

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 5, 2014

Ms. Hilary Gitelman
Director of Planning and Community Environment
City of Palo Alto
250 Hamilton Avenue, 7th Floor
Palo Alto, CA 94301

Dear Ms. Gitelman:

RE: Review of the City of Palo Alto's 5th Cycle (2015-2023) Draft Housing Element

Thank you for submitting the City of Palo Alto's draft housing element update received for review on July 9, 2014 and draft revisions received August 29, September 2, and September 4, 2014. Pursuant to Government Code Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by telephone conversations with Mr. Tim Wong, Senior Planner, and Ms. Genevieve Sharrow, the City's consultant.

The draft element, with revisions, meets the statutory requirements of State housing element law. This finding was based on, among other reasons, the City's commitment to facilitate development of units affordable to lower-income households through program actions such as Program H-2.1.9 which commits the City to amend the zoning code to create incentives that encourage the consolidation of smaller lots and developments with 100 percent affordable units. The revised element will comply with State housing element law (Article 10.6 of the Government Code) when revisions are adopted and submitted to the Department, in accordance with Government Code Section 65585(g).

As part of the review, the Department considered comments from Public Advocates, Palo Alto residents, Public Interest Law Firm, and BIA Bay Area, pursuant to Government Code Section 65585(c). Some draft revisions to the element were received by the Department late in the review period without time for sufficient public review. As a result, the Department will consider any comments on these revisions as a part of the next housing element submittal.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Please note, the element includes several program actions where the City indicates it will explore, consider or assess implementation of programs and "adopted as appropriate". Successful implementation of these and other programs early in the planning period is critical to the success of the City's housing strategies to meet its regional housing need allocation, partially for lower income households. The City must monitor and report on the results of this and other programs through the annual progress report, required pursuant to Government Code Section 65400.

Pursuant to GC Section 65863, local governments must ensure the inventory of sites accommodate the regional housing need throughout the planning period of the element. In addition, no local government action shall reduce, require or permit the reduction of the residential density for any parcel, or allow development of any parcel, at a lower residential density than identified in the site inventory or program unless the local government makes written findings. For example, findings must demonstrate the reduction is consistent with the adopted general plan, including the draft housing element and the remaining sites identified in the housing element are adequate to accommodate the jurisdiction's share of the regional housing need.

The Department appreciates the hard work and dedication of Mr. Wong and Ms. Sharrow, in preparation of the housing element and looks forward to receiving Palo Alto's adopted housing element. If you have any questions or need additional technical assistance, please contact James Johnson, of our staff, at (916) 263-7426.

Sincerely,



Jennifer Seeger
Housing Policy Manager

cc: Sam Tepperman-Gelfant, Public Advocates
Edie Keating, Palo Alto Resident
Nadia Aziz, Public Interest Law Firm
Peter Campos, BIA Bay Area