



Planning & Transportation Commission

Staff Report (ID # 14141)

Report Type:	Action Items	Meeting Date: 6/8/2022
Summary Title:	Housing Element Policies and Programs	
Title:	Discussion and Possible Direction to Staff Regarding the 2023-31 Housing Element Draft Goals, Policies and Programs and Implementing Objectives.	
From:	Jonathan Lait	

Recommendation

Staff recommends the Planning and Transportation Commission (PTC) take the following action(s):

1. Receive public testimony, review the 2023-31 Housing Element draft goals, policies and programs listed in Attachment A and provide initial feedback to staff and the PTC Housing Element Ad Hoc.

Report Summary

The City is the process of updating its Housing Element for the 2023-31 planning period. Two relevant components of the update to the subject discussion include: 1) identifying sufficient sites to meet the City's Regional Housing Needs Allocation (RHNA) of 6,086 units and 2) creating goals, policies and programs to spur housing development for all segments of the community. The site selection review was initially endorsed at the March 21, 2022 City Council meeting.

With the conclusion of the Housing Element Working Group meetings on goals, policies and programs, the PTC will review the draft of these items. Staff requests the PTC provide feedback and recommendations to the attached programs. The development of the programs is an evolving process and staff continues to refine the programs in preparation for Council review.

Many of the programs listed in Attachment A are required by State legislation or by the State Department of Housing and Community Development (HCD). Many of the new required programs focus on Affirmatively Furthering Fair Housing (AFFH), a new required focus in the Housing Element.

Background

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Since 1969, the State has required all local jurisdictions to adequately plan to meet the housing needs of everyone in the community. Local jurisdictions meet this requirement by adopting housing elements as part of their “general plan” (or the Palo Alto Comprehensive Plan). The Comprehensive Plan serves as the City’s “blueprint” for how the city will grow and develop. State law mandates inclusion of eight elements in general plans: land use, transportation, conservation, noise, open space, safety, housing, and most recently, environmental justice. Jurisdictions may elect to include additional elements.

The Housing Element is the City’s plan to provide housing for its current and future residents and is the only element that requires certification by the State. The Housing Element covers a period of eight years; the City is currently in the 5th Cycle of Housing Elements that covers the years between 2015 and 2023. The 6th Cycle will cover the eight years between 2023 and 2031. The deadline to receive State certification for the 6th Cycle Housing Element is January 31, 2023. For reference, please click [here](#)¹ for a copy of the 5th Cycle Housing Element.

The following section outlines the relationship between goals, policies and programs as well as highlighting the State requirements for a Housing Element Program.

Goals, Policies, and Programs

There is a general structure and hierarchy of steps for effective housing implementation. In general, a jurisdiction will set forth a set of goals for the community to overall strive to attain. For each goal, a set of policies are identified to help achieve the overarching goal. Under each policy are a set of programs that assist with implementation of each policy. Housing Element programs contain specific actions and quantifiable targets that help ensure equitable, effective, and timely implementation. The general order of effective housing implementation is as follows:

- **Goals:** Housing goals are articulated as general “end condition statements,” which describe a desired outcome or end state. Goals describe ideal future conditions for a topic and tend to be general and broad in nature.
- **Policies:** Policies are statements on the position the city takes to implement a goal. Policies contained in the Housing Element are important statements as they provide a clear and unambiguous statement that guides a specific course of action for decision-makers to achieve a desired goal.
- **Programs:** Housing programs define the specific actions the city will undertake to achieve the stated goals and policies.
- **Program Objectives:** The program objectives are specific action items that help implement the overall program. Objectives must be specific, measurable, and attainable. *Please note that HCD pays special attention to the program objectives in order to ensure the highest level of implementation for each program that is possible.*

State Requirements for Housing Element Programs

¹ <https://paloaltohousingelement.com/wp-content/uploads/2021/04/Certified-15-23-Housing-Element.pdf>

Per California Government Code Section 65583(c), the Housing Element shall contain a schedule of actions (also known as “programs”) the local government is undertaking or intends to undertake to implement the stated policies and achieve the goals and objectives of the housing element. HCD has increased its scrutiny in reviewing proposed programs. Programs must include specific actions the locality will take to implement its policies and achieve its goals and objectives, and a specific timeframe for implementation. In addition, programs must identify the agencies or officials responsible for implementation, describe the jurisdiction’s specific role in implementation, and (whenever possible) identify specific, measurable outcomes.

HCD has identified the following criteria as key components of an effective housing program:

1. Definite time frames for implementation (e.g., annually during the planning period).
2. Identification of agencies and officials responsible for implementation (e.g., planning department).
3. Description of the local government’s specific role in program implementation (e.g. a description of how the city will promote ADU construction).
4. Description of the specific action steps to implement the program.
5. Proposed measurable outcomes (e.g., adoption of a rezone ordinance).
6. Demonstration of a firm commitment to implement the program (e.g., Create a separate landing page on the city’s website that provides information on ADUs and city requirements by July 2023).
7. Identification of specific funding sources, where appropriate (e.g., Community Development Block Grant funds).

It appears that HCD is taking a stricter approach to these requirements when reviewing Housing Element policies and programs as part of the 6th Cycle.²

Role of the Working Group and PTC in Housing Element Program Preparation

As outlined, each Housing Element program requires a number of details in their implementing objectives. Because of the detail and specificity required of the measured outcomes coupled with the unfamiliarity of the Working Group regarding Departmental workload and funding sources, staff proposed that the Working Group focus on the program itself while staff prepares the details of the program. In addition, HCD has focused much of their attention in reviewing programs and not as much with goals and policies. Therefore, staff had the Working Group focus its attention toward the programs.

To be strategic with the Working Group time, staff assigned two focused roles to the Working Group.

² As part of a March 25, 2022 presentation organized by SV@Home, HCD staff discussed problems they’ve encountered with housing elements submitted by Southern California jurisdictions, highlighting the need for specific, actionable programs: <https://siliconvalleyathome.org/event/march-2022-hac-making-housing-elements-work-through-state-enforcement/>

1. Provide staff with direction for potential new programs.
 Staff has provided the Working Group a number of existing programs that are proposed to be carried over for the new Housing Element or new programs that are required per the State. In addition, staff solicited new ideas or issues the Working Group would like to address not covered by existing or required programs.

2. Approve program concepts.
 The Working Group will be responsible for approving the program concept or theme. Following the Working Group's approval of the program concept, staff will prepare the implementation objectives. As detailed below, all programs now must be specific, measurable, and achievable to meet HCD requirements. To meet those requirements, each City program will have a funding source, responsible agency, and a timeframe. These specific program details are developed by City staff.

While ideally more time would have been allotted to the Working Group to refine the programs, the deadline to complete the Housing Element requires staff to pivot to the formal role of the PTC as a recommending body to the City Council and engage the Commission in that more specific discussion.

Program Review Process

The deadline for Housing Element certification is the end of January 2023. There is a 120 day grace period through the end of May where a jurisdiction can still obtain certification and remain in compliance with State law. While Palo Alto intends on submitting its final draft to HCD in March, many jurisdictions often require more than one review with HCD before being certified.

Before submitting a final version, the City would release a draft housing element for public comment in September and later HCD review. In preparation for that draft release, the PTC will use its two meetings in June reviewing the draft goals, policies and programs. The PTC chair formed a housing element ad hoc consisting of Commissioners, Chang, Reckdahl, and Templeton. The ad hoc has met twice with staff. The City Council is expected to review the draft goals, policies and programs in August.

Working Group Deliberations

The Working Group met February through May to discuss and prepare programs. The February meeting was an introduction and overview to goals, policies and programs as well as all the new State requirements that impacted the programs. Some programs were presented for Working Group review.

At the next meeting, staff provided more structure to the draft goals, policies and programs. Housing elements are required to address six different housing categories. Those categories are as follows:

1. Conservation and Preservation of Existing Housing Stock
2. Assist in Affordable Housing Development
3. Provide Adequate Sites for a Variety of Housing Types
4. Removal of Constraints/Opportunities to Encourage Housing
5. Housing for Persons with Special Needs
6. Fair Housing

To be consistent with the categories, staff prepared different goals, policies and programs for each category. The goals, policies and programs included in Attachment A represent the most recent draft based on Working Group input and feedback. As mentioned, because of the update timeline, the Working Group was not able to fully vet and approve the final versions of the programs. Therefore, the Working Group provided comments for each of the category programs.

The Working Group had a wide range of opinions and comments for many of the categories. Generally, the Working Group was in support of any program that would produce more affordable housing such as increasing BMR requirements and expediting affordable housing approvals. But there were also contrasting opinions concerned that the additional requirements that put greater burden on housing developers and property owners such by increasing BMR requirements and also instituting tenant protections. These additional measures would discourage future investment in new and existing housing. While there was a range of perspectives, majority interests are reflected in the programs.

For more information about the Working Group deliberations, a Housing Element update website has been created at www.paloaltohousingelement.com. Under “Past Events”, each Working Group meeting has been recorded and meeting materials have been also uploaded on the website. Below are the links to the February – May Housing Element program memos prepared for the Working Group.

February 10, 2022 meeting:

https://paloaltohousingelement.com/wp-content/uploads/2022/02/February-10-Memo_Final.pdf

March 3, 2022 meeting:

https://paloaltohousingelement.com/wp-content/uploads/2022/03/March-3-Memo_Final.pdf

April 7, 2022 meeting:

https://paloaltohousingelement.com/wp-content/uploads/2022/03/April-7-Memo-Attachment-A_Final.pdf

May 5, 2022 meeting:

<https://paloaltohousingelement.com/wp-content/uploads/2022/05/May-5-HEWG-Agenda-Packet.pdf>

Discussion

Draft 2023-31 Housing Element Goal, Policies and Programs

Staff has continued to revise the draft goals, policies and programs based on Working Group and the PTC Ad Hoc committee input. The most recent draft of the goals, policies and programs are included here as Attachment A. Greater detail has been added to the programs, especially to the programs related to relaxation of development standards and expediting permit processing. Staff made these adjustments in response to recent indications that HCD is scrutinizing 6th Cycle Housing Elements for such detail in proposed programs. In addition, individuals familiar with the Working Group's work will notice that the goals, policies and programs have been reformatted taking on a form that is more reflective of a version of the draft housing element document.

As the PTC continues to focus on the substance of the proposed program, staff will continue to revise the implementing timelines, responsible agency and the funding source. A revised set of programs will be presented at the next meeting based on PTC input.

At the first meeting in June, staff will update the PTC on the housing element project and orient the Commission to Attachment A. Some time will be dedicated to reviewing the goals and policies but it is anticipated the majority of time will be used reviewing the programs and implementing objectives. Staff will review each program at the meeting, provide context and receive commissioner feedback. As the Commission considers the programs it should reflect on the HCD's requirement that programs address local housing needs, recognize available land and financial resources, and mitigate governmental and non-governmental constraints that impeded housing production.

The Commission will also observe that information is missing from some programs, typically as this relates to revised development standards. This missing information represents a placeholder that will be filled in prior to the Commission's next meeting. Staff is concurrently performing a housing and economic feasibility analysis for prototypical housing inventory sites to ensure, in part, that the City is meeting the State's suitability and feasibility standard for identified housing opportunity sites, and to further inform staff's constraints analysis to identify where additional adjustment to development standards may be warranted. This analysis may not be complete in June but it is expected to inform staff and PTC recommendations to Council. It may be that further refinement may be necessary after PTC hearings and before the City Council considers the programs in August.

Public Outreach

Staff conducted public outreach with stakeholders representing the persons with disabilities, renters, seniors, homeless and housing development communities. Staff included their input on the preparation of the programs. For example, understanding that many of these special needs populations are on fixed income, typically at the extremely low income level (ELI), staff proposes that a special needs preference be established when ELI housing becomes available.

Or, in discussing relaxation of development standards, developer's suggestions and comments have been incorporated into programs that propose relaxation of development standards, especially with specific implementing objectives focused on height and parking requirements.

Site Selection

The PTC reviewed the sites at its February 2022 meeting. At the meeting, staff mentioned that the sites list was consistently being reviewed and revised. Staff continues scrutinize these sites to ensure they remain appropriate for inclusion based on State requirements and reflects community interests. The City has also received input from the community identifying concerns with some sites that staff is also following up on. It is anticipated there will be some changes to this site selection list in the draft housing element as this analysis continues.

Update Timeline

As referenced previously, the HCD review requirements have altered the City's update schedule. Initially, Staff has prepared an updated timeline to meet the State deadline for HCD certification. Currently, the timeline includes PTC review of the draft HE in January 2023 with a Council adoption of the Housing Element in March 2023. The updated timeline is included as Attachment B.

Environmental Review

The City's 6th Cycle Housing Element will require environmental review pursuant to the California Environmental Quality Act (CEQA) prior to its adoption by the City Council. While many of the impacts of the new Housing Element may have been studied as part of the Comprehensive Plan Final Environmental Impact Report, which was certified and adopted by the Council by Resolution No. 9720 on November 13, 2017, some additional analysis will likely be required. Staff and the City's CEQA consultant are still in the process of evaluating the appropriate CEQA document that will need to be prepared.

Public Notification, Outreach & Comments

Staff has been reaching out to various stakeholders in the preparation of the Housing Element programs. In addition to working with the Working Group, staff has had meetings with organizations representing, seniors, renters, persons with disabilities, homeless, and both affordable and market rate developers to receive their input of the Housing Element programs. Additional meetings have been scheduled with other stakeholders. Their input has been incorporated in the programs.

This meeting has been publicly noticed as well as posted in the City's Housing Element Update website at www.PaloAltoHousingElement.com.

Next Steps

This is the first of two meeting the PTC will be conducting in reviewing the Housing Goals, Policies and Program. Due to the Housing Element update deadline, the PTC will need to complete its review by the end of the second meeting.

TIME

June 2022

August 2022

August 2022

September 2022

January 2023

March 2023

TASK

Formal PTC review of Housing Programs

Formal Council Review of Housing Programs

30-day Public Review of Draft Housing Element

Submit Draft Housing Element for HCD initial 90-day review

Formal PTC review of Housing Element

Council Adoption of Housing Element

Submit for HCD final 60 day review

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- Attachment A- Draft Goals Policies and Programs (PDF)
- Attachment B- Housing Element Update Timeline (DOCX)

³ Emails may be sent directly to the PTC using the following address: planning.commission@cityofpaloalto.org

Goals & Policies

Goal 1.0

Preserve and improve the existing housing stock and residential neighborhoods. Preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Policy 1.1

Promote the rehabilitation of deteriorating or substandard residential properties using sustainable and energy conserving approaches. (Existing Policy H1.1)

Policy 1.2

Work with property owners and nonprofit housing providers to preserve assisted multi-family units at risk of conversion to market rents and extend the affordability covenants in perpetuity whenever feasible.

Policy 1.3

Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of affordable housing units.

Policy 1.4

Ensure the retention of lower-income units and replacement of existing units that are identified for potential redevelopment. *(revised)*

Goal 2.0

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Policy 2.1

Increase opportunities for affordable housing development through use of flexible development standards. (Adapted from existing Program Objective H3.1.5)

Policy 2.2

Enhance density bonuses that expand upon the density bonus and development standard concessions and incentives offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 2.3

Achieve a balance of rental and homeownership opportunities, including apartments, townhomes, condominiums, single-family houses, and accessory dwelling units, micro-units and alternative housing options to accommodate the housing needs of all socioeconomic segments of the community, including large families.

Policy 2.4

PENDING: [Healthy Homes / Green Buildings]

Goal 3.0

Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Policy 3.1

Support the redevelopment of suitable lands for mixed uses containing housing to encourage compact, infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2

Rezone sites citywide to provide adequate sites, zoned at the appropriate densities and development standards to facilitate both affordable and market rate housing production.

Policy 3.3

Prioritize the acquisition of new housing sites near public transit and services, the acquisition and rehabilitation of existing housing, and the provision for housing-related services for affordable housing. (Adapted from Existing Program H3.4.1)

Goal 4.0

Provide for a government environment that facilitates housing development.

Policy 4.1

Exempt permanently affordable housing units from any infrastructure impact fees adopted by the City. (Existing Program H3.3.2)

Policy 4.2

Provide for streamlined, timely and coordinated processing of development projects and associated environmental clearances to minimize project-holding costs.

Policy 4.3

Allow reduced development standards for accessory dwelling units.

Policy 4.4

Encourage new high-quality rental and ownership housing through the implementation of objective design standards, and architectural and green building standards in alignment with the Comprehensive Plan.

Policy 4.5

Heighten community awareness and to receive community input regarding the social, economic and environmental values of maintaining economic diversity in the City by providing affordable and mixed income higher density housing along transit corridors and at other appropriate locations.

Goal 5.0

Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Policy 5.1

Support the development and preservation of group homes and supported living facilities for persons with special housing needs by assisting local agencies and nonprofit organizations in the construction or rehabilitation of new facilities for this population. (Existing Program H3.3.4)

Policy 5.2

Provide housing that addresses the needs of persons with disabilities (including persons with developmental disabilities), the mentally ill, persons with substance problems, persons with HIV/AIDS, veterans and other groups needing transitional and supportive housing.

Policy 5.3

Support the provision of emergency shelter, transitional housing, and ancillary services to address homelessness. (Existing Policy H3.5)

Policy 5.4

Support housing that incorporates facilities and services to meet the health care, transit, and social service needs of households with special needs, including seniors and persons with disabilities. (Existing Policy H4.2)

Policy 5.5

Encourage universal design of housing products and environments, making them usable by a wide range of persons with different physical and mental abilities.

Policy 5.6

Coordinate with regional agencies providing services to the homeless, for needs assessment and resource allocation.

Goal 6.0

Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to have safe and accessible housing.

Policy 6.1

Support programs and agencies that seek to eliminate housing discrimination. (Existing Policy H4.1)

Policy 6.2

Conduct fair housing outreach and education for residents, property owners, and housing providers to ensure each understands their rights and responsibilities.

Policy 6.3

Identify mechanisms to increase production and access to housing.

Policy 6.4

Enforce notification and relocation assistance for low income households displaced due to demolition, condominium conversion, and persons displaced due to code enforcement activities of illegally converted or substandard residential dwellings.

Policy 6.5

Support and provide ways to empower community members to participate in community development.

Programs & Implementing Objectives

Programs that identify adequate sites, with appropriate zoning and development standards to accommodate Palo Alto’s RHNA allocation for each income level:

Program 1.1: Adequate Sites Program

Through zoning and comprehensive plan designations, the City maintains a residential site inventory that is adequate to accommodate the City’s share of regional housing needs. The City’s Regional Housing Needs Assessment (RHNA) is 6,086 units (1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 units for above moderate income).

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	All income levels
Implementing Objective:	A. Where necessary, rezone property identified as meeting the City’s lower-income housing RHNA requirement to achieve at least 30 units per acre and allow at least 16 units per site.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Program 1.2: Site Inventory Monitoring Program

In 2017, Senate Bill 166 (SB 166), otherwise known as “no net loss”, was passed to ensure that cities and counties “identify and make available” additional adequate sites if a housing project is approved at a lower density or with fewer units by income category than what is identified in the Housing Element. In conjunction with the Adequate Sites Program above, the City will further implement a monitoring program that evaluates the current capacity of housing sites for all income levels throughout the duration of the planning period. The City commits to tracking its available housing sites database to ensure the it remains in compliance with State law and provides sufficient housing sites at all income levels during the Sixth Cycle.

Time Frame:	Various (See Implementing Objectives)
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Develop a procedure to monitor the development of vacant and nonvacant sites in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category. (Complete by December 31, 2023) B. Review the housing opportunity sites inventory and amend as necessary to accurately address the City’s RHNA goals. (Ongoing and at least once annually) C. Should an approval of development result in a shortfall of sites to accommodate the City’s remaining RHNA requirements (for lower-, moderate- or above moderate-income households), the City will identify and, if necessary, rezone sufficient sites to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA. (Within 180 days of an identified shortfall below RHNA target)

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 1.3: Sites Used in Previous Housing Cycle

The Housing Element may count nonvacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements providing the sites are subject to a program that allows affordable housing by right. The City will amend its code to address these requirements.

Some sites within this Housing Element were used in previous cycles and this program is included to address the by right approval requirement. Per Government Code Section 65583, the by right provision is limited to carryover sites used to meet lower-income RHNA where development includes at least 20% affordable units for lower income households.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	PENDING
Implementing Objective:	<ul style="list-style-type: none"> A. Revise the municipal code to include the by right approval requirement of projects that propose 20% lower-income units on the ___ carry over sites included in the housing sites inventory.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 1.4: City-Owned Land Lots *(revised)*

The City owns a several surface parking lots that can be redeveloped to replace and add parking while creating new housing opportunities, including transitional housing. This program seeks to identify suitable sites for redevelopment and to pursue partnerships for redevelopment.

Time Frame: PENDING
 Responsible Agency: Planning and Development Services
 Funding Sources(s): General Fund
 Target Housing Population: Very low-, low- and moderate-incomes
 Implementing Objectives: A. Identify City-owned surface parking lots suitable for redevelopment that includes replacement public parking and prioritizes affordable housing units. Prepare a request for proposals to solicit interest in a public/private partnership for redevelopment of two sites in the City’s University Avenue Downtown area.
 B. Review City-owned parcels and identify sites based on availability, size, access to services and related metrics that would be appropriate for transitional housing. Once parcel(s) have been identified, pursue partnerships and funding opportunities to build transitional housing.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 1.5: Faith-Based Institutions *(recommend deleting)*

Allow affordable housing at non-profit, faith-based institution sites.

Time Frame: PENDING
 Responsible Agency: Planning and Development Services
 Funding Sources(s): General Fund
 Target Housing Population: Very low-, low- and moderate-incomes
 Implementing Objective: A. Amend the zoning code to allow non-profit, faith-based institutions, as an alternative to State law, develop an 100% multi-family affordable housing project on the site while retaining existing religious-use parking.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 1.6: Stanford University Lands *(revised – consolidated all Stanford-related implementing objectives into one program and added specificity)*

Stanford University owns a significant amount of land in Palo Alto, including the Research Park, Stanford Health Care and Lucile Packard Children’s Hospital, the Stanford Shopping Center, 27 University Avenue (Transit Center) and other property. Half of the jobs generated in Palo Alto are located on Stanford University owned land. A number of sites suitable for housing have been identified by Stanford University or long term leaseholders. This program addresses these sites and also sets forth a longer view policy discussion that is intended to ensure additional sites can be identified for the next housing cycle (Seventh Cycle).

Time Frame: PENDING
 Responsible Agency: Planning and Development Services
 Funding Sources(s): General Fund
 Target Housing Population: All income levels
 Implementing Objectives: A. For the housing opportunity site located at the corner of Pasteur Drive and Sand Hill Road and the adjoining property at 1100 Welch Road, as an alternative to the State Density Bonus law, amend zoning regulations to allow approximately 425 units with five residential stories over two levels of above grade parking and up to 85 feet in height; redevelopment of the Welch Road

property shall include a plan to protect or mitigate tenant displacement.
(revised – added specificity, Housing Element Working Group (HEWG) did not discuss height limit but was generally ok w/six or seven stories)

- B. For the property located at 3000 El Camino Real (Palo Alto Square), amend the Planned Community ordinance that applies to the site to allow, in addition to the existing improvements on the property, a housing development up to 30 units per acre (approximately 450 units) with a transitional building height ranging from 50 feet nearest El Camino Real and up to 75 feet in height set back from the street. *(revised – added specificity, HEWG did not discuss height)*
- C. For the housing opportunity site located at 3128 El Camino Real (McDonald’s), as an alternative to the State Density Bonus law, amend zoning regulations to allow at least 125 housing units with a transitional building height ranging from 50 nearest El Camino Real and up to 75 feet in height set back from the street; allow a minimum of 315 housing units if combined with an adjacent property. *(revised – HEWG recommendation: 144 units at 50 feet)*
- D. For the housing opportunity site located at 3300 El Camino Real, as an alternative to the State Density Bonus law, allow up to 200 housing units, up to a 1.4:1 floor area ratio (FAR) and approximately 65 feet in height with a 20% inclusionary housing requirement consistent with the City’s Planned Home Zoning process; commercial office approved or permitted on this property is in addition to the floor area allowed for the future housing project. *(revised – HEWG supported initial staff recommendation of 40 units/acre or realistic yield of 92 units)*
- E. Encourage affordable housing development at 27 University Avenue (Palo Alto Transit Center) by amending the zoning code to establish affordable housing as a permitted land use with building heights up to 85 feet and a minimum of 270 housing units. *(revised – added specificity, HEWG recommendation previously modified by PTC)*
- F. Engage Stanford University in a conversation about future multi-family housing opportunities within the Stanford Research Park. Identify locations suitable for housing and mixed-use development and zoning modifications and housing incentives as appropriate for consideration in the Seventh Cycle Housing Element Update.
- G. Engage Stanford University and long-term leaseholder Simon Properties for possible redevelopment opportunities at the Stanford Shopping Center for consideration in the Seventh Cycle Housing Element Update.

_____ HCD Requirement

_____ State Legislative Requirement X Local Policy Initiative

Programs that assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households:

Program 2.1: Affordable Housing Program *(revised)*

The City is committed to increasing the supply of affordable housing. The City will continue to prioritize households at the extremely low-income level and seek new funding opportunities and partnerships to improve housing conditions for vulnerable and lower-income communities. The City will work with developers to facilitate affordable housing development by providing gap financing as a local match to state, federal, and other public funding sources.

Time Frame:	Ongoing
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	Very low, low and moderate-incomes
Implementing Objectives:	<ul style="list-style-type: none"> A. Use funds available through the City’s residential and commercial affordable housing fund to provide gap funding for qualifying affordable housing projects. B. If placed on the ballot and approved by voters, the City has identified investment in affordable housing as one of the priority funding strategies of future business tax proceeds. <i>(new)</i> C. By December 2027, prepare an updated nexus and feasibility study and adjust the residential and commercial housing development impact fee as appropriate. <i>(new)</i>

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 2.2: Below Market Rate (BMR) Program

The City is committed to providing more affordable housing opportunities through programs such as the City’s BMR program. The purpose of the program is to create and retain a stock of affordable housing in Palo Alto for people of low- and moderate-income.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	Low- and moderate-income levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Continue to require development of three or more net-new residential units to provide at least fifteen (15%) of those units as inclusionary units at below market rates for ownership housing or pay a fee toward the City’s affordable housing fund. B. Update the City’s feasibility study from 2020 and consider a tiered inclusionary housing requirement for ownership and rental housing where market conditions support a higher inclusionary rate; consider requirements for lower income units at a reduced inclusionary requirement. C. Amend the City’s BMR program to ensure continued affordability of income-restricted ownership units for the life of the project (exempting certain affordable projects taking advantage of tax credit financing).

HCD Requirement State Legislative Requirement Local Policy Initiative

Programs that address constraints to the maintenance, improvement, and development of housing at all income levels and abilities:

Program 3.1: Fee Waivers and Adjustments *(revised and promoted to Program)*

Application and development impact fees support staff resources and off-set facility costs and support the use, expansion and maintenance of a variety of City services including parkland, libraries, and public safety facilities and other services. High fees can also impede housing production by increasing the per unit cost of development, impacting projected returns and potentially discourage new home building. This program seeks to identify, study and implement cost reduction strategies that promote housing and do not negatively impact City facilities or services.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	Very low-, low- and moderate-incomes
Implementing Objectives:	<ul style="list-style-type: none"> A. Amend the City’s municipal fee schedule to waive City staff costs associated with the processing of an affordable housing planning application, except for directly related consultant supported costs. B. Exempt accessory dwelling units not already exempted by State law, from development impact fees when deed restricted at eighty percent (80%) of the area median income level for at least ten (10) years. C. Prepare an economic feasibility study to analyze the impact development impact fees may have on housing production; adjust fees as appropriate to enable a reasonable return on investment and ensure sufficient fee collection to support City services.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 3.2: Monitoring New Policy Initiatives for Constraints to Housing *(revised title)*

The Palo Alto Zoning Code is continuously updated to advance local policy initiatives and respond to State and Federal laws. The City will continue to monitor its policies, standards, and regulations to ensure the City’s regulatory framework facilitates residential and balanced mixed-use development in the community.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. When new land use regulations, impact fees or procedural changes are being considered by the Planning and Transportation and City Council, the City shall prepare an analysis in the accompanying staff report detailing how the

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regulation may impact housing production, if at all, and recommended solutions to address those impacts. **(new)**

- B. Continue to monitor application of the Municipal Code standards for constraints to housing projects and recommend changes as appropriate to enhance the feasibility of affordable housing. **(moved from another Program)**
- State Legislative Requirement Local Policy Initiative

Program 3.3: Affordable Housing Development Incentives *(revised title/program)*

The Planning and Development Services department, in its review of development applications, market conditions and through conversations with non-profit housing providers may recommend to the City Council waiving or modifying certain development standards or propose changes to the PAMC to encourage the development of low- and moderate-income housing. The City assists affordable housing production with flexible development standards, streamlined application review processes, direct financial assistance and implementation of the State Density Bonus law waivers and concessions.

Time Frame:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

Very low-, low-, moderate-incomes

- A. Amend the Zoning Ordinance to address AB 101 (Low Barrier Navigation Centers "by right"), AB 139 (emergency shelter requirements), AB 2162 (Supportive and Transitional Housing "by right") and Health and Safety Code 17021.8 (Farmworker Housing) requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.
- B. As an alternative to the State Density Bonus, continue to allow the affordable housing overlay (incentive) for 100% affordable housing projects up to 120% of the area median income level to receive a floor area ratio of 2.4:1.0, up to 50 feet in height and parking at .75 spaces per unit in the City's CD, CS, CN and CC commercial/mixed use zoning districts. **(new)**
- C. Amend the municipal code to eliminate the legislative review process for affordable housing overlay projects (described in B above), thereby removing the Planning and Transportation Commission and City Council review from the project review process, in favor of typical review before the Architectural Review Board (ARB). For qualifying affordable housing overlay projects that also meet objective zoning standards, these applications shall be processed administratively with one courtesy review before the ARB. **(note: the City Council adopted this ordinance on first reading June 1, 2022)**
- D. Amend the affordable housing overlay (incentive program) regulations to allow housing projects to achieve a floor area ratio of 2.4:1.0 without requiring commercial floor area (0.4 FAR currently); allow compliance with State Density Bonus parking standards if more permissible than local requirements; and housing projects income restricted to 60% of the area medium income level or below, allow up to sixty (60) feet in height. **(new)**
- E. ~~The City will conduct a study of multi-family development standards to expand opportunities for additional housing. Strategies may include, but not limited~~

to: density increases, height, parking requirements, floor to area ratios.

(delete: new implementation objective added to Program 3.5)

- F. Provide incentives and remove constraints for multifamily housing in the Downtown (CD-C), Cal Ave., (CC(2)/PTOD) and El Camino Real (CN and CS) districts. *(delete: new implementation objective added to Program 3.5)*

G.

HCD Requirement

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Local Policy Initiative

Program 3.4: Mixed-Use Development *(revised)*

Mixed-use projects can make housing development more profitable and therefore more likely to be constructed and is appropriate in certain areas. Mixed-use development downtown or near reliable, high quality transit and rail service can enhance the local economy and support small businesses by increasing its customer base and extending service hours beyond the daytime worker population. Mixed-use projects can also serve individuals and families who are less mobile or who have adopted a car-light lifestyle. Mixed-use projects, however, often generate a greater demand for housing than is provided by the project potentially impacting a jurisdiction's or region's jobs/housing balance. Palo Alto will continue to focus on proactive solutions that better align housing needs generated by new job growth and strive to reduce its existing jobs/housing imbalance with development standards that incentivize greater housing production and temper the strong market demand for commercial development, which often outcompetes the community's home building interests.

Time Frame:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

All Income Levels

- A. Continue to implement land use policies, such as commercial office growth restrictions to promote an improved jobs to housing balance.
- B. At strategic locations, amend the City's municipal code to reduce commercial floor area allowances or other commercial incentives to shift the economic benefit of redevelopment toward home building. *(revised and moved from another Program)*
- C. For housing opportunity sites subject to the City's retail preservation ordinance, allow retail/retail-like uses to be reduced to 1,500 square feet of gross floor area and exempt from commercial parking requirements. For the purposes of this implementing objective, retail preservation is distinguished from local requirements related to the ground floor (GF) and retail shopping (R) combining districts. *(revised)*
- D. Amend the City's municipal code to allow housing up to at least 30 units per acre, increase the floor area ratio to __:1.0, and increase building height to __ feet. Consider other code amendments that encourage neighborhood services commercial uses and other residential amenities as appropriate.
- E. Review the City's Workforce Housing Overlay regulations and consider amendments to better align the target housing population (120%+ to 140% AMI) with a housing typology that provides clear rental subsidy compared to market rate rents for a comparable unit. *(new)*

- F. On an ongoing basis, with annual review, continue to encourage mixed use development at key nodes along commercial boulevards, especially those along El Camino Real and by the Caltrain stations. The City regularly meets with developers to discuss how to develop their properties, and encouraging housing is the best first way to influence projects. *(delete – sufficiently addressed through other programs)*

HCD Requirement

State Legislative Requirement Local Policy Initiative

Program 3.5: Housing Incentive Program (HIP) *(revised – added specificity)*

The HIP was enacted in 2019 as an alternative to the State Density Bonus law and provides development incentives including no housing density restrictions, increased floor area ratios and increased lot coverage. This program seeks to expand the suite of development incentives and extend the program to residential districts.

Time Frame:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

Market Rate Housing

- A. Continue to allow HIP projects to benefit from relaxed development standards including, increased floor area ratios and waiver from lot coverage requirements.
- B. HIP qualifying projects that also comply with City approved objective standards shall be administratively reviewed with one courtesy meeting before the Architectural Review Board but subject to appeal to the City Council. *(new)*
- C. PENDING ADDITIONAL ANALYSIS: In the CD-C district, increase building height to ___ feet; allow a floor area ratio of ___:1.0; exempt projects from transitional height limits, align parking requirements to be consistent with provisions of the State Density Bonus law; and waive for housing opportunity sites, except in the GF-combining district, the retail preservation requirement for housing projects that do not include commercial uses. *(revised)*
- D. PENDING ADDITIONAL ANALYSIS: In the CC(2) district, increase building height to ___ feet; allow a floor area ratio of ___:1.0; allow ___ foot encroachment into the transitional height limits, and align parking requirements to be consistent with provisions of the State Density Bonus law. Redevelopment of a property subject to the retail preservation ordinance or R combining district shall not be required to provide additional parking for any ground floor retail/retail-like use pre-existing on the site. For housing opportunity sites, except in the R-combining district, the retail preservation requirement for housing projects that do not include commercial uses shall be waived. Elsewhere in the CC(2) district, the retail preservation requirement may be reduced to ___ square feet with no parking required for the first 1,500 square feet. *(revised)*
- E. PENDING ADDITIONAL ANALYSIS: In the CS district, increase building height to ___ feet; allow a floor area ratio of ___:1.0; allow ___ foot encroachment into the transitional height limits, align parking requirements to be consistent with provisions of the State Density Bonus law; and, for property located in

- pedestrian nodes as depicted in the South El Camino Real Design Guidelines and subject to the retail preservation ordinance, only ____ square feet of retail/retail-like uses shall be required to be replaced and shall receive a parking credit up to 1,500 square feet of gross floor area. Elsewhere in the CS district, for housing opportunity sites, projects without commercial floor area shall be exempt from the retail preservation ordinance. *(revised)*
- F. PENDING ADDITIONAL ANALYSIS: In the CN district, increase building height to ____ feet; allow a floor area ratio of ____:1.0; allow ____ foot encroachment into the transitional height limits, align parking requirements to be consistent with provisions of the State Density Bonus law; and, for property located in pedestrian nodes as depicted in the South El Camino Real Design Guidelines and subject to the retail preservation ordinance, only ____ square feet of retail/retail-like uses shall be required to be replaced and shall receive a parking credit up to 1,500 square feet of gross floor area. Elsewhere in the CS district, for housing opportunity sites, projects without commercial floor area shall be exempt from the retail preservation ordinance. *(revised)*
- G. PENDING ADDITIONAL ANALYSIS: In the RM-20 district, eliminate unit density restrictions; increase the floor area ratio to ____:1.0; increase maximum building height by ____ feet to ____; and align parking standards to be consistent with the State Density Bonus. *(new)*
- H. PENDING ADDITIONAL ANALYSIS: For housing opportunity sites in the RM-30 district, eliminate unit density restrictions; increase the floor area ratio to ____:1.0; increase maximum building height by ____ feet to ____; and align parking standards to be consistent with the State Density Bonus. *(new)*
- I. PENDING ADDITIONAL ANALYSIS: For housing opportunity sites in the RM-40 district, eliminate unit density restrictions; increase the floor area ratio to ____:1.0; increase maximum building height by ____ feet to ____; and align parking standards to be consistent with the State Density Bonus. *(new)*
- J. ~~As a continued alternative to the State Density Bonus, expand and increase the development potential provided in the Housing Incentive Program with tailored changes at strategic locations to allow up to a _____ FAR increase in floor area; a 10% increase in height; including transitional height limits; parking consistent with the State Density Bonus; and other potential development waivers. *(delete – more specific implementing objectives were added)*~~
- K. ~~Convert the California Avenue Pedestrian and Transit Oriented Development district into an extension of the Housing Incentive Program. *(delete – this is accomplished with recommended implementing objectives above)*~~
- HCD Requirement State Legislative Requirement Local Policy Initiative

Program 3.6: Expedited Project Review

The City continues to explore opportunities to improve the efficiency of the development review process. As a response to a housing shortage in the State of California, Senate Bill 330 (SB 330) was passed to restrict local rules that limit housing production. SB 330 helps strengthen the Permit Streamlining Act, by creating a more efficient two-step application process. The City has already made improvements towards expediting the development process for housing in the City by developing objective standards. Additionally, in conformance with Government Code Section 65940.1 (SB 1483), the City has all schedule of fees, application forms, Zoning

Ordinance/Municipal Code, and other relevant information publicly accessible on the City’s website. The City will continue to find ways to make the development process more efficient to uphold SB 330, by further streamlining the permit process and directly coordinating with developers to ensure a timely application and development process.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Identify opportunities to reduce administrative burdens during permitting, such as automating processes, creating reference guides, and streamlining review processes. B. Formalize a procedure to offer no-cost pre-application consultation services for new housing developments. C. For housing projects subject to the City’s Architectural Review Board, limit the number of hearings before the ARB to a maximum of two meetings. D. Consider revising the threshold for Architectural Review Board (ARB), Planning and Transportation Commission (PTC), and Council review for residential and commercially zoned projects to allow more projects to be administratively reviewed. This would reduce time delay and uncertainty for housing development projects. (delete – addressed with proposed HIP expansion) E. Conduct an annual review and amend land use regulations, development standards, permitting procedures, and fees, as needed, and where feasible, to remove impediments to, and reduce the cost of, affordable residential development. (delete – addressed through other programs, including programs requiring ongoing review of local policy regulation) F. Develop objective standards for residential development in multi-family zones. (delete – City Council approved on first reading June 1, 2022) G. Amend the zoning code to make the Affordable Housing Overlay a by-right administrative process within commercial districts. (delete – this was approved by Council on June 1, 2022 and is addressed in another program)
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Programs that conserve and improve the condition of the existing affordable-housing stock:

Program 4.1: Replacement Housing

Development on nonvacant sites with existing residential units is subject to a replacement requirement pursuant to Government Code Section 65583. The City will amend its code to require the replacement of units affordable to the same or lower income level as a condition of approval for any development on a nonvacant RHNA site consistent with those requirements set forth in California Density Bonus Law.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund

Target Housing Population:
Implementing Objectives:

- All Income Levels
- A. Amend the City’s municipal code to require housing opportunity sites identified as meeting the lower income regional housing needs assessment (RHNA) allocation, and other applicable sites with existing affordable units, to require a one for one replacement of deed restricted units or units occupied by lower income tenants, when redeveloped.
- B. Expand the SB330 requirements to require any commercial development to replace any demolished residential units as a part of any redevelopment.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Program 4.2: Neighborhood Preservation / Code Enforcement

The City is committed to preserving its existing housing stock and neighborhoods. If a complaint about substandard housing is received by the City’s Code Enforcement Program, staff will provide information to the resident or homeowner about the City’s Rehabilitation Program.

Time Frame:
Responsible Agency:
Funding Sources(s):
Target Housing Population:
Quantified Objective:

- Ongoing
- Planning and Development Services
- General Fund
- All income levels
- A. Annually communicate with renters through direct mailing to multi-family apartment buildings and through the City’s website, resources available to renters, including expectations for housing quality and steps to take for suspected substandard housing conditions. *(revised, more specific)*

HCD Requirement

State Legislative Requirement Local Policy Initiative

Program 4.3: Rehabilitation Program

The City is committed to maintaining quality housing conditions throughout the City. The City will continue to implement the Residential Rehabilitation Program through the City’s Community Development Block Grant (CBDG) program, which offers financial assistance through grants and identifies new funding opportunities for loans to qualified low- and moderate-income households to repair and maintain their homes.

Time Frame:
Responsible Agency:
Funding Sources(s):
Target Housing Population:
Quantified Objective:

- Ongoing
- Planning and Development Services
- Community Development Block Grant (CBDG)
- Low- and moderate-income levels
- A. Annually dedicate CBDG funds as available to support the City’s Rehabilitation Program with the goal of assisting 40 households over the planning period.
- B. Seek additional funding sources to supplement CBDG funding.

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State Legislative Requirement Local Policy Initiative

Program 4.4: Seismic Retrofit *(new)*

Palo Alto was among the first jurisdictions to enact progressive seismic upgrade legislation and successfully established a program that required structure assessment reports and incentives to

encourage seismic retrofits. Much more is known today about the affect earthquakes have on different building typologies and engineering solutions to make buildings safer. An analysis of the City’s housing stock finds there are multi-family housing units located in soft-story buildings that are vulnerable to a seismic event. In addition to addressing the safety concerns associated with seismically vulnerable buildings, structurally enhancing these buildings will reduce the potential for displacement and serve to make the City’s housing stock more resilient.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	All income levels
Implementing Objective:	A. Amend the City’s seismic hazards identification program to strengthen regulations and require seismic upgrades of vulnerable housing stock through a combination mandatory provisions and voluntary incentives.

HCD Requirement State Legislative Requirement Local Policy Initiative

Programs that preserve assisted housing developments at-risk of conversion to market-rate:

Program 5.1: Preservation of At-Risk Housing

The City will continue to support the preservation of affordable housing projects that could potentially convert to market-rate units during the planning period. The City will monitor all units and assist property owners in maintaining the affordability of these units and provide relocation resources to tenants if preservation is unsuccessful.

Time Frame:	Ongoing
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund / HOME Investment Partnership Program
Target Housing Population:	Low- and moderate-income levels
Quantified Objectives:	A. Twice during the planning period (2024 & 2028), provide direct notification to property owners and tenants of low- and moderate-income deed restricted housing units of the state requirement to notify affected households about the termination of the affordability restrictions at six and twelve months, and three years. B. Engage the property owner of 4230 Terman Drive (Terman Apartments) with 72 affordable housing units at risk of conversion to market rate units during the housing cycle to explore opportunities for continued affordability.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 5.2: Funding Partnerships *(revised)*

Preserve and protect affordable, middle-income and at-risk housing through site acquisition or partnership opportunities, such as the California Community Housing Agency (CalCHA) or similar programs or agencies.

Time Frame: PENDING
 Responsible Agency: Planning and Development Services
 Funding Source(s): General Fund / HOME Investment Partnership Program
 Target Housing Population: Low- and moderate-income levels
 Quantified Objectives: A. Review CalCHA partnership requirements and present an option to decision-makers for inclusion to the program; identify existing housing sites meeting criteria for preservation.

HCD Requirement State Legislative Requirement Local Policy Initiative

Programs that promote equal housing opportunities, regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or ability:

Program 6.1: Rename R-1 Zoning *(new)*

In recognition of the State-mandate to allow multiple units in single-family zones and to inform and realign the expectation of current and prospective R-1 property owners, the City will review how it describes this zoning district in the municipal code and comprehensive plan.

Time Frame: PENDING
 Responsible Agency: Planning and Development Services
 Funding Source(s): General Fund
 Target Housing Population: All income levels
 Implementing Objective: A. Rename the R-1 (Single Family Residential) zoning to reflect the State-mandated permissiveness of multiple dwelling units in this lower density zoning district.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.2: Housing Information Portal *(modified – promoted to Program)*

Provide information on the City’s website that clearly identifies the City’s housing production goals and performance tracking; application processing requirements and target review times; developer incentives; inclusionary requirements; supplemental information such as checklists, flowcharts, and other relevant material; access to housing resources and an affordable housing database for individuals seeking opportunities in Palo Alto; and, contact information to obtain additional information.

Time Frame: December 31, 2023
 Responsible Agency: Planning and Development Services
 Funding Source(s): General Fund
 Target Housing Population: All income levels
 Implementing Objective: A. Create a website that provides relevant housing application and processing information to the home building community.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.3: ADU Facilitation Program

This program aims to annually monitor provisions made to ADU legislation and amend the City’s Zoning Ordinance as necessary to ensure compliance with State law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.

In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Respond in a timely manner to update the City’s municipal code to integrate changes in State ADU housing law. B. Maintain and update a City Summary Guide to ADUs and JADU’s to promote, educate, and assist homeowners with developing ADUs. C. Continue to monitor and publish information related to ADU production and application review timelines. D. Explore potential options to reduce and waive fees for proposed affordable ADUs and JADUs under certain criteria. <i>(delete – addressed in another program)</i>

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.4: Housing For Persons With Special Needs

The City’s municipal code is periodically updated to address a wide range of issues and California and Federal law. The City will continue to monitor its policies, standards, and regulations to ensure that they comply with applicable law. The City will also facilitate the development of housing for persons with disabilities and other special needs through incentives for affordable housing development.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	Low Income

Implementing Objectives:

- A. For extremely low income housing units, provide preferences to populations with special needs.
- B. On an ongoing basis, with annual review, contract with and financially support non-profit services providers that help meet the supportive services needs of the City’s diverse community, especially those with extremely low incomes.
- C. In order to assist in the housing needs for special needs populations, the City will:
 - Engage with housing advocates on the identification of needs and new solutions,
 - Encourage housing developers, through the City’s BMR requirements, to designate a portion of new affordable housing units for special needs populations, and
 - Partner with the County and other agencies to pursue funding sources designated for housing for special needs groups, including seniors and persons with intellectual and physical disabilities.

HCD Requirement

State Legislative Requirement

Local Policy Initiative

Program 6.5: Multi-Family Housing and Large Family Units

Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Due to the high cost of housing and scarcity of land, housing units large enough to accommodate large families are limited. The City considers large families as a vulnerable population within the City and is committed to exploring additional opportunities for multi-family housing developments. Furthermore, the City will continue to advocate and promote the production of housing units of all to accommodate all persons and family sizes. Large family units have three or more bedroom units.

Time Frame:

PENDING

Responsible Agency:

Planning and Development Services

Funding Source(s):

General Fund

Target Housing Population:

PENDING

Implementing Objectives:

- A. Explore incentives to encourage larger units, such as FAR exemptions for three bedroom units.
- B. Promote and encourage a mix of different bedroom units in each development.
- C. The City shall encourage housing designs that meet the needs of extended, multigenerational, and/or large families.

HCD Requirement

State Legislative Requirement

Local Policy Initiative

Program 6.6: Homeless Prevention Program

Santa Clara County adopted the Santa Clara Community Plan to End Homelessness, which is designed to address homelessness throughout Santa Clara County as a whole. The City’s Homeless Prevention Program was created as a result of the County’s Community Plan to End Homelessness. The Program is for Palo Alto households who are at risk of becoming homeless as defined by HUD and focuses on self-sufficiency and stabilization. And for those experiencing

homelessness and waiting for more permanent housing, provide services that offer immediate support.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	Very Low, Low-Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Expand areas of the City Safe Parking Program including case management. B. Create a social services directory and make it available to residents at public counters and on City website. C. Expand the City’s homeless prevention program to include renter protections and financial assistance for rent, security deposits, and utilities.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.7: Transitional and Supportive Housing

Transitional and Supportive Housing: Assembly Bill 2162 (AB 2162), which was passed in 2018, requires that supportive housing be a use by right in zones where multi-family and mixed-use are permitted, including nonresidential zones permitting multifamily uses. Additionally, AB 2162 prohibits local governments from imposing any minimum parking requirements for units occupied by supportive housing residents if the development is located within ½ mile of a public transit stop. The City will amend its Zoning Ordinance to comply with the latest provisions under AB 2162 and will continue to seek new supportive housing opportunities through further analysis of the residential site inventory. The City is committed to expanding both supportive and transitional housing opportunities for vulnerable communities that rely on such services and will prioritize these housing developments near transit centers to provide easier access to City services for supportive and transitional housing residents.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	PENDING
Implementing Objective:	<ul style="list-style-type: none"> A. Continue to pursue the Homekey (LATP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.8: Alternative Housing

Under this program, the City will continue to support alternative types of housing, such as multifamily units, single-room occupancy units, and managed living units or “micro-units,” to accommodate extremely-low-income households.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund

Target Housing Population:
Implementing Objectives:

- PENDING
- A. Coordinate with the County shared housing program or HIP Housing to provide a shared housing arrangement facilitation.
- B. Encourage innovative housing structures, such as micro-unit housing and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals citywide.
- C. Review and amend the Zoning Ordinance to review and amend definitions and allowances of uses for the definition of family, Employee Housing, Residential care facilities, Group Homes and/or Boardinghouses to review regulations to be consistent with California Law for six or fewer residents.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Program 6.9: Fair Housing Services

The City of Palo Alto is committed to providing equitable opportunities to all residents of Palo Alto in order to expand access to housing and increase housing mobility. To achieve fair housing goals, the City will continue to partner and support Project Sentinel who provides a variety of fair housing services including but not limited to: tenant/landlord services, including mediation, information, investigation, counseling, and referral services. The City will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Time Frame:
Responsible Agency:
Funding Source(s):
Target Housing Population:
Implementing Objectives:

- PENDING
- Planning and Development Services
- General Fund
- PENDING
- A. Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services.
- B. In an ongoing basis, continue to provide multi-lingual fair housing information to the public regularly as needed via the public counters, message boards, City website, neighborhood watch, and in response to telephone inquiries.
- C. Continue to provide referral to Project Sentinel, State Fair Employment and Housing, HUD Fair Housing and Equal Opportunity division, and other legal services as appropriate.
- D. Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds
- E. Work with Project Sentinel and renter organizations to educate tenants and landlords about fair housing requirements.

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State Legislative Requirement Local Policy Initiative

Program 6.10: Affirmatively Furthering Fair Housing

To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County’s ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on

racial and economic disparity, land use and zoning, and lack of assistance and resources. Methodologies were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities and increasing accessibility to information.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	PENDING
Implementing Objectives:	<ul style="list-style-type: none"> A. Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the city’s Inclusionary Housing Ordinance, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing. B. Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post “NO Section 8” on applications) C. Institute Tenant Protections to prevent anti-displacement including the following: relocation assistance; eviction reduction program; rental survey program; security deposit limit; rent stabilization; fair chance ordinance; right to counsel.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.11: Fair Housing Program

AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	PENDING
Implementing Objectives:	<ul style="list-style-type: none"> A. Encourage mixed-income developments accessible to lower income residents citywide, especially in high opportunity and resource-rich areas through use of the City’s Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing. B. Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the City’s Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.

HCD Requirement State Legislative Requirement Local Policy Initiative

Program 6.12: Community Outreach Program

Community outreach is a key component to developing a comprehensive and inclusive housing market in the city. It is critical to engage local community groups and stakeholders from all

sectors of the community in order to educate and provide inclusive housing opportunities. The goal of this program is to provide underrepresented community groups, which are affected by restrictions to fair and equitable housing, greater opportunities for becoming informed and engaged in the City’s housing and overall planning process.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	PENDING
Implementing Objectives:	<ul style="list-style-type: none"> A. Partner with Human Services for community outreach with a focus on traditionally underrepresented groups. B. The City shall continue to facilitate opportunities for all residents and stakeholders to provide meaningful and effective input on proposed planning activities early on and continuously throughout plan development and the public review process. Outreach efforts to disadvantaged communities will be a priority.

HCD Requirement
 State Legislative Requirement
 Local Policy Initiative

Attachment B
Housing Element Update Timeline

Housing Element Update Timeline

