



Planning & Transportation Commission

Staff Report (ID # 14539)

Report Type:	Action Items	Meeting Date: 6/29/2022
Summary Title:	Housing Element Programs	
Title:	Recommendation to the City Council on 2023-31 Housing Element Draft Goals, Policies, Programs and Implementing Objectives	
From:	Jonathan Lait	

Recommendation

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

1. Conduct a public hearing and make a recommendation to the City Council to approve the 2023-31 Housing Element draft goals, policies and programs listed in Attachment B.

Discussion

The PTC began discussions on the Housing Element goals, polices, and programs at the June 8 meeting. At that meeting, the PTC was introduced to goals, policies and programs and asked to provide initial comments. No action was taken at the meeting.

Staff has continued to adjust goals, policies and programs based on PTC comments and additional research. Staff anticipates further refinements may be made following another PTC ad hoc meeting and additional staff updates. If changes are made, staff will provide an at places memo to explain and notate changes.

Attachment A shows the revisions since the Commission's last review in a track changes format. Attachment B is a clean version of the same document.

For additional background and information, please see the [June 8 PTC staff report](#)¹.

¹ 06/08/2022 PTC Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/planning-and-transportation-commission/2022/ptc-06.08.2022-he-policies-programs.pdf>

Report Author & Contact Information

Tim Wong, Senior Planner
(650) 329-2493

Tim.Wong@cityofpaloalto.org

PTC Liaison & Contact Information

Rachael Tanner, Assistant Director
(650) 329-2441

rachael.tanner@cityofpaloalto.org

Attachments:

- Attachment A - Draft HE Programs REDLINE (PDF)
- Attachment B - Draft HE Programs CLEAN (PDF)

Goals & Policies

Goal 1.0

Preserve and improve [or replace in kind](#) the existing housing stock and residential neighborhoods. Preserve [or replace in kind](#) 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/or](#) replacement [in kind](#) of existing [lower income](#) units that are identified for potential redevelopment.

Goal 2.0

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs [\(Improve the lives?\)](#) 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 incentives](#) that expand [upon the density bonus and](#) development

standard concessions and ~~other incentives/inducements~~ 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/diversity~~ 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

Encourage property developers and owners to adopt healthy housing programs that protect residents' quality of life. ~~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

~~Support Encourage new high-quality rental and ownership housing through the implementation of development standards, objective design standards, and architectural and green building standards that encourages new high-quality rental and ownership housing, 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 [requirements](#) 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:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objective:

PENDING

Planning and Development Services

General Fund

All income levels

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.

HCD Requirement

State Legislative Requirement

Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 3, 4](#)

[Policies: 3.1, 3.2, 3.3, 4.2, 4.4](#)

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

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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 [that](#) 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 Source(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<p>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)</p> <p>B. On an annual and ongoing basis, review the sites inventory and amend sites as necessary to accurately address the City's RHNA goals. (Ongoing and at least once annually)</p> <p>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)</p>
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 3](#)

[Policies: 3.2](#)

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 Source(s):	General Fund
Target Housing Population:	PENDING

Implementing Objective:

 HCD Requirement

- 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.

 State Legislative Requirement Local Policy Initiative[Associated Goals and Policies](#)[Goals: 4](#)[Policies: 4.2](#)

Program 1.4: City-Owned Land Lots

The City owns 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:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

Very low-, low- and moderate-incomes

- 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[Associated Goals and Policies](#)[Goals: 2, 3](#)[Policies: 2.3, 3.2](#)

Program 1.6: Stanford University Lands

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

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

Planning and Development Services
 General Fund
 All income levels

- 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.
- 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.
- 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 feet 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.
- 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.
- ~~D.E.~~ Holistically (study?) review the proposed El Camino Real properties and area for contextual height, massing and design.
- ~~E.F.~~ 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.
- ~~F.G.~~ Engage Stanford University in a conversation dialogue 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.H.~~ Engage Stanford University and long-term leaseholder Simon Properties for possible residential redevelopment opportunities at the Stanford Shopping Center for consideration in the Seventh Cycle Housing Element Update.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies
Goals: 3

[Policies: 3.1, 3.2, 3.3](#)

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

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:	<p>A. Use funds available through the City's residential and commercial affordable housing fund to provide gap funding for qualifying affordable housing projects.</p> <p>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.</p> <p>C. By December 2027, prepare an updated nexus and feasibility study and adjust the residential and commercial housing development impact fee as appropriate. (new). The study will also 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.</p>

HCD Requirement

State Legislative Requirement Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 2, 3](#)

[Policies: 2.3, 3.3, 4.1](#)

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:	<p>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</p>

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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

[Associated Goals and Policies](#)

[Goals: 2, 3](#)

[Policies: 2.3, 3.2](#)

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

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:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

Very low-, low- and moderate-incomes

- 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.B.~~ 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

[Associated Goals and Policies](#)

[Goals: 3, 4](#)

[Policies: 3.1, 4.1](#)

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 Sources(s):	General Fund
Target Housing Population:	All Income Levels
Implementing Objectives:	<p>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 regulation may impact housing production, if at all, and recommended solutions to address those impacts. (new)</p> <p>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)</p>
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 2, 4](#)

[Policies: 2.1, 2.3, 4.2](#)

Program 3.3: Affordable Housing Development Incentives

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:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Target Housing Population:	Very low-, low-, moderate-incomes
Implementing Objectives:	<p>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.</p>

- 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.
- 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.
- 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.

HCD Requirement

State Legislative Requirement Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 2](#)

[Policies: 2.1, 2.2, 2.3, 4.2](#)

Program 3.4: Mixed-Use Development

Mixed-use projects can make housing development more profitable and therefore more likely to be constructed and ~~is~~are 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.
- 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.
- 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.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 3

Policies: 3.1, 3.2

Program 3.5: Housing Incentive Program (HIP)

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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

HCD Requirement

State Legislative Requirement Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 2, 3, 4](#)

[Policies: 2.2, 3.1, 3.2, 4.2, 4.4](#)

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.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 4](#)

[Policies: 4.2](#)

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

[Associated Goals and Policies](#)

[Goals: 1, 3](#)

[Policies: 1.2, 1.4, 3.3](#)

Program 4.2: [Housing and Neighborhood Preservation](#) ~~Code Enforcement~~

The City is committed to preserving its existing housing stock and neighborhoods. [All residents deserve to live in safe and hazard free housing. Preserving the City’s neighborhoods helps sustain the City’s high quality of life. Therefore preserving its housing and neighborhoods is a continued priority for the City.](#) ~~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 Source(s):
Target Housing Population:
[Quantified/Implementing Objectives:](#)

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.
- B. ~~If a~~ [Any 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.](#)

HCD Requirement

State Legislative Requirement Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 1](#)

[Policies: 1.1, 1.2, 1.3](#)

Program 4.3: Rehabilitation Program

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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:	Ongoing
Responsible Agency:	Planning and Development Services
Funding Source(s):	Community Development Block Grant (CBDG)
Target Housing Population:	Low- and moderate-income levels
Implementing Objectives:	A. Annually dedicate CBDG funds as available to support the City's Rehabilitation Program with the goal of assisting <u>40 households over the planning period</u> . B. Seek additional funding sources to supplement CBDG funding.
Quantified Objective:	Assist 40 households over the planning period
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 1](#)

[Policies: 1.1, 1.3](#)

Program 4.4: Seismic Retrofit

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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 1](#)

[Policies: 1.1](#)

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	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.
Implementing	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.
Objectives:	
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 1](#)

[Policies: 1.2, 1.3, 1.4](#)

Program 5.2: Funding Partnerships

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	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.
Implementing	
Objectives:	
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 1](#)

[Policies: 1.3](#)

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

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 Sources(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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

[Goals:](#)

[Policies:](#)

Program 6.2: Housing Information Portal

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 Sources(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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 4](#)

[Policies: 4.5](#)

Program 6.3: ADU Facilitation Program

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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.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 2, 4](#)

[Policies: 2.3, 4.3](#)

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:	<ul style="list-style-type: none"> 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

[Associated Goals and Policies](#)

[Goals: 5](#)

[Policies: 5.2, 5.4, 5.5](#)

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:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

PENDING

- 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

[Associated Goals and Policies](#)

[Goals: 2, 5](#)

[Policies: 2.3](#)

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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.
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 5](#)

[Policies: 5.1, 5.2, 5.3, 5.5, 5.6](#)

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 ELI and VLI

Implementing Objective:

- A. Continue to pursue the Homekey (LTP) 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[Associated Goals and Policies](#)[Goals: 5](#)[Policies: 5.1, 5.2, 5.3, 5.5, 5.6](#)

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 Source(s):

General Fund

Target Housing Population:

PENDING

Implementing Objectives:

- 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[Associated Goals and Policies](#)[Goals: 5](#)[Policies: 2.3, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6](#)

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:

PENDING

Responsible Agency:

Planning and Development Services

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Funding Sources(s): Target Housing Population: Implementing Objectives:	General Fund PENDING A. Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services. B. <u>On</u> 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.
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)

[Goals: 6](#)

[Policies: 6.1, 6.2, 6.3, 6.4, 6.5](#)

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: Responsible Agency: Funding Sources(s): Target Housing Population: Implementing Objectives:	PENDING Planning and Development Services General Fund PENDING 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.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)[Goals: 6](#)[Policies: 6.1, 6.2, 6.3, 6.4, 6.5](#)

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 Source(s):	General Fund
Target Housing Population:	PENDING
Implementing Objectives:	<p>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.</p> <p>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.</p>
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

[Associated Goals and Policies](#)[Goals: 6](#)[Policies: 6.1, 6.2, 6.3, 6.4, 6.5](#)

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

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Implementing Objectives:

- 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[Associated Goals and Policies](#)[Goals: 6](#)[Policies: 6.1, 6.2, 6.3, 6.4, 6.5](#)

Quantified Objectives

Income Category	New Construction	Rehabilitation	Conservation
Extremely Low			
Very Low			
Low			
Moderate			
Above Moderate			
TOTAL			

Goals & Policies

Goal 1.0

Preserve and improve or replace in kind the existing housing stock and residential neighborhoods. Preserve or replace in kind 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 or replacement in kind of existing lower income units that are identified for potential redevelopment.

Goal 2.0

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs (Improve the lives?) 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 incentives that expand development standard concessions and other inducements

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 diversity 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.

Policy 2.4

Encourage property developers and owners to adopt healthy housing programs that protect residents' quality of life.

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 , infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2

Rezoning 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 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

Support implementation of development standards, objective design standards, and architectural and green building standards that encourages new high-quality rental and ownership housing.

Policy 4.5

Heighten community awareness and 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 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 requirements 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

Associated Goals and Policies

Goals: 3, 4

Policies: 3.1, 3.2, 3.3, 4.2, 4.4

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 that 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 Source(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. On an annual and ongoing basis, review the sites inventory and amend sites 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)
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 3

Policies: 3.2

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 Source(s):	General Fund
Target Housing Population:	PENDING

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Implementing Objective:

- 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

___ X ___ State Legislative Requirement ___ Local Policy Initiative

Associated Goals and Policies

Goals: 4

Policies: 4.2

Program 1.4: City-Owned Land Lots

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 Source(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.

___ X ___ HCD Requirement

___ State Legislative Requirement ___ X ___ Local Policy Initiative

Associated Goals and Policies

Goals: 2, 3

Policies: 2.3, 3.2

Program 1.6: Stanford University Lands

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 Source(s):

General Fund

Target Housing Population:
Implementing Objectives:

All income levels

- 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.
- 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.
- 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.
- 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.
- E. Holistically (study?) review the proposed El Camino Real properties and area for contextual height, massing and design.
- F. 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.
- G. Engage Stanford University in a dialogue 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.
- H. Engage Stanford University and long-term leaseholder Simon Properties for possible residential redevelopment opportunities at the Stanford Shopping Center for consideration in the Seventh Cycle Housing Element Update.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 3

Policies: 3.1, 3.2, 3.3

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

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. C. By December 2027, prepare an updated nexus and feasibility study and adjust the residential and commercial housing development impact fee as appropriate. (new). The study will also 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.
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 2, 3

Policies: 2.3, 3.3, 4.1

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.

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- 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

Associated Goals and Policies

Goals: 2, 3

Policies: 2.3, 3.2

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

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:

Responsible Agency:

Funding Source(s):

Target Housing Population:

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

Very low-, low- and moderate-incomes

- 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. 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

Associated Goals and Policies

Goals: 3, 4

Policies: 3.1, 4.1

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

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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:	<p>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 regulation may impact housing production, if at all, and recommended solutions to address those impacts. (new)</p> <p>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)</p>
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 2, 4

Policies: 2.1, 2.3, 4.2

Program 3.3: Affordable Housing Development Incentives

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:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Target Housing Population:	Very low-, low-, moderate-incomes
Implementing Objectives:	<p>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.</p> <p>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</p>

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.

- 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.
- 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.

HCD Requirement State Legislative Requirement Local Policy Initiative

Associated Goals and Policies
 Goals: 2
 Policies: 2.1, 2.2, 2.3, 4.2

Program 3.4: Mixed-Use Development

Mixed-use projects can make housing development more profitable and therefore more likely to be constructed and are 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:	PENDING
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. 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.

- 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.
- 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.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 3

Policies: 3.1, 3.2

Program 3.5: Housing Incentive Program (HIP)

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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 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.

HCD Requirement

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 2, 3, 4

Policies: 2.2, 3.1, 3.2, 4.2, 4.4

Program 3.6: Expedited Project Review

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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.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 4

Policies: 4.2

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:	All Income Levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Amend the City's municipal code to require housing opportunity sites identified as meeting the lower income regional housing needs assessment

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_____ HCD Requirement

(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.

State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 1, 3

Policies: 1.2, 1.4, 3.3

Program 4.2: Housing and Neighborhood Preservation

The City is committed to preserving its existing housing stock and neighborhoods. All residents deserve to live in safe and hazard free housing. Preserving the City's neighborhoods helps sustain the City's high quality of life. Therefore preserving its housing and neighborhoods is a continued priority for the City.

Time Frame: Ongoing

Responsible Agency: Planning and Development Services

Funding Source(s): General Fund

Target Housing Population: All income levels

Implementing Objectives:

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.

B. Any complaint about substandard housing received by the City's Code Enforcement Program, staff will provide information to the resident or homeowner about the City's Rehabilitation Program.

HCD Requirement State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 1

Policies: 1.1, 1.2, 1.3

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: Ongoing

Responsible Agency: Planning and Development Services

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Funding Source(s):	Community Development Block Grant (CBDG)
Target Housing Population:	Low- and moderate-income levels
Implementing Objectives:	<ul style="list-style-type: none"> A. Annually dedicate CBDG funds as available to support the City's Rehabilitation Program with the goal of assisting. B. Seek additional funding sources to supplement CBDG funding.
Quantified Objective:	Assist 40 households over the planning period
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 1

Policies: 1.1, 1.3

Program 4.4: Seismic Retrofit

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:	<ul style="list-style-type: none"> 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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 1

Policies: 1.1

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
 Implementing 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

Associated Goals and Policies
 Goals: 1
 Policies: 1.2, 1.3, 1.4

Program 5.2: Funding Partnerships

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
 Implementing 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

Associated Goals and Policies
 Goals: 1
 Policies: 1.3

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

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 Sources(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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

Goals:

Policies:

Program 6.2: Housing Information Portal

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 Sources(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.
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 4

Policies: 4.5

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

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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:	<ol style="list-style-type: none"> Respond in a timely manner to update the City's municipal code to integrate changes in State ADU housing law. Maintain and update a City Summary Guide to ADUs and JADU's to promote, educate, and assist homeowners with developing ADUs. Continue to monitor and publish information related to ADU production and application review timelines.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 2, 4

Policies: 2.3, 4.3

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:	<ol style="list-style-type: none"> For extremely low income housing units, provide preferences to populations with special needs. 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. In order to assist in the housing needs for special needs populations, the City will: <ul style="list-style-type: none"> 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

Associated Goals and Policies

Goals: 5
Policies: 5.2, 5.4, 5.5

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:	<ul style="list-style-type: none"> 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

Associated Goals and Policies

Goals: 2, 5
Policies: 2.3

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

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

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(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

Associated Goals and Policies

Goals: 5

Policies: 5.1, 5.2, 5.3, 5.5, 5.6

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 Source(s):	General Fund
Target Housing Population:	ELI and VLI
Implementing Objective:	<ul style="list-style-type: none"> A. Continue to pursue the Homekey (LTP) 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

Associated Goals and Policies

Goals: 5

Policies: 5.1, 5.2, 5.3, 5.5, 5.6

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:	PENDING
Implementing Objectives:	<ul style="list-style-type: none"> 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.
<input type="checkbox"/> HCD Requirement	<input checked="" type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 5

Policies: 2.3, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6

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:	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. Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services. B. On 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.

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- 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.

 HCD Requirement State Legislative Requirement Local Policy Initiative

Associated Goals and Policies

Goals: 6

Policies: 6.1, 6.2, 6.3, 6.4, 6.5

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 Source(s):

General Fund

Target Housing Population:

PENDING

Implementing Objectives:

- 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

Associated Goals and Policies

Goals: 6

Policies: 6.1, 6.2, 6.3, 6.4, 6.5

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:	<p>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.</p> <p>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.</p>
<input checked="" type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 6

Policies: 6.1, 6.2, 6.3, 6.4, 6.5

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 Sources(s):	General Fund
Target Housing Population:	PENDING
Implementing Objectives:	<p>A. Partner with Human Services for community outreach with a focus on traditionally underrepresented groups.</p> <p>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.</p>
<input type="checkbox"/> HCD Requirement	<input type="checkbox"/> State Legislative Requirement <input checked="" type="checkbox"/> Local Policy Initiative

Associated Goals and Policies

Goals: 6

Policies: 6.1, 6.2, 6.3, 6.4, 6.5

Quantified Objectives

Income Category	New Construction	Rehabilitation	Conservation
Extremely Low			
Very Low			
Low			
Moderate			
Above Moderate			
TOTAL			