



AGENDA REPORT SUMMARY

Meeting Date: March 26, 2024

Subject: Housing Element Annual Progress Report for Calendar Year 2023, and Housing Element Implementation Status

Prepared by: Nick Zornes, Development Services Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Draft Resolution No. 2024-XX
2. Housing Element Annual Progress Report (Final PDF Copy)
3. Housing Element Implementation Calendar (Chronological Order)

Initiated by:

Government Code Section 65400

Fiscal Impact:

None.

Environmental Review:

The Housing Element Annual Progress Report is a reporting document and does not create or alter policy. The content is provided for information purposes only and is exempt from the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment. This informational item provides a means to monitor the implementation of the City of Los Altos' RHNA Allocation.

Summary:

- Provides the progress made to implementation of the adopted housing element in calendar year 2023, which includes additional housing stock created.

Staff Recommendation:

Adopt a Resolution of the City Council of the City of Los Altos Accepting the Housing Element Annual Progress Report for Calendar Year 2023 and Authorizing Staff to Submit the Report to the California Department of Housing and Community Development and find that this action is exempt from the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5).

Reviewed By:

City Manager

GE

Development Services Director

NZ



Subject: 2023 Housing Element Annual Progress Report

Purpose

Government Code section 65400 requires the planning agency to provide this report to the legislative body (City Council) and HCD by April 1 of each year. The statute does not specify in which order they be provided, and HCD does not require the report to be submitted to the legislative body prior to submitting it to HCD. HCD recommends you provide the report to your legislative body prior to sending it to HCD. Staff are providing the City Council the opportunity to review the Annual Progress Report prior to submission.

Background

The California Department of Housing and Community Development (HCD) requires jurisdictions to submit the Housing Element Annual Progress Report (APR), on prescribed tables, directly to HCD which also covers activities and accomplishments from the calendar year (2023). Timely submission of the annual report to HCD fulfills statutory requirements to report certain housing information, including the local agency's progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing. Additionally, the annual report gives the State of California the opportunity to identify statewide trends in land use decision making and how local planning and development activities relate to statewide planning goals and policies.

Analysis

The Los Altos 2023 APR is attached. To ensure accountability with respect to housing production, each site is identified by assessor's parcel number, and all milestones occurring in 2023 are indicated by date including submittal for planning entitlements, approval of planning entitlements, issuance of building permits, and issuance of certificates of occupancy/final inspections. The report also tracks affordability and if units are deed restricted to specified affordability levels. Progress on Housing Element program implementation is summarized toward the end of the APR. Housing element programs are listed with a brief explanation regarding progress made in the reporting year.

In calendar year 2023, the City of Los Altos issued Building Permits for a total of 120 new dwelling units, almost twice as many from the prior year. That number is the number of units that will be accounted for the city's 6th Cycle RHNA Allocation.

For reporting year 2023 the following is being reported to HCD:



Subject: 2023 Housing Element Annual Progress Report

Building Permits Issued (for new units only):

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	1
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		119
Total Units		120

Comprehensive accounting of all progress towards RHNA in calendar year 2023:

Units by Structure Type	Entitled	Permitted	Completed
Single-family Attached	0	0	0
Single-family Detached	3	3	0
2 to 4 units per structure	8	8	0
5+ units per structure	0	0	0
Accessory Dwelling Unit	109	109	49
Mobile/Manufactured Home	0	0	0
Total	120	120	49

Discussion

This Housing Element contains actions intended to significantly increase the amount and types of housing for all income levels in Los Altos. These efforts are expected to be initiated throughout the planning period, which is from January 31, 2023, to January 31, 2031. In accordance with State law, the City will also evaluate the progress and effectiveness of Housing Element programs on an annual basis. Together, these actions reflect the City’s commitment to increasing affordable housing and improving existing housing conditions.

The following programs and actions have been **completed** by the City in its due diligence to implement the adopted 6th Cycle Housing Element:

- Program 1.A: Rezone for RHNA shortfall.
- Program 1.B: Facilitate higher density housing in the Commercial Thoroughfare (CT) District.
- Program 1.C: Allow housing in the Office Administrative (OA) District.
- Program 1.E: Update the Loyola Corners Specific Plan.
 - Rescinded Loyola Corners Specific Plan in its entirety



Subject: 2023 Housing Element Annual Progress Report

- Program 1.F: Rezone Village Court parcel.
 - Rezone Village Court parcel to allow for housing development by-right, no discretionary review. Removed outdated PUD zoning restriction from parcel.
- Program 1.G: Rezone housing sites from previous Housing Elements.
- Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.
 - Adoption of Inclusionary Housing In-Lieu Fee
- Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).
 - RFP-Permit Ready ADU Plans
 - Budgeted and Hired New Development Services Technician for streamlined review of Planning Permits
- Program 2.E: Conduct annual ADU rental income surveys.
 - Budgeted and Hired Housing Manager
- Program 2.F: Water and Sewer Service Providers.
- Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements.
 - Comprehensive Parking Ordinance Update
- Program 3.B: Modify building height in mixed-use zoning districts.
- Program 3.C: Remove floor-to-area ratio (FAR) restriction at Rancho Shopping Center and Woodland Plaza.
- Program 3.F: Reduce Conditional Use Permit requirement for residential mixed-use and multi-family.
- Program 3.G: Amend Conditional Use Permits findings applicable to housing developments.
- Program 3.H: Amend design review process and requirements.
 - Eliminate 3rd Party Architectural Review
 - Eliminate Design Review Commission
 - Designate discretionary review of projects five or fewer units to the Zoning Administrator
 - Reduced number of hearings allowed from 5 to 3
 - Developed standard conditions of approval for all discretionary projects
 - Assigned final action authority to the Zoning Administrator and Planning Commission and moved City Council to approval authority for appeals only
 - Clarified that appeals shall be based on objective standards consistent with State law and shall be filed within 14 days of final action
 - Amended zoning code to ensure housing developments and emergency shelters are only reviewed on objective standards contained within the code
- Program 3.I: Allow residential care facilities consistent with State law.
- Program 3.J: Explicitly allow manufactured homes consistent with State law.
- Program 3.K: Standardize multimodal transportation requirements.
 - Bicycle Storage and Charging Regulations



Subject: 2023 Housing Element Annual Progress Report

- Remove CSC Review of Housing Developments
- Program 3.L: Eliminate the requirement of story poles.
- Program 3.M: Modify parking requirements for emergency shelters consistent with State law.
- Program 3.N: Modify standards in the R3 zoning districts.
- Program 4.C: Allow Low Barrier Navigation Centers consistent with AB 101.
- Program 4.D: Allow transitional and supportive housing consistent with State law.
- Program 4.E: Allow employee/farmworker housing consistent with State law.
- Program 4.F: Reasonably accommodate disabled persons' housing needs.
- Program 4.J: Facilitate alternate modes of transportation for residents.
 - Adopt VMT Policy & Transportation Demand Management Plan

The following programs and actions are **in-progress** with the City in its due diligence to implement the adopted 6th Cycle Housing Element:

- Program 1.H: Facilitate housing on City-owned sites.
 - Financial feasibility analysis underway
- Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.
 - Commercial Linkage Fee under study for essential nexus
- Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).
 - Amend ADU Ordinance to be consistent with State law
 - In development of Permit Ready Accessory Dwelling Unit Plans designed by the City of Los Altos
- Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements.
 - Downtown Parking Strategy well underway with W-Trans Consulting
- Program 3.D: Evaluate and adjust impact fees.
 - Comprehensive Development Impact Fee Study
- Program 6.G: Housing mobility
 - Allow more than one JADU (at least two per site); amendments forthcoming

The following programs and actions are **forthcoming** with the City in its due diligence to implement the adopted 6th Cycle Housing Element:

- Program 1.D: Allow housing on certain Public and Community Facilities District sites and facilitate housing on religious institution properties.
- Program 1.I: Incentivize Downtown lot consolidation.
- Program 4.H: Provide additional density bonuses and incentives for housing that accommodates special needs groups.



Subject: 2023 Housing Element Annual Progress Report

- Program 4.I: Allow senior housing with extended care facilities in multi-family and mixed-use zoning districts.
- Program 4.J: Facilitate alternate modes of transportation for residents.
 - Capital Improvement Project for above head pedestrian crossing signals on San Antonio Road near Downtown Los Altos
- Program 5.F: Incentivize the creation of play areas for multi-family housing projects.
- Program 6.C: Target housing development in highest resource areas.
- Program 6.G: Housing mobility
 - Allow housing on all religious sites within the City

Additional Streamlining Efforts & Upcoming Work

- February 2024, application for Prohousing Designation to HCD for review.
- February 2024, Safety Element Update – Project Kick-off
- March 2024, Accessory Dwelling Unit – Comprehensive Code Update
- March 2024, Comprehensive Development Fee Schedule Update
- April 2024, Comprehensive Development Impact Fee Update
- April 2024, SB9 Guidelines – Planning Commission Study Session
- May 2024, Accessory Dwelling Unit – City Standard Plans

Transition to Development Services Department

In addition to the various regulatory changes to implement the housing development, the Development Services Department has effectively reorganized to streamline the development review process for both internal and external customers. The Development Services Department is now structured to efficiently provide services for all Land Use as it relates to private property development and maintenance. The following chart depicts the organizational changes over the last almost two years:

MAY 2022	JULY 2022	NOVEMBER 2022	JANUARY 2023	JULY 2023
Building & Safety	Building & Safety	Building & Safety	Building & Safety	Building & Safety
Planning & Zoning	Business Licensing	Business Licensing	Business Licensing	Business Licensing
Sustainability	Planning & Zoning	Code Enforcement	Code Enforcement	Code Enforcement
(3) Divisions	(3) Divisions	Planning & Zoning	Housing	Housing
		(4) Divisions	(4) Divisions	Land Development Engineering
				Planning & Zoning
				Sustainability
				(7) Divisions