

# City of Palo Alto Housing Element Update 2015-2023



## HOUSING ELEMENT COMMUNITY PANEL STUDY SESSION

March 11, 2014 | Lucie Stern Community Center

# What is a Housing Element?

- State-mandated planning document for housing
  - 1 of 7 state-required elements of the General Plan
- Only General Plan element that requires review and “certification” by California Department of Housing and Community Development (HCD)

California Department of Housing and Community Development

HOME HOUSING ELEMENT

**BUILDING BLOCKS FOR EFFECTIVE HOUSING ELEMENTS**

Welcome to the Department's newest technical assistance resource to assist local governments in adopting housing elements that effectively address housing needs, the specific requirements of State law and in furtherance of local goals and objectives. The Department is committed to working in partnership with local governments and the public and private sectors in addressing California's continuing housing crisis.

NEW! For examples of models and housing elements in compliance with housing element law [click here](#).

**GETTING STARTED** **HOUSING NEEDS** **SITES INVENTORY/ANALYSIS**

**CONSTRAINTS** **PROGRAM REQUIREMENTS** **OTHER REQUIREMENTS**

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 283-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)

EDMUND G. BROWN JR., Governor



August 15, 2013

Mr. James Keene  
City Manager  
City of Palo Alto  
250 Hamilton Ave  
Palo Alto, CA 94303

Dear Mr. Keene:

**RE: Review of the City of Palo Alto's 4<sup>th</sup> Cycle (2009-2014) Adopted Housing Element**

Thank you for submitting the City of Palo Alto's housing element adopted June 17, 2013 and received for review on July 15, 2013. Pursuant to Government Code Section 65585(h), the Department is reporting the results of its review.

The Department is pleased to find the adopted housing element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department's review found the adopted element to be substantially the same as the revised draft element reviewed by the Department on March 29, 2013 and determined to comply with statutory requirements.

# Why adopt a Housing Element?

- Periodic updates required by State law
  - 2015-2023 Housing Element due January 31, 2015 (plus 120-day grace period)
- Adjusts housing policy to reflect changes in the community
- Compete for housing grants
- Vulnerable to legal challenges without HCD certification
- Legally adequate General Plan
- Avoid four-year Housing Element cycle penalty with on-time adoption

# Housing Element Content

## Constraints to Housing Development

- Governmental
- Market
- Environmental

## Resources and Sites Inventory

- RHNA Sites
- Administrative Resources
- Financial Resources

## Housing Plan 2015-2023

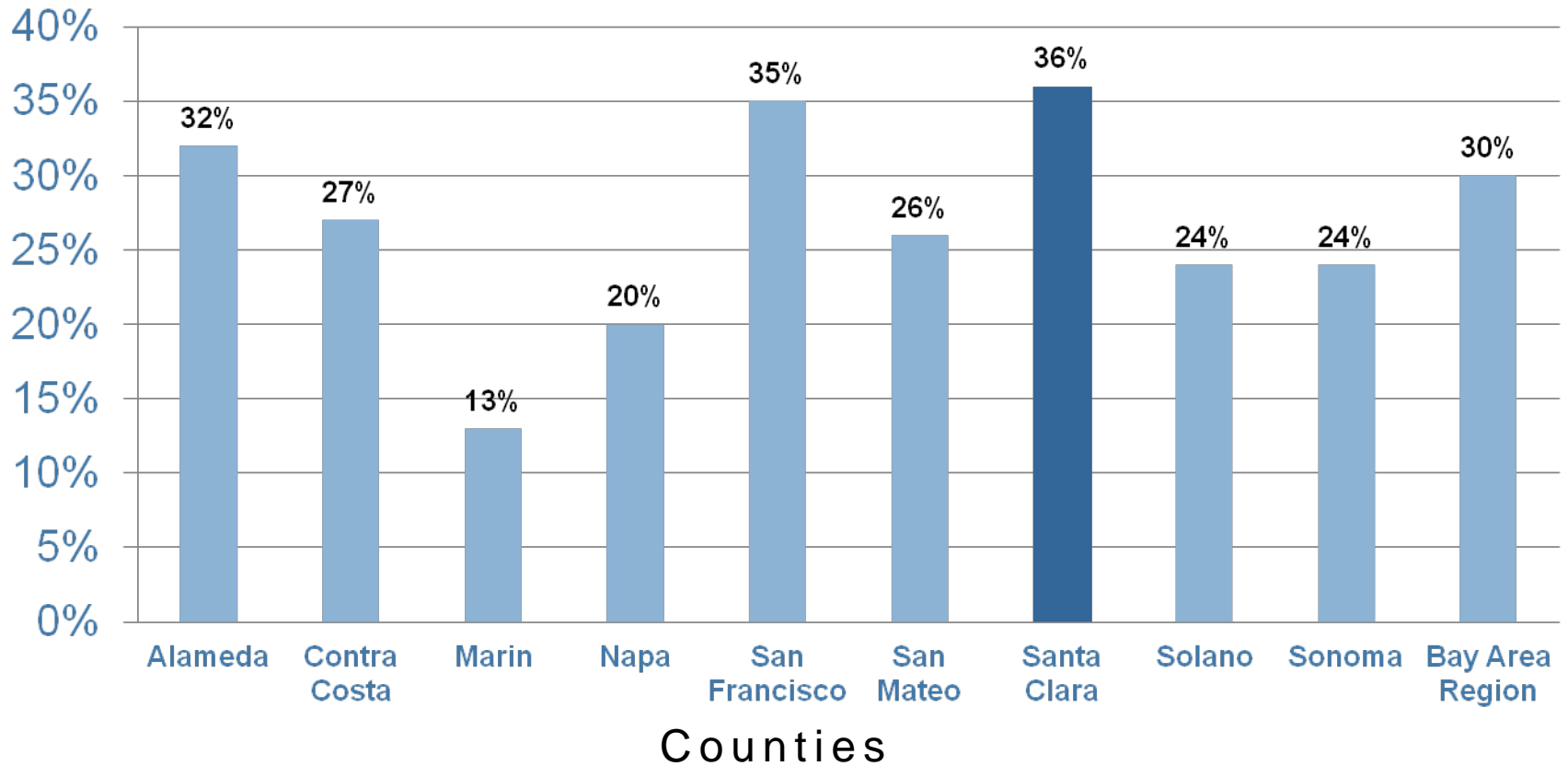
## Needs Assessment

- Demographic Trends
- Housing Market Trends
- Special Needs Groups

## Progress toward Implementing Previous Housing Element

# Regional Growth

## Regional Population Growth 2010-2040

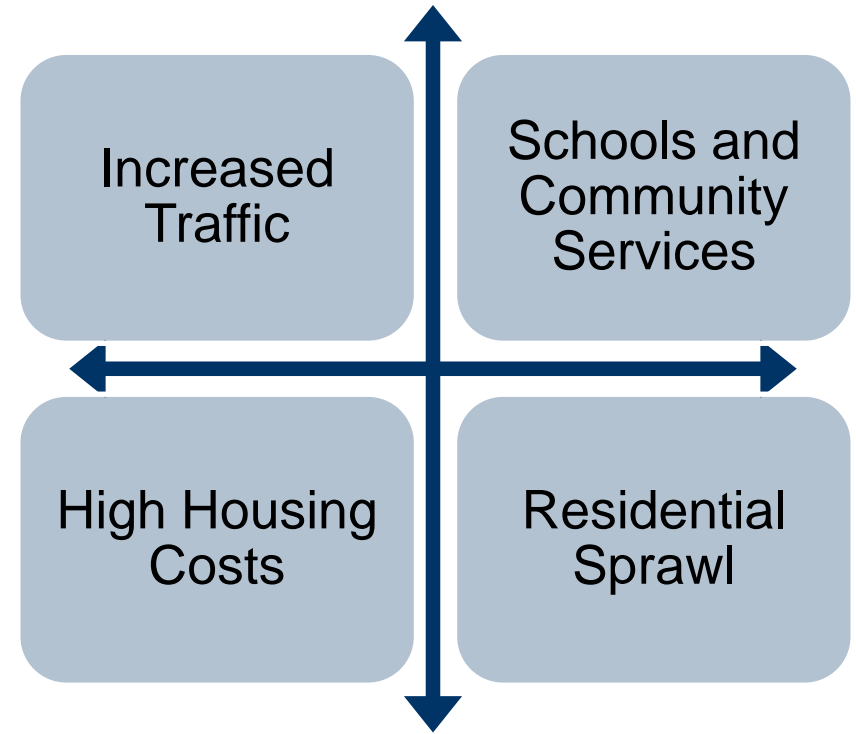
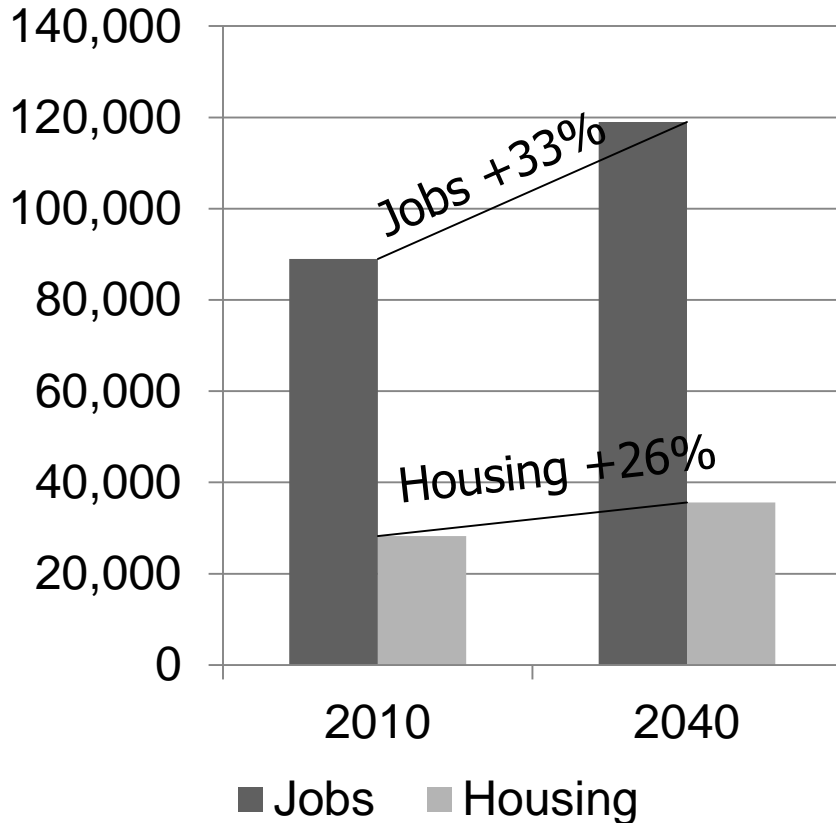


Source: Plan Bay Area: Draft Forecast of Jobs, Population, and Housing. Association of Bay Area Governments/Metropolitan Transportation Commission. March 2013.

# Jobs vs. Housing Growth

## Jobs and Housing Growth

City of Palo Alto

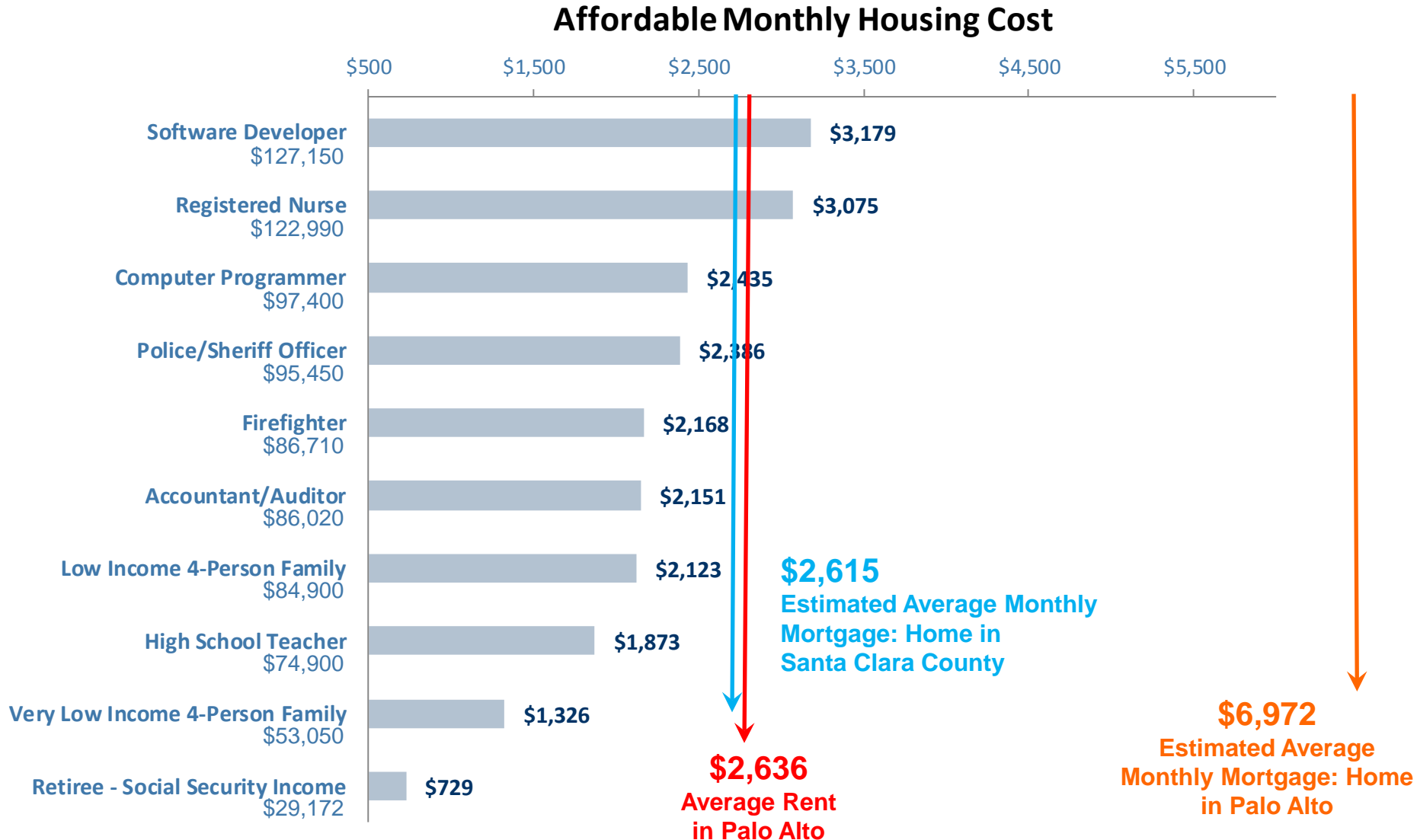


*How can we address the jobs/housing imbalance in our community?*

# What is Affordable Housing?

- Affordable housing: a household paying no more than 30% of its annual income on housing
- Cost burden: When monthly housing costs (including utilities) exceed 30% of monthly income
- Cost burden in Palo Alto:
  - 28% of all households
  - 24% of owner households
  - 33% of renter households

# Affordable Housing Cost





Goal for accommodating housing need through land use policies and planning (zoning)

- NOT a construction obligation

Affordability of units based on AB 2348

- Establishes “default density”
- Sites with density of at least 20 du/acre = considered affordable
- Does not dictate the type of future development on these sites; only assumes that higher densities can lower per-unit development costs

# Residential Density Examples

## 20 units per acre

- **Unit Info:** 1-4 Bedroom Units
- **Amenities:** Computer center, Play areas, Pool access

Poway, California



# Residential Density Examples

Stanford West

## 25 units per acre

- **Unit Info:** 1-3 Bedroom Units
- **Amenities:** Pools, Play Areas, Fitness Center



# Residential Density Examples

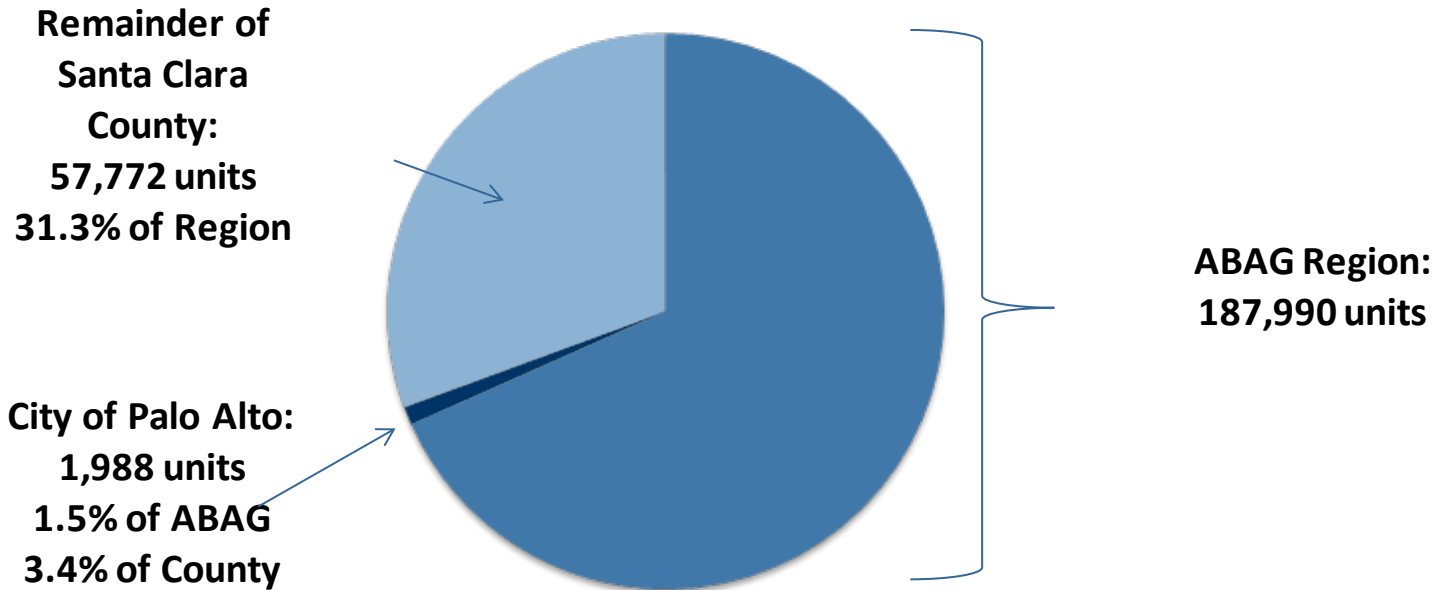
## Moldaw Family Residences

### 30 units per acre

- **Unit Info:** 1-3 Bedroom Units
- **Amenities:** Fitness center, community center



# Regional Housing Needs Allocation



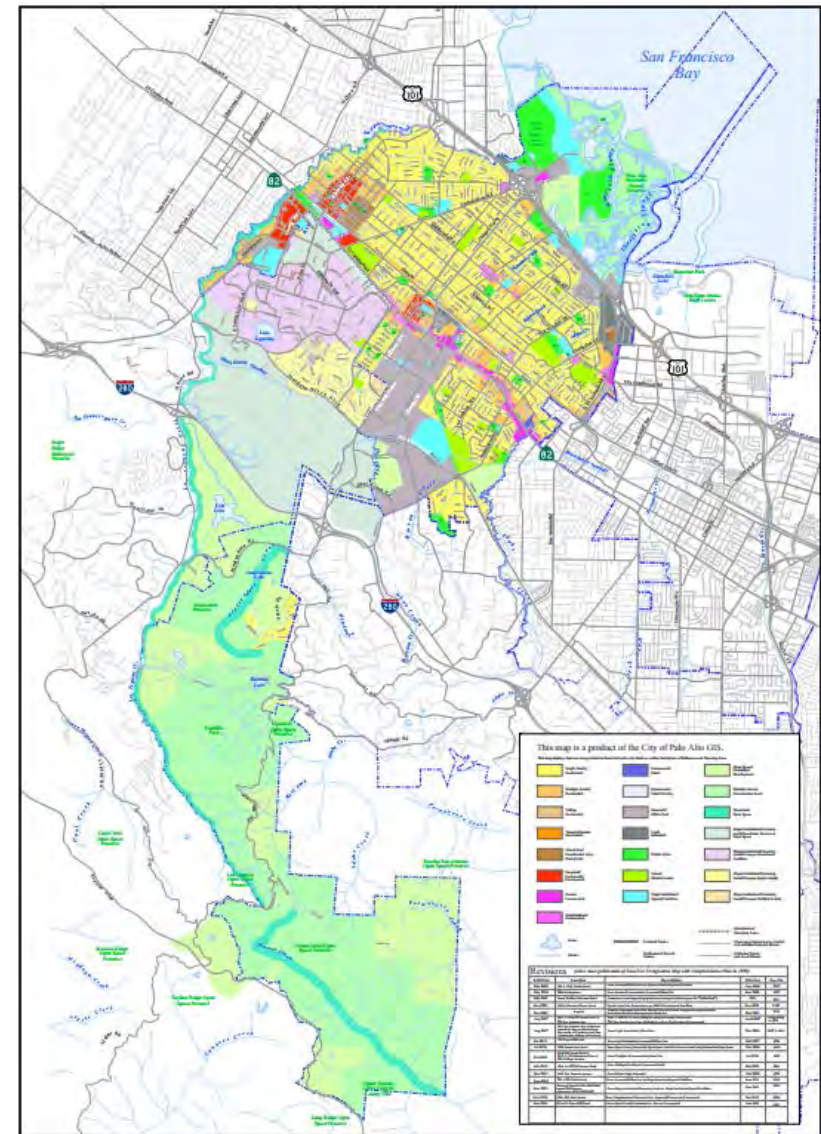
Income Group	% of County AMI	Palo Alto RHNA (2014-2022)	% of Units
Very Low	0-50%	691	35%
Low	51-80%	432	22%
Moderate	81-120%	278	14%
Above Moderate	120% +	587	30%
Total		1,988	100%

# Regional Housing Needs Allocation

Jurisdiction	Population 2010	Housing Units 2010	RHNA	% of Santa Clara County RHNA
San Jose	945,942	314,038	35,080	59.6%
Sunnyvale	140,081	55,791	5,452	9.3%
Santa Clara	116,468	45,147	4,093	7.0%
Mountain View	74,066	33,881	2,926	5.0%
<b>Palo Alto</b>	<b>64,403</b>	<b>28,216</b>	<b>1,988</b>	<b>3.4%</b>
Cupertino	58,302	21,027	1,064	1.8%
Campbell	39,349	16,950	933	1.6%
Santa Clara County	1,781,642	631,920	58,836	100%

# Accommodating the RHNA

- Sites must be identified on a parcel-specific basis
  - Realistic development capacity
- Sites identified in the 2007-2014 Housing Element can be used again
- But new sites must be identified to replace those developed
- March 27 meeting will discuss Site Options



## Vision:

*Our housing and neighborhoods shall enhance the livable human environment for all residents, be accessible to civic and community services and sustain our natural resources.*

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## Goals:

Preserve  
Neighborhood  
Character

Construct  
Housing Near  
Schools, Transit,  
Shopping

Meet  
Underserved  
Housing Needs

Promote Fair  
Housing

Reduce  
Environmental  
Impacts of New  
Housing



# Focused Update to the 2007-2014 Housing Element

- 2007-2014 Housing Element adopted June 2013
- Anticipate revisions to:
  - Update content based on new information (Census, etc.)
  - Update content related to achievements
  - Ensure recent amendments to State Housing Element law are addressed
  - Identify new sites to replace those developed
  - Respond to direction from public outreach efforts



## City of Palo Alto Housing Element

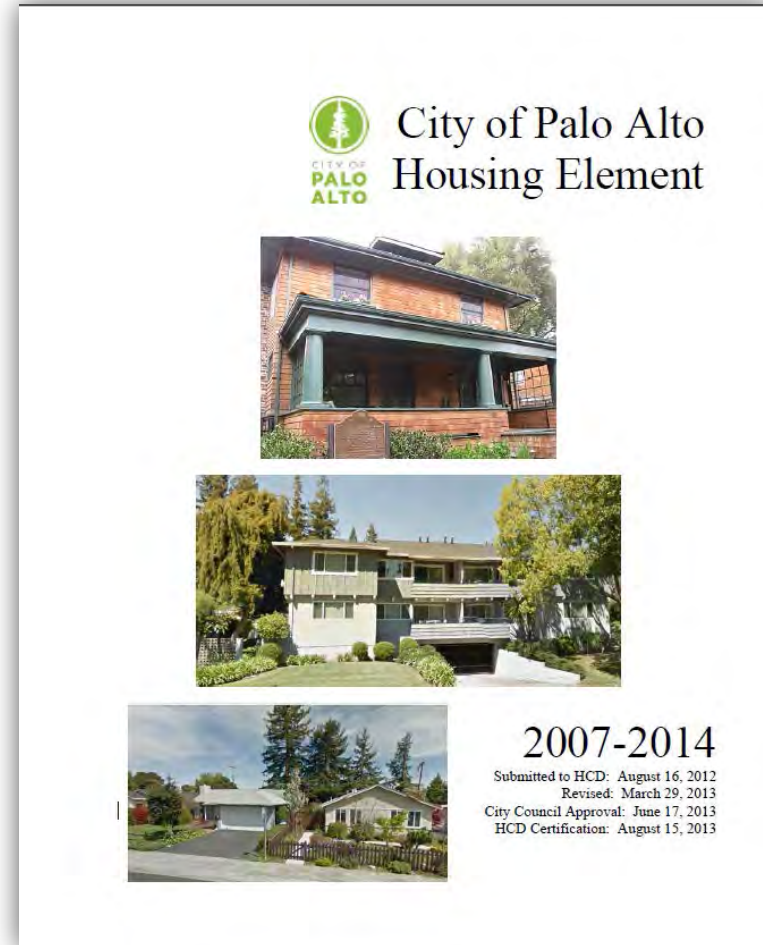


2007-2014

Submitted to HCD: August 16, 2012  
Revised: March 29, 2013  
City Council Approval: June 17, 2013  
HCD Certification: August 15, 2013

# Streamlined Update for the 2015-2023 Housing Element

- HCD has implemented a 60 day Streamlined Update review process for eligible jurisdictions
  - For eligible jurisdictions:
    - HCD review will rely on the current element
    - Will be limited to changes that occurred since the prior planning period
    - Will not review areas that have not changed
    - The City is eligible for the Streamlined Update
  - Streamlined Update will help the City meet the January 31, 2015 deadline.



The image shows the cover page of the City of Palo Alto Housing Element for the 2007-2014 period. At the top right is the City of Palo Alto logo, a green tree inside a circle, with the text "CITY OF PALO ALTO" below it. To the right of the logo is the title "City of Palo Alto Housing Element". Below the title are three photographs of houses: a two-story brick house with a green porch, a modern two-story house with a green roof and white walls, and a single-story house with a white roof and a fence. To the right of the photographs is the text "2007-2014" and a list of dates: "Submitted to HCD: August 16, 2012", "Revised: March 29, 2013", "City Council Approval: June 17, 2013", and "HCD Certification: August 15, 2013".

**City of Palo Alto**  
Housing Element

**2007-2014**

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# Housing Element Update Process

Public Input →

Phase

1

Update Population  
and Housing  
Conditions

Spring 2014



Evaluate Any New  
Constraints

Spring 2014



Update Land  
Inventory and  
Resources

Spring 2014

Phase

2

Revise Housing  
Policies and  
Programs

Spring 2014



CEQA and State  
HCD Review

Summer 2014



City Council  
Consideration

Fall 2014

Public Input →

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