City of Palo Alto (ID # 4545)

Regional Housing Mandate Committee Staff Report

Report Type: **Meeting Date: 3/13/2014**

Summary Title: Revised HE Update Work Plan

Title: Housing Element Work Plan Status and Public Outreach Update

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that Regional Housing Mandate Committee (RHMC) review the updated work plan schedule and discuss the status of the 2015-2023 Housing Element Update.

Executive Summary

On a monthly basis, the RHMC has asked to review the status of the work plan and schedule for the 2015-2023 Housing Element Update, which must be adopted and accepted by the State before the end of January 2015. Staff has made a number of adjustments to the work plan and schedule since the Committee's last meeting. The adjustments reflect the Committee's input, the input of the City's Housing Element Update consultant, and activities that have been completed in the past month. The upcoming month will include a number of important events, including the first and second meetings of the community panel, establishment of a web page for the project, and dissemination of an online survey.

Background

The City of Palo Alto is required to update its Housing Element on a regular basis per State Housing Element Law (Government Code Section 65580 et seq.). The State deadline to update the Housing Element for the time period from 2015-2023, is January 31, 2015. For this update cycle, the State legislature has enacted legislation that imposes a strict penalty if certification is not approved by the deadline (although there is a 120-day grace period). If the Department of Housing and Community Development's (HCD's) certification is not received on time, jurisdictions must update their Housing Element every four years instead of on an eight year cycle. In addition, any organization or individual may sue in court and the court may compel compliance with State housing laws, potentially requiring zoning changes and restricting

building permit issuance.

For this 5th Housing Element cycle, HCD has instituted a Streamlined Update process. The streamlined process significantly reduces the HCD time for HE review. With the Council's approval of the density bonus ordinance and other Housing Element programs, the City has met the requirements to be eligible for HCD's 60-day Streamlined Update process. Eligibility for the Streamlined Update is essential in meeting the January 31, 2015 deadline.

While State law prevents the City from considering school impacts in addressing its RHNA obligations, historically, the City has been extremely cautious when designating additional housing sites, due to increased demand on city services in general. It is important to note that Housing Element law only requires the City to provide residential zoning opportunities to accommodate its RHNA allocation. The law does not require the City to approve or construct housing.

Discussion

At the February 13 RHMC meeting, the RHMC was presented with a proposed Housing Element Update workplan schedule outlining a number of tasks and milestones that needed to be completed in order to meet the January 31, 2015 deadline. The Committee had a number of suggested changes, and the workplan schedule has been updated to reflect these as well as adjustments suggested by the consultant who is now under contract, and completed items.

Specifically, a number of tasks have been completed, including:

- Selection of a Housing Element Consultant –MIG, Inc.
    - Staff had a kick-off meeting with the consultant on February 24, 2014
    - The consultant will launch an online housing survey at the end of March
    - The consultant has also indicated they will deliver an administrative draft of housing element revisions for review at the end of April/early May
- Invitations for the Community Panel have been sent out
    - A list of the Community Panel members have been included as Attachment A
    - Community Panel scheduled to convene on March 11 with an introduction to the housing element process by staff. Panel meetings will be open to the public and noticed by email and on the City's website
    - First regularly scheduled meeting will be on March 27

- Scheduled Community Workshops for evening of April 3rd and afternoon of April 8th.
    - Consultants will conduct the Community Workshops
    - April 3rd "Affordable Housing 101" workshop from 7-9pm at City Hall or an alternate location
    - April 8th "Affordable Housing 101" workshop from 2:30-4:30pm at the Cubberley Community Center

- Preparation of Nexus Study
    - Separate (but related) from the Housing Element, staff is collaborating with San Mateo County jurisdictions to prepare a nexus study, which is required in order to consider adjusted housing impact fees
    - The effort will kickoff with a meeting on March 6, and is scheduled for completion in September
    - Nexus study can support implementation of BMR policies and programs in the Housing Element

The table below is the revised work schedule for the Housing Element Update. Staff will be available to describe changes since the February version, although additions have been highlighted.

2015-2023 Housing Element Update Schedule

Revised February 24, 2014

	Date	Task
1.	December 2013	• RHMC HE Work plan presentation
	(Completed)	• PTC Review of Zoning Update Package #1
2.	January 2014	• Council Consideration of Zoning Update Package #1 and Density Bonus Ordinance
	(Completed)	• Release HE Consultant RFP

3. February 2014 (Completed)
   - Feb 13 RHMC: Work Plan Status & Outreach Plan; Use of Existing Units

4. March 2014
   - March 11: Convene Community Panel; intro to the Housing Element
   - March 13 RHMC: Work Plan Status, Demographics & Site Options
   - March 27 Community Panel (evening): Sites Options
   - Other Community Input: Surveys by Consultant, launch HE website, identify potential focus groups
   - Start preparation of Nexus Study

5. April 2014
   - April 1: Submit HCD Housing Element Annual Performance Report to HCD & OPR
   - April 3(evening): Community Workshop #1 in Council Chambers or alternate location (North Palo Alto)
   - April 8 (day): Community Workshop #2 at Cubberley Community Room (South Palo Alto)
   - April 10 RHMC: Site Options continued; Housing Element Revisions & Streamlined Update Checklist
   - April 21: Info Report to Council
   - April 24: Community Panel: Site Options
   - Other Community Input: Surveys by Consultant
   - End of April: Consultant submittal of Administrative Draft for review

6. May 2014
   - May 7: PTC discussion of Sites Inventory & Housing Element revisions
   - May 15 RHMC: Review Admin Draft & Streamlined Update

		Checklist • May 29: Community Panel: Review Admin Draft & Streamlined Update Checklist
7.	June 2014	• June 12 RHMC: Review Admin Draft & Streamlined Update Checklist • June 18: PTC review of Admin Draft and Streamlined Update Checklist • June 26: Community Panel: HE Update & Streamlined Checklist • Initiate preparation of the environmental document (initial study)
8.	July 2014	• Consultation with HCD • Disseminate draft environmental document • Break/Catch Up
9.	August 2014	• August 14: RHMC: TBD (Review of Initial HCD input if available) • August 20: PTC begins review of draft Updates and CEQA review • August 28: Community Panel: Topic TBD
10.	September 2014	• September 11 RHMC: begins discussion of its recommendation to Council on Draft Update and CEQA document (Possible Consultation with HCD) • September 17: PTC completes its review of revised Draft and CEQA • September 25: Community Panel makes its recommendation

		• Completion of Nexus Study
11.	October 2014	• Oct. 9 RHMC: makes its recommendation to Council on Draft Update and CEQA document
12.	November 2014	• Nov 10 Council Consideration of Draft Update and CEQA Document • Nov 24: Second Council Hearing Date (if needed) • Nov 25: Submit HE Update to HCD for 60 day review
13.	December 2014	Break/HCD Q&A
14.	January 31, 2015	HCD Certification Deadline

In addition to the scheduling of the Community Panel and Community Workshops to engage the public, staff is finalizing the 2015-2023 Housing Element Update website. It is anticipated the website will be ready in mid-March. The website will contain a number of sources for HE update information. The public will be able to access information about the HE update process including:

- Community Workshop information with location and dates
- Community Panel meeting schedule
- Links to all staff reports of RHMC, PTC and City Council meetings
- Any released drafts of the 2015-2023 HE
- Copy of the current 2007-2014 HE
- An updated Housing Element FAQ's sheet
- Interactive Site Selection tool
- Links to State HCD and ABAG websites

Resource Impact

The State and the region (ABAG/MTC) are continuing to place a greater importance on a certifed housing elements and now require a certified housing element for agencies to be

eligibile for receiving funding. This year, the City received over $4.0 million in competitive and non-competitive One Bay Area Grant (OBAG) transportation funds. The City would have been ineligible for these funds if the City did not have a certified Housing Element.

Substantial staff time will be necessary to update the Housing Element for the 2015-**2023** period. Activities associated with the update include assembling updated data about housing and housing needs in Palo Alto, conducting required public outreach meetings, and preparing draft and final documents for review and adoption. Staff expects to use a consultant to assist with the data collection and analysis, as well as public outreach efforts. The City attorney may also have costs associated with retaining outside legal counsel with specific expertise in Housing Element law.

Policy Implications

Cities and counties that do not meet the statutory deadline for their upcoming housing element update will be faced with the requirement to update their housing elements more frequently in the future. Also, without compliant housing elements, jurisdictions may be faced with costly legal challenges pursuant to housing element law and/or fair housing law. Also, if the City fails to identify or make available adequate sites to accommodate its RHNA assignment within a given planning cycle, the City may be required to carry those units over into the next planning cycle, thus increasing the number of sites to be identified in the upcoming cycle.

Attachments:

- Attachment A: Community Panel with Accepted Invitations (PDF)

ATTACHMENT A

Community Panel
with Accepted Invitations
March 4, 2013

Accepted Invitation	Organization	Stakeholder / Expertise	Name of Representative
X	Planning and Transportation Commission	Planning & Transportation (PTC) Commissioner	TBD
X	Human Relations Commision	Human Relations (HRC) Commissioner	Ray Bachetti
X	Palo Alto Unified School District	PAUSD Board Member	TBD
X	PTA Council	Palo Alto Parents (PTA Members / Parents)	Faith Brigel
	University South Neighborhood Association	PAN (Palo Alto residential neighborhood associations) North Palo Alto Representative	
X	Midtown Neighborhood Association	PAN (Palo Alto residential neighborhood associations) South Palo Alto Representative	Sheri Furman
X	Barron Park Neighborhood Association	PAN (Palo Alto residential neighborhood associations) Barron Park & West Palo Alto Representative	Lisa Landers
X	Palo Altans for Sensible Zoning	Palo Altans for Sensible Zoning	Tom Dubois
	Private Individual	Local Business representative	
	Avenidas	Senior Citizen organization	
	Silicon Valley Independent Living Center	Persons with Disabilities	
	Silicon Valley Association of Realtors	Local Real Estate representative	
X	League of Women Voters	League of Women Voters Housing Team	Doris Peterson
X	Palo Alto Housing Corporation	Palo Alto Housing Corporation (PAHC) Board member	Elizabeth Ratner
X	Private Individual	Mixed Use Housing Developer (with experience in Palo Alto)	Tony Carrasco
X	Related California	Affordable Housing Expert and City resident	Lydia Tan
X		Housing Advocate and City resident	Dena Mossar
	Eden Housing	Housing Expert (Senior, Family, Affordable, Mixed Income)	
X	Neighbor Helping Neighbors	Renter Advocate	Caryll-Lynn Taylor
	Palintir	Large Business Owner	
	Private Individual	Member-At-Large	