



HOUSING ELEMENT UPDATE

December 6, 2022 City Council Study Session



PROJECT OVERVIEW

BACKGROUND

- Required 6th Cycle Housing Element Update
 - Plan for city's housing needs from 2023 to 2031
 - Regional Housing Needs Allocation (RHNA) is 2,946 units
- Also includes update to General Plan Safety Element and new Environmental Justice Element
- Housing Element must be adopted by January 31, 2023

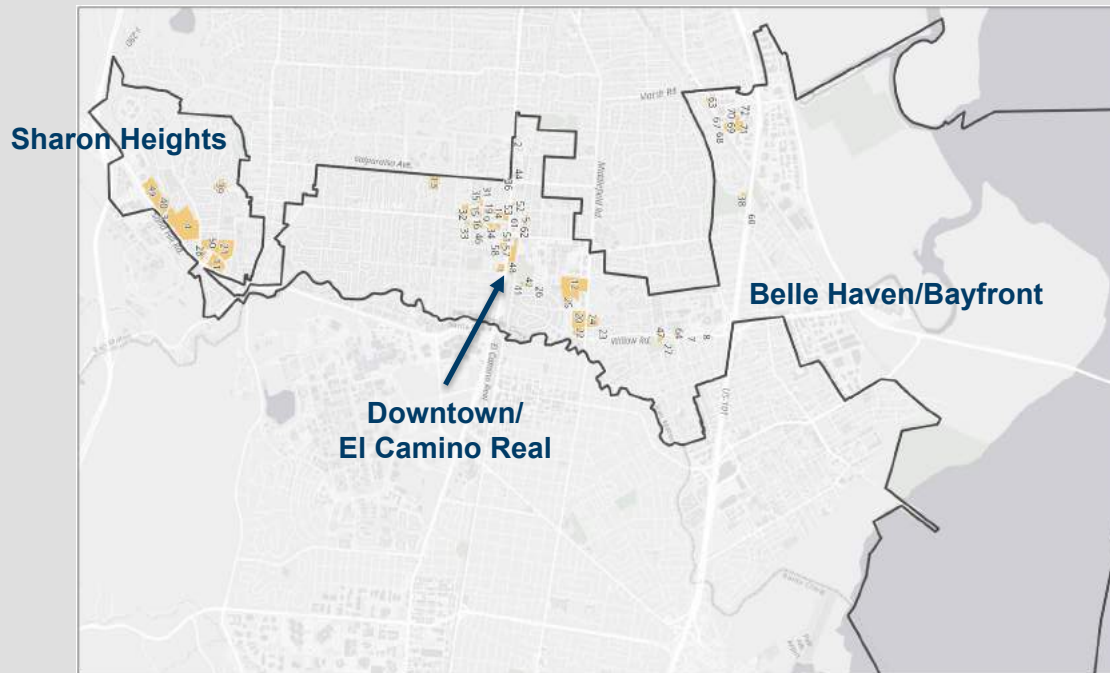
NET RHNA

	Very Low	Low	Moderate	Above Moderate	Total Units
6th Cycle RHNA Needs					
6 th Cycle RHNA	740	426	496	1,284	2,946
30% Buffer	222	128	149	385	884
6 th Cycle RHNA + 30% Buffer	962	554	645	1,669	3,830
6th Cycle RHNA Credits					
Pipeline Projects	134	230	230	3,050	3,644
ADUs	26	25	26	8	85
Credits Subtotal	160	255	256	3,061	3,729
Total Net New Units Needed	802	299	389	0	1,490

MAJOR LAND USE STRATEGIES

- Affordable RHNA will be met by rezoning for up to 4,000 new units dispersed throughout city
 - The total would accommodate a mix of development types to achieve 1,490 affordable units
 - Primarily in Council districts 2 through 5
- Five key zoning strategies
 - Increase densities in El Camino Real/Downtown Specific Plan area and remove residential cap
 - Increase densities in the affordable housing overlay (AHO)
 - Rezone commercial sites to allow mixed-use development
 - Remove minimum lot size to achieve 30 du/ac on R-3 lots around downtown
 - Re-use sites from current Housing Element

OPPORTUNITY SITES



MEETING PURPOSE

- Study session
 - Provide feedback on revisions to draft Housing Element in response to HCD comments
 - Also an opportunity to provide feedback on potential zoning changes
- No actions will be taken this evening
 - Staff will use comments to prepare:
 - Revised draft Housing Element
 - Draft Zoning Ordinance amendments
 - Draft Specific Plan amendments
 - Draft ordinances to rezone certain housing opportunity sites to allow multifamily residential or mixed use developments
 - Review and recommendations at January 12, 2023 joint Housing Commission and Planning Commission meeting
 - Review and action at January 31, 2023 City Council meeting



DRAFT HOUSING ELEMENT

BACKGROUND

- July 25, 2022: City submitted initial draft Housing Element to HCD, beginning 90-day state review period
- October 21, 2022: City received letter from HCD with list of requested revisions
- Late October - Present: Project team has been developing second draft Housing Element

HCD COMMENTS

- Initial draft Housing Element addresses many requirements
- Majority of comments were in the following topic areas:
 - Affirmatively furthering fair housing (AFFH)
 - Housing sites inventory and realistic capacity
 - Analysis of constraints that would reduce housing development

PROPOSED HOUSING ELEMENT CHANGES

- Chapters 3, 4 and 5 have been updated to provide more narrative and data regarding AFFH concerns and disparity between areas north and south of U.S. 101
- Chapter 4 includes table of fair housing issues and actions the City will take to address the issues
- Chapter 5 includes responses to identified constraints, many of which are now addressed as programs to be implemented through 2031

PROPOSED HOUSING ELEMENT CHANGES

- Chapter 7 includes an update to HCD's realistic capacity methodology to estimate unit production on the housing opportunity sites
- Site capacity is set as: Acreage x Density x Adjustment

Total Adjustment Factors for Housing Opportunity Sites						
Geography	Land Use Controls	Realistic Capacity	Typical Densities	Infra. Availability	Enviro. Constraints	Total
Specific Plan Area	0.95	0.80	0.90	1	1	0.684
Elsewhere in City	0.95	0.90	0.95	1	1	0.812

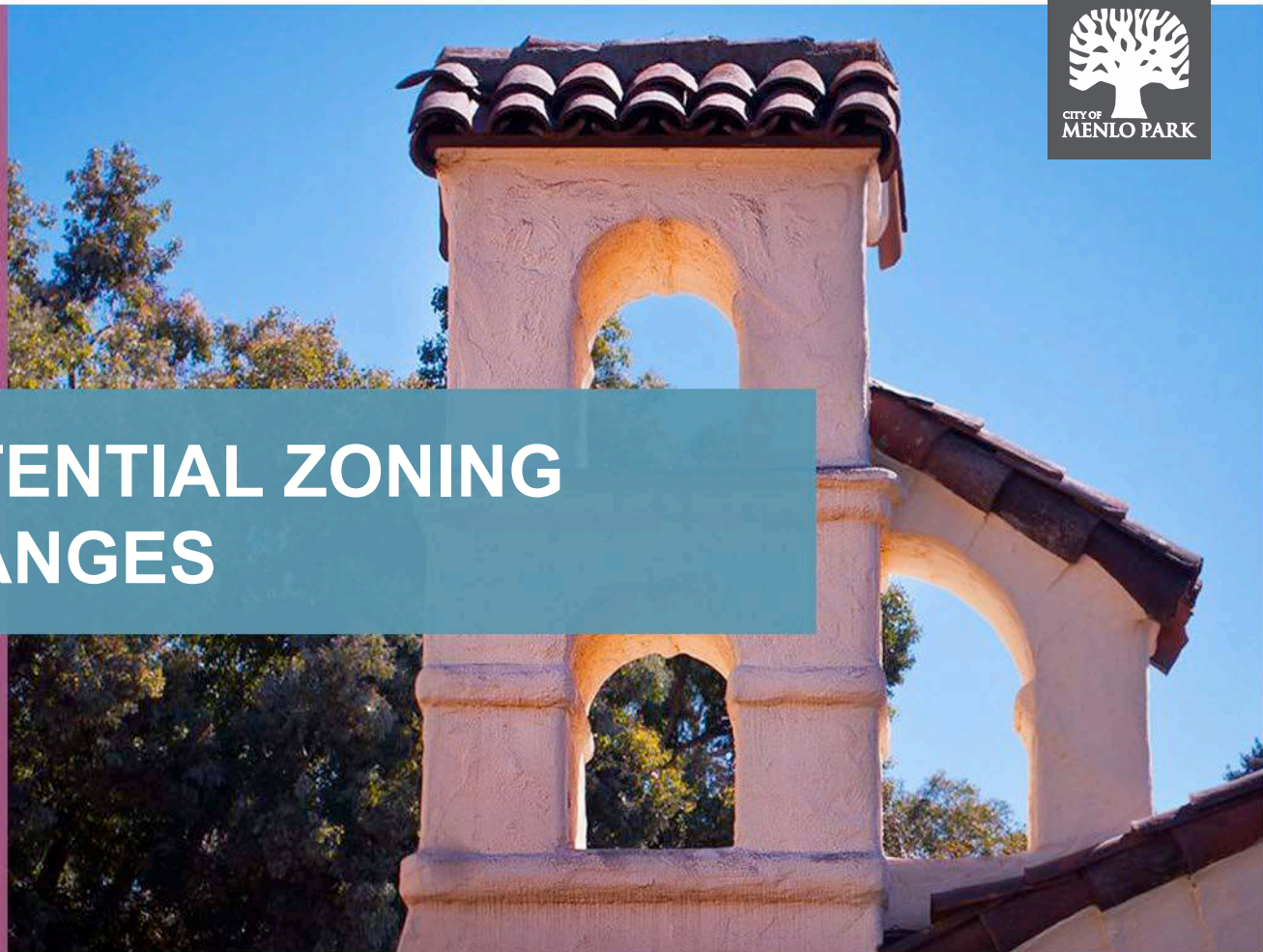
- Changes to the methodology increase total units from 2,108 to 2,906

PROPOSED HOUSING ELEMENT CHANGES

- Chapter 8 updated with new and revised programs
 - ADU amnesty program
 - Anti-displacement strategy
 - Work with U.S. Dept of Veterans Affairs on Homeless issues
 - Zoning text amendments for special needs housing
 - Amend BMR housing regulations to consider increasing requirements
 - Streamlined project review
 - Consider City-owned land for housing (downtown parking lots)
 - Others



POTENTIAL ZONING CHANGES





PROPOSED SPECIFIC PLAN RESIDENTIAL DENSITIES



Specific Plan Existing and Proposed Subdistrict Residential Densities (in du/ac)

Subdistrict	Existing Base Density	Proposed Base Density	Existing Bonus Density	Proposed Bonus Density
Downtown (D)	25	40	40	60
Downtown Adjacent (DA)	18.5	30	25	50
El Camino Real North-East (ECR NE)	25	30	40	50
El Camino Real North-East Low Density (ECR NE-L)	20	30	30	40
El Camino Real North-West (ECR NW)	25	30	40	50
Station Area East (SA E)	50	50	60	80
Station Area West (SA W)	50	50	60	80
El Camino Real South-West (ECR SW)	25	30	40	50

Note: Density, FAR, and height would remain as-is for the ECR SE and ECR NE-R subdistricts.



PROPOSED DOWNTOWN DEVELOPMENT STANDARDS



Select Existing and Proposed Development Standards for Downtown Subdistrict		
Development Standard	Existing	Proposed
Maximum Base FAR	2.00	2.00
Maximum Public Benefit Bonus FAR	2.25	2.25
Maximum Step Up Base FAR	N/A	2.40*
Maximum Step Up Public Benefit Bonus FAR	N/A	3.00*
Base Residential Density	25 du/ac max.	20 du/ac min. / 40 du/ac max.
Public Benefit Bonus Residential Density	40 du/ac max.	20 du/ac min. / 60 du/ac max.
Maximum Building Height	38 ft	50-60 ft**
Maximum Public Façade Height	30 ft	38 ft

*Step up FAR would be available to developments that provide between 50 percent and 65 percent of the overall building FAR toward residential uses and one of the following options: a) a minimum 50 percent of units with two or more bedrooms including 5 percent of units with three or more bedrooms, or b) all for-sale units.

**The maximum height for buildings with a residential density of 20 to 40 du/ac would be 50 feet. For buildings with a density over 40 du/ac, 60 feet would be the maximum.

PROPOSED DOWNTOWN DEVELOPMENT STANDARDS



Example Scenario on 1-Acre Lot

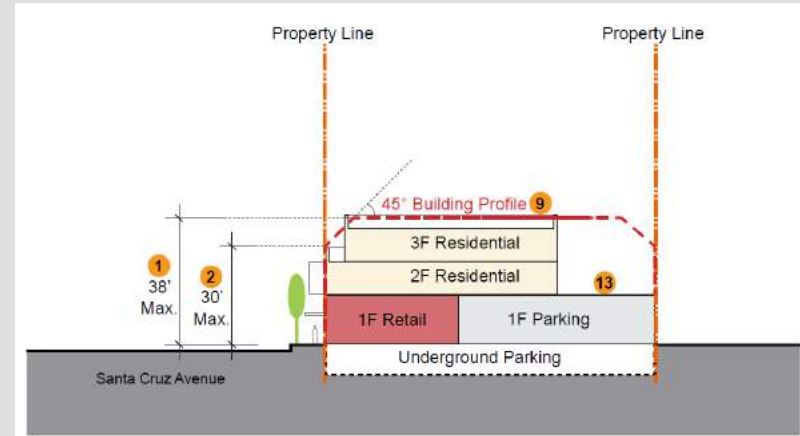
FAR 3.0: 130,680 sf (Public Benefit Bonus Step-Up)
Density: 60 du/acre

Program

Retail	20,000 sf	(15.3%)
Office	35,680 sf	(27.3%)
Residential	75,000 sf	(57.4%)
Total GSF	130,680 sf	

Height/Building Section

Basement		(Parking)
Ground Floor	15 feet	(Retail and Parking)
Second Floor	12.5 feet	(Office)
Third Floor	10.5 feet	(Residential)
Fourth Floor	10.5 feet	(Residential)
Fifth Floor	11.5 feet	(Residential)
Total	60 feet	(ground to roof)





PROPOSED ECR NE-L DEVELOPMENT STANDARDS



Select Existing and Proposed Development Standards for El Camino Real North-East Low Density Subdistrict

Development Standard	Existing	Proposed
Maximum Base FAR	0.75	0.75
Maximum Public Benefit Bonus FAR	1.10	1.10
Maximum Step Up Base FAR	N/A	1.25*
Maximum Step Up Public Benefit Bonus FAR	N/A	1.55*
Base Residential Density	20 du/ac max.	20 du/ac min. / 30 du/ac max.
Public Benefit Bonus Residential Density	30 du/ac max.	20 du/ac min. / 40 du/ac max.
Maximum Building Height	38 ft	40-54 ft**
Maximum Public Façade Height	30 ft	30 ft

*Step up FAR would be available to developments that provide more than 50 percent of the overall building FAR toward residential uses and one of the following options: a) a minimum 50 percent of units with two or more bedrooms including 5 percent of units with three or more bedrooms, or b) all for-sale units.

**The maximum height for developments that include 20 to 30 du/ac would be 40 feet for buildings with flat roofs or 44 feet for buildings with pitched roofs of 3:12 or greater. Buildings with residential densities greater than 30 du/ac would be permitted heights up to 50 feet for flat roofs or 54 feet for pitched roofs of 3:12 or greater.

PROPOSED ECR NE-L DEVELOPMENT STANDARDS



Example Scenario on 1-Acre Lot

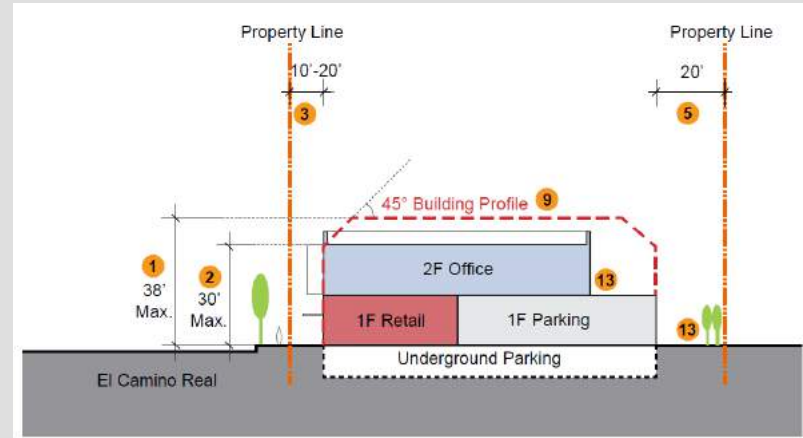
FAR 1.25: 54,450 sf (Base Step-Up)
Density: 30 du/acre

Program

Retail/Office	14,000 sf	(25.7%)
Residential	40,450 sf	(74.3%)
Total GSF	54,450 sf	

Height/Building Section

Basement		(Parking)
Ground Floor	15 feet	(Retail and Parking)
Second Floor	12.5 feet	(Office and Residential)
Fifth Floor	11.5 feet	(Residential)
Total	39 feet	(ground to roof)



OTHER PROPOSED SPECIFIC PLAN CHANGES

- Development standards for six other subdistricts would be modified
- The limit of 680 residential units in the Specific Plan area would be removed
- A minimum density of 20 du/ac would be required to set a basic floor for residential development
- Minimum parking rate would be removed; maximum parking rates may be established



PROPOSED COMMERCIAL ZONING DISTRICTS



Commercial Districts Existing and Proposed Residential Densities (in du/ac)

District	Proposed Change	Proposed Density
Administrative and Professional, Restrictive (C-1)	Add new residential mixed use regulations	30 du/ac max.
Administrative and Professional (C-1-A)	Combine with C-2-B	30 du/ac max.
Administrative, Professional and Research, Restrictive (C-1-C)	Maintain	AHO/Carveout Only
Neighborhood Shopping (C-2)	Combine Most Parcels with C-2-B	30 du/ac max.
Neighborhood Shopping, Restrictive (C-2-A)	Combine with C-2-B	30 du/ac max.
Neighborhood Mixed Use, Restrictive (C-2-B)	Maintain	30 du/ac max.
Neighborhood Commercial, Special (C-2-S)	Combine with C-2-B	30 du/ac max.
General Commercial (C-4)	Combine with C-2-B or similar	30 du/ac max.
Office (O)	Rezone portion to new O-R district	20-30 du/ac max.

OTHER PROPOSED COMMERCIAL ZONING DISTRICT CHANGES

- 10,000 square-foot minimum lot size requirement for R-3 properties located around downtown would be removed
- “Carveout” residential development would be permitted on certain housing opportunity sites included in the City’s 6th Cycle RHNA housing inventory.
 - Intent would be to allow housing development of one or two acres that could be located anywhere on the applicable parcels

PROPOSED AFFORDABLE HOUSING OVERLAY CHANGES

- Designed to encourage development of affordable units for low, very low, and extremely low income households
- Would be expanded to include all 6th Cycle RHNA housing opportunity sites, in addition to the Specific Plan area
- Would be modified to work in combination with the state density bonus law on a site
- AHO density bonus for any applicable site would be set at 55 du/ac minus the base density of the underlying zoning for the site. By applying the AHO:
 - Developments that qualify for the maximum state density bonus of 50 percent could achieve a development with a total density of up to 83 du/ac
 - 100 percent affordable developments that qualify for the state density bonus of 80 percent achieve a development with a total density of up to 99 du/ac

PROPOSED AFFORDABLE HOUSING OVERLAY CHANGES

- Examples

Example AHO Application to C-1 Zoned Parcel with 80 Percent State Density Bonus

Acres	Max Density	Max Base Units	AHO Density Bonus	AHO Bonus Units	Base Units + AHO Bonus Units	80% State Density Bonus Units	Total Units	Total Density
(A)	(B)	A*B=(C)	55-B=(D)	A*D=(E)	C+E=(F)	F*.80=(G)	F+G=(H)	H/A=(I)
1.0	30 du/ac	30 units	25 du/ac	25 units	55 units	44 units	99 units	99 du/ac

Example AHO Application to C-1 Zoned Parcel with 50 Percent State Density Bonus

Acres	Max Density	Max Base Units	AHO Density Bonus	AHO Bonus Units	Base Units + AHO Bonus Units	50% State Density Bonus Units	Total Units	Total Density
(A)	(B)	A*B=(C)	55-B=(D)	A*D=(E)	C+E=(F)	F*.50=(G)	F+G=(H)	H/A=(I)
1.0	30 du/ac	30 units	25 du/ac	25 units	55 units	28 units	83 units	83 du/ac

PLANNING COMMISSIONER COMMENTS

- Proposed changes to densities, FARs, and heights in Specific Plan area should increase further
- Create adequate open space and recreation facilities on- and off-site for new developments
- Set building façade heights near low-density residential lower than max building heights
- Remove minimum parking rates and explore max rates in Specific Plan area
- Consider removing requirement for certain single-family residents to obtain use permits
- Combine parcels of similar size in C-1-A, C-2, C-2-A, C-2-B, C-2-S, and C-4 zoning districts into single district with C-2-B mixed-use zoning as a starting point

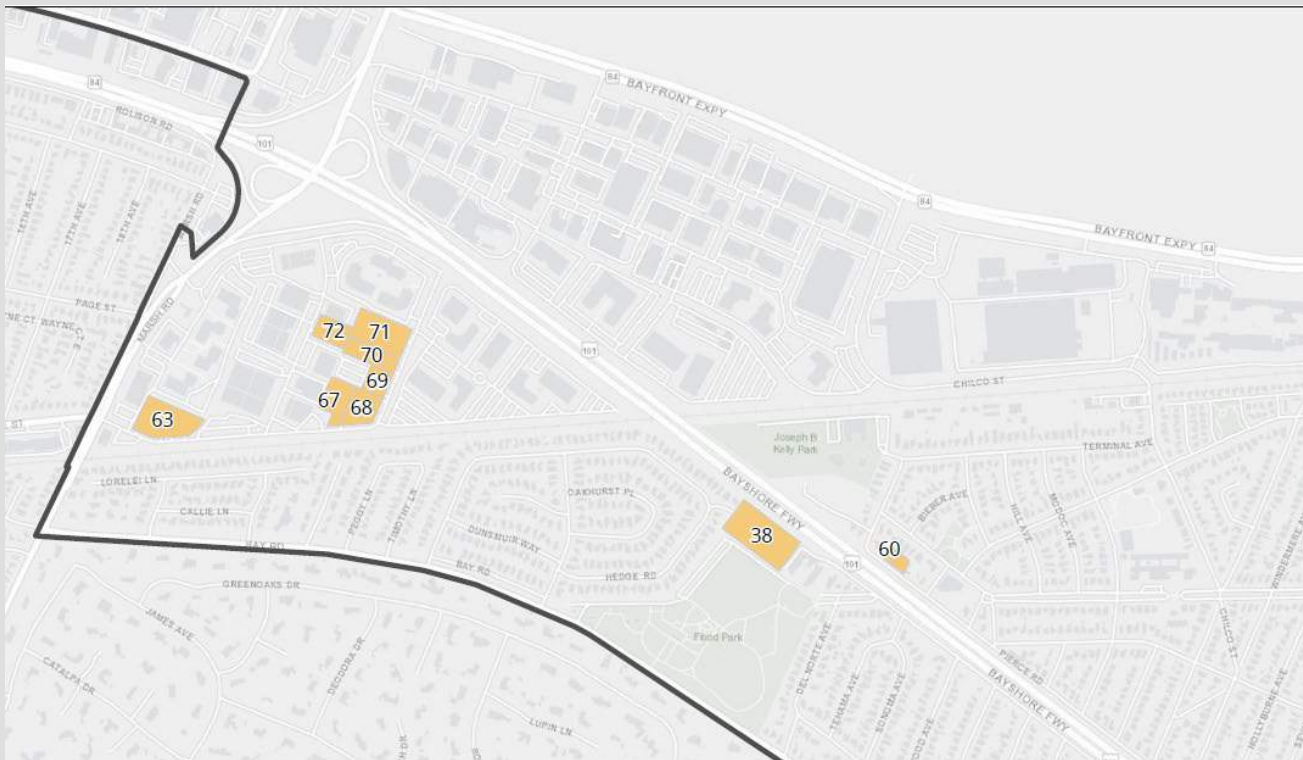
TENTATIVE UPCOMING MILESTONES

- December 2022 – Release of draft Environmental Justice and Safety Elements
- December 14-15, 2022 – Community meetings on EJ and Safety Elements
- December 19, 2022 – Close of Draft SEIR public comment period
- January 12, 2023 – Housing Commission and Planning Commission recommendations
- January 31, 2023 – City Council adoption hearing

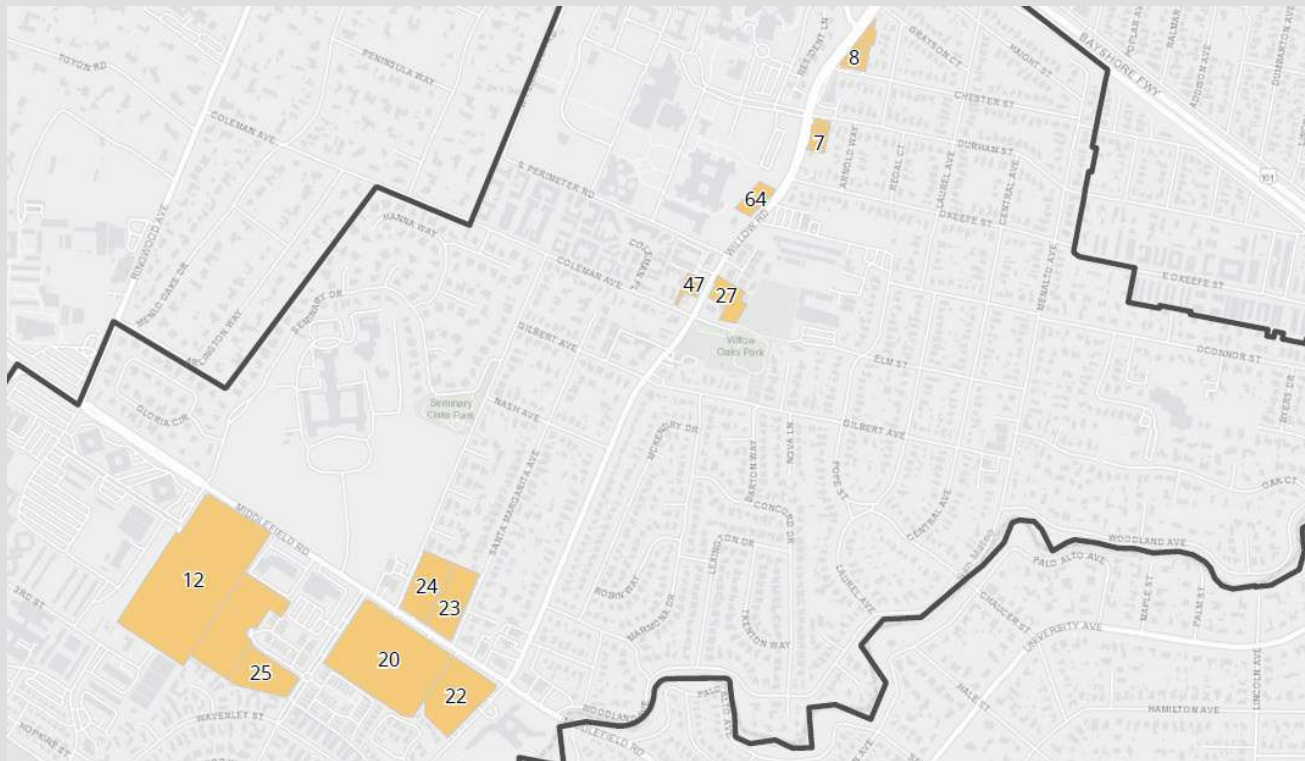


THANK YOU

OPPORTUNITY SITES



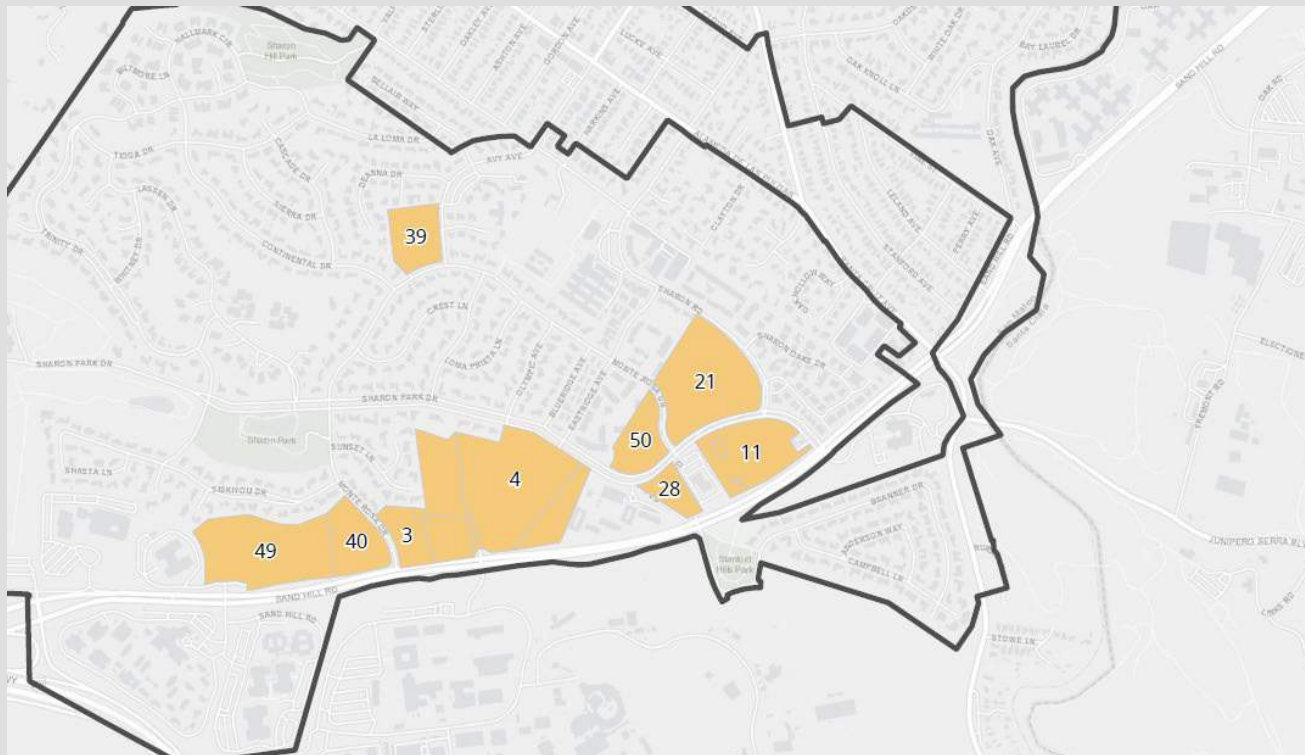
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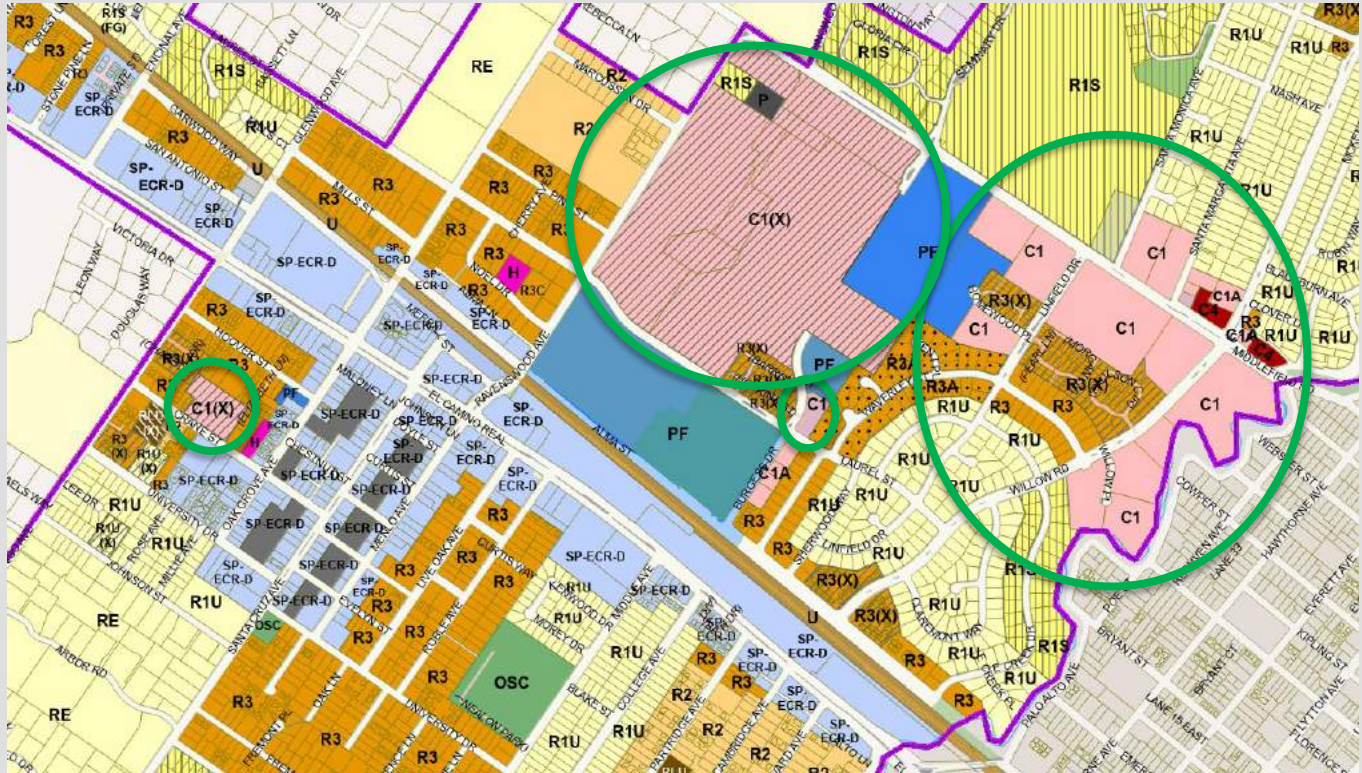


CARVEOUT SITES

- 2500 Sand Hill Rd (First Republic, Site #3) – 2 ac
- 2480 Sand Hill Rd (Quadrus, Site #4) – 2 ac
- 325 Sharon Park Dr (Sharon Height Shopping Center, Site #11) – 1 ac
- 345 Middlefield Rd (USGS, Site #12) – 2 ac
- 272 Middlefield Rd (Site #20) – 2 ac
- 350 Sharon Park Dr (Sharon Green Apts, Site #21) – 1 ac
- 700 El Camino Real (Big 5, Site #48) – 2 ac
- 2722 Sand Hill Rd (Site #49) – 2 ac
- 600 Sharon Park Dr (Seven Oaks Apts, Site #50) – 1 ac
- 795 Willow Rd (VA Medical Center, Site #64) – 2.1 ac

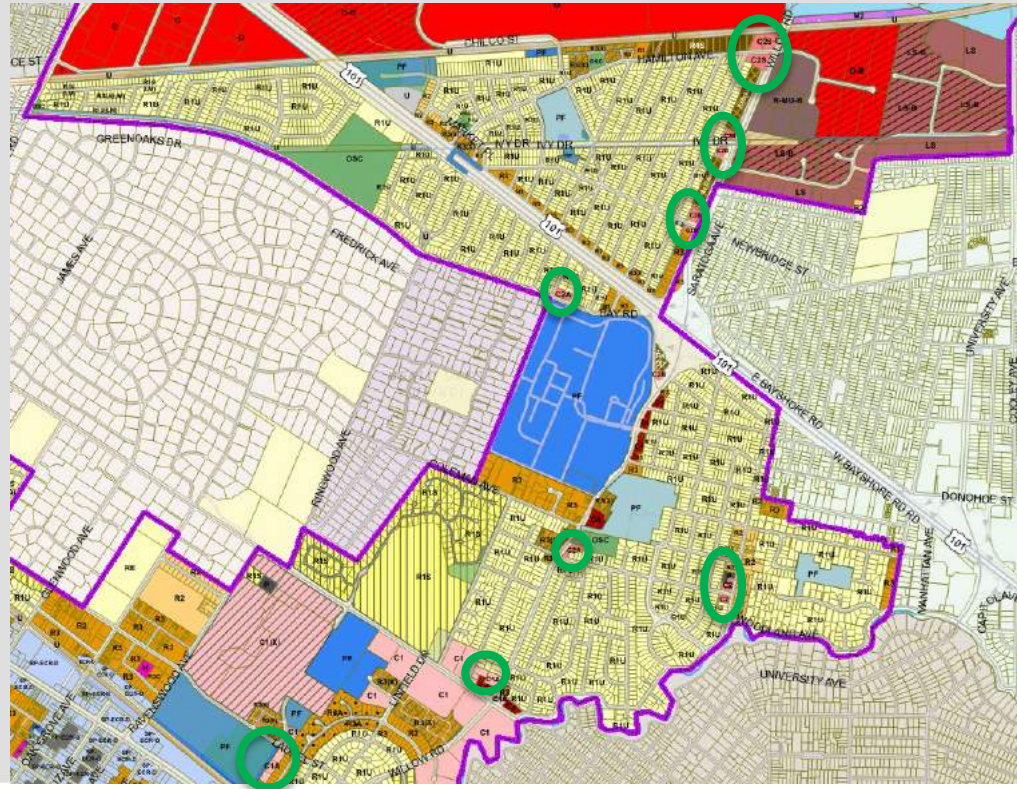
C-1 DISTRICT

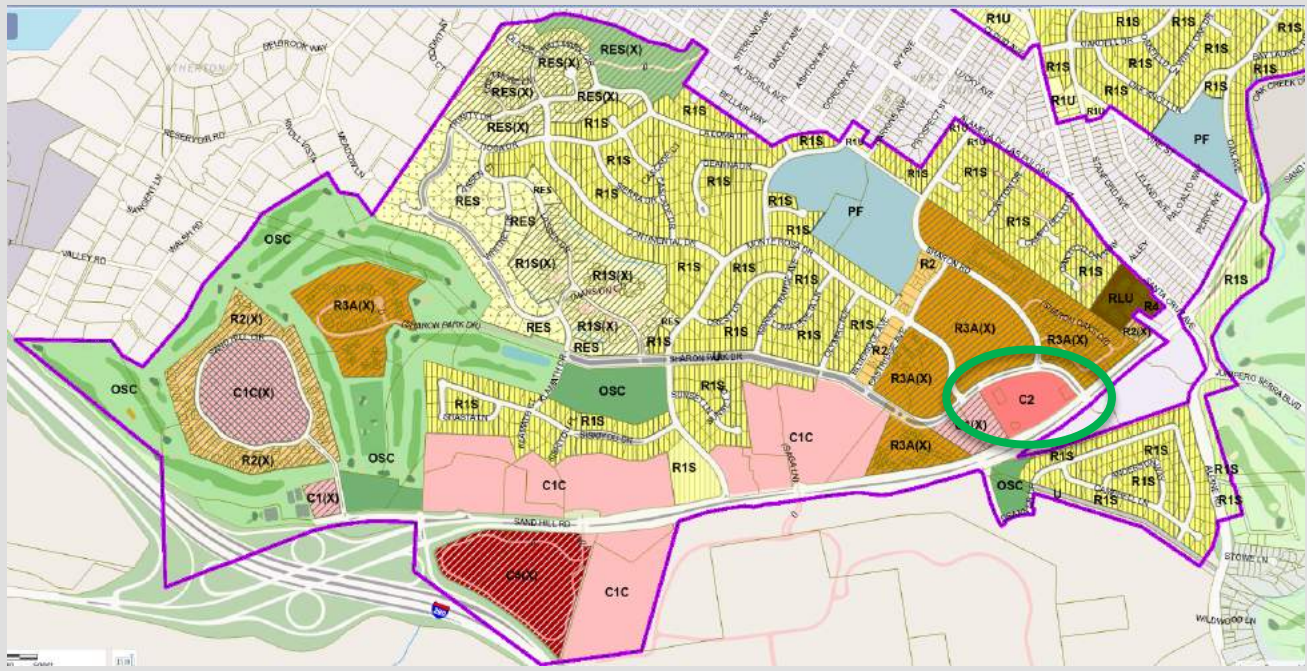
- Zoning amendment would make C-1 a mixed use district
 - Generally, the FAR for multiple dwelling units would increase on an even gradient up to 0.90 for 30 du/ac
 - The FAR for mixed use developments would not exceed 1.00
 - Height of structures shall not exceed 30 feet, except for a mixed use structure, which shall not exceed 40 feet



C-1-A, C-1-S, C-2-A, C-2-B, AND C-2 DISTRICTS

- C-1-A, C-1-S, C-2-A, C-2-B, and C-2 (except Sharon Heights Shopping Center) may be combined into a single district with C-2-B regulations as basis
 - Generally, the FAR for multiple dwelling units would increase on an even gradient up to 0.90 for 30 du/ac
 - The FAR for mixed use developments would not exceed 1.00
 - Height of structures shall not exceed 30 feet, except for a mixed use structure, which shall not exceed 40 feet
- Sharon Heights Shopping Center site would be rezoned to permit mixed use development, but potentially different regulations because of parcel size and existing uses





O DISTRICT

- The O parcels bounded by Marsh Road, Bohannon Drive, and Scott Drive would be rezoned to a new zoning district: Office-Residential (O-R)
 - Generally, would use the residential regulations for base level development in the R-MU district
 - The density would be 20 to 30 du/ac
 - The FAR for multiple dwelling units would increase on an even gradient from 60 percent for 20 du/ac to 90 percent for 30 du/ac
 - Height of structures shall not exceed 35 feet

