



**TO: PLANNING AND TRANSPORTATION COMMISSION**

**FROM: JONATHAN LAIT, DIRECTOR, PLANNING AND DEVELOPMENT SERVICES**

**DATE: JUNE 29, 2022**

**SUBJECT: AGENDA ITEM NUMBER 2 – RECOMMENDATION TO THE CITY COUNCIL ON 2023-31 HOUSING ELEMENT DRAFT GOALS, POLICIES, PROGRAMS AND IMPLEMENTING OBJECTIVES**

As mentioned in the June 29, 2022 staff report, staff has continued to revise the Goals, Policies and Programs. The updated document in strike out/underline format reflects all changes since the last PTC meeting and is provided as an attachment to this memorandum. Staff has included a redline and clean version of the programs. Please note that the redlines apply to changes made after distribution of the PTC report last week. In addition, any highlighted programs or implementation objectives denote that those were PTC Ad Hoc suggestions.

In addition to reflecting comments from the last PTC meeting, staff has since met with the PTC Ad Hoc twice and received feedback, met with the City Council Housing Element Ad Hoc last Thursday and had a productive meeting with staff from the State Housing and Community Development (HCD) department. Based on these additional meetings staff has updated the draft goals, policies and programs.

Most of the changes are refinements to language for clarification or re-organization. The most substantive change relates to Program 3.4 addressing the Housing Incentive Program which has been modified based on feedback from both ad hoc groups and staff's meeting with HCD. As previously indicated, staff is conducting a development and economic feasibility analysis of prototypical sites to what can be developed with existing development standards and whether such development is likely give a financial return on investment, including consideration existing land uses. This analysis is ongoing but it is anticipated changes will be required to height and floor area allowances, adjustment to parking requirements and other development standards, such as setbacks and open space for some zoning districts. The draft programs previously reflected this direction. However, after consultation with HCD and given that the analysis is incomplete, staff has modified Program 3.4 to remove the blank data sets; consolidate the commercial and residential zoning implementing objective; and include a commitment to amend the zoning code based on the study's findings. While these changes remove some of the specificity staff was

intending to include in the program, the revision is appropriate given that the City is still in the process of finalizing its analysis.

The principle reason for including specificity in the housing incentive program was to communicate an expectation to the community and decision-makers the type of changes that can be anticipated in order for the City to plan for over 6,600 housing units over the eight year housing element cycle. As staff continues its analysis, additional specific language may be recommended to the City Council for inclusion in the draft housing element.

Another notable change reflects comments from the City Council Ad Hoc regarding the GM/ROLM zoning districts near the freeway. Previously, staff had presented that the City's current development standards typically lead to townhome developments instead of apartments. In discussing development standards, the Ad Hoc engaged in a discussion about focusing on a specific area for higher density housing to encourage more multifamily rental developments and suggested the GM/ROLM zone districts may be the appropriate area. They discussed potentially providing significant relaxation or modifications to the development standards for the area. Discussion points included a substantial increase in density or no density standards be used, a considerable increase in the allowable height limits, a large increase in Floor to Area ratio and minimal parking requirements. By relaxing these standards, it could encourage more multifamily market rate and affordable rental housing developments. Based on this direction, staff has made some initial changes to the programs based on this direction and will continue analyze what additional changes would need to be made.