

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

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July 5, 2024

William Gibson, Planner III
Planning and Building Department
455 County Center, Floor 2
Redwood City, CA 94063

Dear William Gibson:

RE: County of San Mateo's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the County of San Mateo's (County) housing element that was adopted April 23, 2024 and received for review on May 6, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Ward Mace and Jeremey Levine pursuant to Government Code section 65585, subdivision (c).

The adopted element addresses many statutory requirements which are described in HCD's April 20, 2023 review; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to substantially comply with State Housing Element Law.

A jurisdiction that did not adopt a compliant housing element within 120 days from the statutory deadline must rezone sites within one year of the statutory deadline and meet requirements pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c). As this year has passed and Programs have not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning have been completed. Once the County completes the rezone, a copy of the resolution or ordinance should be transmitted to HCD. HCD will review the documentation and issue correspondence identifying the updated status of the County housing element compliance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the County should 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 be aware, any revisions to the element must be posted on the local

government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the County meets housing element requirements for these and other funding sources.

We are committed to assisting the County in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Anthony Errichetto, of our staff, at Anthony.Errichetto@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX COUNTY OF SAN MATEO

The following changes are necessary to bring the County's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at [HCD Memos](#). Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at [building blocks](#) and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

Racial/Ethnic Areas of Concentration of Poverty (R/ECAP) and Racially Concentrated Area of Affluence (RCAA): While the element includes some general discussion of deficiencies in some areas of concentrated poverty, this discussion should be expanded to cover the full breadth of neighborhood conditions and compare those conditions to other areas of the County to better formulate appropriate policies and programs.

Contributing Factors: Based on the outcomes of a complete analysis, the element should re-assess and prioritize contributing factors (e.g., high, medium, low) and add or revise Programs as necessary.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Housing Stock Conditions: While the element includes discussion of housing conditions, it should estimate the total number of units in need of rehabilitation and/or replacement within the County. For example, the County could estimate using a percentage of the total number of units in the County and past code enforcement trends. The estimation could be further supplemented with other local data and knowledge related to other areas of identified need as described on page A-41.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress in Meeting the Regional Housing Needs Allocation (RHNA): The element was not revised to address this finding. Table E-5 on page E-29 identifies pipeline projects have been constructed, approved or are under construction. The element should clarify the current project status for these units, describe any known barriers to development, and discuss any other relevant factors to demonstrate their availability in the planning period. In addition, the element should demonstrate their affordability. The element should identify, add, or revise a Program as appropriate to monitor the timely development of these pipeline projects within the planning period and explicitly commit to alternative actions (including rezoning) by a certain date as needed. Please see HCD's prior review for additional information.

Realistic Capacity: The sites inventory indicates that some vacant and nonvacant multifamily sites utilize minimum densities to calculate realistic capacity while others utilize maximum density. The element should consistently assume minimum densities for calculating total capacity for each site and adjust calculations accordingly or the element should clearly indicate what specific trends, factors, and other evidence led to discrepancies in the assumptions. For example, the element should list recent developments by maximum allowable density and built density and should adjust the analysis of realistic capacity by each zone. In addition, ground floor commercial requirements have not been sufficiently analyzed as a potential constraint. Please see HCD's prior review for additional information.

Suitability of Nonvacant Sites: The element generally was not revised to address this finding. Please see HCD's prior review for additional information.

Small Sites: While the element notes that some small sites have been developed in the past, it generally was not revised to address this requirement. For example, the element does not include any discussion of past trends related to identified sites or the level of affordability on past developed small sites. Please see HCD's prior review for additional information.

Availability of Infrastructure: The element generally was not revised to address HCD's prior review regarding the lack of capacity to accommodate the RHNA. Please see HCD's prior review for additional information.

Environmental Constraints: The element was not revised to address this finding. As stated in HCD's prior review, the element should analyze environmental constraints site by site or by area and add or revise programs as needed to address identified constraints. Please see HCD's prior review for additional information.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the County must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the County has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Zoning for a Variety of Housing Types (Emergency Shelters): The element must describe compliance with the requirements of Chapter 654, Statutes of 2022 (AB 2339) and add or revise programs as necessary. Among other changes, these amendments to Government Code section 65583, subdivision (a)(4) expands the definition of “emergency shelters,” specifies the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or other discretionary permit and demonstrate the appropriateness of sites to accommodate emergency shelters. For more information, see HCD’s AB 2339 memorandum at [AB 2339](#).

In addition, the element should add or revise a Program as necessary to provide specific commitment to allow emergency shelters by-right in the entirety of Colma as stated on page B-2.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element was not revised to address this finding. Please see HCD’s prior review for additional guidance (i.e., parking requirements, Local Coastal Plan growth control, lot coverages, height limits, setbacks, daylighting, lot sizes, open space requirements, and typical densities). In addition, the element should analyze the extent to which ground floor commercial requirements are a potential constraint to development feasibility as well as to the affordability and supply of housing units. For example, the element could describe current utilization, vacancy trends, recent mixed use multifamily development feasibility and presence of exemptions. The element should add or revise programs as necessary to address constraints identified as part of a complete analysis.

Fees and Exaction: While the revised element provides the total cost of fees as a proportion of the typical total cost of development, it should also list out existing impact fees instead of aggregating impact fees for both single and multifamily housing developments.

Local Processing and Permit Procedures: While the element was revised to clarify the Planned Unit Development (PUD) process, there were no other revisions to address this finding. As stated in HCD’s prior review, the element should explain and analyze typical approval process and timing for single and multifamily developments, public hearing requirements, conditional use permitting (CUP) requirements for multifamily developments, and variance processing. Please see HCD’s prior review for additional information.

Design Review: The element was not revised to address this finding. As stated in HCD’s prior review, the element must describe applicable design and architectural review guidelines and processes for single and multifamily developments, including approval procedures and decision-making criteria. It must also address their impacts as potential constraints on housing supply, cost, and approval certainty. For example, the element describes required approval findings that are subjective (p. B-35) including in the Emerald

Lake Hills, Oak Knoll Manor, Devonshire, and Palomar Park areas as well as areas within the DR District overlay such as Colma and North Fair Oaks. A complete analysis should address the impacts of these decision-making criteria on housing supply, cost, and particularly approval certainty (e.g., the element states that reviews may take up to 6 months to complete). The analysis may discuss how the County mitigates potential impacts such as pre-application reviews or guidelines. Based on the outcomes of a complete analysis, the element must add or modify programs to address identified constraints.

Codes and Enforcement: The element was not revised to address this finding. The element should clarify local amendments to the building code and analyze their degree and type of enforcement for impacts on housing supply and affordability. Please see HCD's prior review for additional information.

Constraints on Housing for Persons with Disabilities: The element was not revised to address this finding. For your information, Program HE 22.12 does not supplement the need for the required information to be incorporated into the element, particularly regarding group homes. The element should include the analysis as stated in HCD's prior review and revise Program HE 22.12 with more specific commitment regarding what deficiencies need amending. Please see HCD's prior review and [building blocks](#) for additional guidance.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need... (Gov. Code, § 65583, subd. (a)(6).)*

Approval Times and Requests for Lesser Densities: While the element was revised to describe requests to develop housing at lower densities, it must also describe the length of time between housing developments receiving approval and the submittal of an application for building permits. Programs should be added or revised as necessary to address identified constraints such as those that potentially hinder the construction of the County's share of the regional housing need.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

Programs to be revised include the following:

- *Program HE 6.1 (Rental Assistance)*: The Program should commit to at least annual proactive education and outreach.
- *Program HE 10.2 (Accessory Dwelling Unit Amnesty)*: The element should clarify why the Program has been suspended indefinitely as indicated on page 39.
- *Program HE 18.1 (Infrastructure Supporting Affordable Housing)*: The Program should include a date for when the assessment is estimated to be completed.
- *Program 22.4 (Farmworker Housing)*: The Program should commit to coordinate with the City of Half Moon Bay on a regular basis (e.g., quarterly) and pursue alternative actions if the 555 Kelly Street site does not develop as expected by a specific date.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the County may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

- *Program 11.2 (Rezone Program)*: The Program should commit to rezone and meet all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i) and clarify the anticipated number of units to be developed. For example, by-right requirements must include 20 percent affordability and non-discretionary approval.
- *Accessory Dwelling Units (ADUs)*: The element should add or revise a Program to include specific commitments to monitor the production and affordability of ADUs as well as adopt additional incentives and other strategies by a specified date if production and affordability does not occur as expected.
- *Program 22.12 (Zoning Amendments for Special Housing Needs)*: While the Program generally commits to amend zoning to comply with state law, it should specifically commit to each of the laws to be addressed. For example, the Program should commit to comply with Government Code sections 65651 and 65660 and should commit to establish appropriate development standards that encourage the development of single room occupancy (SRO) units.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for*

housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in findings A4 and A5, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the County may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element requires a complete affirmatively furthering fair housing (AFFH) analysis. Depending upon the results of that analysis, the County may need to revise or add programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitments, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement (housing choices and affordability across geographies), new housing choices and affordability in relatively higher opportunity or income areas, place-based strategies for community preservation and revitalization, and displacement protection.

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element generally was not revised to address this requirement. Regardless of insignificant rehabilitation needs of single-family homes and no units at-risk of conversion to market rate uses, the element must still include estimates for rehabilitation and not limit conserved units to at-risk properties. Please see HCD's prior review for additional information.

D. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

The element should respond to the public comment from Ward Mace regarding the 350 Harbor Boulevard site, which represents a significant portion of the County's RHNA, and analyze the feasibility for redevelopment. Programs may need to be added or revised to ensure the adequacy of site and provide for alternative actions by a certain date if needed.