers.	Added discussion throughout each local trends section based on knowledge from service providers, public comments, and staff knowledge.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; C.2 Fair Housing Enforcement and Outreach; Local Trends, page C-10 (redlined version); C.3 Integration and Segregation Patterns and Trends; Persons with Disabilities Local Trends, page C-24; Familial Status Local Trends, page C-27; Household Income Local Trends, page C-31; C.4 Racially and Ethnically Concentrated Areas of Poverty; Local Trends, page C-34; Racially Concentrated Areas of Affluence Local Trends, page C-36; C.5 Disparities in Access to Opportunity; Transit Local Trends, page C-44 C.6 Disproportionate Housing Needs, including Displacement Risk; Displacement Risk Local Trends, page C-64
13	<u>Contributing Factors:</u> The element identifies many contributing factors to fair housing issues but must prioritize these factors to better formulate policies and programs and carry out meaningful actions to AFFH.	Added new table to discuss programs and priorities related to contributing factors.	Appendix C: Assessment of Fair Housing	Appendix C: Assessment of Fair Housing; C.10 Fair Housing Priorities, Goals, and Actions; Table C-11 Fair Housing Issues, Contributing Factors, and Meaningful Actions, page C-74 (redlined version)
14	2. <i>Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)</i>			

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15	Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)	Added statistics and further analysis on the affordability of housing for seniors and people with disabilities.	Chapter 2: Housing Needs Assessment	Chapter 2: Housing Needs Assessment; 2.5 Special Needs Groups: Senior Households, page 2-41 (redlined version); Persons with Disabilities, page 2-43
16	<u>Housing Conditions:</u> The element provides some information on age of the housing stock. However, it must estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable organizations.	Added discussion on housing conditions. With the city averaging 75 reconstructions a year (358 units in the past 5 years), it negates need for rehab.	Chapter 2: Housing Needs Assessment	Chapter 2: Housing Needs Assessment; 2.6 Housing Stock Characteristics; Housing Age and Conditions/Substandard Housing, page 2-74 (redlined version)
17	<u>Special-Needs Populations:</u> While the element identifies the number of persons experiencing homelessness using a past point in time count (PIP) survey, (pp. 2-72) of the element mentions a more recent PIP conducted on January 24, 2023. The elements analysis and corresponding figures should be updated to reflect the most recent PIP.	Added discussion from the most recently available datasets (2019 and 2022) PIT count. 2023 City specific prelim data expected in June.	Chapter 2: Housing Needs Assessment	Chapter 2: Housing Needs Assessment; 2.5 Special Needs Groups; Homelessness in Palo Alto, page 2-55 (redlined version)
18	3 <i>3. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)</i>			

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19	<p><u>Progress toward the RHNA:</u> As you know, the City's RHNA may be reduced by the number of new units built since June 30, 2022; however, the element must demonstrate the affordability of units in the planning period based on actual sales price, rent level, or other mechanisms ensuring affordability (e.g., deed restrictions). While the element includes some information related units in the pipeline listed on Table 3-2 (pp. 3-6, 3-7), it divides the units between below market rate and market rate rather than indicating the actual affordability category (very-low-, low-, moderate-, above moderate- income). In addition, several projects which have units assigned in the below market rate category indicate that there is no restriction. For these projects, the element must indicate how affordability was determined. The element must also discuss availability or likelihood the units will be built in the planning period and should account for any barriers to development, phasing, anticipated build out horizons, market conditions and other relevant factors to demonstrate their availability in the planning period.</p>	<p>Added descriptions of the multifamily applications submitted since 2013 (23 MF applications entitled with 19 receiving building permits). Added analysis on the characteristics of the 4 permits to discover trends. Added clarifications for deed restrictions in Table 2.</p>	<p>Chapter 3: Housing Resources and Opportunities</p>	<p>Chapter 3: Housing Resources and Opportunities; 3.3 RHNA Credits; Entitled and Proposed Developments, page 3-3 & 3-4 (redlined version); Table 3-2 Entitled and Proposed Developments, showing BMR deed restrictions as moderate income</p>
20	<p><u>Realistic Capacity:</u> While realistic capacity assumptions are generally conservative and based on existing or approved residential developments and development trends in the surrounding region, the elements realistic capacity assumptions must still account for all land use controls and site improvements. In addition, residential capacity calculations should account for the likelihood of residential development in zones where 100 percent nonresidential uses are allowed. These assumptions should also go beyond recent approved development and consider additional factors such as, nonresidential performance standards that require residential use, incentives for residential use, market demand, efforts to attract and assist developers, the allowance of 100 percent residential development in nonresidential zones, and local or regional residential development trends in the same nonresidential zoning districts. The element should enhance existing policies and programs based on a complete analysis.</p>	<p>Substantially expanded discussion on realistic development capacity, with a focus on demand for commercial and office uses</p>	<p>Chapter 3: Housing Resources and Opportunities</p>	<p>Chapter 3: Housing Resources and Opportunities; 3.8 Adequacy of Residential Site Inventory in Meeting RHNA; Realistic Development Capacity, page 3-50 through 3-5 (redlined version)</p>

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21	<p><u>Nonvacant Sites:</u> The element provides several factors that demonstrate the redevelopment potential of nonvacant sites, including factors such as, current, and past development trends, improvement to land value ratios, existing use vs zone use, age of structure, floor area ratio (FAR), proximity to transit, TCAC/HCD designations, and community interest. However, the element must provide additional information on nonvacant sites related to existing uses that may constitute an impediment to additional residential development, past experiences converting existing uses to higher density residential development, current market demand for the existing use, existing leases or contracts that would perpetuate the existing use or prevent additional residential development or other relevant information to demonstrate the potential for redevelopment such as expressed owner and developer interest. Based on a complete analysis the element may need to add or revise programs to facilitate redevelopment. In addition, HCD received several public comment letters regarding the possible existence of additional units on several sites included in the City's site inventory. The City must review and consider the possibility that existing units on nonvacant sites were undercounted. Once complete, existing capacity totals must be adjusted to accurately reflect existing units on identified nonvacant sites.</p> <p>Finally, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)).</p>	<p>Added analysis on commercial and corridor market demand, a statement saying that existing residential units were subtracted from the capacity analysis, and relevant local knowledge related to market demand and past experience of redeveloping nonresidential uses, including limitations on availability and predictive value of lease information.</p> <p>11 of the 16 pipeline projects are mixed use projects on commercial zoned property.</p>	Chapter 3: Housing Resources and Opportunities	Chapter 3: Housing Resources and Opportunities; 3.6 Suitability of Residential Opportunity Sites; Market Demand for Converting Commercial Districts and Corridors to Residential and Mixed-Use, pages 3-23 to 3-25 (redlined version)
22	<p><u>Environmental Constraints:</u> While the element generally describes environmental conditions within the City (pp. 4-77), it must describe any other known environmental constraints or conditions within the City that could preclude development on identified sites in the planning period (e.g., airport compatibility and related land use controls, shape, contamination, easements, overlays).</p>	<p>Added clarifying language about how there are no overlays that preclude development.</p>	Chapter 3: Housing Resources and Opportunities	Chapter 3: Housing Resources and Opportunities; 3.9 Availability of Infrastructure and Environmental Constraints; Environmental Constraints, page 3-54 (redlined version)

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23	<u>AB 725</u> : For jurisdictions that are considered Metropolitan, the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater) (Gov. Code, § 65583.2, subd. (c)(4)).	Added section stating the inventory complies with AB 725.	Chapter 3: Housing Resources and Opportunities	Chapter 3: Housing Resources and Opportunities; 3.8 Adequacy of Residential Site Inventory in Meeting RHNA; Compliance with Assembly Bill 725, page 3-54 (redlined version)
24	<u>City-Owned sites</u> : While a brief analysis on city-owned parking lots (pp. 3-43) is included in the element, the analysis should discuss the status, anticipated steps for development including disposition, any known barriers to development and other relevant factors to development in the planning period. Based on a complete analysis, the element should add or modify programs to comply with the Surplus Land Act, commit to numerical objectives, including affordability, aligned with assumptions in the inventory and a schedule of actions to facilitate development. A schedule of actions may include coordination with appropriate entities, including potential developers, disposition of the land, zoning, funding, facilitating other entitlements and issuing permits. Lastly, the program should identify and make alternative sites with zoning of equivalent capacity and density by a specified date if sites are not made available by a date early in the planning period.	Added discussion on the City's progress for parking lot sites. The City has issued RFI for parking lot, they have received two applications from AH developers. Completion schedule is dependent issuance of RFP and selected proposal, but the process is underway.	Chapter 3: Housing Resources and Opportunities	Chapter 3: Housing Resources and Opportunities; 3.7 Site Inventory Strategies; City-Owned Parking Lots, page 3-38 (redlined version)
25	<u>Availability of Infrastructure</u> : While the element describes minor upgrades to water and sewer hookups may be required to support development of select sites, it should clarify sufficient existing or planned water and sewer capacity to accommodate the City's regional housing need. Currently, the analysis on (pp. 3-57) is unclear. For your information, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. HCD recommends including a cover memo describing the City's housing element, including the City's housing needs and regional housing need.	Added clarifying language in Chapter 3 and added sewer to Program 5.3.	Chapter 3: Housing Resources and Opportunities Chapter 5: Housing Plan	Chapter 3: Housing Resources and Opportunities; 3.9 Availability of Infrastructure and Environmental Constraints; Wet and Dry Utilities, page 3-54 (redlined version) Chapter 5: Housing Plan; Program 5: At-Risk Housing; Program 5.3: Water and Sewer Suppliers, page 5-34

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26	<u>Electronic Sites Inventory</u> : For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/communitydevelopment/housing-element/index.shtml#element for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.	Rincon to electronically upload site inventory for resubmittal.	N/A	N/A
27	Zoning For a Variety of Housing Types			
28	<u>Emergency Shelters</u> : The element currently identifies the Research, Office, and Limited Manufacturing-Embarcadero (ROLM(E)) district as suitable to accommodate emergency shelters. However, the element should clarify if emergency shelters are allowed in this zone by-right and without discretionary action. In addition, the element should list development standards and identify reuse, and redevelopment opportunity. Lastly, the element should provide an analysis of proximity to transportation and services for these sites, hazardous conditions, and any conditions appropriate for human habitability.	Added discussion of transit stops located near emergency shelters (EPA services and coordination with VTA on new transit lines) and listed development standards.	Chapter 4: Housing Constraints	Chapter 4: Housing Constraints; 4.2 Governmental Constraint; Emergency Shelters, pages 4-39 through 4-41 (redlined version)
29	<u>Accessory Dwelling Units (ADU)</u> : Please refer to HCD's letter related to ADU requirements sent on December 21, 2022.	Added description clarifying that HCD's letter regarding ADUs and ordinance updates to incorporate HCD feedback is going to Council on May 15.	Chapter 4: Housing Constraints	Chapter 4: Housing Constraints; 4.2 Governmental Constraint; Accessory Dwelling Units, page 4-38 (redlined version)
30	<u>Transitional and Supportive Housing</u> : Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Currently, the element mentions that supportive and transitional housing will be allowed in additional zones (pp. 4- 36, 4-37); however, referencing (Table 4-3A) on (pp. 4-22) the City has several additional zones (i.e., AMF, MUO) that would also have to allow transitional and supportive housing as a residential use and subject only to those restrictions that apply to residential dwelling of the same type in the same zone.	Added zones that support transitional and supportive housing, and added verbiage in form of actions in Program 6.5 Alternative Housing.	Chapter 4: Housing Constraints Chapter 5: Housing Plan	Chapter 4: Housing Constraints; 4.2 Governmental Constraint; Supportive Housing, page 4-39 (redlined version); Transitional Housing, page 4-39 Chapter 5 Housing Plan; Program 6 Fair Housing; Program 6.5 Alternative Housing, Actions C through H, amending the PAMC for groups of 7 or more persons, supportive housing, emergency shelters and navigation centers, and employee housing, page 5-40

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31	<u>By-Right Permanent Supportive Housing (AB 2162)</u> : Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.	Added verbiage in form of actions in Program 6.5 Alternative Housing	Chapter 5 Housing Plan	Chapter 5: Housing Plan; Program 6 Fair Housing; Program 6.5 Alternative Housing Action D through Action Hamending the PAMC for groups of 7 or more persons, supportive housing, emergency shelters and navigation centers, and employee housing, page 5-40 (redlined version)
32	<u>Manufactured Housing</u> : Manufactured homes that are built on a permanent foundation must be allowed in the same manner and in the same zones as conventional or stickbuilt structures. Specifically, manufactured homes on a permanent structure should only be subject to the same development standards as a conventional single-family residential dwelling. The element must demonstrate consistency with this requirement or add or modify programs as appropriate.	Added City regulations and identified compliance with state law.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 37 (redlined version)
33	<u>Farmworker Housing</u> : Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. Currently, the element is unclear on whether the City complies with state law in accordance to Health and Safety Code 17021.6. In addition while the element mentions amending the City's code to comply with 17021.6, Program 6.5 fails to mention commitments to do so during the planning period .For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-andcommunity-development/housing-elements/building-blocks/farmworkers .	Added clarification stating that there is currently no need for farmworker housing in the City due to a low population in the City. Furthermore, program verbiage was added to amend the PAMC per the government code for farmworker housing	Chapter 4 Housing Constraints, Chapter 5 Housing Plan	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 43 (redlined version) Chapter 5: Housing Plan; Program 6.5 Alternative Housing; Action H, discusses amending the PAMC per the government code for farmworker housing
34	<i>4. An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)</i>			

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35	<u>Land Use Controls:</u> The element must identify and analyze the impact of all relevant land use controls as potential constraints on a variety of housing types in all zones that allow residential uses. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should address any impacts on cost, supply, housing choice, feasibility, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints. The analysis must specifically describe and analyze, minimum lot area coverage, height limits, setbacks, and floor area ratios (FAR). Lastly, the element must describe and analyze parking requirements in all zones that allow residential uses.	Substantially expanded discussion on land use controls in the City including the addition of visuals and graphics to support the analysis	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 28 (redlined version)
36	<u>Fees and Exaction:</u> While the element describes required fees for single family and multifamily housing developments, including impact fees, on (pp. 4-66) the element states that impact fees/capacity fees are considered the highest in the County. In addition, on (pp. 4-67) the City recognizes that current planning/permitting and development fees add substantial cost to residential development. The element should provide a comprehensive analysis assessing all required fees and their proportion to the development costs for both single family and multifamily housing. In addition, the element could also provide information on how the city provides financial assistance to affordable housing developments. Based on a complete analysis, the City should provide additional policy and programs to mitigate the cost and impact of required fees on residential development.	Expanded discussion including example projects were added to the Fees and Exactions section in the Housing Constraints Chapter. Additionally language and commitments were added to several programs aiming to reduce barriers to affordable and alternative types of housing.	Chapter 4 Housing Constraints, Chapter 5 Housing Plan	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 61 (redlined version) Chapter 5: Housing Plan; Programs 2.1 Affordable Housing Development, 3.1 Fee Waivers and Adjustments, 3.6 ADU Facilitation, 6.5 Alternative Housing
37	<u>Density Bonus Law:</u> The element must clarify compliance with current State Density Bonus Law (SDBL) including amendments enacted January 1, 2023. In addition, the element must list and analyze fees associated to SDBL as a potential constraint on housing.	Added discussion based on 2023 SDBL adjustments to Density Bonus Provisions discussion in the Housing Constraints chapter.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 73 (redlined version)
38	<u>Zoning and Fee Transparency:</u> The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1(a)(1).	Added additional discussion on where to find development standards on the City website, zoning code, fees, etc.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 61 (redlined version)

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
39	<u>Local Processing and Permit Procedures:</u> HCD has received several public comments related to the local permit process that have indicated a complex, untimely, and cumbersome process with little certainty to applicants. While the element includes information on permit process and processing time frames that range from 90 to 365 days, a complete analysis must evaluate the processing and entitlement procedures for potential constraints on housing supply, cost, timing, financial feasibility, approval certainty and ability to achieve maximum densities. Specifically, the element must describe the procedures for a typical single-family and multifamily development. As most projects require discretionary approvals, the analysis must describe the decision-making framework for discretionary approvals related to all permits and entitlements, including but not limited to building permits, major architectural review board, conditional use permits (CUPs), context-based design criteria, rezone procedures, planned home zoning, site plans, environmental review, etc. The analysis must include the approval bodies, the number of public hearings, the actual approval findings, and all relevant information. Based on the outcomes of a complete analysis, the element must add or modify programs as appropriate. Finally, the element should discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.	Substantial revisions were made under the Development Review Process section. Additional discussions were added on multi-family housing, architextural review, conditional use permits, and the Permit Streamlining Act.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 49-61 (redlined version)
40	<u>On/Off-Site Improvements:</u> The element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability.	Added a discussion on the City's current subdivision requirements and provided a link to where the City's most up to date subdivision requirements can be found.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 71 (redlined version)
41	<u>Codes and their Enforcement:</u> While the element describes the City's current building code, it must describe the City's building and zoning code enforcement processes and procedures, including whether code enforcement is targeted or complaint based, and analyze their impact as potential constraints on housing supply and affordability.	Added additional discussion on the City's code enforcement program including annual statistics and its low potential to pose a constraint to housing.	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Page 72 (redlined version)

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
42	<u>Local Ordinances:</u> The element must specifically analyze locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development. In addition, the element should further analyze the Retail Preservation Ordinance and clarify whether any sites in the element are currently within the boundaries of the ordinance. Lastly, HCD received public comment on the City's Tree Protection Ordinance, the element must provide analysis on this recently adopted ordinance (July 21, 2022) and should evaluate any impacts on the development of housing and the City's ability to meet the RHNA.	Added new expanded discussions on the City's Retail Preservation Ordinance and Tree Protection Ordinance including their respective requirements. Refined City's RPO program objectives under Program 3.4 HIP.	Chapter 4 Housing Constraints, Chapter 5 Housing Plan	Chapter 4: Housing Constraints; Section 4.2 Governmental Constraints; Retail Preservation Ordinance/Tree Protection Ordinance - Page 47-49(redlined version)
43	5 <i>5. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)</i>			
44	<u>Developed Densities and Permit Times:</u> The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need.	Additional discussions were added on overall processing times and procedures, time it takes from entitlement to building permit, processing procedures broken down by different densities (i.e. multi-family housing).	Chapter 4 Housing Constraints	Chapter 4: Housing Constraints; Section 4.1 Non-Governmental Constraints; Page 8-9, 50-51 (redlined version)
45	6 <i>6. Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)</i>			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
46	<p>Table 2-39 on (pp. 2-100) of the element identifies the total number of units at-risk of conversation during the planning period. However, according to HCD records received from the California Housing Partnership (http://www.chpc.net) additional properties may be at-risk including Oak Park Manor (630 Los Robles Ave) and California Park Apartments (2301 Park Blvd). If units are identified as at-risk, the analysis must include the following:</p> <ul style="list-style-type: none"> • Listing of each development by project name and address. • Type of governmental assistance received and the earliest date of change from low-income use. • Total number of units for senior vs. non-senior residents. • Estimated total cost for producing, replacing, and preserving the at-risk units. • Identification of public and private nonprofit corporations known to the City to have the legal and managerial capacity to acquire and manage at-risk units. • Identification and consideration of use of federal, state, and local financing and subsidy programs. 	Added additional discussion clarifying that neither project mentioned by HCD are at risk. Oak Park expires in 2033 and Cal Park was developed in 1990 with TC which have 55 year restrictions.	Chapter 2 Housing Needs Assessment	Chapter 2: Housing Needs Assessment; Section 2.6; Housing Stock Characteristics; Pages 74-77 (redlined version)
47	C Housing Programs			
48	<p>1 1. Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. (Gov. Code, § 65583, subd. (c).)</p>			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
49	To have a beneficial impact in the planning period and achieve the goals and objectives of the housing element, programs must have discrete timing (e.g., at least annually or by 2025) and specific commitment to housing outcomes and refrain from language such as “consider” while also having discrete timing (e.g., at least annually or by January 2024). Examples of programs to be revised with discrete timing include Program 1.5 (Stanford University Lands), Program 3.1 (Monitor constraints on housing), 2.1 (Affordable Housing developments), Program 3.5 (Pedestrian and Transit Oriented Development), Program 3.8 (Objective Design Standards for SOFA), Program 6.1 (Housing for Special Needs) Program 6.2 (Multi-Family Housing & Large Units). Examples of programs to revised with specific commitments Program 1.4 (City Owned Land Lots), Program 1.6 (Lot Consolidation), Program 3.1 (Fee Waivers and Adjustments), Program 3.3 (Affordable housing development incentives), Program 3.4 (Housing Incentives Program (HIP)), Program 3.6 (Accessory Dwelling Unit Facilitation), Program 3.7 (Expedited Project Review), 4.2 (Housing and Neighborhood Preservation), Program 4.3 (Home Rehabilitation), Program 5.1 (At Risk Preservation, Program 5.2 (Funding Partnerships), Program 6.3 (Mixed use Development) Program 6.5 (Alternative Housing) Program 6.6 (Affirmatively Furthering Fair Housing).	Revised program timelines for most programs including all programs flagged in the HCD with additional programs being revised as well. Timelines were shifted up in most cases to prioritize accomplishing actions in the first half of the planning period.	Chapter 5 Housing Plan	Chapter 5: Housing Plan; Programs 1.4 City Owned Land Lots, 1.5 Stanford University Lands , 1.6 Lot Consolidated , 2.1 Affordable Housing Development, 3.1 Fee Waivers and Adjustments , 3.3 Affordable Housing Development Incentives, 3.5 Pedestrian and Transit Oriented Development, 3.6 Accessory Dwelling Unit Facilitation, 3.7 Expedited Project Review, 3.8 Objective Design Standards for SOFA, 3.9 Zoning Ordinance Monitoring, 3.10 Conversion of Commercial Uses to Mixed Use Development, 4.1 Replacement Housing, 4.2 Housing and Neighborhood Prevention , 4.3 Home Rehabilitation, 5.1 Prservation of At Risk Housing , 5.2 Funding Opportunities, 6.1 Housing for Persons with Special Needs, 6.2 Family Housing and Large Units, 6.3 Middle Housing Program, 6.4 Homelessness Program, 6.5 Altnerative Housing, 6.6 Fair Housing
50	2. <i>Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city’s or county’s share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)</i>			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
51	As noted in Finding B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.	No additional changes pertaining to site programs were made due to no substantial changes in the inventory that would warrant further revisions.	Chapter 5 Housing Plan, Appendix D Site Inventory	N/A
52	In addition, Program 6.5 (Alternative Housing) should specifically commit to allowing emergency shelters without discretionary action, with appropriate development standards in compliance with statutory requirements.	Added verbiage under Program 6.5 Alternative Housing to include State requirement for Emergency Shelters and proper permitting.	Chapter 5 Housing Plan	Chapter 5 Housing Plan; Program 6.5 Alternative Housing; Action G
53	3 <i>3. The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate income households. (Gov. Code, § 65583, subd. (c) (2).)</i>			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
54	Several actions commit to “partner”, “explore”, “encourage” housing. While these efforts are important and meaningful, these efforts should be complimented by additional steps that lead to housing outcomes. For example, Program 6.2 (Multi-Family Housing and Large Units) should set forth clear commitments in implementing incentives for larger units. This is only one example of several programs that will need to include clear and specific commitment to identify affordable development opportunities, grant incentives, assist with funding, and process entitlements on an annual basis. Programs should also commit to a numerical target and evaluate and adjust efforts as necessary every other year.	Removed words such as "explore" and "consider" and replaced with more definitive vocabulary such as "impelement" and/or "establish" throughout all of the programs. Objectives were added to Program 6.2 Multi-family Housing and Large Units to set clearer objectives of programs. All programs were revised in some way to clarify and make tangible commitments through their respective objectives including numerical targets and more specific timelines.	Chapter 5 Housing Plan	Chapter 5 Housing Plan; Programs 1.3 Sites Used In Previous Housing Cycle, 1.4 City Owned Land Lots, 1.5 Stanford University Lands , 1.6 Lot Consolidated , 2.1 Affordable Housing Development, 2.2 Below Market Rate Program 3.1 Fee Waivers and Adjustments , 3.3 Affordable Housing Development Incentives, 3.5 Pedestrian and Transit Oriented Development, 3.6 Accessory Dwelling Unit Facilitation, 3.7 Expedited Project Review, 3.8 Objective Design Standards for SOFA, 3.9 Zoning Ordinance Monitoring, 3.10 Conversion of Commercial Uses to Mixed Use Development, 4.1 Replacement Housing, 4.2 Housing and Neighborhood Prevention , 4.3 Home Rehabilitation, 5.1 Prservation of At Risk Housing , 5.2 Funding Opportunities, 6.1 Housing for Persons with Special Needs, 6.2 Family Housing and Large Units, 6.3 Middle Housing Program, 6.4 Homelessness Program, 6.5 Altnerative Housing, 6.6 Fair Housing
55	4. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
56	<p>As noted in Finding B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, the element should be revised as follows:</p> <ul style="list-style-type: none"> • Program 3.4 (Housing Incentives Program): The Program should specifically commit to reduce parking requirements and establish creative alternatives (beyond aligning parking requirements with required State Density Bonus Law requirements). • Program 6.5 (Alternative Housing): The Program should clearly commit to allow group homes for seven or more persons in all residential zones. For your information, zoning should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations such as the number of persons, population types and licenses. Please refer to HCD's Group Home Technical Advisory https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/grouphome-technical-advisory-2022.pdf. 	<p>Clarified Program 3.4 to indicate firm commitment to reduction in parking requirements and commit to additional changes in development standards based on study - including further reduction in parking. <u>City note:</u> Other creative alternatives cannot be fully defined prior to such study, nor are they required to meet the City's RHNA, as evidenced by the updated analysis of land use constraints. However, feasibility studies mentioned in the program are already underway.</p> <p>Clarified Program 6.5 to include State requirement for group homes of seven or more persons.</p>	Chapter 5 Housing Plan	Chapter 5 Housing Plan; Programs 3.4 HIP, 6.5 Alternative Housing
57	<p>5 <i>5. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)</i></p>			
58	<p>As noted in Finding B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. The element must add, and revise programs based on a complete analysis and listing and prioritization of contributing factors to fair housing issues.</p>	<p>Added new actions under Program 6.1 related to AFFH contributing factors.</p> <p>Programs linked to the highest priority contributing factors include: Program 1.1, 3.4, 6.1, 6.2, 6.6, and 6.7</p>	Chapter 5 Housing Plan	Chapter 5 Housing Plan; Programs 1.1 Adequate Sites Program, 3.4 Housing Incentive Program, 6.1 Housing for Persons with Special Needs, 6.2 Family Housing and Large Units, 6.6 Fair Housing, 6.7 Community Outreach Program

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
59	<u>Goals, Priorities, Metrics, and Milestones:</u> Goals and actions must significantly seek to overcome contributing factors to fair housing issues and must include quantifiable metrics and milestones for evaluating progress on programs, actions, and fair housing results. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.	Specific actions were made to programs intending to support fair housing and development in all neighborhoods. Added verbiage encouraging and prioritizing the production of affordable housing and multi-family units in moderate-resources areas. Discussed place based strategies to improve lower resource areas Added verbiage regarding Density Bonus and increasing bonus and concessions for housing that supports special needs populations and housing affordability.	Chapter 5 Housing Plan, Appendix C Fair Housing	Chapter 5 Housing Plan; Specific actions intended to support fair housing and development in all neighborhoods: - Program 6.2 Multi-family Housing and Large Units prioritizes the production of affordable housing and multi-family units in moderate-resources areas - Program 3.6 related to supporting ADU development Place based strategies to improve lower resource areas include: - Program 4.3 & related Actions to support home rehabilitation - Program 4.2 Action B & related Actions to support residential rental inspections - Program 2.2 Below Market Rate, Program 3.3 Affordable Housing Incentives, Program 6.1 Housing for Persons with Special Needs and related Actions supporting increased bonus and concessions for housing that supports special needs populations and housing affordability. Appendix C Fair Housing, Section C.6 pg. 53. (redlined version)
60	D Quantified Objectives			
61	1 1. Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)			

Palo Alto Response Matrix to HCD Comment Letter, April 2023

Row #	HCD Comment	Response to Comment	Chapter	Section
62	The element must include quantified objectives for new construction, rehabilitation, and conservation by income group. In addition, conservation objectives should not be limited to atrisk preservation and can include broader efforts to conserve the existing housing stock such as code enforcement programs, rental assistance or housing choice vouchers, weatherization, tenant protections, and mobile home park preservation ordinances.	Added Quantified Objectives section in Chapter 5 Housing plan.	Chapter 5 Housing Plan	Chapter 5 Housing Plan

NOT YET APPROVED

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALO ALTO, APPROVING AN ADDENDUM TO THE 2017 COMPREHENSIVE PLAN FINAL ENVIRONMENTAL IMPACT REPORT, AND ADOPTING A COMPREHENSIVE PLAN AMENDMENT TO REPEAL THE 2015-2023 HOUSING ELEMENT AND ADOPT THE HOUSING ELEMENT OF THE COMPREHENSIVE PLAN FOR THE PERIOD OF 2023-2031 IN COMPLIANCE WITH STATE HOUSING ELEMENT LAW.

RECITALS

- A. California Government Code Section 65300 et seq. requires every city and county in California to adopt a General Plan, known in Palo Alto as its Comprehensive Plan, for its long-range development, and further, to periodically to update that plan to reflect current issues and conditions; and
- B. On November 13, 2017, the City Council for the City of Palo Alto (City) certified a Final Environmental Impact Report (EIR) for the City of Palo Alto Comprehensive Plan 2030 through Resolution No. 9720, made findings in relation to the Final EIR, adopted a mitigation monitoring and report plan (MMRP), and adopted a statement of overriding considerations through Resolution No. 9721 and adopted the City of Palo Alto Comprehensive Plan 2030 through Resolution No. 9722; and
- C. Government Code Section 65302 mandates that every city and county shall include a Housing Element in its General Plan, and that the Housing Element be updated regularly on a schedule set forth in the law to reflect current conditions and legal requirements; and
- D. State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Palo Alto (City) regional housing need allocation (RHNA) of 6,086 housing units, comprised of 1,556 very-low income units, 896 low-income units, 1,013 moderate-income units, and 2,621 above moderate-income units; and
- E. To comply with State Housing Element Law, the City has prepared the Housing Element 2023-2031 (the Housing Element) in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City's RHNA; and
- F. As provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment and also qualifies as a project under the California Environmental Quality Act (CEQA); and
- G. Pursuant to the provisions and requirements of CEQA and CEQA Guidelines Section 15164, the City as lead agency, prepared an Addendum to the 2017 Comprehensive Plan Final EIR (the Addendum) to analyze the potential environmental impacts resulting from adopting the 2023-2031 Housing Element, which Addendum is attached hereto as Exhibit E and incorporated by this reference; and

- H. The Addendum analyzes the environmental impacts of the 2023-2031 Housing Element and the Addendum, in conjunction with the 2017 Comprehensive Plan Final EIR, is the environmental document upon which adoption of the 2023-2031 Housing Element is predicated; and
- I. As provided in Government Code sections 65352 – 65352.5 the City mailed a public notice to all California Native American tribes provided by the Native American Heritage Commission and to other entities listed; and
- J. No California Native American tribe requested consultation; and
- K. The City conducted extensive community outreach in multiple languages over the past two years including fifteen meetings of the Housing Element Working Group, eight meetings of the City Council Housing Element Ad Hoc Committee, two community workshops, dissemination of a housing survey, numerous meetings with special interest groups such as the Palo Alto Renters Association, Housing Choices, and Ability Path, four meetings of the Planning and Transportation Commission (PTC), three meetings of the City Council, and two joint meetings of the PTC and City Council; and
- L. In accordance with Government Code Section 65585 (b), on November 7, 2022, the City posted the draft Housing Element and requested public comment for a 30-day review period, and on December 23, 2022, after responding to public comments, the City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD or Department) for its review; and
- M. On March 8, 2023, the PTC held a duly and properly noticed public hearing to consider a draft of the Addendum and the initial draft of the 2023-2031 Housing Element, and unanimously recommended that the City Council adopt the draft 2023-2031 Housing Element, subject to refinement following formal comment by HCD.
- N. In February 2023, prior to receiving HCD's formal findings regarding the draft Housing Element, the City contacted HCD discuss preliminary comments on the adequacy of the draft Housing Element; and
- O. On March 23, 2023, the City received a letter from HCD, attached as Exhibit B to this Resolution, providing its findings regarding the draft Housing Element, and based upon this, City staff and consultants revised the draft Housing Element to include additional information and data; and
- P. On April 27, 2023, the City published a revised draft Housing Element responding to HCD's findings and requested public comment on the draft; and

- Q. On May 8, 2022, the PTC held a duly and properly noticed joint public hearing with the City Council and recommended that the City Council adopt the Housing Element; and
- R. On May 8, 2022, the City Council conducted a duly and properly joint noticed public hearing with the PTC to take public testimony, consider the 2017 Comprehensive Plan EIR and EIR Addendum, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report, and all attachments, and oral and written public comments.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. The record of proceedings upon which the City Council bases its decision herein includes, but is not limited to: (1) the Addendum and the 2017 Comprehensive Plan Final EIR including all appendices and attachments cited and/or relied upon therein; (2) the staff reports, City files and records and other documents prepared for and/or submitted to the City relating to the 2017 Comprehensive Plan Final EIR, the Addendum, and the 2023-2031 Housing Element; (3) the evidence, facts, findings, and other determinations set forth in this Resolution; (4) the 2017 Comprehensive Plan; (5) all studies, data, and correspondence submitted by the City in connection with the Addendum and the 2023-2031 Housing Element; (6) all documentary and oral evidence received at public workshops, meetings, and hearings; (7) all other matters of common knowledge to City decisionmakers, including City, state, and federal laws, policies, rules, and regulations, reports, records, and projections related to development within the City of Palo Alto and its surrounding areas. The location and custodian of records is the City Clerk of the City of Palo Alto, 250 Hamilton Avenue, Palo Alto, CA 94305.
3. Based on the record of proceedings as a whole, the City Council approves the Addendum to the 2017 Comprehensive Plan Final EIR and makes the following findings and declarations:
 - a. That the 2023-2031 Housing Element represents only incremental change over the conditions studied in the 2017 Comprehensive Plan Final EIR.
 - b. The MMRP adopted in conjunction with the 2017 Comprehensive Plan included all mitigation measures necessary to mitigate the most impactful scenarios contemplated in the 2017 Comprehensive Plan EIR.
 - c. None of the conditions described in CEQA Guidelines Section 15162 calling for the preparation of a Subsequent EIR or Supplemental EIR are present, as set forth in the Addendum.
 - d. Any modifications to the 2023-2031 Housing Element directed by the City Council on May 8, 2023 do not change the conclusions of the Addendum and the 2017 Comprehensive Plan Final EIR.
 - e. The Addendum has been prepared in accordance with CEQA and the State CEQA Guidelines and reflects the independent judgment of the City as lead agency.

- f. All mitigation measures included in the MMRP for the 2017 Comprehensive Plan Final EIR will continue to be required, as part of the adoption of the 2023-2031 Housing Element.
4. Based on the record of proceedings as a whole, the City Council makes the following findings and declarations regarding the 2023-2031 Housing Element, as shown in Exhibit A to this Resolution, incorporated herein:
 - a. Adoption of the 2023-2031 Housing Element is in the public interest. The 2023-2031 Housing Element promotes the production of the City's share of regional housing need for all segments of the community, which is in the interest of the City, the region, and the state.
 - b. The 2023-2031 Housing Element is internally consistent and consistent with the rest of the Comprehensive Plan. As an integrated set of goals, policies, programs, and timelines, and quantified objectives, the 2023-2031 Housing Element does not approve any specific development projects; it acknowledges land use and zoning changes that will be required and therefore it creates no inconsistencies with the Comprehensive Plan.
 - c. The 2023-2031 Housing Element was developed through diligent effort by the City to achieve public participation of all segments of the community, as described in Chapter 1 of the 2023—2031 Housing Element.
 - d. The 2023-2031 Housing Element substantially complies with all requirements of Housing Element Law, as provided in Government Code 65580 et seq., and contains all provisions required by State Housing Element Law, as shown in Exhibit D to this Resolution, incorporated herein.
5. Based on substantial evidence in the record, including, but not limited to, the analyses provided in Chapters 3 and 4 of the 2023-2031 Housing Element, the City's experience with the redevelopment of non-vacant and commercially developed sites for housing, strong expressed interest from property owners and developers, and the numerous policies and programs in Chapter 5 of the 2023-2031 Housing Element aimed at reducing constraints to housing development and otherwise increasing housing supply, the existing uses on the non-vacant sites identified in the site inventory to accommodate the RHNA are likely to be integrated with new residential uses or discontinued during the planning period and therefore do not constitute an impediment to planned residential development on the site during the planning period.
6. As required by Government Code Section 65585(e), the City Council has considered the findings made by the Department of Housing and Community Development included in the Department's letter to the City dated March 23, 2023, consistent with Government Code Section 65585(f), and as described in Exhibit C to this Resolution, incorporated herein, the City Council has changed the Housing Element in response to the findings of the Department to substantially comply with the HCD's interpretation of the requirements of State Housing Element Law.
7. The 2015-2023 Housing Element is hereby repealed in its entirety, and the 2023-2031 Housing Element is adopted.

8. The City Council intends to complete the HCD review process to obtain an HCD findings of substantial compliance and certification and hereby directs and authorizes the Director of Planning and Development Services: a) to file all necessary material with the HCD for the Department to find that the Housing Element is in conformance with State Housing Element Law; and b) to make all non-substantive changes to the Housing Element to make it internally consistent or to address any non-substantive changes or amendments requested by the Department to achieve certification.
9. The Director of Planning and Development Services is hereby directed to ensure that the adopted Housing Element, including any additional amendments, is posted to the City's website, and a link emailed to all individuals and organizations that have previously requested notices, at least seven days prior to submission to HCD.
10. The Director of Planning and Development Services and City Clerk are hereby directed to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 and 65589.7.
11. This Resolution shall become effective upon adoption by the City Council.

INTRODUCED and PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

NOT YET APPROVED

Exhibit A: 2023-2031 Housing Element

Exhibit B: HCD Finding Letter, dated March 23, 2023

Exhibit C: Response to HCD Findings

Exhibit D: Housing Element Statutory Provisions Checklist

Exhibit E: Addendum to the 2017 Comprehensive Plan Final EIR

NOT YET APPROVED

Exhibit A

Not included in this draft for brevity. To be replaced with Attachment A to Council Report #2304-1372,
as revised.

NOT YET APPROVED

Exhibit B

Not included in this draft for brevity. To be replaced with Attachment D to Council Report 2304-1372.

NOT YET APPROVED

Exhibit C

Not included in this draft for brevity. To be replaced with Attachment F to Council Report 2304-1372.

Exhibit D

2022 Housing Element Statutory Provisions Checklist

Section 65583

Government Code Provision	Housing Element Compliance
The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.	No action required.
The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.	No action required.
The element shall contain all of the following:	No action required.
(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:	Chapter 2: Housing Needs Assessment
(a)(1) An analysis of population and employment trends and documentation of projections	Chapter 2, pages 2-4 – 2-20.
(a)(1) A quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.	Chapter 2, including pages 2-85 – 2-87 for assessment of need for ELI households.

Government Code Provision	Housing Element Compliance
(a)(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay,	Chapter 2, pages. 2-20 – 2-45.
(a)(2) housing characteristics, including overcrowding, and	Chapter 2, pages. 2-46 – 2-50 See also below.
(a)(2) housing stock condition.	Chapter 2, pages 2-87 – 2-106.
(a)(3) An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality’s housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites, and an analysis of the relationship of the sites identified in the land inventory to the jurisdiction’s duty to affirmatively further fair housing. Note: Please see Section 65583.2 regarding the land inventory.	Chapter 3: Housing Resources and Opportunities.
[Note that AB 2339 (Chapter 654, Statutes of 2022) amended Section 65583(a)(4). It does not apply to ABAG-area housing elements unless the first draft of the housing element is submitted to ABAG after January 31, 2023 or a draft is submitted after April 1, 2023. Therefore the sections below include the statutory provisions of Section 65583(a)(4) effective in 2022. Jurisdictions adopting their housing element after January 1, 2023 should describe why AB 2339 is not applicable to them.]	Not applicable because City intends to submit adopted, not draft, element after 04/01/2023. However, City will need to comply if submits a later draft.
(a)(4)(A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter.	Chapter 4, pages 4-54 – 4-57.
(a)(4)(A) If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit.	Not applicable.
(a)(4)(A) The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters.	Chapter 4, pages 4-54 – 4-57.

Government Code Provision	Housing Element Compliance
<p>(a)(4)(A) Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:</p> <ul style="list-style-type: none"> (i) The maximum number of beds or persons permitted to be served nightly by the facility. (ii) Sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone. (iii) The size and location of exterior and interior onsite waiting and client intake areas. (iv) The provision of onsite management. (v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart. (vi) The length of stay. (vii) Lighting. (viii) Security during hours that the emergency shelter is in operation. 	Chapter 4, pages 4-55 – 4-57.
<p>(a)(4)(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).</p>	Chapter 4, pages 4-54 – 4-57.
<p>(a)(4)(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction’s need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.</p>	Not applicable.
<p>(a)(4)(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.</p>	Chapter 4, pages 4-54 – 4-57.
<p>(a)(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and [Note: The types of housing identified in Section 65583(c)(1) include multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.]</p>	Chapter 4, pages 4-13 – 4-59. Housing types in (c)(1) addressed on pages 4-50 – 4-59.
<p>(a)(5) for persons with disabilities as identified in the analysis pursuant to paragraph (7),</p>	Chapter 4, pages 4-101 – 4-104.
<p>(a)(5) including land use controls,</p>	Chapter 4, pages 4-36 – 4-49.
<p>(a)(5) building codes and their enforcement,</p>	Chapter 4, pages 4-94 – 4-95.

Government Code Provision	Housing Element Compliance
(a)(5) site improvements,	Chapter 4, pages 4-93 – 4-94.
(a)(5) fees and other exactions required of developers,	Chapter 4, pages 4-83 – 4-93.
(a)(5) local processing and permit procedures,	Chapter 4, pages 4-68 – 4-82.
(a)(5) and any locally adopted ordinances that directly impact the cost and supply of residential development.	Chapter 4, Section 4.2, including pages 4-59 – 4-68.
(a)(5) The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584	Chapter 4, pages 4-36 – 4-49, and 4-95 - 4-100.
(a)(5) and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7).	Chapter 4, pages 4-52 -4-56 and 4-101 – 4-103.
(a)(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing,	Chapter 4, Section 4.1, Including availability of financing on pages 4-7 – 4-10.
(a)(6) the price of land,	Chapter 4, pages 4-3 – 4-5. .
(a)(6) the cost of construction,	Chapter 4, pages 4-5 – 4-7.
(a)(6) the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Section 65583.2,	Chapter 4, pages 4-12 – 4-13.
(a)(6) and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality’s share of the regional housing need in accordance with Section 65584.	Chapter 4, page 4-12.
(a)(6) The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality’s planning for the development of housing for all income levels and the construction of that housing.	Chapter 4, several of the nongovernmental constraints analyzed mention programs that will be undertaken to reduce or remove constraint.
(a)(7) An analysis of any special housing needs, such as those of the	Chapter 2, pages 2-50 – 2-87.
(a)(7) elderly;	Chapter 2, pages 2-51 – 2-55.
(a)(7) persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code;	Chapter 2, pages– 2-55 – 2-60.
(a)(7) large families;	Chapter 2, pages– 2-61 – 2-64.
(a)(7) farmworkers;	Chapter 2, pages– 2-68 – 2-70.
(a)(7) families with female heads of households;	Chapter 2, pages 2-64 – 2-68.
(a)(7) and families and persons in need of emergency shelter.	Chapter 2, pages2-75 – 2-77.

Government Code Provision	Housing Element Compliance
(a)(7) The need for emergency shelter shall be assessed based on the capacity necessary to accommodate the most recent homeless point-in-time count conducted before the start of the planning period, the need for emergency shelter based on number of beds available on a year-round and seasonal basis, the number of shelter beds that go unused on an average monthly basis within a one-year period, and the percentage of those in emergency shelters that move to permanent housing solutions.	To be added to Chapter 2, pursuant to Staff Report 2304-1372.
(a)(7) The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period.	Not applicable
(a)(7) An analysis of special housing needs by a city or county may include an analysis of the need for frequent user coordinated care housing services.	Chapter 2, pages 2-73 – 2-80.
(a)(8) An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.	Chapter 2, page 2-106 – 2-107.
(a)(9) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. “Assisted housing developments,” for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. “Assisted housing developments” shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65915.	Chapter 2, pages 2-97 – 2-106.
(a)(9)(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality’s low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.	Chapter 2, pages 2-97 – 2-102.
(a)(9)(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.	Chapter 2, pages 2-102 – 2-106.

Government Code Provision	Housing Element Compliance
(a)(9)(C) The analysis shall identify public and private nonprofit corporations known to the local government that have legal and managerial capacity to acquire and manage these housing developments.	Chapter 3, page 3-69 – 3-71.
(a)(9)(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs that can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program that have not been legally obligated for other purposes and that could be available for use in preserving assisted housing developments.	Chapter 3, pages 3-65 – 3-69.
(b)(1) A statement of the community's goals, quantified objectives, and policies relative to affirmatively furthering fair housing and to the maintenance, preservation, improvement, and development of housing.	Chapter 5, pages 5-1 – 5-5, and 5-49
(b)(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.	Chapter 5.
(c) A program that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element	Chapter 5.
(c) through the administration of land use and development controls,	Chapter 5, Programs 1.1-1.6, 2.2, 3.4-3.6, 4.1-4.2, and 6.3-6.5.
(c) the provision of regulatory concessions and incentives,	Chapter 5, Programs 3.1, 3.3-3.4, 3.7-3.9, 4.3, and 6.1-6.3.
(c) the utilization of appropriate federal and state financing and subsidy programs when available,	Chapter 5, Programs 2.1, 4.3, and 5.1-5.2.
(c) and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code).	Not applicable.
In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:	

Government Code Provision	Housing Element Compliance
(c)(1) Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09.	Chapter 5, pages 5-6 – 5-16.
(c)(1) Sites shall be identified as needed to affirmatively further fair housing	Chapter 3, page 3-29. Appendix C.
(c)(1) and to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing,	Chapter 4: Housing Constraints. Chapter 5.
(c)(1) factory-built housing,	Chapter 4, pages 4-50 – 4-51. Chapter 5, Program 6.5
(c)(1) mobilehomes,	Chapter 4, pages 4-50 – 4-51. Chapter 5, Program 6.5
(c)(1) housing for agricultural employees,	Chapter 4, pages 4-58 – 4-59. Chapter 5, Program 6.5
(c)(1) supportive housing,	Chapter 4, page 4-53. Chapter 5, Program 6.5
(c)(1) single-room occupancy units,	Chapter 4, page 4-50. Chapter 5, Program 6.5
(c)(1) emergency shelters,	Chapter 4, pages 4-54 – 4-55. Chapter 5, Program 6.4
(c)(1) and transitional housing.	Chapter 4, page 4-53 – 4-54. Chapter 5, Program 6.5
(c)(1)(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element that the department has found to be in substantial compliance with this article within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than one year from the statutory deadline in Section 65588 for adoption of the housing element.	Chapter 3, pages 3-32 – 3-57. See also Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(c)(1)(B) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. The identification of sites shall include all components specified in Section 65583.2. Note: Please see Section 65583.2 regarding the land inventory and conformance with subdivision (h).	Chapter 5, pages 5-6 – 5-9. (Program 1.1).

Government Code Provision	Housing Element Compliance
(c)(1)(C) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.	Not applicable. But see Program 6.5 regarding Employee Housing Act.
(c)(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.	Chapter 5, pages 5-14 – 5-15 (Programs 2.1-2.2) and 5-18 – 5-29. (Programs 3.1-3.10)
(c)(3) Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels	Chapter 5 generally, including pages 5-3 – 5-4 (Goal 3), 5-18 – 5-29 (Program 3).
(c)(3) and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.	Chapter 4, pages 4-103 – 4-104; Chapter 5, pages 5-37 – 5-38 (Program 6.1).
(c)(3) Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.	Chapter 5, pages 5-41 – 5-43 (Program 6.5).
(c)(3) Supportive housing, as defined in Section 65650, shall be a use by right in all zones where multifamily and mixed uses are permitted, as provided in Article 11 (commencing with Section 65650).	Chapter 5, pages 5-41 – 5-43 (Program 6.5).
(c)(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.	Chapter 5, pages 5-1 and 5-34 – 5-37 (Programs 5.1-5.3).
(c)(5) Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.	Chapter 5, pages 5-6; pages 5-37 – 5-49 (Program 6).
(c)(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a).	Chapter 5, pages 5-34 – 5-35 (Program 5).
(c)(6) The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available.	Chapter 5, pages 5-35 – 5-36.
(c)(6) The program may include strategies that involve local regulation and technical assistance.	Programs include technical assistance.

Government Code Provision	Housing Element Compliance
(c)(7) Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, “accessory dwelling units” has the same meaning as “accessory dwelling unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2.	Chapter 5, pages 5-23 – 5-25.
(c)(8) Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.	Programs all designate responsible agencies/officials.
(c)(9) Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.	Chapter 1, pages 1- 7 – 1-23.
(c)(10)(A) Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:	Appendix C: Assessment of Fair Housing.
(c)(10)(A)(i) A summary of fair housing issues in the jurisdiction	Appendix C, pages C5-C10, Table C-11
(c)(10)(A)(i) and an assessment of the jurisdiction’s fair housing enforcement and fair housing outreach capacity.	Appendix C, pages C11-C16.
(c)(10)(A)(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends,	Appendix C, pages C16-C42.
(c)(10)(A)(ii) racially or ethnically concentrated areas of poverty and affluence,	Appendix C, pages C43-C50.
(c)(10)(A)(ii) disparities in access to opportunity,	Appendix C, pages C50-C68.
(c)(10)(A)(ii) and disproportionate housing needs,	Appendix C, pages C69-C-84.
(c)(10)(A)(ii) including displacement risk.	Appendix C, pages C80-C84.
(c)(10)(A)(ii) The analysis shall identify and examine such patterns, trends, areas, disparities, and needs, both within the jurisdiction.	Each section includes Local Trends.
(c)(10)(A)(ii) and comparing the jurisdiction to the region in which it is located, based on race and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2) and Section 65008.	Each section includes Regional Trends.
(c)(10)(A)(iii) An assessment of the contributing factors, including the local and regional historical origins	Appendix C, pages C48-C49; C94-C95.
(c)(10)(A)(iii) and current policies and practices, for the fair housing issues identified under clauses (i) and (ii).	Discussion of Local Trends and Local Knowledge includes current policies and practices.

Government Code Provision	Housing Element Compliance
(c)(10)(A)(iv) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance,	Appendix C, Section Table C-11 Chapter 5, page 5-5.
(c)(10)(A)(iv) and identifying the metrics and milestones for determining what fair housing results will be achieved.	Chapter 5, pages 5-43 – 5-47.
(c)(10)(A)(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies	Chapter 5, Program 6. Appendix C, Table C-11
(c)(10)(A)(v) and encouraging development of new affordable housing in areas of opportunity,	Chapter 5, pages 5-39 – 5-40.
(c)(10)(A)(v) as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing,	Chapter 5, pages 5-29 – 5-33.
(c)(10)(A)(v) and protecting existing residents from displacement.	Chapter 5, page 5-30; 5-43 – 5-47.
(c)(10)(B) A jurisdiction that completes or revises an assessment of fair housing pursuant to Subpart A (commencing with Section 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal Regulations, as published in Volume 80 of the Federal Register, Number 136, page 42272, dated July 16, 2015, or an analysis of impediments to fair housing choice in accordance with the requirements of Section 91.225 of Title 24 of the Code of Federal Regulations in effect before August 17, 2015, may incorporate relevant portions of that assessment or revised assessment of fair housing or analysis or revised analysis of impediments to fair housing into its housing element.	Santa Clara County Assessment of Impediments incorporated into analysis.
(c)(10)(C) The requirements of this paragraph shall apply to housing elements due to be revised pursuant to Section 65588 on or after January 1, 2021.	Applicable.
(d)(1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.	Not applicable.
(d)(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit toward its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.	Not applicable.
(d)(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:	Not applicable.
(d)(3)(A) How the joint facility will meet the jurisdiction's emergency shelter need.	Not applicable.
(d)(3)(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.	

Government Code Provision	Housing Element Compliance
(d)(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.	Not applicable.
(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following: [Note that this provision is applicable to AB 2339 (Chapter 654, Statutes of 2022), which amended Section 65583(a)(4). Jurisdictions adopting their housing element after January 1, 2023 should describe why this amendment is not applicable to them.]	Provisions of AB 2339 are not applicable to adopted Element. City needs to include a statement.
(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.	Not applicable.
(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.	Not applicable.
(f) – (j): Not applicable	Not applicable.

Section 65583.1(a)

Government Code Provision	Housing Element Compliance
(a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, ... may also allow a city or county to identify sites for accessory dwelling units based on the number of accessory dwelling units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department.	Chapter 3, pages 3-9 – 3-10.
(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.	Not applicable.
Note: If communities are using the provisions of Section 65583.1(c), which allow RHNA credit for conversion of non-affordable to affordable housing and for preservation of existing affordable housing at risk of loss, the applicable provisions need to be added to this table.	Not applicable.

Section 65583.2

Government Code Provision	Housing Element Compliance
(a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (10) of subdivision (c) of Section 65583,	Chapter 3, pages 3-11 – 3-32. Appendix D
(a) that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the following sites that meet the standards set forth in subdivisions (c) and (g):	Chapter 3, pages 3-11 – 3-32.
(a)(1) Vacant sites zoned for residential use.	Chapter 3, pages 3-32 – 3-34.
(a)(2) Vacant sites zoned for nonresidential use that allows residential development.	Chapter 3, pages 3-32 – 3-34.
(a)(3) Residentially zoned sites that are capable of being developed at a higher density, including sites owned or leased by a city, county, or city and county	Chapter 3, pages 3-35 – 3-36.
(a)(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by a city, county, or city and county.	Chapter 3, pages 3-35 – 3-57.
(b) The inventory of land shall include all of the following:	Appendix D.
(b)(1) A listing of properties by assessor parcel number.	Appendix D.
(b)(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.	Appendix D.
(b)(3) For nonvacant sites, a description of the existing use of each property.	Appendix D.
(b)(3) If a site subject to this paragraph is owned by the city or county, the description shall also include whether there are any plans to dispose of the property during the planning period and how the city or county will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.	Chapter 3, pages 3-44 – 3-47.
(b)(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.	Chapter 4, pages 4-104 – 4-110.
(b)(5)(A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.	Chapter 4, pages 4-108 – 4-110.

Government Code Provision	Housing Element Compliance
(b)(5)(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.	Chapter 3, pages 3-64 – 3-65.
(b)(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.	Not applicable.
(b)(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction’s general plan, for reference purposes only.	Chapter 3 includes a number of figures identifying sites by different category.
(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower income housing, moderate-income housing, or above moderate-income housing.	Appendix D. (See also Chapter 3 generally.)
(c) A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality’s housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. An unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right.	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(c) Notwithstanding the foregoing, for a local government that fails to adopt a housing element that the department has found to be in substantial compliance with state law within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning pursuant to this subdivision shall be completed no later than one year from the statutory deadline in Section 65588 for adoption of the housing element.	City plans to adopt rezoning within one year, by January 31, 2024. Chapter 5, Program 1.1
(c) The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing,	Chapter 4: Housing Constraints

Government Code Provision	Housing Element Compliance
(c) factory-built housing, mobilehomes,	Chapter 4, pages 4-50 – 4-51.
(c) housing for agricultural employees, supportive housing,	Chapter 4, pages 4-53; 4-58 – 4-59.
(c) single-room occupancy units,	Chapter 4, page 4-50.
(c) emergency shelters, and	Chapter 4, pages 4-54 – 4-57.
(c) transitional housing	Chapter 4, pages 4-53 – 4-54.
(c) and whether the inventory affirmatively furthers fair housing .	Appendix C
(c) The city or county shall determine the number of housing units that can be accommodated on each site as follows:	Chapter 3.
(c)(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency’s calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.	Chapter 3, page 3-11 – 3-12.
(c)(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583,	Chapter 3, pages 3-23 – 3-30.
(c)(2) the realistic development capacity for the site,	Chapter 3, pages 3-59 – 3-63.
(c)(2) typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction,	Chapter 3, page 3-63.
(c)(2) and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.	Chapter 3, page 3-64.
(c)(2)(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.	Chapter 3, page 3-11.
(c)(2)(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing.	Chapter 3, page 3-11.
(c)(2)(B) For purposes of this subparagraph, “site” means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.	No action required.

Government Code Provision	Housing Element Compliance
(c)(2)(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.	Chapter 3, pages 3-4 – 3-8.
(c)(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:	Chapter 3.
(c)(3)(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.	Chapter 3, pages 3-11 – 3-34.
(c)(3)(B) The following densities shall be deemed appropriate to accommodate housing for lower income households: (i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre. (ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre. (iii) For a suburban jurisdiction: sites allowing at least 20 units per acre. (iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.	Chapter 3, page 3-11.
(4)(A) For a metropolitan jurisdiction:	No action required.
(4)(A)(i) At least 25 percent of the jurisdiction's share of the regional housing need for moderate-income housing shall be allocated to sites with zoning that allows at least 4 units of housing, but not more than 100 units per acre of housing.	Appendix D
(4)(A)(ii) At least 25 percent of the jurisdiction's share of the regional housing need for above moderate-income housing shall be allocated to sites with zoning that allows at least 4 units of housing.	Appendix D
(B) The allocation of moderate-income and above moderate-income housing to sites pursuant to this paragraph shall not be a basis for the jurisdiction to do either of the following: (i) Deny a project that does not comply with the allocation. (ii) Impose a price minimum, price maximum, price control, or any other exaction or condition of approval in lieu thereof. This clause does not prohibit a jurisdiction from imposing any price minimum, price maximum, price control, exaction, or condition in lieu thereof, pursuant to any other law. (iii) The provisions of this subparagraph do not constitute a change in, but are declaratory of, existing law with regard to the allocation of sites pursuant to this section.	No action required.
(C) This paragraph does not apply to an unincorporated area.	Not applicable.
(D) For purposes of this paragraph:	No action required.

Government Code Provision	Housing Element Compliance
(i) "Housing development project" has the same meaning as defined in paragraph (2) of subdivision (h) of Section 65589.5.	No action required.
(ii) "Unit of housing" does not include an accessory dwelling unit or junior accessory dwelling unit that could be approved pursuant to Section 65852.2 or Section 65852.22 or through a local ordinance or other provision implementing either of those sections. This paragraph shall not limit the ability of a local government to count the actual production of accessory dwelling units or junior accessory dwelling units in an annual progress report submitted pursuant to Section 65400 or other progress report as determined by the department.	No action required.
(E) Nothing in this subdivision shall preclude the subdivision of a parcel, provided that the subdivision is subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)) or any other applicable law authorizing the subdivision of land.	No action required.
(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.	Not applicable
(e)(1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.	Not applicable.
(2)(A)(i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.	Not applicable.
(2)(A)(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.	Not applicable.

Government Code Provision	Housing Element Compliance
(2)(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times: once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.	Not applicable.
(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for “suburban area” above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction’s population is less than 25,000 in which case it shall be considered suburban.	Palo Alto is considered to be “metropolitan.”
(g)(1) For sites described in paragraph (3) of subdivision (b) [non-vacant sites], the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential.	Chapter 3, page 3-12
(g)(1) The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development,	Chapter 3, pages 3-26 – 3-29.
(g)(1) the city’s or county’s past experience with converting existing uses to higher density residential development,	Chapter 3, pages 3-15 – 3-23 and 3-29 – 3-30.
(g)(1) the current market demand for the existing use,	Chapter 3, pages 3-29 – 3-30
(g)(1) an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development,	Chapter 3, pages 3-27 – 3-28.
(g)(1) development trends,	Chapter 3, pages 3-12 – 3-23.
(g)(1) market conditions,	Chapter 3, pages– 3-59 – 3-62.
(g)(1) and regulatory or other incentives or standards to encourage additional residential development on these sites.	Chapter 3, pages– 3-59 – 3-62.
(g)(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.	Chapter 3, pages 3-26 – 3-30; 3-59 – 3-62.

Government Code Provision	Housing Element Compliance
(g)(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.	Chapter 5, page 5-29 – 5-30. (Program 4.1).
(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period.	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(h) These sites shall be zoned with minimum density and development standards that permit at least	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(h) 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c),	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(h) shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c)	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(h) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b).	Chapter 5, pages 5-6 – 5-9. (Program 1.1).
(h) At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.	Chapter 5 pages 5-6 – 5-9. (Program 1.1).
(i) For purposes of this section and Section 65583, the phrase “use by right” shall mean that the local government’s review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act.	Chapter 5 pages 5-6 – 5-9. (Program 1.1). Provides for “by right” development.

Government Code Provision	Housing Element Compliance
(i) A local ordinance may provide that “use by right” does not exempt the use from design review. However, that design review shall not constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.	Chapter 5 pages 5-6 – 5-9. (Program 1.1).
(i) Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.	Chapter 5, pages 5-25 – 5-28. (Programs 3.7-3.9).
(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marín Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.	Not applicable.

Section 65583.3

Government Code Provision	Housing Element Compliance
<p>(a) For a housing element or amendment adopted on or after January 1, 2021, the planning agency shall submit to the department an electronic copy of its inventory of land suitable for residential development developed pursuant to paragraph (3) of subdivision (a) of Section 65583 and subdivision (b) of this section with the copy of its housing element or amendment submitted pursuant to subdivision (g) of Section 65585. The local government shall ensure, to the best of its knowledge, that the inventory of land submitted to the department is true and correct.</p> <p>(b) Notwithstanding subdivision (a) of Section 65301, each local government shall prepare the inventory required under paragraph (3) of subdivision (a) of Section 65583 using standards, forms, and definitions adopted by the department.</p>	Appendix D.

Exhibit E

Not included in this draft for brevity. To be replaced with Attachment B to Council Report 2304-1372.