

City of East Palo Alto Housing Element

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1 INTRODUCTION

Housing is a basic human necessity and the need for housing is shared by all residents. People want living spaces where they feel a sense of dignity, where they can express their individuality, and where they can be comfortable and healthy. Safe, well-maintained housing is a basic need that transcends age, race, income, and marital status. As such, the City of East Palo Alto encourages a diversity of housing types, costs, and locations to serve the variety of needs and wants of local residents.

1.1 ROLE OF HOUSING ELEMENT

The California State Legislature has identified the attainment of a decent home and suitable living environment for every citizen as the State's major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of the comprehensive General Plan. Section 65583 of the Government Code sets forth the specific components to be contained in a Housing Element. State law further requires Housing Elements be updated at least every eight years to reflect the changing housing needs of a community. As East Palo Alto's Housing Element was last updated in 2009, this Update is for the planning period of 2015–2023.

The Housing Element Update consists of the following major components:

Analysis of East Palo Alto's demographic profile, housing characteristics, and existing and future housing needs (Chapter 2).

Review of potential market, governmental, and environmental constraints to housing development (Chapter 3).

Evaluation of the land, financial, and organizational resources available to address the identified housing needs (Chapter 4).

Housing plan to address the identified housing needs, including a statement of goals, policies, and actions (Chapter 5).

1.2 DATA SOURCES

Various sources of information contribute to the Housing Element, including the American Community Survey (ACS) from the U.S. Census Bureau that provides the basis for population and household characteristics. In addition, several data sources were used to supplement the survey include economic and demographic projections by the Association of Bay Area Governments (ABAG) and population estimates by the California Department of Finance (DOF).

Housing market information is based on City surveys and property tax assessor's files, such as home sales, rents, and vacancies.

Public and non-profit agencies input on data regarding special needs groups and the services available to them or gaps in the service delivery system.

1.3 PUBLIC PARTICIPATION AND PROCESS

East Palo Alto has a long history of extensive community involvement, and the 2015–2023 City of East Palo Alto Housing Element is no exception. It was developed with the collaborative efforts of residents and elected/appointed officials. Equally importantly, East Palo Alto has held dozens of meetings about housing policy in recent years as part of the Ravenswood / 4 Corners Transit Oriented Development (TOD) Specific Plan, the ongoing General Plan update, and during policy implementation. Several opportunities for input on the Housing Element were provided through various forums as discussed below.

Planning Commission considered the draft Housing Element in October 2014, followed by City Council review in February 2015. The document was then sent to the California Department of Housing and Community Development for Review in March. Concurrently, the city conducted required Environmental Review.

The Planning Commission then held a public hearing in April 2015 and recommended that City Council adopt the document. The City Council adopted the Housing on May 5th, 2015.

The Housing Element will be updated again in 2015/2016 as part of the General Plan update. This will be an opportunity to add or modify policies and programs.

RAVENSWOOD / 4 CORNERS TOD SPECIFIC PLAN

The Specific Plan reflects extensive community input. From October 2009 through March 2011, the City led a community process that included 15 public meetings, of which three were highly interactive public workshops. A citizen's advisory committee met five times and the Specific Plan was discussed before the Planning Commission and City Council five times.

For example at one meeting participants created their preferred alternative by mixing and matching elements from the other alternatives. Each small group then presented its preferred alternative to the workshop as a whole. After all small groups presented, the project team worked with all participants to identify areas of consensus among the groups, as well as areas where consensus had not yet been reached. This resulted in a single map that formed the basis for the Community Preferred Alternative.

The Specific Plan outlines how the Ravenswood / 4 Corners TOD Specific Plan area can be transformed into thriving development districts that provide places to live; employment opportunities; parks and open spaces; and amenities for all of East Palo Alto, such as expanded library service and a new community center.

GENERAL PLAN OUTREACH AND WESTSIDE PLANNING

Starting in 2010, the City of East Palo Planning Agency (Planning Commission and Planning Division) held a series of meetings to develop a scope of work to update the 1999 General Plan and to implement it through new Zoning and Subdivision regulations. Acknowledging the need to measure the effectiveness of the update over ten years, the City formed a core group of ten Bay Area partners whose ideas were presented to the community with the goal of developing indicators which could meet the City's need to establish new levels of service as measures of effectiveness. These partners wrote letters of support for the City's grant application to the Strategic Growth Council and included 1) Youth United for Community Action (YUCA), 2) the City/County Association of Governments of San Mateo County, 3) San Mateo County Health System, 4) the Palo Alto Housing Corporation, 5) the Ravenswood City School District, 6) San Francisquito Creek Joint Powers Authority, 7) San Francisco Bay National Wildlife Refuge Complex, 8) the Metropolitan Transportation Commission, 9) the East Palo Alto Bicycle Club, and 10) the Stanford University School of Medicine. The twenty-six indicators measure tangible physical characteristics demonstrative of transformative change for the betterment of the community's health and economy. After publicly vetting the ideas before the City's legislature (and its advisory bodies), which passed several supportive resolutions, the City adopted a Capital Improvement Program that bridges the 1999 General Plan to the future update by incorporating funding to improve,

among other things, mobility through new non-motorized byways and air-quality by an expansion of the City's canopy of trees.

Since mid-2013, the City has been very focused on the General Plan Update process which has been funded in large part by a \$1 million grant from the State's Strategic Growth Council. The General Plan Update process relies on advisory committees and other outreach opportunities. The City has hosted many well-attended community events to help guide development of this plan for the City's future. A common theme throughout all these meetings has been the community's strong desire to retain and improve its affordable housing stock. Both rent-stabilized and permanent affordable housing units remain a priority for the community, and some General Plan update meetings have focused almost entirely on this subject.

Of particular note, in March 2014, the City held a meeting of its Westside Area Plan Advisory Committee (WAPAC) that was attended by over 100 community members. The WAPAC provides guidance and advice for the General Plan update as it relates to the Westside. The Westside is of particular concern because the majority of East Palo Alto's affordable housing is located in this area. The purpose of the meeting was to provide an overview of the existing housing conditions in the city, particularly in the Westside area, educate the community about the State and local laws, regulations and programs that impact housing in the city, and discuss potential future scenarios for housing. The goal was to develop a common understanding of housing constraints and opportunities upon which to build a consensus for future housing policies to include in the General Plan update.

Subsequently, and building upon that March meeting, in June 2014, the City hosted a Town Hall workshop attended by over 120 community members to prioritize guiding principles for the Westside Area Plan, and discuss potential tradeoffs between different levels of permanent affordable housing, including acceptable levels of density. Although the focus of the meeting was on the Westside, many of the participants came from throughout the City and some lessons learned are applicable throughout the City as well. Among the outcomes of this meeting:

Participants ranked Guiding Principles for the Plan. The top three were: 1) provide affordable rental housing; 2) avoid displacement; and 3) on-going community participation in the Decision-Making processes.

Participants ranked Community Needs and Priorities for the Plan. The top three were: 1) long term affordable housing; 2) no displacement of existing renters; and 3) stronger tenant protection laws.

Participants generally indicated a willingness to consider higher density development in exchange for more permanent affordable housing. Participants generally indicated a preference for low, very low and extremely low income housing units, as opposed to moderate income units.

Participants generally agreed with the following prerequisites for higher density development in the Westside:

1. Permanent affordable housing;
2. Prevent displacement of existing residents;
3. Preserve “right of return” for existing residents – similar size and rent;
4. Maintain the city’s rent stabilization program;
5. High-quality new development;
6. Health and safety improvements such as new sidewalks, parks, community centers, street lighting, safer access across Highway 101, and other similar improvements; and
7. Improved fiscal health of the City.

In December 2014, the community met again to address housing issues. This time they reviewed a preliminary financial analysis of development scenarios for the Westside to help understand what level of affordable housing and other community benefits the community could reasonably anticipate if additional density were allowed under the General Plan update.

21 ELEMENTS COLLABORATIVE OUTREACH

East Palo Alto participated in the 21 Elements-coordinated outreach activities from October 2013 through April 2014. 21 Elements facilitated four panel presentations and discussion with advocates representing people with developmental disabilities and other special needs, affordable housing developers and advocates, and funders. The panelists discussed their perspective on the unique housing needs of San Mateo County, and provided some policy suggestions.

HOUSING ELEMENT SPECIFIC OUTREACH

The City held a community meeting on September 30th, 2014 to gather input on the Housing Element. In particular, the City discussed the idea of updating the Housing Element in time for the January 31, 2015 deadline and again shortly afterwards as part of the General Plan update.¹ The goal of this approach is to give the community more time to provide input and to reflect the directions identified in the General Plan.

East Palo Alto has received and considered letters from the Building Industry Association and the Housing Leadership Council of San Mateo County.

On September 30, 2014, the City held a community workshop to discuss the relationship between, and processes for, this current Housing Element update and the General Plan Update, provide an overview of the existing Housing Element, and gather input from the community on the subjects that should be addressed in each. The public was supportive of the idea of setting general direction in this housing element update and reserving the further development of the housing-related policies for when the General Plan is adopted later in 2015.

HOW PUBLIC COMMENTS WERE CONSIDERED

Comments from community workshops and correspondence received during the update process have helped to identify housing needs and issues of concern in the community and possible strategies for the City to pursue in addressing housing needs.

The most common comments from the community were:

- **Need for affordable housing** – The community is very concerned about promoting more affordable housing, particularly in light of rapid increases in prices in East Palo Alto. They want the Rent Stabilization and renter protection ordinances protected.
- **Overcrowding** – Because prices are so high, many residents are forced to share apartments. This causes overcrowding and associated problems.
- **Condition of homes** – Many residents had concerns about the condition of their apartments. They feel they are not being maintained at an acceptable level.

¹ While the Housing Element refers to the January 2015 deadline, per state law the City has until May 2015 to have the final version adopted.

These issues, and others will be further addressed when East Palo Alto updates its General Plan in the summer of 2015. This version of the Housing Element is intended to meet all the required aspects of state law but not make significant policy shifts. Additional policies and programs will be added when the Housing Element is adopted again along with the rest of the General Plan.

1.4 RELATIONSHIP TO THE GENERAL PLAN

The Housing Element update is a required Element of the City of East Palo Alto General Plan, which is currently being updated. The changes to the document were carefully reviewed against the existing General Plan and found to be consistent. Additionally, the Housing Element is consistent with the Ravenswood / 4 Corners TOD Specific Plan. A new Housing Element will be produced when the General Plan is updated later in 2015.

2 HOUSING NEEDS ASSESSMENT

Please see the existing conditions report, prepared for the 2015 General Plan update, for housing, demographic, and economic data about the city.

2.1 AFFORDABLE HOUSING AND AT-RISK UNITS

Existing housing that receives governmental assistance or is generated through governmental policies is often a significant source of affordable housing in many communities. This section identifies the affordable housing in East Palo Alto and evaluates the potential for conversion to market rate between 2015 and 2025¹. Resources for preservation/replacement of these units are described in Chapter 4, and housing programs to address preservation are described in Chapter 5.

When we discuss affordable housing, we mean housing that lower income households can afford without paying more than 30 percent of their income to rent. The definition of lower income household varies by location and household size, but the following conventions are used with most state and federal programs:

Extremely Low Income = Households that make 30 percent of area median income (\$33,950 for a family of four)

Very Low Income= Households that make 50 percent of area median income (\$56,550 for a family of four)

Low Income = Households that make 80 percent of area median income (\$90,500 for a family of four)

See the Existing Conditions Report for more detail.

INVENTORY OF AFFORDABLE HOUSING

Compared to its surrounding communities, East Palo Alto has a large supply of affordable housing developed through the use of federal, State, and local policies and assistance programs. Table 2-1 presents East Palo Alto's supply of affordable rental units, most which receive Section 8 funding. Currently, there are also over 80 below market rate homeownership units in the City of East Palo Alto.

¹ Although the Housing Element covers an 8 year period, at-risk units are evaluated for a ten year period.

Table 2-1 Affordable Rental Housing in East Palo Alto for Low and Moderate Income Households

<i>Project</i>	<i>Project Address</i>	<i>Number of Units</i>	<i>Number of Affordable Units</i>	<i>Unit Type</i>	<i>Resident Eligibility</i>
Bay Oaks	2400 Gloria Way East Palo Alto, CA 94303	38	38	2, 3, 4 bedroom	All
Courtyard at Bay Road	1730 Bay Road East Palo Alto, CA 94303	77	77	1, 2, 3, 4 bedroom	Family
Newell Avenue Apartments	44 - 48 Newell Avenue East Palo Alto, CA 94303	26	26	Studio, 1, 2 bedroom	All
Nugent Square	2369 University Avenue East Palo Alto, CA 94303	32	32	2 and 3 bedroom	Family
Peninsula Park Apartments	1977 Tate Street East Palo Alto, CA 94303	129	65	1, 2, 3 bedroom	Family
Runnymede Gardens	2301 Cooley Avenue East Palo Alto, CA 94303	78	78	1 and 2 bedroom	Seniors
The Woodlands	1767 Woodland Avenue East Palo Alto, CA 94303	23	23	2, 3 4 bedroom	Family
Woodland Apartments	1721 Woodland Ave East Palo Alto, CA 94303	90	14	1 and 2 bedroom	Family
Light Tree Apartments	1900 Clarke Avenue #100, East Palo Alto, CA 94303	94	94	Studio, 1, 2, 3 bedroom	All
Clark Ave Apartments	2377-97 Clark Ave	15	15	1 and 2	Family
Total		587	447		

Source: Housing Leadership Council of San Mateo County, 2009 and u0dated in 2015.

AT-RISK AFFORDABLE HOUSING UNITS

Affordable housing options for most lower-income households are limited primarily to rental housing. Therefore, preserving the existing affordable rental housing stock is an important goal for East Palo Alto. Most affordable rental housing units are achieved through subsidy contracts and deed restrictions/affordability covenants in exchange for construction and mortgage assistance. From time to time, affordability restricted units are at risk of losing their affordability controls and may revert to other than low-income uses. There are three main sources of “at-risk” rental units: (a) expiration of funding-related affordability restrictions, (b) turnover of rent-stabilized units, and (c) foreclosure of BMR units.

FUNDING-RELATED AFFORDABILITY RESTRICTIONS

The following are some scenarios that may cause units to lose their affordability restrictions tied to governmental funding expiring:

- *Prepayment of HUD loans:* In the mid-1960s, the federal government provided low-interest financing or mortgage insurance to housing developers in return for guaranteeing that rents remain affordable to lower-income households. After 20 years, the owners could prepay the mortgages and lift their rent restrictions, or maintain the affordability controls until their mortgages were paid off.
- *Section 8 Program:* In the mid-1970s, the federal government provided two approaches to encouraging the production of affordable rental housing. Under the Section 8 program, HUD provided a 15- or 20-year agreement on rental subsidies to property owners in return for making the units affordable to very low-income households. The income is typically the difference between 30 percent of the household's income and a negotiated fair market rent for the area. Due to expiring Section 8 contracts and the uncertainty of future Section 8 funds, the future of an affordable complex receiving Section 8 funding is inherently uncertain.
- *Section 236 Program:* This program provided rent subsidies, in the form of interest reduction, through which multi-family housing could be produced. Two rent schedules were utilized: market rent, based on a market-rate mortgage; and basic rent, based on a one-percent mortgage. Tenants were required to pay the basic rent or 25 percent of their income, whichever was greater, with rent payments never to exceed market rents. Units were restricted to households that met the low- and moderate-income limits established for the program. The subsidized housing moratorium imposed by President Nixon in January 1973 brought an end to additional Section 236 construction.
- *Bond Financed Projects:* State, county, and local governments have the authority to issue tax-exempt mortgage revenue bonds to provide below market rate financing for rental housing construction. State and federal law requires that multi-family projects built with tax-exempt bond proceeds set-aside a portion of units as affordable to lower-income households for a specified period of time. The typical contractual period is 10 to 15 years. After the term expires, the property owners may rent the units at market rates.

In many communities, bond-financed projects typically convert to market rates. Over time, rent levels increase in the community and the differential in market versus restricted rents increases to the point that unless additional financial benefits are offered, property owners have no incentive to maintain the units as affordable.

AFFORDABLE RENTAL UNITS AT-RISK BETWEEN 2015 AND 2025

State law requires that the City assess the risk of losing affordable rental housing over a ten-year planning period. For this Housing Element Update, the at-risk analysis covers the ten-year period from 2015 through 2025. According to the California Housing Partnership Corporation and the City of East Palo Alto, there are no affordable rental units with affordability contracts expiring over the ten-year planning period.

Though the City of East Palo Alto does not have any affordable rental units with contracts expiring between 2015 and 2025, the City is faced with a unique situation concerning the affordability of a significant share of its rental housing stock. In late 2006, Page Mill Properties, a Palo Alto-based real estate investment firm, assumed management of over 1,800 rental units in the Woodland Park neighborhood of East Palo Alto. The property management group purchased the units at market value with the intent to rehabilitate many of the units with deferred maintenance issues. In order to pay for the improvements, including new roofs, gates, seismic upgrades, night security, and surveillance cameras, many tenants' rents were increased twice in 2008, an average of 9 percent in the first rent change and an average of 7.7 percent in the second increase.² Some tenants' rents were raised considerably more than others; an article in the San Mateo County Times reports that, while most rent increases were below 10 percent, some exceeded 15 percent and one was 47 percent.³

East Palo Alto's 1988 Rent Control Ordinance (repealed by the 2010 Rent Stabilization Ordinance but which still applies to Mobile Home Park tenancies) stated that rents could be increased annually at 100 percent of the Consumer Price Index (CPI) published by the United States Department of Labor for the San Francisco/Oakland Metropolitan Area (approximately 2.9 percent in 2008). However, as the previous property owner did not annually increase rents, the property manager claimed to be able to legally recapture the unused annual rent increases. Despite the City of East Palo Alto's efforts to place a six-month moratorium on rent increases and to declare the rent change unlawful, the San Mateo County Superior Court ruled in favor of the property owner.

² Dremann, Sue. "New rent increases to hit Page Mill tenants." Palo Alto Online News, 16 June 2008.

³ Albach, Banks. "Judge rejects East Palo Alto rent freeze." San Mateo County Times, 26 February 2008.

Page Mill Properties, however, defaulted in its loan obligations in 2009. As a result, Wells Fargo Bank took title of these rental properties after foreclosure proceedings in 2010. Wells Fargo Bank then sold them to Equity Residential, a Chicago based corporation, in December 2011. During the last few years, many families have been forced out and rents have reached historic levels. The community has been at fear of losing these rent controlled units to redevelopment driven by the high demand for housing in the area.

As presented in the General Plan Existing Conditions Report, rental prices in the surrounding communities are considerably higher than those in East Palo Alto. Consequently, residents unable to afford the rent increase may be forced to leave the community, and the City of East Palo Alto could lose a significant share of its affordable rental units.

MODERATE INCOME UNITS

Fifteen units in the City of East Palo Alto are income-restricted to moderate income households (90 percent of AMI), as they were purchased through the City's Below Market Rate (BMR) Housing Program. Due to the decline in home prices associated with the recession, moderate-income BMR units may be at-risk of losing their continued affordability. If home prices in the city fall below a BMR homeowner's purchase price, a homeowner may have difficulty reselling the unit due to the resale restriction. The City's resale restrictions state that the maximum sales price permitted of a BMR unit must be the lowest of the following amounts:

- the amount which would result in the maximum permitted affordable housing cost at the time of resale for a household of the maximum income level permitted to purchase that unit when initially sold;
- the seller's lawful purchase price, increased at one-third the rate of increase in the consumer price index for the period the seller has owned the unit;
- fair market value, provided that in no event shall the seller be required to sell the home at a price lower than the seller's lawful purchase price plus the seller's reasonable cost of sales and the value of any capital improvements.

As resale restrictions limit a homebuyer's ability to benefit financially from home appreciation, homebuyers may not be interested in purchasing a unit with restrictions if they are able to purchase other units in the City at the same price or lower without restrictions. Resale restrictions authorize the

City to purchase any affordable owner-occupancy unit at the maximum price which could be charged to a purchaser household at the time the owner proposes sale. If a BMR homeowner is unable to find a buyer for his or her unit, he or she may seek assistance from the City to either remove the resale restriction or purchase the unit.

When faced with a home that is both difficult to sell and has a value lower than the borrower's outstanding mortgage debt, some moderate-income, below market rate homeowners may choose to default on their mortgage and enter foreclosure. As the City's resale restrictions do not indicate whether the restrictions survive foreclosure, BMR units of all income levels may be at - risk of losing their continued affordability in the event of foreclosure. Since 2012, two units were sold because of foreclosures, but the city was able to recapture the difference between the market price and the affordable price. This money was returned to the city's Affordable Housing Trust Fund.

AT-RISK RENT-STABILIZED UNITS

In 2010, the voters of the City of East Palo Alto approved a ballot measure that sought to strengthen its Rent Stabilization Program in existence since 1988 and to further stabilize rents, with certain exemptions, over rental units within the jurisdictional limits of the City. Rent-stabilized units are an important component of the City's affordable housing stock. However, even these units are at-risk of losing their affordability restrictions.

East Palo Alto has approximately 2500 rent stabilized apartments. The majority of these units are studios or one bedrooms, and they tend to be affordable to very low or low income residents. Three quarters of tenants have lived in their apartments for one to four years. There is a small group, approximately five percent of tenants, who have lived in their homes at least ten years.

Recently de-controlled units in East Palo Alto rent for an average of \$1,300 per month, about half the rents found in San Mateo County and Santa Clara County. Rent control units generally rent for less,

with the exact amount depends on the length of tenure and other factors. On average it is about 20 percent below market.

There are three primary means by which the loss of affordability may happen. First, affordable rental units can turnover after a tenant moves out of a rent-stabilized unit. In those instances, under state law (Costa-Hawkins Act), a landlord is permitted to raise the rent on such a unit to the market rate.

Second, a landlord is permitted under state law (Ellis Act), and under local law counterparts (“mini” Ellis Act), to withdraw affordability restricted units from the rental market. Section 16(A)(9) of East Palo Alto’s Rent Control Ordinance recognizes a landlord’s right in “good faith to recover possession of the rental unit to remove the rental unit permanently from rental housing use under the Ellis Act” as a just cause for eviction.

Third, similarly, under Section 16(A)(10) of East Palo Alto’s Rent Control Ordinance (owner-move-in exemption), a landlord may move into an affordable rental unit and evict the existing tenant to occupy the unit, if certain other conditions are met. .

ENTITIES QUALIFIED TO PRESERVE AT-RISK UNITS

There are several organizations in the region that have the capacity to own and manage affordable rental projects. These organizations include EDEN Housing, Mid-Peninsula, and BRIDGE. The City can also directly purchase at-risk units, although the management, processing, and maintenance of these units may be cost prohibitive for the city.

PEOPLE WITH DEVELOPMENTAL DISABILITIES

While most of the Housing Needs Data is in the Existing Conditions Report, State law requires additional analysis for people living with Developmental Disabilities.

SB 812, signed into law in 2010, requires Housing Elements to include an analysis of the special housing needs of people with developmental disabilities. Additionally, SB 812 requires that individuals with disabilities receive public services in the least restrictive, most integrated setting appropriate to their needs

California defines developmentally disabled as a “severe and chronic disability that is attributable to a mental or physical impairment. The disability must begin before the person’s 18th birthday, be

expected to continue indefinitely, and present a substantial disability.” Some development disabilities cause mental retardation and some do not. Common developmental disabilities include Down’s syndrome, autism, epilepsy and cerebral palsy.

People with developmental disabilities in San Mateo County have various diagnoses. The common ones are summarized below. Because people can have multiple diagnoses, the numbers total more than 100 percent. The information below has been provided by the Golden Gate Regional Center (GGRC), which covers the San Francisco Bay Area.

Table 2-2 Type of Developmental Disability in San Mateo County (2013)

	San Mateo County Percent
Mild/Moderate Mental Retardation	50%
Autism	18%
Epilepsy	18%
Cerebral Palsy	17%
Severe/Profound Mental Retardation	11%

Source: Golden Gate Regional Center, 2013

People with developmental disabilities tend to be younger than the general population. There are several reasons for this: for some diagnoses there is a shorter life expectancy; more importantly, starting in the 1990s there was an “autism wave” with many more young people being diagnosed with the disorder, for reasons that are still not well understood. The racial demographics of the developmentally disabled population mirror that of the population of the Bay Area.

Table 2-3 Age of People with Developmental Disabilities in San Mateo County (2013)

	San Mateo County Percent
0-5	19%
6-21	30%
22-51	36%
52+	15%
Total	100%

Source: Golden Gate Regional Center, 2013

Many people with developmental disabilities are unable to secure long-term employment. This results in many people relying on Supplemental Security Income (SSI) and many earn 10-20 percent of the Area Median Income (AMI).

People with developmental disabilities have various housing needs and housing situations. Almost all (90 percent) of East Palo Alto residents with disabilities live with a parent or legal guardian. The remaining residents with developmental disabilities live independently or with some supportive services.

Table 2-4 Living Arrangements of People with Disabilities

Lives with	Number		Percent	
	East Palo Alto	County	East Palo Alto	County
Parents/Legal Guardian	155	2,289	90%	66%
Community Care Facility (1-6 Beds)	0	532	0%	15%
Community Care Facility (7+ Beds)	0	73	0%	2%
Independent/Supportive Living	15	349	9%	10%
Intermediate Care Facility	0	191	0%	5%
All Others	2	60	1%	2%
Total:	172	3,494	100%	100%

Source: Golden Gate Regional Center

Note: Counts based on zip code and may include areas outside of jurisdictional borders.

According to the Golden Gate Regional Center (GGRC), trends that are affecting people with developmental disabilities include California's moves to reduce institutionalization, ageing family caregivers not being able to continue providing in-house care and the growing wave of people with autism.

Deinstitutionalization – In 1977, California passed the Lanterman Developmentally Disabled Services Act, to minimize the institutionalization of developmentally disabled people, help them remain in their communities, and to allow them to live their lives as similar to non-disabled people as possible. To accomplish this end the State has been closing large institutional care facilities, resulting in more people with disabilities being integrated into the community. However, this has increased the demand for community-based independent living options to serve the needs of the developmentally disabled.

Aging Baby Boomers Unable to Care for their Children with Developmental Disabilities – As displayed in the table below, almost three quarters of people with developmental disabilities live with a parent or caregiver, and many of these caregivers are baby boomers. As these caregivers age their ability to continue to care for their developmentally disabled children will decrease to the point where it is no longer possible. This trend is also going to be a factor in the increased need for community-based independent living options for the developmentally disabled. Many service delivery systems and communities are not prepared to meet the increasing need.

Increasing Numbers of People with Autism - A large number of people with developmental disabilities have autism. They have been brought up as independent members of the community and want to remain independent and involved in the community. There is a coming need to supply community-based independent living options for these individuals.

Table 2-5 Living Arrangements of People with Developmental Disabilities in San Mateo County (2014)

Age	Home of Parent or Guardian	Own Home	Licensed Group Home	Licensed Health Care Facility	Foster-Type Care	Homeless	<i>Subtotal of Autism Only</i>	Total Number for All Diagnoses
0-3	609	0	0	0	11	0	**	620
4-12	930	0	11	0	1	1	329	943
15-29	908	47	113	17	13	2	212	1,100
30-44	294	103	135	35	12	0	34	579
45-59	156	109	245	71	11	1	52	593
60-74	35	53	122	91	6	0	10	307
75-89	3	5	20	17	0	0	0	45
90-104	0	0	4	1	0	0	0	5
Grand Total	2,935	317	650	232	54	4	637	4,192

**No diagnosis yet

Source: Golden Gate Regional Center, February 2014

3 HOUSING CONSTRAINTS

To facilitate the development, maintenance, and improvement of housing (especially affordable housing), the Housing Element must assess the potential constraints imposed by both City regulations and policies, and by market conditions (governmental and non-governmental constraints). This assessment must address housing for all income levels, including housing for persons with disabilities.

Therefore, this Element analyzes the potential impacts of governmental regulations and policies on housing, including land use controls, fees and exactions, building codes, processing and permit procedures, codes and enforcement, and on/off-site improvement standards. Likewise, it also assesses nongovernmental or potential market impacts, including land costs, construction costs, and the availability of financing. The findings of the analysis are outlined below. For any constraints to housing found within this section (via regulatory and/or market conditions), a program has been included in the Housing Plan (Chapter 5) to address and mitigate the constraint.



3.1 NONGOVERNMENTAL MARKET CONSTRAINTS

Land costs, construction costs, and market financing contribute to the cost of housing reinvestment and can sometimes hinder the production of new affordable housing. Although many constraints are driven by market conditions, jurisdictions have some leverage in instituting policies and programs to address potential constraints.

LAND COST

A key component of residential development costs is the price of raw land. The diminishing supply of residential land, combined with fairly high demand, generally keeps land cost relatively high in the Bay Area. Land prices decreased substantially during the recent recession, but recently have turned around. A recent survey by David Rosen Associates found land prices ranged from \$17 to \$291 per square foot. The median price was \$49 per square foot.

SITE DEVELOPMENT COSTS

The costs to develop new housing involve both land improvement costs, the expenses to prepare the site for housing construction, as well as the actual cost to construct the housing itself. A portion of the total cost to develop new housing is also associated with government fees that mitigate the impact of new development on local infrastructure and services; these costs are discussed later in this chapter.

A typical single-family unit would cost approximately \$419,650 to build, including land.¹ A 50-unit, multifamily apartment complex would cost approximately \$17.5 million to build, with each 870 square foot unit costing approximately \$349,300. These estimates reflect the cost to build a basic home or unit in East Palo Alto and may not reflect the actual cost to build new homes currently for sale, as home prices also depend on the home finishes, amenities, and location-specific costs (such as environmental mitigation), among other factors. Developer profit of 10 percent is included in the costs.

MORTGAGE AND REHABILITATION FINANCING

The availability of financing affects a person's ability to purchase or improve a home. In the early 2000s, mortgage interest rates reached new lows and access to mortgage financing expanded significantly. Many new homebuyers were able to purchase homes with little money down, lower credit scores, and/or with low initial monthly payments, primarily as a result of adjustable rate mortgage financing options. In 2005, the average 30-year fixed mortgage was approximately 5.8 percent compared to 7.2 percent in 2001; in 2009, the average 30-year fixed loan was at a 5.7 percent annual interest for all loans (approximately 5 percent for conventional loans) for a borrower with a credit score of at least 660.² In 2014, rates ranged from 4.0 – 5.0 percent for a 30 year fixed interest loan.

As a result of more lenient lending practices during the early to mid-2000s, changing economic conditions in the late 2000s, and falling home prices, many homeowners faced difficulties in making

¹ This analysis assumes that a single developer would purchase raw land, provide the necessary infrastructure and improvements for home construction, and build the homes. In many cases, the development process is performed by two separate entities: the land developer who purchases, entitles, and makes site improvements, and the homebuilder who purchases the lots and builds the homes. In this scenario, overall costs may increase, as both the land developer and the homebuilder expect to achieve profits. Source: East Palo Alto Affordable Housing Nexus Study, 2013.

² HSH National Monthly Mortgage Statistics, accessed April 2009. HSH Fixed-Rate Mortgage Indicator includes jumbo loans and second mortgages. This provides a combined average mortgage interest rate, which is often higher than conventional loans that are under \$417,000.

their monthly mortgage payments were unable to refinance their home loans or sell their homes to pay off their mortgages. In response, lenders have tightened loan standards, returning to practices that prevailed prior to 2000. More stringent underwriting and tighter loan standards have led to an increase in loan denials as lenders more closely scrutinize household income, credit history, and the overall risk of the loan. Furthermore, the City has observed a change in lenders regarding homebuyers receiving down payment assistance; as down payment assistance is not part of the borrower's earned income, some lenders have required the homebuyer to provide a significant percentage down in addition to the assistance received from the City.

Thus, while interest rates have fallen since 2008, access to home financing has reduced the pool of buyers able to purchase a home. The lack of credit not only affects home buyers and homeowners but also developers and rental property owners who want to improve their properties. Conversely, lower housing prices have increased the pool of options for potential first-time homebuyers with good credit and cash for a down payment.

Home Loans

Mortgages backed by the Federal Housing Administration (FHA) have increased in recent months as a result of the shoring up of available credit and more stringent loan requirements. Currently, in addition to meeting income and credit history requirements, many lending institutions require a 20 percent down payment; this significant down payment prohibits many potential homebuyers—particularly first time homebuyers—from achieving homeownership. FHA-backed mortgages typically require a lower down payment (recent figures cite as little as 3.5 percent)³, increasing homeownership opportunities for homeowners with limited liquidity. However, FHA-backed mortgages require the home purchase price to be no more than 29 percent of the home purchaser's gross monthly income. Given the City's median home price, FHA loans do not increase the opportunity for homeownership for the City's very low- and low-income residents, but do provide ownership opportunities for moderate income households who may have been priced out of the home buying market since the early 2000s.

³ <http://www.hud.gov/buying/loans.cfm>. Housing & Communities, U.S. Department of Housing and Urban Development. Retrieved: April 23, 2009.

3.2 GOVERNMENTAL CONSTRAINTS

Governmental policies and regulations can result in both positive and negative effects on the availability and affordability of housing. This section describes City policies and regulations that could potentially constrain the City's ability to achieve its housing objectives. Potential constraints to housing include land use controls (General Plan policies and zoning regulations), development standards, infrastructure requirements, residential development fees, and the development approval processes. While government policies and regulations are intended to meet legitimate public purposes and further the public good, it is possible that they indirectly constrain the availability and affordability of housing to meet the community's future needs.

Many of the non-governmental constraints described in the previous section can be further exacerbated through unintentional actions by a jurisdiction. For example, the cost of land is partially a function of the amount of land zoned for development, intensity of zoning, and the availability of infrastructure and services provided by local government.

The governmental constraints analysis focuses on factors the City can control and does not include State, federal, or other governmental policies or regulations that East Palo Alto cannot affect or modify. These City policies and regulations typically affect the City's ability to meet future housing needs and secure adequate funding for the construction of affordable housing.

LAND USE CONTROLS

General Plan

East Palo Alto’s General Plan, especially its Land Use Element adopted in 1999, includes policies that lay the foundation for all other land use regulations in the city. Residential uses are allowed in six general plan designations that correlate to five zoning categories. Table 3-1 shows the densities associated with each land use designation that allows residential uses.

Table 3-1 General Plan Land Use Compatibility with Zoning		
<i>General Plan Designation</i>	<i>Density</i>	<i>Compatible Zones</i>
Low/Medium Density Residential	1-8 units per acre	R-1, R-2
Medium/High Density Residential	9-17 units per acre	R-1, R-2
High Density Residential	18-40 units per acre	R-1, R-2, R-M
General Commercial	Up to 16 units per acre	OR, PUD
Neighborhood Commercial	Up to 16 units per acre	OR, PUD
Office	Up to 16 units per acre	OR, PUD

The General Plan established goals and policies to encourage mixed-use development. Under the General Plan, three commercial designations (General, Neighborhood, and Office) allow for mixed-use residential development of up to 16 units per acre, along with commercial uses.

Residential Development Standards

The East Palo Alto Zoning Ordinance designates the land uses, height, bulk, density, and parking standards throughout the city. Table 3-2 shows the zoning categories that allow residential uses and the development standards for each zone.

Table 3-2 Residential Development Standards								
<i>Standards</i>	<i>R-1-5000</i>	<i>R-2</i>	<i>R-M-500</i>	<i>RM-1000</i>	<i>RM-2000</i>	<i>RM-3000</i>	<i>OR</i>	<i>PUD</i>
Maximum Density (per acre)	8.7	17.4	40	40	21.78	14.52	16	16
Front Yard (feet)	20	20	50	40	30	20	None	50 ft setback from street centerline
Side Yard (feet)	5	10	20	10	10	10	5	
Rear Yard (feet)	20	20 (30 for multi-story)	30	30	25	20	5	
Site Frontage (feet)	50/60	50	50	50	55	60		
Lot Coverage (percent)	50	50	40	40	40	40	70	75
Minimum Lot Size (square feet)	5,000/6,000	5,000	40,000	20,000	15,000	12,000		
Minimum Site Area / Dwelling Unit			500	1,000	2,000	3,000	1,250	
Height Maximum (feet)	26 (2-stories)	26 (2-stories)	75	60	30 (2-stories)	30 (2-stories)	36 (3-stories)	225

Density

Density ranges are established through the Land Use Element of the General Plan; the Zoning Ordinance dictates the minimum lot size but does not contain density ranges separately from the Land Use Element. The maximum density allowed under the Land Use Element is 40 dwelling units per acre. For East Palo Alto, the appropriate default density established under Government Code Section 65583.2(c)(3)(B), deems zoning allowing 30 dwelling units per acre as adequate for accommodating lower-income housing. East Palo Alto's multifamily zone, R-M, and Urban Residential zone exceeds this threshold because it allows for up to 40 units per acre.

Building Heights

Building heights vary within East Palo Alto, depending on the zoning district. Single-family residential districts have the lowest limit, with a maximum height of 26 feet. The tallest possible development (up to 225 feet) requires a Planned Unit Development (PUD) permit. Height limits in the densest residential zone (R-M) allow up to 75 feet, with no limits on the number of stories. This height limit can easily accommodate the maximum allowed density of 40 units per acre, as 75 feet is sufficient for at least a six-story building.

Parking Requirements

The Zoning Ordinance also establishes parking requirements for residential uses (See Table 3-3). East Palo Alto's parking requirements are graduated based on the number of bedrooms in a dwelling unit, and further refined based on the type of unit. The graduated requirements are an appropriate method to ensure that parking does not add excessively to the cost of building higher-density housing. Parking requirements are not considered to be a constraint.

Parking facilities in R districts for more than 10 spaces must be screened from neighboring residential uses with solid masonry walls. Screen planting or wooden fences may be substituted in cases of practical difficulties or unusual hardship. Although this will add some cost to the development of multifamily housing, it is not an unusual requirement for communities of the same size and location.

Table 3-3 Parking Requirements		
<i>Use</i>	<i>Size</i>	<i>Parking Spaces Required</i>
Dwellings (Single-Family)	0 or 1 bedroom	1 space
	2 or more bedrooms	2 spaces
Apartments (Multifamily)	0 bedrooms or studio apartment	1 space
	1 bedroom	1.2 spaces
	2 bedrooms	1.5 spaces
	3 bedrooms	2 spaces
	More than 3 bedrooms	2 spaces
	Each 5 units	1 additional uncovered guest parking space

Zoning For a Variety of Housing Types

An important indicator of how well East Palo Alto can accommodate residents of all income levels and housing needs is how well it ensures a variety of housing types, including multifamily rental units, second units, and residential care homes. This section describes the City’s zoning regulations as they relate to accommodating housing for diverse populations; Table 3-4 shows the zones allowing residential uses and indicates which types of residential uses are allowed in each zone.

Table 3-4 Housing Types Permitted by Zone

<i>Housing Types Permitted by Residential Zone</i>	<i>R-1</i>	<i>R-2</i>	<i>R-M</i>	<i>OR</i>	<i>PUD</i>	<i>O</i>	<i>C-1</i>	<i>C-2</i>
Residential Uses								
Single-Family dwellings ¹	✓	✓	✓	✓	✓			
Duplex dwellings		✓	✓	✓	✓		✓	C
Multifamily Units			✓	✓	✓	✓	✓	C
Second Units	✓	✓	✓	✓	✓	✓	✓	C
Special Needs Housing								
Residential care facility: 6 or fewer persons	Allowed in all zones based as a residential use							
Residential care facility: 7+ persons	C	C	C	C	C	C		
Transitional and Supportive Housing	Allowed in all zones based as a residential use							
Single-Room Occupancy/Boarding Houses			✓					
Other								
Day Care (Up to 12 children)	✓	✓	✓		✓	✓		
Day Care (More than 12 children)	C	✓	✓		✓	✓		
Family Day Care Homes (14 and fewer children or adults)		C	C			C		

Notes:

✓ = permitted

C = conditional use

¹ Mobile homes are included in the definition of a single-family dwelling

Emergency Shelters are permitted by right in the Industrial Transition zone.

Second Units

State legislation requires jurisdictions to allow second units in any single-family or multifamily residential zone through ministerial review without discretionary review or a hearing. According to Government Code Section 65852.2 (a), a city may provide for the creation of second units through an ordinance. This ordinance may direct where second units could be located, impose standards, and provide that second units do not exceed the allowable density for the lot on which they are situated. East Palo Alto has a Second Dwelling Unit Ordinance which directs second units into the R-1 district, requires an application for a second unit permit, imposes development standards, and allows for modification of development standards if the restrictions will result in extreme hardship for the owner or occupant of the property.

East Palo Alto's Second Dwelling Ordinance now fully complies with State law. Previously, the City's Second Dwelling Ordinance only applied to second units to the R-1 district. However, in 2011, the City's Second Dwelling Ordinance was amended in a number of ways, including to broaden its applicability to all residential zoning districts, as required by State law.

The process to permit second units is accomplished by applying to the Planning Director for a second unit permit. The permit process directs the density, lot size, unit size, parking standards, sewer requirements, access, and entrance requirements for second units. Second units must abide by the following standards:

- Must comply with the density allowed in the General Plan Land Use Element Map
- The lot size for second units attached to main units must be at least 5,500 square feet and unattached second units must be at least 7,500 square feet (sq. ft.)
- The unit size limits range from up to 700 sq. ft. in size (5,500 to 6,500 sq. ft.) to up to 1,000 sq. ft. on lots larger (6,500 to 7,500 sq. ft.)
- Must comply with applicable Uniform Building, Health and Fire codes
- Must include at least one uncovered off-street parking space
- Must be served by sanitary sewer
- Must be served by the same driveway access to the street as the main dwelling

- Must use the same entrance as the main dwelling, or be located on the side or rear of the main dwelling.

These standards allow for an appropriate level of review and do not cause a constraint to the development of second units. If the applicant feels that some of these standards should not apply to their application, the applicant may apply for a use permit to modify any of these standards, which requires review by the Planning Commission. Typical exceptions requested and granted include a reduction of the lot size requirement.

As this level review is only required if an applicant desires to modify the standards, this process is not considered a constraint. Additionally, occupancy standards (main dwellings must be occupied by the owner and second units may be occupied by up to three people) do not constitute a constraint as second units are not intended by State law for family housing, especially since applicants can seek relief from this requirement by requesting a modification from the Planning Commission (Sections 6430(b), 6432 of Second Dwelling Ordinance). Three persons is an adequate number of residents for a second dwelling.

In 2014, the city eliminated the covered parking requirement, reduced setbacks (e.g. allowed second units to be built closer to the property line), permitted the units in all residential zones, and allowed second units and guest houses on smaller lots. Guest houses are separate living quarters without kitchens that cannot be rented (e.g. they are for relatives and guests).

Mobile Homes

Mobile homes are an inexpensive alternative for providing affordable housing for low- and moderate-income households. Within East Palo Alto, mobile homes are included in the definition of a single-family dwelling and therefore allowed in all districts allowing these dwelling units. In 2014, in order to balance the interests of tenants and owners of mobile home parks, including the recognition that mobile home parks are an important source of affordable housing, the City enacted a mobile home closure or change of use ordinance, in addition to amendments to the existing conversion ordinance, which governs the process by which mobile home park is converted to resident ownership.

Residential Care Facilities

Residential care facilities with six or fewer persons are allowed by right in all residential zones, while those facilities serving more than six persons must have a use permit and must comply with the following standards:

- Must meet applicable requirements of the Uniform Building, Housing, and Fire codes
- May not post a sign that calls attention to the fact that the property is a residential care facility
- May not locate within 500 feet of another residential care facility
- (For facilities with ten or more residents) may not locate within 1,000 feet of another such facility, nor within 500 feet of a residential care facility of more than six residents
- (Applicant) must submit a statement with the application indicating they have read the provisions of the ordinance, and either agree with the distance requirements or are requesting a waiver of the requirements.

Transitional Housing, Supportive Housing and Emergency Shelters

According to State law, cities must identify at least one zone that permits emergency shelters without a conditional use permit or other discretionary action. Additionally, the zone must have sufficient capacity to accommodate at least one year-round shelter.

In 2011, the City amended its zoning ordinance to allow emergency shelters in the Industrial Transition zone, as of right, without any other discretionary review. The M1 zone represents 9.3 acres, with 16 parcels ranging from less than a tenth of an acre to over two acres. More than half of M-1 is outside of the Special Flood Hazard Area, which is identified as ‘Flood Hazard Zone’ in California Government Code Section 65302. Therefore, M-1 land is sufficiently large in size to provide one or more shelters. Specifically, the Planning Commission found that: 1) M-1 is sufficiently large to accommodate shelters; 2) M-1 provides greater flexibility to reduce incompatible uses; 3) environmentally sensitive areas would not be impacted; and 4) encouraging shelters outside of the floodplain (SFHA), prone to liquefaction, implements a best practice, since wet weather or seismic events may damage or make these structures uninhabitable, just when they are needed most.

The City does not have a permanent homeless shelter, but in late March 2009, the first homeless warming shelter opened in East Palo Alto. The Lord's Gym Community Center, located in the General Industrial General Plan designation and zone M-1 (Light Industrial), serves as an athletic facility for East Palo Alto's at-risk youths during the day. In case of rain or cold weather, the gym functions as a warming shelter for 30 homeless individuals.

Also according to State law, transitional and supportive housing must be considered a residential use of property, and may be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Accordingly in July 2011, the City Council amended the Zoning Ordinance so that it includes the definitions of transitional and supportive housing as a residential use, and states that both transitional and supportive housing are permitted in any zone that allows residential uses. Additionally, in December 2014, the Planning Commission adopted a resolution recommending that the City Council adopt a Zoning Text Amendment to the Ravenswood / 4 Corners TOD Specific Plan to clear the barrier for transitional and supportive housing in all residential zones within the Specific Plan area. Finally, the City received funds to support transitional housing for persons who were incarcerated.

Constraints for Persons with Disabilities

Housing Element law requires cities to analyze potential governmental constraints to the development, improvement, and maintenance of housing for persons with disabilities. Persons with disabilities may have special housing needs that can be constrained by regulations in the City's Zoning Ordinance. For example, disabled persons may need to modify their dwelling units by adding ramps to accommodate wheelchairs or allow easy access for those with limited mobility. Other modifications may also be needed to comply with current ADA requirements.

An important consideration in the definition of family is how it is applied to the number and type of people allowed in a dwelling unit. Historically in some cities, definitions of family discriminated against people with disabilities. The City of East Palo Alto defines family as "one or more persons occupying a premise and living as a single non-profit housekeeping unit as distinguished from persons occupying a hotel, club, fraternity, or sorority house. A family shall be deemed to include necessary servants." This definition allows for group homes that may serve the disabled, does not discriminate and is not a constraint.

Reasonable Accommodations for Persons with Disabilities

The City complies with all provisions of the Fair Housing Act; all fair housing laws are appropriately followed and Planning Division staff makes exceptions to the Zoning Code when appropriate. The city recently amended its zoning ordinance to provide Reasonable Accommodation for people with disabilities. Specifically, the Planning Manager has authority to modify the rules and standards in order to eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of his or her choice.

On- and Off-Site Improvements

Several City requirements for providing on- and off-site improvements apply to housing development, such as:

- Street right-of-way dedications
- Street frontage improvement (e.g., curb, gutter, sidewalks and street lights)

- Water line improvement, including the water main installation along the property frontage and lateral service line with meter boxes and fire hydrants
- Sanitary sewer main installation along property frontage and lateral service lines; each parcel must be served by sanitary sewer or an individual sewage disposal system
- Storm water drainage lines along property line street frontage
- Street trees
- Regulated street widths for public urban residential roads, varying from 18 feet for a residential one-way loop to 40 feet for a residential collector
- New subdivisions and large development projects require sidewalks, curbs, and gutter on both sides of the street, unless the street is one-way; not required for infill projects or design review projects where a concrete drainage swale along each side of the road at the pavement edge carries surface storm drainage and protects the edge of the asphalt paving.
- Private urban roads require berms to direct the flow of storm runoff
- Rural roads require less width and no curbs.
- Water, provided through a connection to a water supply system or through establishing a new water system; if neither is feasible, the Planning Director may allow the subdivider to provide water through an on-site well.

Street frontage improvement costs per residential unit vary depending upon the developed or undeveloped nature of the area. When vacant land is developed, full street improvements are required with right-of-way dedication and utility improvements. In urban infill situations, where streets are already improved to their ultimate right-of-way, minor street frontage improvement or the payment of in-lieu fees is required.

In regards to subdivisions, East Palo Alto has adopted the Subdivision Ordinance of San Mateo County, which contains similar requirements and standards to other cities. Therefore, East Palo Alto does not consider its on- and off-site improvement requirements as constraints to residential development.

Codes and Enforcement

Building codes establish minimum standards for the structural safety of buildings. State law (California Code of Regulations, Title 24) requires cities to adopt minimum residential construction standards based on industry uniform codes.

East Palo Alto enforces the most recently adopted edition of the Model Building Code. The City Building Division sees that new residences, additions, auxiliary structures, etc., meet all of the latest construction and safety standards. The division enforces building, plumbing, mechanical, electrical installations, accessibility, and energy compliance; building permits are required for any construction work. As the City has not adopted building standards beyond those specified in the California Building Code, its enforcement is not considered a constraint to housing development or affordability.

Building permits must be secured before commencement of any construction, reconstruction, addition, conversion, or alteration. Approval of permit applications is based on conformity with the Zoning Ordinance, although the City has the power to grant variances from the terms of the Ordinance within the limitations in the Ordinance.

Rent Stabilization and Eviction for Good Cause Ordinance

The purpose of residential rent control in the City of East Palo Alto is to protect tenants from unwarranted or unreasonable rent increases and from arbitrary, discriminatory, or retaliatory evictions, in addition to protecting a landlord's right to a fair rate of return. The City's first Rent Stabilization and Eviction for Good Cause Ordinance was adopted in 1986 ("Rent Stabilization and Eviction for Good Cause Ordinance") and amended in 1988 in response to steadily increasing rents and a shortage of housing, resulting in the displacement of low- and moderate-income tenants. In June of 2010, a majority of East Palo Alto voters approved a revised Rent Stabilization Ordinance ("Rent Stabilization and Just Cause for Eviction Ordinance of 2010, or "New Ordinance") that expanded rent stabilization coverage to more units and left the old (1988) Ordinance intact for mobile home park rental pads. One of the main purposes of the New Ordinance is to bring the City's Rent Stabilization Ordinance in line with State law, specifically the Costa-Hawkins Rental Housing Act (Civil Code 1954.50 et seq., "Costa-Hawkins").

Under the New Ordinance, landlords are permitted to increase rents once each year by up to 80 percent of the percent change in the consumer price index for the San Francisco/Oakland Metropolitan Area (annual general adjustments). The City also recognizes that landlords have a right to a fair return on their investment and need sufficient income to properly operate and maintain their properties. Therefore, landlords can petition to adjust the rent ceiling of individual controlled rental units if, for example, their operating and maintenance expenses were particularly high in comparison with other years.

The New Ordinance is implemented by the Rent Stabilization Board. The Board is empowered to: require landlords to register covered units, set and collect registration fees from landlords, set rent ceilings, make annual general adjustments and individual adjustments in the rent ceilings, issue orders and make rules and regulations, hold public hearings, conduct necessary surveys and investigations, seek injunctive relief and pursue civil remedies. Rent Board members are appointed by the City Council, and the City Manager has ultimate authority for hiring Rent Stabilization Program staff and preparing the budget. The New Ordinance requires the Board to annually certify rents for covered units beginning in 2011.

This Housing Element includes a program to implement the new New Ordinance. As Costa-Hawkins exempts new housing constructed after 1995 from local rent controls, the New Ordinance will not be a constraint to new housing development. Furthermore, as landlords can petition to adjust the rent of a unit above the rent ceiling for significant improvements to the units under its fair rate of return provisions, the New Ordinance does not discourage the maintenance of rental housing.

Affordable Housing Program

After conducting a nexus study and a feasibility report, East Palo Alto adopted a fee of between \$22 - \$44 per square foot to support new affordable housing. The money from this fee will go into an affordable housing trust fund. The feasibility study showed that fees at this level will not adversely impact development and therefore do not serve as a constraint.

Condominium Conversion Code

The City's Subdivision Regulations require a vacancy rate of 4.15 percent before an application for condominium conversion can be accepted. This criterion (vacancy rate) is the only factor considered for the acceptance of a condominium conversion application. The Code does not give policy guidance or criteria to guide the processing of a condominium conversion application.

The City requires property owners to pay relocation assistance of between \$7,500 and \$10,000 for residents if a property is removed from the rent control system (e.g. demolished or converted to a condo). It also requires advanced notice for tenants, a slower timeline to protect tenants, and payment of moving costs (up to \$2,500). The City also charges an affordable housing fee if a property owner converts their rental apartment to a condominium and limits conversions when rental vacancy rates are low. When

enacting these regulations, the City balanced the needs of property owners and other communities to create the current program, which is not a constraint to the construction of new housing.

The City will also ensure that the Condominium Conversion Ordinance will not bar the redevelopment and reconstruction of Rent Stabilization Program units, as provided for in State law (Ellis Act).

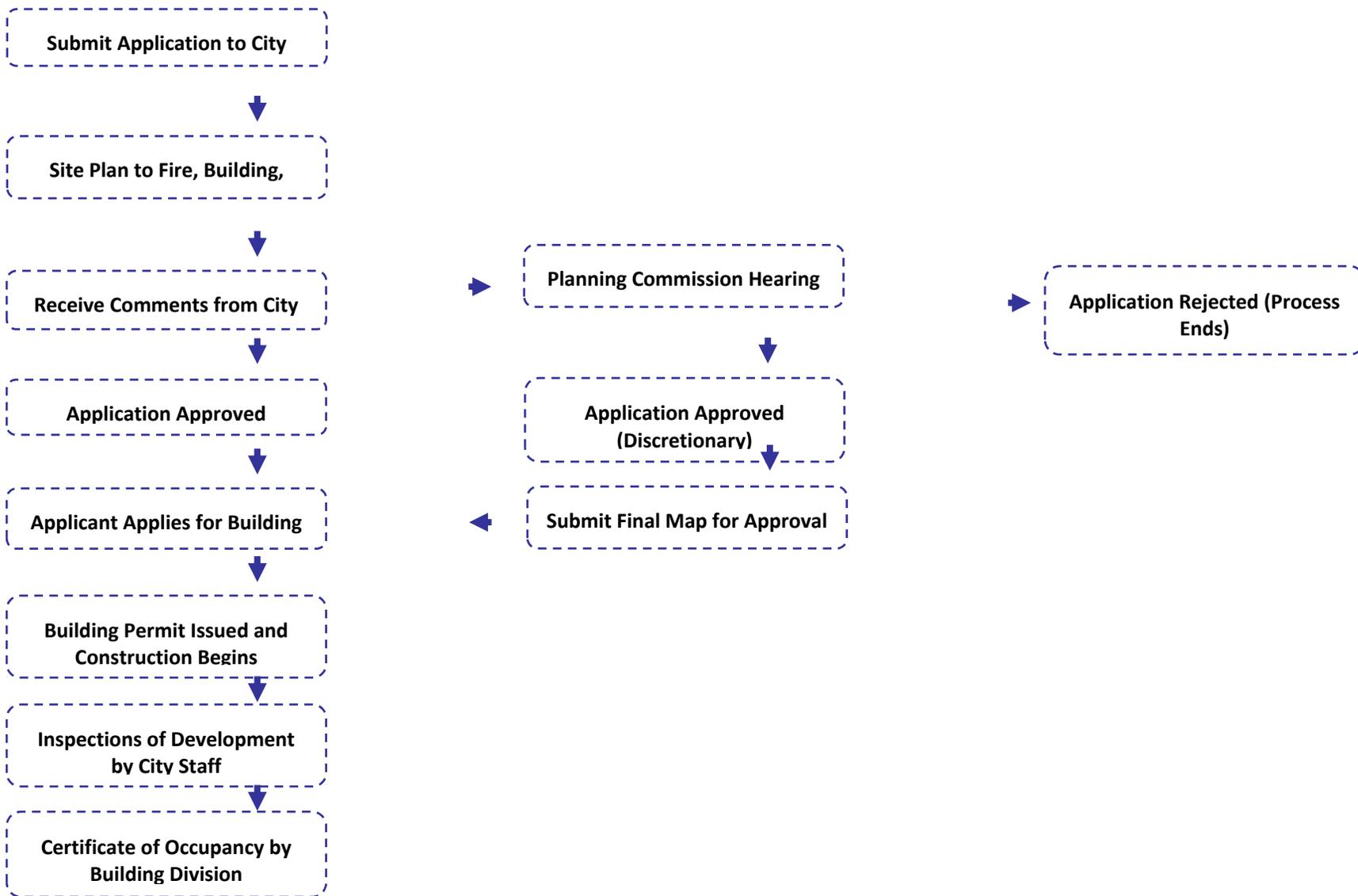
DEVELOPMENT PERMIT PROCEDURES

The development review and permit process allows the City to ensure that residential development is accomplished in an orderly manner and complies with adopted building standards. This process can potentially act as a constraint to development if the associated time delays or costs place an undue burden on the developer. Figure 3-1 illustrates the typical process an applicant must follow if they are submitting an application for a development in East Palo Alto.

The typical process varies depending on whether the process is administrative or discretionary; the main difference is the addition of a review and decision by the Planning Commission. If an applicant is submitting an application for a second unit, the process is administrative. City staff reviews the application, works with the applicant to address comments, and approves the application if the comments are addressed.

If the applicant desires to modify any of the standards for second units, a discretionary permit review is required. Discretionary permits are required prior to issuance of variances for second units, building permits for new residential development, and all substantial modifications of residential buildings (e.g. second-story additions). A public hearing with the Planning Commission is required for all discretionary permits. The hearing must be advertised in a local newspaper with separate notices sent to property owners within 300 feet of the property subject to the permit.

Figure 3-1: Development Review Process Flow Chart



East Palo Alto requires developers to obtain a series of approvals, or entitlements, before constructing any new development in the city, in order to ensure that new development is consistent with the City standards of design, health and safety. The entitlement process can be lengthy depending on the environmental analysis required for the project and requires payment of Planning Division permit and Engineering and Building Division plan check and permit fees.

The entitlement and development process for East Palo Alto is expeditious and comparable to surrounding communities. The City places an emphasis on efficient service and providing developers with assistance early in the development process. Tools such as on-line display of development standards on the City's website, project review by City Departments at monthly Development Review Committee (DRC) meetings assist developers in assuring that application submittals are complete and in compliance with Zoning and Municipal Code requirements upon initial application for a development permit. Developers also have the option of having pre-application meetings with Community and Economic Development Department staff members, which helps to provide a sense of the potential issues for a project that must be resolved prior to review by the Planning Commission or the City Council.

Applicable submittal requirements for all application types are outlined in the Zoning Ordinance and in the Planning Department "Submittal Checklist" handouts. All applications, submittal requirements, and fee information are available at the Permit Counter at 1960 Tate Street in East Palo Alto and are all available from the City's website. The process is further streamlined by the practice of asking the Planning Commission to review all development applications as a whole (for example, an application for a rezoning is typically taken to the Commission along with a subdivision, design review and other entitlements). The Planning Commission meets once each month, and projects subject to a CEQA categorical or statutory exemption are usually acted upon within two to four months of submittal of a complete application. (A second meeting in a month is held if necessary.) The City is able to expedite the planning review process for housing projects because the Planning Commission has both quasi-judicial land use and design review approving authority.

Typical Entitlement Process for Single Family Residential Development

Developers seeking approval of a new for-sale single-family development consistent with applicable General Plan and Zoning need only file tentative map (if applicable) and a design review application. Smaller projects (four or fewer units), typically take approximately two to six months to process depending on the complexity of the parcel map and the level of environmental analysis required for the project. Residential projects of five or more units would require additional time, due to the processing of a major subdivision map if required. These applications typically take approximately six to twelve months to process, and typically include concurrent design review of the project. It is essential to note, however, that a parcel map or subdivision map is only required if the development is being sold to the occupant such as for sale single family residential and multi-family residential development sold as condominiums.

Typical Entitlement Process for Multi-Family Residential Development

Developers seeking approval of multi-family rental developments consistent with applicable General Plan and zoning requirements need only file a design review or architectural supervision application. For a typical multi-family housing development proposed in a multi family district (RM⁴) an Architectural Supervision permit would be required by the Planning Commission. The following would be the process to construct a multi family project:

1. Pre-application meeting with staff
2. Application submittal
3. Review of application by City staff.
4. Planning Commission Hearing.
5. City Council Hearing (if applicable).
6. Building Permit issuance.

Pre-application meetings occur with staff during normal business hours and applicants are provided the submittal requirements on forms provided by the East Palo Alto Planning Division. Staff provides initial project comments within thirty (30) days as required by the Permit Streamlining Act with

⁴ Duplex structures are allowed by right within the R2, Duplex Residential District, but per Section 6560(a)(1) of the Zoning Ordinance these structures would require an Architectural Supervision permit. Similarly, within the OR (Office Residential); O (Office); C1/C2(Commercial); and PUD (Planned Unit Development) zoning districts, the same permit is required to construct multi-family housing.

subsequent reviews required if revisions to the development plans are requested. Once the project is complete, the item is placed on the next available meeting of the Planning Commission (“PC”), which meets up to twice each month with the exception of August, when there are no meetings, and December, where there is one. After the issuance of findings consistent with the California Environmental Quality Act which, when no exemption applies, seeks to reduce project impacts to less than a significant level, projects are approved, denied, or approved with modification by the Planning Commission within two to four months of complete application submittal. These project include, but are not limited to, Architectural Supervision such as exterior design elevations, security, landscaping and layout plans; circulation plans, such as driveway layout, parking exceptions, loading area design, and pedestrian walks. Housing projects can be expedited, as authorized by statute. Pursuant to Section 6561 of the City Zoning Ordinance, approval is based on the following findings of fact:

Finding #1-That the design and construction of the building not be of unsightly, undesirable or obnoxious appearance to the extent that they will hinder the orderly and harmonious development of the City.

Finding #2-That the design and construction of the building will not impair the desirability of residence, investment or occupation in the City.

Finding #3-That the design and construction of the building will not impair the desirability of living conditions in adjacent residential areas.

Finding #4-That the design and construction of the building will not otherwise affect general prosperity and welfare.

The General Plan, the long range document that guides development, is implemented by the Zoning Ordinance, which specifies precise design standards for building height, lot coverage, and property setbacks for each zoning district. Prior to either approving or denying a development permit, findings of fact are necessary. These demonstrate that the action would be consistent with City policy, as identified in the Nuisance Ordinance, the General Plan, and the Zoning Ordinance.

For multifamily housing projects, findings of fact shall: (1) provide the framework for principled decisions to ensure approval or denial of a project is not arbitrary or capricious; (2) ensure a development project is in conformance with the General Plan and facilitates orderly development; and (3) ensure policy makers are not approving projects that are injurious to health, interfere with the comfortable

enjoyment of life or property, or in general cause public nuisances. Development projects are not approved that would create a public nuisance generally defined as a development that is injurious to health, indecent or offensive to the senses, interferes with the comfortable enjoyment of adjacent or abutting properties or obstructs the free passage or use of property. Guidance for how to properly administer the General Plan to ensure the orderly development of East Palo Alto is based in the following policy language, including:

Policy 3.1 Preserve and enhance the quality of East Palo Alto neighborhoods by avoiding or abating the intrusion of disruptive, nonconforming building and uses.

Policy 3.2 Ensure new development is compatible with the physical characteristics of its site, surrounding land uses and available public infrastructure.

Section 6101 of the East Palo Alto Zoning Ordinance

Section 6101 of the Zoning Ordinance also provides guidance for preparing findings of fact. This section of the Zoning Ordinance provides clear direction to the Planning Manager or his designee to ensure projects provide adequate light, air, privacy and do not impair the social welfare and prosperity of the community.

- (a) To guide, control, and regulate the future growth and development in the City of East Palo Alto.
- (b) To protect the character and the social and economic stability of residential, commercial, industrial, and other private and public areas within the City, and to assure the orderly and beneficial development of such areas.
- (c) To obviate the menace to the public safety resulting from the locating of buildings, and the use thereof, and the use of land, adjacent to streets and highways which are a part of the Circulation Element of the General Plan of the City, or which are important thoroughfares, in such manner as to cause interference with existing or prospective traffic movements on said streets and highways.
- (d) To provide adequate light, air, privacy, and convenience of access to property, and to secure safety from fire, inundation, and other dangers.
- (e) To prevent overcrowding the land and prevent undue congestion of population.

Multi Family Residential Development CEQA Review

Exemptions are used whenever applicable for housing developments constructed on sites of less than five acres and the environmental effect is reduced to less than a significant level pursuant to CEQA provisions of Section 15332 of the CEQA Guidelines Section (Infill Development Projects).

Use Permit Process

“Use” is defined as the purpose for which a site or structure is arranged, designed intended, constructed, erected, moved, altered, enlarged, or for which either a site or a structure is or may be occupied or maintained. The East Palo Alto Zoning Ordinance contains land use regulations for each Zoning District within the city. Within each Zoning District a use is either a permitted use or a conditional use subject to limitations as outlined in the Zoning District or other sections of the Zoning Ordinance. Chapter 24 of the Zoning Ordinance identifies the specific steps that must to taken by City staff in processing a conditional use permit.

A use permit is typically processed in 4-6 months depending on the completeness of the application. Applications for a use permit are made to the Planning Department, along with a fee (per the adopted fee schedule). In addition to the application and fee, the applicant must submit a written description of the business, a site plan, and floor plan and additional material. If the use permit is for the sale of alcoholic beverages, City staff would also request a security and lighting plan.

Granting of a use permit is a discretionary decision by the Planning Commission, who must make specific findings that the use will not be detrimental to the city or surrounding neighborhood; is consistent with the Zoning and General Plan and will not create a nuisance or enforcement problem, among other findings (Zoning Ordinance section 6503). The Commission may impose reasonable conditions (Conditions of Approval) to the granting of a use permit as it considers necessary to carry out the purpose and intent of the Zoning Ordinance and the land use district in which the property is located.

Post Planning Entitlement Procedures

Plan check review of construction level site development documents submitted to the Engineering Department after tentative map and/or design review approval may take up to four months and require review of grading and improvement plans, soils reports, hydrology calculations, compliance check with

conditions of project approvals, and approval of final maps. Plan check review of building permits by the Building Division may take 30-45 days and entails review for compliance with conditions of approval and adopted building codes. Permits for large single-family subdivisions may take one to three weeks longer due to additional review and approval of individual plot plans for compliance with building code, Planning Conditions of Approval required by the approval, and mitigation measures identified in the CEQA documentation.

Ravenswood / 4 Corners TOD Specific Plan Area

A summary of the specific plan is provided below. Please see the full plan for more information.

The Plan Area encompasses approximately 350 acres and is generally bounded at the west by University Avenue; at the north by a rail line, where future Dumbarton Rail passenger service is planned; at the east by the baylands along the San Francisco Bay; and at the south by Weeks Street. The Specific Plan Area also extends south from Weeks Street to Runnymede Street in the southeast along Pulgas Avenue.

Bay Road is envisioned as an active and vibrant spine that serves as a focal point for Ravenswood and 4 Corners, as well as for East Palo Alto as a whole. These mixed-use areas, indicated in orange, will become the “living room” of East Palo Alto and provide a cohesive Downtown experience for East Palo Alto. Vibrant storefronts and other active ground-floor uses are envisioned to stretch down most of Bay Road within the Plan Area, bookended by the University Avenue/ Bay Road intersection on the west and Cooley Landing on the east.

The Plan Concept shows multi-family residential uses in several locations south of Bay Road. These locations relate to and extend the existing residential neighborhoods south of the Plan Area. Multi-family development is allowed in several different forms under the Specific Plan. For example, townhouses, duplexes, four-plexes, and a wide range of multi-family apartment buildings are all permitted on residentially designated land in the Plan Area. New single-family residential development is also possible in this designation, but it must consist of small-lot single-family houses.

The plan assumes up to 825 residential units.

Development Standards

Urban Residential

Maximum Floor Area Ratio: 1.0 for non-residential uses and commercial components in mixed use projects.

Maximum Residential Density: 40 dwelling units per acre for residential uses.

Maximum Height.

North of Rail Spur: 5 stories.

South of Rail Spur: 3 stories.

Maximum Floor-to-Floor Height: 14 feet Residential/16 feet non residential or mixed use.

Minimum Setbacks:

Front: 5 feet, to be dedicated to landscaping or publicly accessible sidewalk.

Side: 5 feet.

Exterior Side: 5 feet.

Rear: 20 feet.

Minimum Parking:

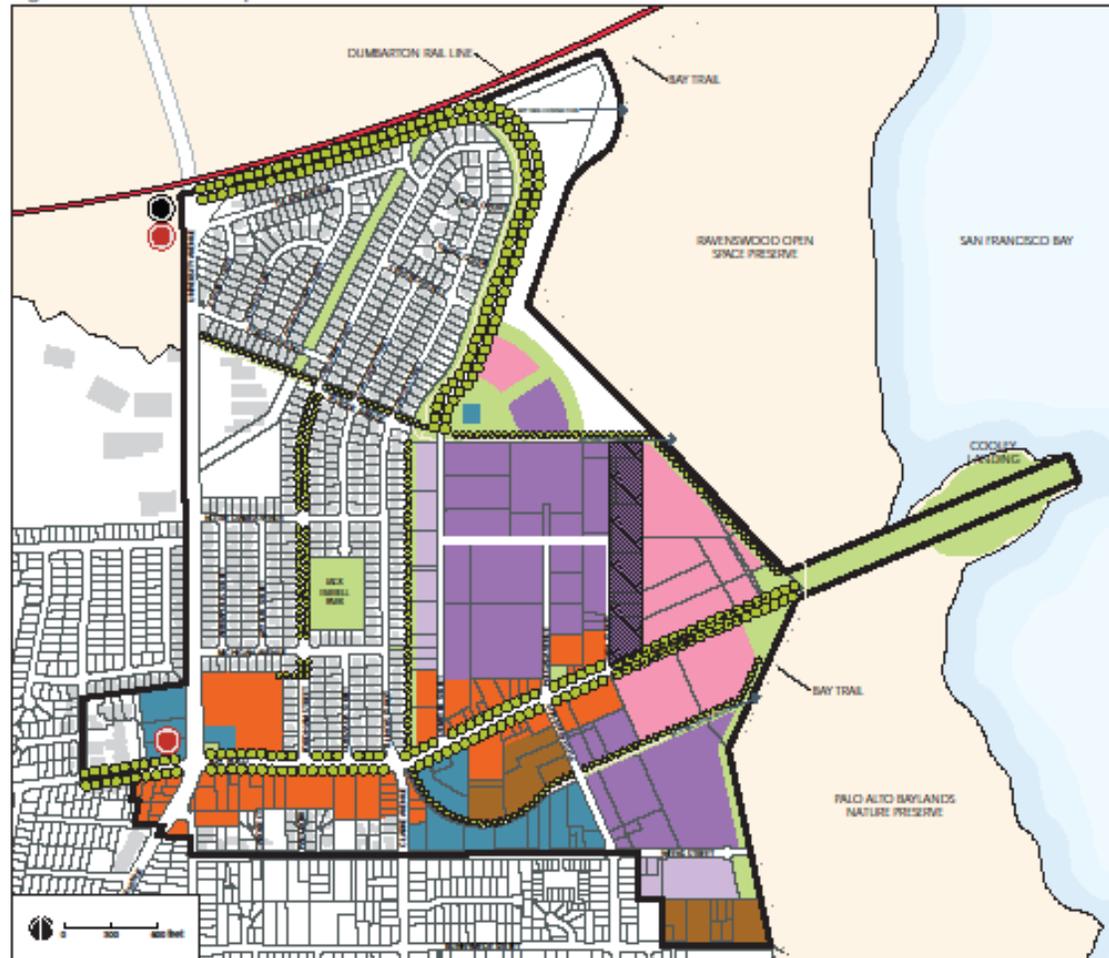
Residential: One parking space per dwelling unit for one-bedroom units and studios; 0.5 additional spaces for each additional bedroom.

All Other Uses: Determined by Director.

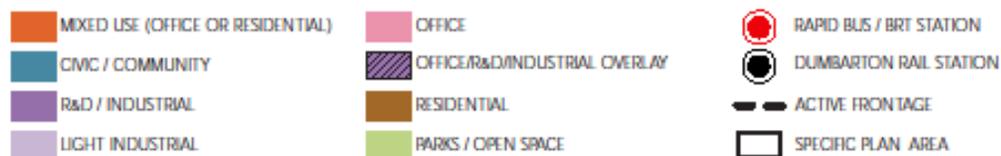
Bicycle: 1 Class I per 3 units + 1 Class II per 15 units for residential.

Shared Parking: For mixed use projects where parking is not segregated parking may be reduced by up to 20 percent.

Figure 4-1: Plan Concept



* This Diagram shows a conceptual vision for future land uses in the Specific Plan area. Figure 4-1 does not represent zoning for the Specific Plan Area.



Summary of Application Processing Times

Table 3-5 shows the average time it takes to process various applications. The average subdivision takes four to six months to move through the process, while most second unit applications are approved within two months. Multifamily developments require the longest time of any type, taking up to 18 months to process.

Table 3-5 Application Processing Times

<i>Permit/Procedure</i>	<i>Typical Processing Time (straight-forward proposal)</i>	<i>Typical Processing Time (complicated proposal)</i>
Conditional Use Permit	2-4 months	4-6 months
Zone Change	6-12 months	12-18 months
General Plan Amendment	6-12 months	12-18 months
Site Plan Review	2-4 months	6-8 months
Architectural/Design Review	2-4 months	6-8 months
Tract Maps	4-6 months	6-8 months
Parcel Maps	4-6 months	6-8 months
Initial Environmental Study	4-6 months	6-8 months
Environmental Impact Report	6-12 months	12-16 months
Single Family Unit	2-4 months	4-6 months
Second Unit	1-2 months	2-4 months
Subdivision	4-6 months	6-8 months
Multifamily, less than 20 units	2-12 months	12-18 months
Multifamily, more than 20 units	2-18 months	12-18 months

FEES AND EXACTIONS

Developers are required to pay several types of fees as part of the development process. Planning and application fees offset the costs the City incurs in the development review process. Current planning and permit fees were adopted by City Council in 2014 after an extensive evaluation of costs for services by an outside firm.

Impact fees help to distribute the City's cost of providing development with services and facilities. These fees are determined by the various agencies; school impact fees are set by local school districts and the State, while other impact fees are based on the estimated cost to construct improvements. This allows the City to cover costs while not unduly burdening development. As mentioned above, the typical costs for developing a single-family home are over \$419,650, including an average of \$36,551 per unit in permitting and impact fees (nine percent of the total development cost of the unit). Typical fees for multifamily units average \$36,089 per unit, or ten percent of their total average cost of \$349,300.

21 Elements distributed a survey to the jurisdictions of San Mateo County in 2013 to learn more about the fees involved in a multi-family subdivision development application. The jurisdictions were asked to estimate fees for a development given the following assumptions:

Single Family Home

A new home on an empty lot in an existing neighborhood, no significant grading or other complicating factors, 2400 sf and 500 sf garage, two stories, four bedrooms and three bathrooms.

East Palo Alto fees totaled \$36,551 for the hypothetical development. Entitlement fees cost approximately \$9,300, and construction fees cost approximately \$19,300. Additionally, there is a school fee of \$7,680 collected by the school district.

Multifamily

The project will be comprised of 96 two and three bedroom units in 16 buildings on eight acres of land: a total of 145,500 square feet. See 21elements.com for a full list of assumptions.

Entitlement fees are approximately \$113,300, construction fees are \$269,800 and impact fees are \$3,031,428. Approximately one million of the impact fees are for parks and the remainder are for schools. There is an affordable housing requirement of 20 percent of units or \$13.47 per inhabitable

square foot. The cost per unit is \$36,089 per unit including school fees and \$31,239 not including school fees.

Summary

East Palo Alto's fees are comparable to other communities. The per unit fees for multifamily housing is lower than the fees for single family homes. Based on the recent work by David Rosen and Associates, the fees do not constitute a constraint on new housing (Table 3-6).

Table 3-6 Residential Development Costs Summary for a Typical Home

<i>Assumptions/Costs</i>	<i>Single Family Home¹</i>	<i>Multifamily (per unit)</i>
Brisbane	\$15,322	\$5,514.28
Burlingame	\$43,268	\$21,048.21
Colma	\$14,439	\$18,147 - 21,522
Daly City	\$21,072	\$10,791.73
East Palo Alto	\$28,871	\$31,239
Foster City	\$20,682	\$26,363.28
Half Moon Bay	\$40,399	-
Hillsborough	\$15,679	-
Portola Valley	\$31,092	-
Redwood City	\$28,535	-
San Mateo	\$50,451	\$25,053.69
South San Francisco	\$16,978	-
Woodside	\$25,214	-

Note: Table does include fees collected by third parties (e.g. school districts) or inclusionary housing/affordable housing impact fees.

INFRASTRUCTURE

The City has sufficient water and sewer capacity, either current or planned, to meet its RHNA need and beyond.

The City of East Palo Alto receives practically all of its potable water from the San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy System. The City’s water systems services practically the entire City, or about 2.5 square miles, and approximately 4,200 residential, commercial and industrial customers, which accounts for approximately 93 percent of the water customers within the City limits.

Other portions of the City are served by two mutual water companies: the Palo Alto Park Mutual Water Company and the O'Connor Tract Cooperative, which provide water to the remaining seven percent of water customers living in the City. Some groundwater from the Gloria Bay well (at the corner of Gloria Way and Bay Road) is used by the City for street cleaning and median irrigation.

The City has an Interim Supply Guarantee (ISG) from the SFPUC of 1.963 million gallons a day (mgd), or 2,199 Acre Feet a Year (AFY). An AFY is defined as the volume of one acre of surface area to a depth of one foot. The City has no storage capacity, other than the system pipes. In sum, the City water system relies solely on water from the SFPUC system for storage, fire flow, and emergency use.

Historically, the City has utilized practically all of its ISG, and in some years, exceeded it. However, due to economic conditions, population decline, and a very low per capita water use (79 gallons average [2001-2010] per capita daily), the City had not exceeded its ISG since 2009, until 2012.

Assuming that no additional supply source is secured, the City projects a shortfall of approximately 1,200 AFY by 2035. These demand projections include the expected growth contemplated in the Ravenswood / 4 Corners TOD Specific Plan. This will impact development, because new housing is not possible without access to water.

The City's Urban Water Master Plan (the Master Plan) contemplates that the City could meet the projected demand by developing approximately 1,200 AFY from additional groundwater wells, complemented with recycled water usage.

City of Palo Alto Tie In

In the short term, the most viable option for securing more water may be to purchase it from another city that does not use its full allocation. The cities of Palo Alto, Mountain View and Sunnyvale all have substantial unused capacity. The city is investigating a purchase agreement with these cities.

Gloria Bay Well

The city currently has a well and pumping station at the corner of Gloria Way and Bay road, called the Gloria Bay well. The Gloria well is a potential source of additional water. It was put in operation in the summer of 1981. However the water exhibited higher hardness and relatively high levels of iron and manganese, and as a result of complaints, the well stopped operations in 1989. Currently the well discharge line is physically disconnected from the domestic water supply line on Bay Road.

A pump test conducted in 2012 indicated the well's sustainable pumping rate to be approximately 300 gallons per minute (gpm) (Todd Engineers, 2012), or 484 AFY. Depending on the pumping rate, the well could provide 13% to 40% of the shortfall projected in 2035. The City is planning to rehabilitate the Gloria Bay Well by installing a water treatment system to treat the water for manganese and iron.

Pad D Well

Another potential option is to drill an additional well at site near Clarke Ave and East Bay Shore Drive, referred to as Pad D. A test well was drilled, and its hydrogeological evaluations indicate that a production well at Pad D could sustain a 500 gpm pumping rate, or 807 AFY. A fully operating well, including the cost of the test well and treatment facility is estimated to cost \$3,250,000, and potentially could have \$200,000 in annual operations and maintenance costs.

Recycling and Conservation

There is currently no use of recycled water within the City of East Palo Alto. However, there are plans to construct wastewater treatment plants that will treat and redirect wastewater into public irrigation systems. The recycled water would then be used to water parks and facility landscaping, as well as for dust control and soil compaction remediation. The East Palo Alto Urban Water Management Plan calculates that the potential use of recycled water could reach 150 AFY by 2035.

East Palo Alto is proactively aiming to reduce water use and ensure adequate water supply for the City. Under the 2010 East Palo Alto Urban Water Management Plan, the City plans to implement multiple water Demand Management Measures (DMM) and Best Management Practices (BMP). Some management measures include: a Residential Plumbing Retrofit program to replace plumbing infrastructure with new water conservation equipment such as low flow showerheads; Large Landscape Conservation Programs and Incentives that promote design, installation, and management of landscapes that reduce water demand and sustain high quality design; home appliance rebate programs for water efficient appliance installation; and Conservation Pricing. The combined water conservation efforts could ease water demand to some degree.

Summary

Securing more water is a high priority for the city. The city is moving quickly to reopen the Gloria Bay well and negotiate agreements with neighboring cities.

4 HOUSING RESOURCES

This chapter analyzes the physical, administrative, and financial resources available for the development, rehabilitation, and preservation of housing in East Palo Alto. Sections 4.1 and 4.2 evaluate the availability of residential land (vacant and underdeveloped) within the City, as well as the City's progress to date in meeting its share of the Regional Housing Need Allocation (RHNA) for new housing unit production in the Bay Area through mid-2014 (units built, in-progress, or approved). Sections 4.3 and 4.4 discuss the financial and administrative resources available to support housing activities, programs, and construction, and to assist in implementing the Housing Plan outlined in Chapter 5 of this Housing Element Update. Section 4.5 discusses housing construction and energy conservation techniques.



4.1 AVAILABILITY OF SITES FOR HOUSING

The Association of Bay Area Governments (ABAG) is responsible for developing the Regional Housing Needs Allocation (RHNA). The RHNA assigns a share of the region's projected future housing unit production need to each community in the ABAG region. The current RHNA is planned within an 8 year planning period, from 2014 through 2022. For this period, ABAG determined the RHNA for San Mateo County and then, the County's jurisdictions worked together to allocate each city's share. East Palo Alto's RHNA share for the current period is 467 of the 16,418 new housing units needed in San Mateo County (Table 4-1).

¹ Although the policies and programs cover 2015-2023, the analysis for the available sites inventory starts in 2014.

Table 4-1 East Palo Alto's RHNA, 2015-2023		
<i>Income Group</i>	<i>Housing Units</i>	<i>Percent of Total</i>
Ext Low (<30%)	32	7%
Very Low (<50%)	32	7%
Low (<80%)	54	12%
Moderate (<120%)	83	18%
Above Moderate	266	57%
Total	467	100%

State law requires communities to demonstrate that an adequate amount of developable land is available to accommodate their share of the RHNA. Housing units permitted, built, or that have received Certificates of Occupancy since January 1, 2014 can also count toward the City's RHNA. This section outlines the City's accomplishments to date toward meeting the RHNA, as well as potentially developable land available that is now available.

RAVENSWOOD / 4 CORNERS TOD SPECIFIC PLAN

As detailed in the accomplishments section, completing the Ravenswood / 4 Corners Specific Plan was a major accomplishment and provides the opportunity for many new homes. The plan calls for a both mixed use and exclusively residential developments in the 350 rezoned acres. Specifically, the plan envisions 835 new units, 816 of which will be multifamily. To help encourage development, the plan created a new zoning category, Urban Residential, which requires at least 20 units per acre and permits up to 40. Additionally, development is allowed by right in this area.

SMALL SITES

The City has recently developed residential projects on small sites and is adept at improving the feasibility of small sites for residential development. Small-site projects include the mixed-use project at 907 Newbridge and the seven single-family residences developed at 872 Runnymede. Through a General Plan Amendment and a Planned Community Permit, the 907 Newbridge site was given a variance to reduce the front yard setback, enabling the development of three residential units above office space on

a 9,240 square foot site. At 872 Runnymede, the floor area ratio for the site was increased with a variance, allowing two additional lots to be developed on this 38,000 square foot site. The individual lot sizes for the single-family residences vary from 3,300 to 4,045 square feet.

Additionally, East Palo Alto has recently implemented a number of policy changes to encourage development on small lots as described in the previous Housing Element, including a reducing the legal size of lots, relaxing the development standards (set-backs, minimum lot size) on parcels less than one-half acre in size and a developing a small lot toolkit.

PROGRESS TOWARD MEETING HOUSING NEEDS

No new units, aside from secondary units, were produced in 2014.

SECOND DWELLING UNITS

Second dwelling units are an important affordable housing opportunity for East Palo Alto. Between 2010-2014, the City approved an average of 5.4 secondary dwelling units per year. The number of new second units has increased since the City updated the standards in 2011. For this Housing Element, we assume the average will continue, see **Error! Reference source not found.**

East Palo Alto is using the assumptions developed by 21 Elements regarding second unit affordability. Please see the full report for more information on methodology.

<http://21elements.com/Download-document/655-Affordability-of-Second-Units.html>Specificaf

Income Level	Percent of Units
Ext low income	25%
Very low income	25%
Low income	20%
Moderate income	20%
Above moderate income	10%

Table 4-2 Approved Secondary Dwelling Units	
<i>Year</i>	<i>Number Approved</i>
2007	0
2008	0
2009	0
2010	3
2011	7
2012	4
2013	10
2014	3
Average per Year from 2010-2014	5.4

Second units help East Palo Alto meet its housing need (Table 4-3).

Table 4-3 Second Units

	<i>Extremely Low</i>	<i>Very Low</i>	<i>Low</i>	<i>Moderate</i>	<i>Above Moderate</i>	<i>Total</i>
Total	10	10	9	9	4	42
RHNA	32	32	54	83	266	467
Remaining RHNA	22	22	45	74	262	425

RESIDENTIAL SITES INVENTORY

The City’s evaluation of adequate housing sites contains a list of individual sites/parcels by zone and General Plan designation. The site suitability analysis demonstrates that these sites are currently available and unconstrained in order to provide realistic development opportunities prior to the end of the planning period. To demonstrate the viability of the sites, the analysis also took into account (1) whether appropriate zoning is in place, (2) the applicable development standards and their impact on projected development capacity and affordability, (3) existing constraints, including any known environmental issues, (4) the availability of existing and planned public service capacity levels, and (5) historic unit yield within identified land use categories.

Map 4.1 illustrates housing opportunity sites the Specific Plan area, where most of the future growth is expected to go. These opportunity sites represent vacant or underutilized land, designated as Residential or General Commercial (allows mixed-use) that is available for new development.

Parcel Data

State Housing Element law requires that cities provide detailed information regarding their inventory of land suitable for residential redevelopment (see Appendix), including:

- A listing of identified properties by parcel number
- The size, general plan designation, and zoning of each property
- (Non-vacant sites) a description of the existing use of each property
- A general description of existing or planned infrastructure improvements, and any environmental constraints.²

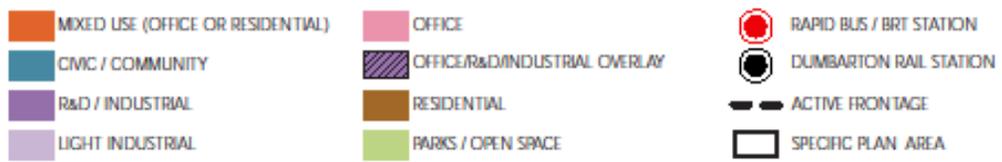
² All sites with environmental constraints were removed from the land inventory and were not considered for development.

Map 4.1: Specific Plan Conceptual Plan

Figure 4-1: Plan Concept



* This Diagram shows a conceptual vision for future land uses in the Specific Plan area. Figure 4-1 does not represent zoning for the Specific Plan Area.



Density and Affordability Assumptions for Vacant Parcels

For purposes of determining the additional residential development potential on vacant and underdeveloped parcels based on existing General Plan land use designations, existing projects were examined to determine the actual densities achieved. The average density achieved for each General Plan land use designation was then calculated (Table 4-4). Many of the densities achieved exceed the allowed density. For example, while the allowed density in the General Commercial zone is 16 dwelling units per acre, the developments built at 2896 University Avenue and 1761 East Bayshore Road achieved densities of 25 and 30 dwelling units per acre, respectively. In the calculations for development capacity on vacant sites, both the maximum allowed density and the average achieved density were considered; the lower of the two was used to provide a conservative estimate of the capacity for development. The development capacity by land use designation and density used (defined as “realistic density”) to achieve the estimate of capacity is provided in Table 4-5. Because the Urban Residential zone is new, there is no history to refer to. This zone permits a range of 20 – 40 dwelling units per acre. We assume there will be 34 units, the same as Medium/High Density Residential.

Table 4-4 Typical Residential Projects by General Plan Category

<i>Project</i>	<i>Acres</i>	<i>Land Use Designation</i>	<i>Density Permitted</i>	<i>Zoning</i>	<i>Units</i>	<i>Density Achieved (du/acre)</i>
2477 Pulgas	8.0	General Commercial	no maximum du, 2.0 FAR	PUD	51	6
2896 University	0.2	General Commercial	no maximum du, 1.0 FAR	C-1/S-3	6	25
1761 E Bayshore Rd	1.0	General Commercial	no maximum du, 2.0 FAR	PUD	30	30
General Commercial: Average Density Achieved¹						20
992 Runnymede	0.7	Low/Medium Density Residential	1-8 du/acre	R-1-5,000	5	7
725 Runnymede	0.3	Low/Medium Density Residential	1-8 du/acre	R-1-5,000	6	18
1010 Runnymede	1.0	Low/Medium Density Residential	1-8 du/acre	R-1-5,000	8	8
1063 Garden Street	1.0	Low/Medium Density Residential	1-8 du/acre	R-1-5,000	5	5
872 Runnymede	0.9	Low/Medium Density Residential	1-8 du/acre	R-1-5,000	7	8
Low/Medium Density Residential: Average Density Achieved¹						9
1060 Weeks	2.4	Medium/High Density Residential	9-17 du/acre		29	12
829 Donohoe Street	0.8	Medium/High Density Residential	9-17 du/acre		7	9
2400 Gloria Way	2.0	Medium/High Density Residential	9-17 du/acre	R-M-1,000	38	19
907 Newbridge	0.2	Medium/High Density Residential	9-17 du/acre	C-1/S-3	3	14
Medium/High Density Residential: Average Density Achieved						14
965 Weeks (Olson Property)	2.6	High Density Residential	18-40 du/acre	R-M-500	55	21
1740 Bay Road	1.6	High Density Residential	18-40 du/acre	R-M-1,000	74	46
High Density Residential: Average Density Achieved						34

¹ The average density achieved exceeded the density permitted for both the General Commercial and the Low/Medium Density Land Use Designations, as the City often works with developers to achieve a higher density on a project by project basis given a site's unique characteristics.

Summary of Available Vacant Land

The summary of vacant land is shown below:

Table 4-5 Summary of Housing Opportunity Sites - Vacant Land				
<i>Land Use</i>	<i>Acres</i>	<i>Maximum Allowed Density</i>	<i>Realistic Density</i>	<i>Number of Units</i>
Commercial/Office	4.2	1-2 FAR, no du max	16 du/acre	66
Low/Medium Density Residential	9.9	8 du/acre	8 du/acre	79
Medium/High Density Residential	1.2	17 du/acre	14 du/acre	16
Urban Residential	8.9	40 du/acre	34 du/acre	303
High Density Residential	0.8	40 du / acre	34 du / acre	27
Total	25			491

Consistent with State Housing provisions, areas that allow a minimum density of 30 dwelling units per acre are considered adequate for meeting the low-, very low-, and extremely low-income need level.

Table 4-6 shows a summary of the available land by zoning category as it applies to the RHNA. The City’s inventory of vacant land designated for residential or mixed-use (Commercial/Office land use designations) development provides more than enough sites to accommodate the City’s RHNA for all income levels.

Table 4-6		Housing Opportunity Sites by Income Level - Vacant Land		
<i>Land Use Category</i>	<i>Total Moderate and Below</i>	<i>Above Moderate</i>	<i>Total Units</i>	
Commercial/Office		66	66	
Low/Medium Density Residential		79	79	
Medium/High Density Residential		16	16	
Urban Residential / Specific Plan Area	303	0	303	
High Density Residential	27	0	27	
Total	330	161	491	
Remaining RHNA ³	163	262	425	
Excess Capacity	167	(101)⁴	66	

Available Land Including Non Vacant Land

In addition to the vacant land, there is significant land in the Ravenswood / 4 Corners TOD Specific Plan area that is likely to redevelop. The plan identifies a capacity of 835 units and the vacant land only accounts for 303 of these units. Specifically, the plan expects 819 of the new dwelling units to be multifamily and 16 to be single family.

The remaining 532 units are expected to come from two sources: underused land zoned Urban Residential and mixed use developments.

This Housing Element identifies 28 parcels totaling 9 acres that are most likely to redevelop during the planning period. These can accommodate 306 new units. Most of these sites have single family homes, but the zoning would permit five or more units. Smaller parcels were removed from the analysis because they are less likely to redevelop.

³ RHNA after subtracting second units. See table 4-2.

⁴ The lower income housing surplus more than compensates for the shortfall in the above moderate income category

The zoning standards in the Urban Residential and Mixed Use zones are designed to facilitate development. For example, three to five stories are permitted with a maximum density of 40 units per acre. Setbacks and parking requirements are intentionally kept low.

As Table 4-7 shows, Nonvacant land provides a buffer so East Palo Alto is well over its RHNA.

Table 4-7		Housing Opportunity Sites by Income Level - Including Nonvacant Land		
<i>Land Use Category</i>	<i>Total Moderate and Below</i>	<i>Above Moderate</i>	<i>Total Units</i>	
Second Units	38	4	42	
Vacant Land	330	161	491	
Non-vacant land	306	0	306	
Total	674	165	839	
RHNA	201	266	467	
Excess Capacity	473	(101)⁵	372	

Density Bonus

The adoption in November 2009 of the Density Bonus Ordinance is an accomplishment that increases the likelihood of meeting the City’s 467 unit requirement by 2023. This Ordinance removes constraints by reducing the number of required affordable units to qualify for a density bonus and providing for other incentives.

- **At least 5 percent of the units are affordable to very low-income households;** the density bonus for very-low-income units ranges from 20 to 35 percent, depending on the provided percent of affordable units:
 - If at least 5 percent of the units are affordable to very low-income households, the developer is granted a bonus of 20 percent

⁵ The lower income housing surplus more than compensates for the shortfall in the above moderate income category

- If at least 11 percent of the units are affordable to very-low-income households, then the developer is granted a bonus of 35 percent.
- **At least 10 percent of the units are affordable to low-income households;** the density bonus for low-income units ranges from 20 to 35 percent, depending on the provided percent of affordable units.
 - If at least 10 percent of the units are affordable to low-income households, the developer is granted a bonus of 20 percent.
 - If at least 20 percent of the units are affordable to low-income, the City would grant a 35 percent density bonus.
- **The development is restricted to senior citizens;** the density bonus for senior housing is 20 percent.
- **At least 10 percent of the units of a newly constructed common interest development project are affordable to moderate-income households;** the density bonus ranges from 5 percent for providing at least 10 percent of the units to 35 percent for providing at least 40 units affordable to moderate income households.
- **The development includes a child day care facility larger than the minimum required;** projects containing child care facilities receive a density bonus equal to the greater of the square footage of said facility.

Condominium conversion projects are granted a 25 percent density bonus or other financial incentives if the applicant agrees to make 33 percent of the units affordable to low- or moderate-income households, or 15 percent of the units affordable to very low-income households.

If an applicant donates land to be used for affordable housing construction, the applicant is entitled to a 15 to 35 percent increase in density. The land must be sufficient to permit construction for very low-income households for units equal to 10 to 30 percent of the units in the development—land sufficient to allow for 10 percent will result in a 15 percent density bonus, while land sufficient to allow for 30 percent will result in a 35 percent increase.

4.2 FINANCIAL RESOURCES

The City has limited local financial resources that can be used to facilitate affordable housing development. Resources available as of the writing of this Update include the Affordable Housing Program impact fee program.

AFFORDABLE HOUSING IMPACT FEE

As previously mentioned, the City recently adopted a fee ranging from \$22-\$44 a square foot to support affordable housing.

FINANCING FOR AFFORDABLE HOUSING OPPORTUNITIES

One of the major constraints facing the City is the lack of affordable housing funds to acquire properties, finance construction and long-term below market rate mortgages, provide affordable ownership opportunities, among others. The City has been actively pursuing a variety of resources to overcome these financing constraints, as outlined below. Table 4-8 provides a summary of other federal, State, local, private, and non-profit financial resources available to support housing activities in the City of East Palo Alto.

California Housing Finance Agency

In 2003, the City approved a \$504,000 loan for site acquisition and predevelopment for 77 low-income tax credit apartments, referred to as The Courtyard at Bay Road. Remaining funds from the CHFA HELP program are available to provide for predevelopment costs and assist in property acquisition. The City's Community and Economic Development Department continues to explore opportunities to submit proposals to the Housing Finance Agency to address specific housing needs in East Palo Alto. There has not been any additional loans in recent years.

County of San Mateo HOME Funds

In 2003, the City was awarded \$126,300 from the County HOME Consortium to provide down payment assistance for first-time, low-income homebuyers. Starting in March of 2004, all of the funds were loaned to first-time homebuyers in the City's BMR program. The City did not receive any HOME funds in recent years.

Housing Endowment and Regional Trust (HEART)

The City has been supporting the efforts of the Housing Endowment and Regional Trust (HEART) efforts to raise \$100 million over ten years for affordable housing in San Mateo County. HEART is focused on providing financing for affordable housing development throughout San Mateo County.

Section 8 Rental Assistance

The Section 8 Housing Choice Voucher Program is a federal program that provides rental assistance to very-low income persons in need of affordable housing. Section 8 vouchers pay the difference between the payment standard and what a tenant can afford to pay (e.g. 30 percent of gross monthly income). A voucher allows a tenant to choose housing that may cost above fair market rent, with the tenant paying the extra cost. The Housing Authority of the County of San Mateo applies to HUD for Section 8 vouchers and administers this program directly; in 2015, it provided housing vouchers to 453 households in East Palo Alto.

Table 4-8 Financial Resources for Housing Activities

<i>Program Name</i>	<i>Description</i>	<i>Eligible Activities</i>
Federal Programs		
American Dream Down Payment Assistance Program (ADDI)	Downpayment assistance and homebuyer counseling program for low- to moderate-income homebuyers. Maximum loan amounts up to twenty percent the jurisdiction’s total allocation.	Home Buyer Assistance Rehabilitation
Community Development Block Grant (CDBG)	Grants awarded to the City on a formula basis for housing and community development activities.	Acquisition Rehabilitation Home Buyer Assistance Economic Development Homeless Assistance Public Services
Capital Funds (Formerly CIAP funds)	Funds for Public Housing Agencies (PHAs) to develop, finance, and modernize public housing developments, and for management improvements.	Housing Construction Rehabilitation Modernization
Emergency Shelter Grant (ESP)	Basic shelter and essential supportive services for homeless persons. Assistance with the operational costs of the shelter facility and for the administration of the grant. Short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.	Support Services Rental Assistance Homeless Assistance
HOME Investment Partnership Act Program (HOME)	Flexible grant program allocated to East Palo Alto through the San Mateo County HOME Consortium.	Acquisition Rehabilitation Home Buyer Assistance Rental Assistance

Table 4-8, continued

Financial Resources for Housing Activities

<i>Program Name</i>	<i>Description</i>	<i>Eligible Activities</i>
Housing Opportunities for Persons with AIDS (HOPWA)	Grants to local communities, States, and non-profit organizations for projects that benefit low-income persons medically diagnosed with HIV/AIDS and their families.	Acquisition Rehabilitation Housing Construction Rental Assistance Support Services
HUD Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low-income tenants.	Rental Assistance
Low-Income Housing Tax Credit (LIHTC)	Tax credits available to persons and corporations that invest in low-income rental housing; proceeds from the sale are typically used to create housing.	Housing Construction
Supportive Housing Program (SHP)	Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness; competitive program authorized under the McKinney/Vento Act.	Transitional Housing Housing for the Disabled Supportive Housing Support Services
Section 202	Grants to non-profit developers of supportive housing for the elderly.	Acquisition Rehabilitation New Construction
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities, and intermediate care facilities.	Acquisition Rehabilitation New Construction Rental Assistance

Table 4-8, continued

Financial Resources for Housing Activities

<i>Program Name</i>	<i>Description</i>	<i>Eligible Activities</i>
Section 108 Loan Guarantee	Loan guarantees to CDBG entitlement jurisdictions for capital improvement projects; maximum loan amount can be up to five times the jurisdiction's recent annual allocation, with terms up to 20 years.	Acquisition Rehabilitation Home Buyer Assistance Economic Development Homeless Assistance Public Services
State Programs		
Building Equity and Growth in Neighborhoods Program (BEGIN)	Grants to cities, counties, or both to make deferred-payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions.	Home Buyer Assistance
Housing Enabled by Local Partnerships (HELP) Program	Low-interest rate loans administered by Cal HFA to local government entities for their locally determined affordable housing activities and priorities.	Acquisition New Construction Rehabilitation
Local Housing Trust Fund Matching Grant Program – Proposition 46	Matching grants for local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs.	New Construction Home Buyer Assistance
Mobile Home Park Resident Ownership Program (MPROP)	Finance for the preservation of affordable mobile home parks by conversion to ownership or control by resident organizations, non-profit housing sponsors, or local public agencies.	Acquisition
Mortgage Revenue Bonds (MRBs)	Tax-exempt bonds that state and local governments issue through housing finance agencies (HFAs) to help fund below-market-interest-rate mortgages for first-time qualifying homebuyers.	Home Buyer Assistance
Mortgage Credit Certificates (MCC)	Federal income tax credits for qualified first time homebuyers to reduce the borrower's federal tax liability; provides additional income that can be used for mortgage payments.	Home Buyer Assistance

Table 4-8, continued		Financial Resources for Housing Activities
<i>Program Name</i>	<i>Description</i>	<i>Eligible Activities</i>
Multifamily Housing Program (MHP)	Assistance the new construction, rehabilitation, and preservation of permanent and transitional rental housing for low-income households.	New Construction Rehabilitation Acquisition
Local Programs		
General Funds	Funds to subsidize rents and operations	Support Services
Housing Set Aside Funds	Funds provided by the Redevelopment Agency for the development and rehabilitation of rental and homeowner housing.	Acquisition New Construction
In-lieu Low Income Housing Fund (Housing Trust Fund)	A per-unit fee for residential developments that do not provide affordable housing, generated from the Inclusionary Housing ordinance.	Acquisition Homeless Assistance New Construction Rehabilitation Support Services
Social Opportunity Endowment	Funds that provide a long-term, stable funding source for the delivery of quality human services to low-income city residents.	Acquisition Economic Development Home Buyer Assistance Homeless Assistance New Construction Rehabilitation Support Services Public Services
Private Resources		
Housing Incentives for the Recruitment and Retention of Employees (HIRE)	Assistance to individuals who do not currently own a home and do not qualify for traditional down payment assistance; households have incomes up to 140% of median.	Home Buyer Assistance

Table 4-8, continued Financial Resources for Housing Activities

<i>Program Name</i>	<i>Description</i>	<i>Eligible Activities</i>
Non-Profit Institutions		
Bay Area Local Initiatives Support Corporation (LISC)	Recoverable grants and debt financing on favorable terms to support a variety of community development activities, including affordable housing.	Acquisition New Construction
EPA CAN DO Community Lending Company	Loans to single- and multifamily unit owners to finance new constructions, home improvements, and home ownership in underserved areas.	Rehabilitation New Construction Home Buyer Assistance
Low-Income Housing Fund (LIHF)	Loan financing for all phases of affordable housing development and/or rehabilitation.	Acquisition Rehabilitation New Construction

Source: City of East Palo Alto, San Mateo County HOME Consortium: East Palo Alto Action Plan, FY2006-2007; EDAW; 2008.

4.3 ADMINISTRATIVE RESOURCES

GOVERNMENTAL RESOURCES

Housing Authority of the County of San Mateo

The Housing Authority of the County of San Mateo (SMHA) is responsible for managing 8 low-income housing developments within East Palo Alto, as well as rental assistance programs (Section 8 certificates and vouchers). As of 2015, SMHA provides 453 tenant-based vouchers to low-income households in East Palo Alto, including project-based vouchers for the disabled and households with social service needs. SMHA also provides appropriate support services to transitional unit residents.

The Housing Services Department

The Office of the City Manager and the Community and Economic Development Department are responsible for housing programs and policymaking in the City of East Palo Alto. The City Manager's Office directly oversees the Rent Stabilization and Just Cause Eviction Program, which manages nearly 2,000, rent stabilized units. The Community and Economic Development Department, which has six divisions (Planning and Housing Division, Engineering Division, Development Services Division, Senior Services Division, Public Works Maintenance Division, Administration Division) is responsible for implementing the Housing Element in collaboration with intergovernmental partners such as the San Mateo County Office of Housing and Heart. The Planning and Housing Division is also largely responsible for the comprehensive evaluation and analysis of housing programs throughout the City. The Planning and Housing Division implements the City's planning and housing policies, which are intended to maintain and enhance the quality of life for City residents and visitors through provision of an attractive and functionally built environment, protection of desirable environmental and scenic amenities, efficient development review and approval and maintenance and enhancement of affordable housing opportunities. The Division provides quality development review and permitting services through efficient, professional and customer-friendly public processes under the policy direction of the Planning Commission and ultimately the City Council.

Non-Profit Resources

There are a number of non-profit organizations whose activities are related to the provision of affordable housing and human service programs in East Palo Alto. The City currently works with each of the groups listed below:

- Adults Toward Independent Living
- Bay Area Home Buyer Agency
- Bayshore Community Resources Center
- BRIDGE
- Catholic Charities of San Mateo County
- Clara-Mateo Alliance
- Community Association for Rehabilitation, Inc.
- Community Housing Developers
- Community Legal Services in East Palo Alto
- East Palo Alto Community Alliance
- EDEN Housing
- ECHO Housing
- El Concilio Emergency Services Partnership
- Elder Care Locator
- Emergency Housing Consortium
- EPA CAN DO
- Family Housing and Adult Resources
- Habitat for Humanity
- Kainos Home and Training Center for the Developmentally Disabled
- Human Investment Project
- Mid-Peninsula Citizens for Fair Housing
- Mid-Peninsula Housing Coalition
- Project Sentinel Inc.
- Rebuilding Together, Mid-Peninsula
- Salvation Army of San Mateo County
- San Mateo County Home Buyer Program
- Shelter Network
- Spring St. Shelter / Mental Health Association
- St. Vincent de Paul Society
- Stanford Community Law Clinic
- Support Network for Battered Women
- Urban Ministry of Palo Alto
- Women and Their Children's Housing (WATCH)
- Valley Support Center of the Mid-Peninsula
- Veteran's Guarantee Home Loan Program

The following are nonprofit organizations with recent projects in East Palo Alto:

Community Housing Developers Inc.

Established in 1979 as the first community based, not-for-profit developer of affordable housing in Santa Clara County, Community Housing Developers, Inc., has created over 2000 units of affordable rental and for-sale housing during its 30-year history. Community Housing Developers recently developed the Courtyard at Bay Road, a 77-unit affordable housing development located at 1730 Bay Road in East Palo Alto. A distinctive feature of Courtyard at Bay Road is the solar energy system by Eco-Energies of Sunnyvale, CA (now known as REC Solar), which installed 125 photovoltaic roof panels to supply the development with all of its non-residential energy requirements.

BRIDGE

Based in San Francisco, the non-profit BRIDGE is one of the leading affordable housing developers in California. BRIDGE builds a variety of affordable housing types that ideally act as a catalyst for revitalizing and strengthening neighborhoods. The organization prides itself on creating high-quality, affordable homes for working families and seniors. As part of a major redevelopment effort by the City, the non-profit completed Peninsula Park Apartments in East Palo Alto in 2000. Peninsula Park resulted from a master plan created by BRIDGE, local partner East Palo Alto Community Alliance, and Neighborhood Development Organization (EPA CAN DO). The project is a mix of 200 single-family homes and 129 rental apartments, 87 of which are affordable units.

EDEN Housing

Based in Hayward, EDEN Housing assists communities through an array of affordable housing development and management services, as well as social services that meet the needs of lower income households. The agency serves low- and moderate-income families, seniors, people living with physical, and developmental disabilities or mental illness, the formerly homeless, and existing homeowners. Along with EPA CAN DO, the nonprofit completed Nugent Square Apartments in 2005, a 32-unit below market rate apartment complex.

EPA CAN DO

EPA CAN DO's portfolio includes the development of over 336 affordable housing units. Over the next five years EPA CAN DO, in partnership with MidPen Housing, expects to produce between 200-300 units of new housing, and acquire and rehabilitate between 150-200 units of existing housing. Both will be affordable to low- and moderate-income families and individuals. EPA CAN DO is currently planning to develop a transitional housing project for at-risk youth and post-foster care individuals. The City approved financial assistance for this project.

Habitat for Humanity

Habitat for Humanity is a national non-profit agency, with local chapters, dedicated to building affordable housing and rehabilitating homes for low-income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit, with affordable or no-interest loans, and a commitment of sweat equity from the family. Volunteers, churches, businesses, and other groups work with Habitat and the partner families to provide significant portions of the labor for the homes; land is often donated by government agencies or individuals.

MidPen Housing

MidPen Housing is one of the nation's leading non-profit developers, owners and managers of high-quality affordable housing. In the forty years since MidPen was founded, they have developed over 100 communities and 7,500 homes for low-income families, seniors and special needs individuals throughout Northern California. MidPen owns and operates the City's affordable senior housing at Raimy Gardens, and is collaborating with EPA Can Do a new senior 41 unit apartment project on University Ave. In 2014 they completed a \$20.9 million Rehabilitation of units on Woodland Avenue .

4.4 OPPORTUNITIES FOR ENERGY CONSERVATION

According to the U.S. Department of Energy, the residential sector accounts for 21 percent of the country's annual energy use.⁶ Within the home, 43 percent of residential energy is used for space heating and cooling, 12 percent for water heating; and 11 percent for lighting.⁷ Energy conservation provides the dual benefits of promoting environmental sustainability and reducing monthly energy costs, which is a component of long-term housing affordability.

Opportunities for residential energy conservation exist at all scales, from individual home appliances to city design. Building design, construction techniques, street layouts, and zoning patterns all effect energy consumption and can therefore support its reduction. Constructing new homes with energy-conserving features, in addition to retrofitting existing energy-inefficient structures, can result in lower monthly utility costs. Additional energy conservation may be achieved through the following pursuits:

- Sealing building envelopes (doors, windows, walls, foundation, roof, and insulation) to prevent energy leaks that increase heating and cooling costs
- Installing energy efficient appliances, lighting, and mechanical systems (heating, ventilation, and air conditioning)
- Installing a “cool roof” that reflects solar radiation to lower heating costs and reduce the urban heat island effect
- Designing and orienting buildings to take advantage of natural systems such as sun, shade, and wind, which provides heating, cooling, and energy generation opportunities
- Supporting attached housing design, which reduces the number of exterior walls per unit and results in lower per-unit heating and cooling costs
- Promoting infill development, especially along transportation corridors, to use existing infrastructure and services, and minimize automobile trips.

⁶ Source: U.S. Department of Energy at http://www.eia.doe.gov/emeu/aer/pdf/pages/sec2_4.pdf

⁷ Source: U.S. Department of Energy at <http://buildingsdatabook.eren.doe.gov/docs/1.2.3.pdf>.

In California, State law (Government Code Section 65583 [a][7]) requires local governments to address energy conservation issues when updating a Housing Element. According to the California Department of Housing and Community Development (HCD), these elements should contain an analysis of opportunities for residential energy conservation. It is the intent of this requirement to promote energy efficient housing systems and building design, as well as the use of energy saving features and materials during construction.

FEDERAL

Energy Efficiency and Conservation Block Grant Program

Signed into law in 2007, Title V of the Energy Independence and Security Act (H.R. 6) established an Energy and Environment Block Grant program. These grants are intended to reduce total energy use, as well as improve energy efficiency and conservation in the transportation and building sectors. The grants can be used for a variety of purposes, from planning and building, to providing incentives for efficient energy use. Allowable housing-related activities include: developing and implementing efficient energy and conservation strategies; updating building codes and inspection procedures (energy audits); conservation programs; retrofitting to increase energy efficiency; and smart-growth planning and zoning. While East Palo Alto falls below the size threshold of 35,000 residents to qualify for the program, San Mateo County is eligible to receive some of the additional funds designated in the February 2009 Federal Economic Stimulus Legislation.

Energy Efficiency in Publicly-Assisted Housing

The Federal Economic Stimulus Legislation also identified \$8.75 billion for investments in various types of publicly assisted housing, (including Section 8, HOME, and Public Housing) with \$4 billion directed toward building repair and modernization, including critical safety repairs and energy efficiency upgrades, and \$250 million for financing new green construction. The legislation also identified \$2.25 billion for a new program to upgrade HUD-sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces, and allocated \$2.25 billion to the HOME Program to help local communities build and rehabilitate low-income housing using green technologies.

U.S. Department of Energy's Weatherization Assistance Program

The U.S. Department of Energy's Weatherization Assistance Program reduces energy costs for low-income families by increasing the energy efficiency of their homes. This program has been in existence since 1976; however, funding was greatly increased under the 2009 American Recovery and Reinvestment Act to help achieve the President's goal of weatherizing 1 million homes per year. To date, California has been granted \$185,811,061 under this program.

STATE OF CALIFORNIA

Two major State initiatives focus on energy conservation, and directly relate to housing issues: energy efficient building code standards and greenhouse gas reduction. These are described below.

State Energy Efficiency Requirements for New Construction (Title 24)

All new construction in East Palo Alto is subject to the requirements of the California Energy Commission's Title 24 energy efficiency standards. Each city and county in the State must enforce these standards as part of its review of building plans and issuance of building permits. These standards apply to building components, such as wall and ceiling insulation, thermal mass, and window to floor area ratios, and are designed to reduce heat loss and energy consumption. The Title 24 requirements also apply to major remodeling projects, such as home additions.

Greenhouse Gas Emissions Reduction (Assembly Bill 32)

The threat global warming poses to California's public health, and economic and environmental well-being prompted the California Legislature to adopt the California Global Warming Solutions Act (Assembly Bill [AB] 32) in 2006. The legislature has found human activity to be one of the leading contributors to increasing levels of greenhouse gases (GHG), including carbon dioxide and methane. The State has declared that GHGs contribute to increasing average global temperatures and worldwide climate change. The purpose of the Act is to reduce GHG emissions to 1990 levels by 2020 (25 percent reduction over current levels) and then to further reduce GHG emissions to 80 percent below 1990 levels by 2050.

The California Air Pollution Control Officers Association (CAPCOA), which represents local air districts, produced a report on methods to reduce GHGs at the local level, including steps that cities and

counties can take to contribute to the goals of AB 32. At the local level, CAPCOA recommended the adoption of General Plan policies and implementation measures that encourage energy conservation through community layout and design. Many of the recommendations are relevant for residential energy conservation, including:

- Promote walkability through a highly-connected street system with small blocks
- Promote mixed-use neighborhood centers and transit-oriented development
- Promote the use of fuel-efficient heating and cooling equipment and other appliances
- Encourage green building designs in both new construction and building renovation, including reflective roofing and energy-efficient building materials.
- Encourage building orientation and landscaping to enhance natural lighting and sun exposure.
- Encourage the expansion of neighborhood-level retail and services, as well as public transit opportunities, throughout the area to reduce automobile use.
- Encourage the development of affordable housing throughout the community, including development of housing for elderly and low- and moderate-income households near public transportation services.

ENERGY ASSISTANCE PROGRAMS

The Pacific Gas and Electric Company (PG&E) offers several programs to promote energy conservation and assist lower income residential customers with their home energy costs. PG&E offers incentives for energy conservation, including rebate programs for old appliances and free energy audits. It also provides public education and outreach programs that teach energy saving tips. The PG&E customer assistance programs for lower income households are listed below:

- California Alternate Rates for Energy (CARE) is PG&E's discount program for low-income households and housing facilities. CARE provides a 20 percent discount on monthly energy bills and waives recent surcharges for low-income households. The program applies to single-family homeowners, tenants who are metered or billed by landlords, and group-living facilities.

- Family Electric Rate Assistance (FERA) is a discount program for low- to moderate-income families of three or more persons. It is available to both single-family and multifamily residential customers.
- Energy Partners Program is a financial assistance program that provides qualified low-income customers free weatherization measures and energy-efficient appliances to reduce gas and electricity usage. The work usually involves attic insulation, door replacement, door weather-stripping, and minor home repair.
- Relief for Energy Assistance for Community Help (REACH) is a one-time energy assistance program for low-income homeowners who cannot pay their utility bill because of a sudden financial hardship. The program is targeted to the elderly, disabled, sick, working poor, and unemployed. Eligibility is determined by the Salvation Army and requires a household income that does not exceed 200 percent of the federal poverty level.
- Reduced rates for residential customers dependent on life support equipment, or with special heating and cooling needs caused by certain medical conditions. The utility also offers a balanced payment plan for customers who experience higher heating or cooling costs during the extreme weather months.

In addition to the programs above, the California Department of Community Services and Development has a Low-Income Home Energy Assistance Program (LIHEAP) to assist low-income homeowners with weatherization and energy bills. The LIHEAP Weatherization Program provides free weatherization services such as attic insulation, caulking, water heater blanket, heating/cooling system repair, and other conservation measures. LIHEAP also provides payments for weather-related or energy-related emergencies and financial assistance to eligible households.

The City has worked closely with nonprofits to reduce the energy costs and consumption of residents. The City is working with Sustainable Silicon Valley on potentially establishing a new net positive neighborhood.

This Housing Element Update includes one goal, one policy, and two actions to promote energy efficiency in existing and new housing development as a means of reducing housing costs.

5 HOUSING PLAN

The Housing Plan is a statement of East Palo Alto’s commitment to maintaining, preserving, improving, and developing housing opportunities for all segments of the community. The Plan contains the goals and policies, as well as the implementing actions to achieve a high-quality, balanced housing stock that accommodates the needs of existing and future East Palo Alto residents.



5.1 ACCOMPLISHMENTS UNDER THE 2007–2014 HOUSING ELEMENT

A critical part of the City’s housing strategy is to evaluate the program achievements of the current 2007–2014 Housing Element in relation to its stated goals, policies, and actions. The purpose of this assessment is to determine the effectiveness of current housing policies and programs, how successful these programs have been in achieving stated objectives and addressing local needs, and whether modifications are appropriate.

To devise a new housing plan that will effectively address the current and projected needs of the community, the City must evaluate the following:

- Appropriateness of the existing housing goals, objectives, and policies in contributing to local, regional, and statewide housing goals
- Effectiveness of the 2007-2014 Housing Element in attainment of East Palo Alto’s specific housing goals and objectives
- Progress of the City in implementation of the 2007-2014 Housing Element

The 2007–2014 Housing Element has four main housing concentration areas divided into 12 goals:

1. Increase the Availability of Housing
2. Mitigate the Cost of Housing
3. Minimize Resident Displacement
4. Implement Administrative Remedies

The following discussion summarizes the City's major accomplishments under each concentration to date; the Appendix contains a more detailed review of these accomplishments under each Housing Plan policy.

ACCOMPLISHMENTS

Rent Stabilization and Just Cause Eviction, 2010

The city renewed the Rent Stabilization and Just Cause Eviction in response to a lawsuit that alleged violations of the California Environmental Quality Act. Also, the City permitted property owners to recoup some of the cost of upgrades, a step necessary to avoid further court challenges. The City continues to implement the ordinance and has been working to ensure that all eligible properties are properly registered.

Infill on Small Lots, 2011

The City prepared an infill and small-lot development design toolkit with ideas and examples of techniques to assist developers of small parcels while providing usable open space.

The City also redefined a legal parcel to allow property owners to allow more lots to be conforming. This was important because previously the owners of nonconforming lots may have had trouble getting approval to build new homes. Additionally, the change made it easier for an eligible property owner to split their lot in two.

Special Needs Populations (2011)

Senior Housing

East Palo Alto created standards for senior housing. Previously, senior housing was not recognized in the zoning code. The new code encourages developments to be located near transit and reduces the parking standards to one spot per unit (compared to variable rate of 1-2+ spaces for non-senior housing).

Persons with Disabilities

East Palo Alto developed procedures for property owners to provide reasonable accommodations for people with disabilities.

The City adopted an ordinance to reduce the distance (from 1,000 to 750 feet) required between residential care facilities that serve ten or more residents, with lower standards (500 feet) for

development with 6-10 units. Per state law, the city allows residential care facilities with five or fewer units to be treated as a single family.

Emergency, Transitional and Supportive Housing

The city passed an ordinance allowing emergency shelters in the industrial transition zone. This land use is permitted by right, with no discretionary land use permits.

There are 17 parcels with this zoning containing 6.8 acres. All of the sites are in the Ravenswood / 4 Corners TOD Specific Plan area and therefore centrally located near transportation resources.

Single Room Occupancy hotels are now permitted in RM 500 zone single allowed.

Demolition Prohibition, 2014

The city tightened the standards regarding demolition of apartments. Specifically, they added penalties for owners who demolish their rent controlled property and re-rent them at market rates. Landlords can face fines and penalties depending on the specific timeline.

Condominium Conversion and Tenants Protections, 2011, 2012 and 2014

The city now requires property owners to pay relocation assistance of between \$7,500 and \$10,000 for residents if a property is removed from the rent control system (e.g. demolished or converted to a condo). It also requires advanced notice for tenants, a slower timeline to protect tenants, and payment of moving costs (up to \$2,500). The city also charges an affordable housing fee if a property owner converts their rental apartment to a condominium and limits conversions when rental vacancy rates are low.

The city passed a law that ensured that rental parking is only available for renters and guests (and cannot be rented to others).

Affordable Housing Programs, 2011 and 2014

The City passed several ordinances updating the Below Market Rate unit program. In response to the Palmer Lawsuit, the city allowed staff more flexibility in applying the requirements to rental developments. In 2014, the program was renamed the Affordable Housing Program, and is now based on impact fees backed by a nexus study.

After conducting a nexus study and a feasibility report, East Palo Alto adopted a fee of between \$22 - \$44 per square foot to support new affordable housing. The money from this fee will go into an

affordable housing trust fund. The feasibility study showed that fees at this level will not adversely impact development.

Second Units Ordinance, 2011 and 2014

East Palo Alto made it easier for residents to build second units (also known as converted garages, granny suites, etc.). Specially, the city eliminated the covered parking requirement, reduced setbacks (e.g. allowed second units to be built closer to the property line), permitted the units in the R2 zone, and allowed second units and guest houses on smaller lots. Guest houses are separate living quarters without kitchens that cannot be rented (e.g. they are for relatives and guests).

Ravenswood / 4 Corners TOD Specific Plan Details, 2012 with updates later

The City passed the Ravenswood / 4 Corners TOD Specific Plan, which envisions a walkable downtown along Bay Road between University Ave. and Pulgas Ave.; an employment center with up to 5,000 jobs; and a network of parks, trails, and community facilities. The vision was created through a community-based process with 23 major public meetings. The Specific Plan envisions 1.6 million square feet of office, R&D, industrial, and retail development; 835 residential units; 30 acres of parks; and 4.5 miles of trails.

In September 2012, the City Council adopted the Specific Plan and certified the accompanying Program EIR. The Specific Plan was funded by the City of East Palo Alto and the Metropolitan Transportation Commission.

Expedited Processing

In February of 2014 the City rededicated the Permit Center as a One Stop development review center for expedited review of all permits including residential development. The Community and Economic Development Department has made the expedited processing of affordable housing projects a priority. For example, on November 13, 2012 Mid Peninsula Housing Corporation submitted an application for exterior and interior modifications to six building at 44-48 Newell and 1761 Woodland Avenue. These six buildings contain 49 units which are owned and operated by Mid Peninsula Housing and provide affordable housing for households earning 60% of the area median income (AMI). On January 28, 2013, by a unanimous vote the Planning Commission approved the project. The total review time was less than ninety days. The expedited nature of review and approval by the City of this project implements Housing Element Action 4.1 which encourages the City to improve the permit processing procedures for residential development especially for affordable housing projects.

Affordable Housing

As mentioned above, the city supported Mid-Peninsula Housing in the renovation of 49 units of low income housing on Newell Court.

The City approved a transitional housing project for ten (10) emancipated youth who were at risk for homelessness at 2150 Poplar.

The City has started the process of redeveloping the Olson site (965 Weeks) for affordable housing. The process was initially delayed by a disagreement with the state about control of the property in light of the elimination of redevelopment agencies. On February, 2012 the Successor Agency determined that the property was rightfully owned by the City of East Palo Alto. Beginning in July of 2014 the City started receiving Letters of Interest/Statement of Qualifications from qualified firms for the construction of an affordable housing project. Upon selection by the City Council of a qualified firm later in 2015, the City would anticipate receiving a formal submittal from an applicant by April 2015 with final construction completed by 2017. The entire site is anticipated to be below market rate units with a density bonus attached to the site.

As a result of the Senior Housing Ordinance the City has begun processing a senior housing project for 41 units with reduced parking standards. Final entitlements are expected to be granted in 2015. This project will be built with a density bonus and the City will be granting waivers and concessions from the Zoning Ordinance in accordance with State law.

Additional Accomplishments

Additional accomplishments are summarized below:

- Creation of a Housing Consortium to discuss partnerships with local non-profit housing organization in light of the loss of Redevelopment housing set aside funds.
- Preparation of a Housing Strategy Report to discuss long term housing goals for the City in the post Redevelopment environment.
- The City partnered with Rebuilding Together and the County of San Mateo to refer 15 residents to the Minor Home Loan Repair program in 2013.

CHALLENGES

The biggest challenge the City faces is the scale of the housing need in the community¹. Because housing prices are so expensive compared to what residents can afford, many residents are at great risk for displacement. The city does not have the resources to fully meet this challenge.

The situation was made significantly worse with the loss of redevelopment agency funding. When Redevelopment agencies were eliminated in 2012, East Palo Alto lost over \$3 million per year in funding for affordable housing. The city was forced to lay off housing staff and transfer its responsibilities to the Community Development Department.

Most of the policies that were not accomplished were directly related to the loss of the Redevelopment Agency. For example, Action 4.3, Explore the possibility of providing low-interest loans and/or grants to pay for housing affordable to extremely low-, very low- and low-income households, was not accomplished because there were no resources.

REZONING FOR AVAILABLE SITES

Overview

In its previous Housing Element, East Palo Alto had a shortfall of 146 units in its sites inventory (all low or very/extremely low income). The city had a program to rezone three sites in the Ravenswood Industrial Area, totaling 6.5 acres. As part of the Ravenswood / 4 Corners TOD Specific Plan, East Palo Alto rezoned several hundred acres, but the original three parcels identified ended up not being the best locations for residential development.

Details of the rezoning approved by HCD before it was finalized.

Instead, the city created a new zoning category called “Urban Residential” that allows up to 40 units per acre by right (without discretionary permits). Commercial uses are not allowed in this district (except for ancillary uses like home offices).

The city applied this zoning to almost 100 sites with a capacity for almost 1000 units. A total of 11 of these sites meet all the criteria for rezoning. (Two of the sites were in the previous Housing Element, five of the sites are vacant and four of the sites have strong development potential.)

¹ There are 2,049 owner households and 2,385 renter households overpaying for housing.

In total, East Palo Alto rezoned more than twice the amount of land it needed to satisfy the requirements. Specifically, eligible parcels have capacity for an increase in 408 units, much larger than the 146 required. Paul McDougall, HCD, reviewed the proposed rezoning and found that it would allow East Palo Alto to fully meet its need from the previous Housing Element cycle.

Table 5-1 Rezone Summary	
Category	Units
New potential units from sites that were rezoned and identified in previous Housing Element	30 (net increase in capacity)
New potential units from vacant sites	226
New potential units from sites likely to redevelop	152
<i>Total increase in units that meet State criteria</i>	<i>408</i>
Previous shortfall of units	146
Surplus number of units	262

Sites in Previous Inventory

Two vacant sites were in the previous available land inventory but were rezoned. We calculated the new capacity of the sites and subtracted the capacity listed in the old Housing Element.

Table 5-2 Sites in Previous Available Land Inventory					
APN	Acres	Current Capacity (Post-Rezoning)	Previous Zoning	Capacity Claimed in Land Inventory Based on Previous Zoning	Change (Additional) Capacity
063-221-240	0.66	21	9-17 dua (R-1 5000)	9 units	12
063-271-1450	0.76	24	1-8 dua (R-1 5000)	6 units	18

Vacant Sites Not in Previous Land Inventory

There are a total of five vacant sites with a 5.6 acres. Assuming these are built a 40 units per acre, there is capacity for 226 units. None of these sites were in the previous housing inventory.

Table 5-3. Underutilized Sites Rezoned							
Site	APN	Address	Acres	Zoning Designation	General Plan Designation	Likely to redevelop	Development potential/constraints
1	063231200	No situs address	2.1	Urban Residential	High Density Residential	Dilapidated structure	
2	063232210	965 Weeks Street	1.1	Urban Residential	High Density Residential		
3	063271090	1201 Runnymede	0.9	Urban Residential	Medium/High Density Res		In flood zone
4	063232230	965 Street	0.9	Urban Residential	High Density Residential		
5	063232220	965 Weeks Street	0.6	Urban Residential	High Density Residential	Dilapidated structure	

Sites Likely to Redevelop

There are four sites with a total comprising 3.8 acres that are most likely to redevelop, with a capacity for 152 units. We included properties in this list if there was a large difference in the number of additional units that could be built on the site compared to the existing conditions. Additionally, the analysis took into account the condition of the building. Also, the Ravenswood / 4 Corners TOD Specific Plan relaxes a number of zoning standards and processes to facilitate the redevelopment of land. None of these sites were in the previous housing inventory.

Table 5-4. Underutilized Sites Rezoned							
Site	APN	Address	Acres	Zoning Designation	General Plan Designation	Likely to redevelop	Development potential/constraints
6	063271070	1275 Runnymede St	1.3	Urban Residential	Medium/High Density Res	Single family home on the property	In flood zone.
7	063232240	1045 Weeks	1.0	Urban Residential	High Density Residential	Old industrial building on property	
8	063221390	791 Weeks Street	0.9	Urban Residential	Medium/High Density Res	Single family home on property	
9	063232090	1001 Weeks Street	0.6	Urban Residential	High Density Residential	Mostly vacant; existing house and garage on property	

Summary The urban residential zone meets all of the state criteria for rezones. Development is permitted without discretionary permits.

- Each site is large enough to accommodate 16 homes
- The urban residential zone does not permit mixed use.
- The zoning has a floor of a minimum of 20+ units per acre. In other words, the zoning will not allow developments that are under 20 du.

QUANTIFIED OBJECTIVES

The city set the following goal for the 2007-2014 period.

Table 5-4 Summary of Quantified Objectives: 2007-2014						
<i>Program</i>	<i>Extremely Low Income</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Accomplishments</i>
Housing Production						
Actions 2.1, 2.2, 3.2 (Housing production)	72	72	103	122	261	
Action 1.4 (Second units)	64 (8 per year)				Average 5.4 produced per year	
Action 3.5 (Weeks property)	10	10	3	32		This project was delayed because of the loss of Redevelopment Agencies, but is moving forward now.
Housing Rehabilitation						
Action 9.2 (San Mateo County Home Repair Program)	16 (2 per year)					In 2013 the City partnered with Rebuilding Together to fix 9 homes and 3 community facilities in the City. Also, 15 homes were repaired with the Minor Home Repair program.
Housing Assistance						
Action 5.1 (Special needs housing)	3 projects/30 persons					No projects were funded due to limited resources.
Action 5.4 (Assistance for family housing)	1 project					A 41 unit senior project is in the final stages of permitting.
Action 6.4 (Foreclosure assistance)	20					The City has not purchased foreclosed homes for resale to low income families. However, the City partnered with Habitat for Humanity to advertise the availability of a formerly foreclosed property that was renovated and sold as a Habitat home.
Action 7.3 (Down-payment assistance)	5					5 loans were made

5.2 HOUSING GOALS, POLICIES, AND ACTIONS

The goals, policies, and actions in this Housing Plan Update are built upon the 2007–2014 Housing Element and modified to reflect the current and projected housing needs, existing and potential constraints and opportunities, as well as the effectiveness and relevancy of existing programs. This Update also reflects input generated from the City’s community outreach process, during which the community voiced opinions about housing priorities and policy adjustments to reflect its changing needs. The 2015-2023 goals, policies, and actions are outlined below by concentration area and summarized in Table 5 at the end of this chapter with quantifiable objectives for the next period.

Because East Palo Alto is updating its General Plan, these goals will change in late 2015.

INCREASING THE AVAILABILITY OF HOUSING

In general, the increase of housing units in East Palo Alto is lagging behind the increase in population, resulting in overcrowding, and housing affordable to lower income households is particularly limited.

<i>Goal 1.0</i>

Sufficient numbers and varieties of housing units (houses, townhomes, condominiums, and apartments) needed to: meet the State’s mandate to replace affordable units/bedrooms demolished due to Redevelopment Agency action; address the City’s Regional Housing Needs Determination; and facilitate housing development for all incomes segments within East Palo Alto, including extremely low-, very low-, low-, moderate-, and above-moderate income housing.

Policy 1.1: Work collaboratively with the development community to facilitate the development of a range of housing choices (by type, size, and price range) that meet the City’s needs.

Action 1.1: Meet with local non-profit and for-profit developers to promote the affordable housing goals outlined in this Housing Element.

Time Frame: Annually

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 1.2: Support the continuation of a consortium of non-profit affordable housing developers to acquire and maintain property as affordable housing and to redevelop property for the purpose of preserving or developing housing.

Time Frame: Meeting annually.

Resources: Staff time, HEART of San Mateo County

Responsible Agencies: Planning and Housing Division

Action 1.3: Make loans, as feasible, to developers using the Affordable Housing Trust Fund to create affordable units.

Time Frame: Variable, depends on revenue

Resources: Affordable Housing Trust Fund, staff time to evaluate and recommend projects, contracted legal assistance to prepare and execute documents

Responsible Agencies: Planning and Housing Division

Potential Partner: HEART of San Mateo County

Action 1.4: Encourage the production of second units as an affordable housing alternative and achieve an average of eight new secondary units annually. Evaluate success of recent policy changes in 2019.

Objective: 48 units

Time Frame: 2019 and Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 1.5: Secure at least \$2,000,000 for housing development, and seek loan and grant funds from private, County, State, and federal sources. Funding will provide gap financing and/or infrastructure improvements, as necessary and appropriate for affordable housing projects.

Time Frame: Ongoing

Objective: Securing \$2,000,000 by 2022

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 1.6: Continue to acquire potential development sites for affordable housing, particularly for large family households. Use funds from the Affordable Housing Program to purchase sites. Evaluate opportunities as resources become available.

Time Frame: Annual evaluation and Ongoing

Resources: Low and Moderate Income Affordable Housing Trust Fund

Responsible Agencies: Planning and Division

Policy 1.2: Recognize mobile homes, manufactured homes and factory built housing as a source of affordable housing.

Action 1.7: Continue to support development opportunities that allow for or incorporate mobile homes and manufactured homes within the City as a low cost housing option.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 1.8: Continue to permit manufactured housing on permanent foundations in single-family neighborhoods, and treat them the same as traditional single-family housing during the design review process.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning, Building, and the Engineering Divisions

Action 1.9: Explore and if appropriate adopt an affordable housing overlay zone/s that would permit increased density on condition that half of the applicant's units are affordable to households with incomes of 60 percent of Area Median Income or lower.

Time Frame: 2018

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Goal 2.0

Balanced development that links housing to jobs

Policy 2.1: Promote the concept of smart growth whereby housing is concentrated around job centers and along transportation corridors in order to reduce traffic, improve air quality, conserve energy, and increase efficient land use.

Action 2.1: Implement the Ravenswood / 4 Corners TOD Specific Plan, which guides the conversion of the existing light and heavy industrial uses into higher density residential, commercial, and mixed-use uses that will support a future potential transit station.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Engineering Division, and Planning and Housing Division

Policy 2.2: Encourage mixed-use and high-density residential development in the Ravenswood and University Corner/Bay Road areas to ensure that a minimum of 25 percent of these areas are devoted to residential uses.

Action 2.2: Evaluate development standards and identify rezoning opportunities along University Avenue's commercial nodes to increase mixed-use development along the corridor.

Time Frame: 2016

Resources: Affordable Housing Trust Funds

Goal 3.0

Available residential sites for the development of a range of housing types and prices

Policy 3.1: Ensure adequate residential sites are zoned at appropriate densities and available for development in order to accommodate the range of housing types and prices needed to meet the City's Regional Housing Needs Determination.

Action 3.1: On a regular basis, review City ordinances and programs regulating residential uses and construction practices to ensure consistency with the Housing Element and the rest of the General Plan and identify/correct any provisions that: (a) unnecessarily increase the cost of housing; (b) extend the time required for processing applications; or (c) preclude provision of housing to meet special needs.

Time Frame: Annual review of City ordinances and programs

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 3.2: Continue to implement Government Code Section 65302, which involves analysis and policies regarding flood hazard and management. Annually review floodplain management policies in accordance with FEMA regulations and the CRS program. Additionally review the Land Use Element for areas subject to flooding to facilitate the identification of sites for future Housing Element updates.

Time Frame: Annual review.

Resources: Staff time

Responsible Agencies: East Palo Alto Planning and Housing Division, Regional Water Quality Control Board, and Federal Emergency Management Agency

Action 3.3: Ensure that 965 Weeks (Olson Property) is redeveloped as affordable housing. Complete RFP and select a developer to complete the housing for lower income households.

Time Frame: RFP completed in 2015 and construction completed in 2019.

Objective: 80 units, with 8 ext low, 32 very low, 32 low income, 8 moderate

Resources: Staff time and nonprofit resources.

Responsible Agencies: Planning and Housing Division

REDUCE DEVELOPMENT CONSTRAINTS

Confusing, conflicting, and time-constraining City procedures and programs sometimes delay the processing of housing projects, thereby increasing development costs. Building permit and planning fees are necessary to support the operation of government functions (including safety), but if managed, need not contribute to an increased cost of housing or make it less affordable.

Goal 4.0

Reduced constraints and enhanced incentives for housing development within the city, particularly in regards to affordable housing

Policy 4.1: Improve the permit processing procedure for residential development projects from initial planning applications through local entitlement approvals, especially for affordable housing projects.

Action 4.1: Continue to process residential development permits expeditiously, providing priority review status for affordable housing to reduce holding and administration costs.

Time Frame: Annual review of processing procedures

Resources: Staff time

Responsible Agencies: Planning and Housing Division, Engineering Division, and Building Services Divisions

Policy 4.2: Require residential developers to pay into an affordable housing fund to offset the impacts associated with their development.

Action 4.2: Continue to implement the Affordable Housing Program, which requires developers to pay into a fund that is used to mitigate the impacts of their development.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Policy 4.3: Provide regulatory and financial incentives to encourage affordable housing development.

Action 4.3: Explore the possibility of providing low-interest loans and/or grants to pay for housing affordable to extremely low-, very low- and low-income households (when built by nonprofit developer), as well as the waiving of building and planning fees for said housing. If there is funding and appropriate opportunities, provide funding.

Time Frame: Annual assessment of resources

Resources: Affordable Housing Trust Fund and other funding, as available

Responsible Agencies: Planning and Housing Division

Action 4.4: Evaluate, improve, and promote City ordinances that facilitate affordable housing development, including: (a) secondary units; (b) off-street parking standards; (c) development standards; (d) Planned Unit Development; (e) BMR; (f) density bonus; and (g) mixed-use/high-density residential development in Ravenswood and University Corner/Bay Road areas. Provide information on these mechanisms to developers to promote their use.

Time Frame: Annually

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 4.5: Support the formation of a local land trust as a way to expand affordable housing opportunities.

Time Frame: Ongoing

Objective: Organization formed by 2016

Resources: Staff time, Affordable Housing Trust Fund, CDBG Technical Assistance Grants

Responsible Agencies: Planning and Housing Division

Policy 4.4: Provide adequate and timely information to decision makers and the general public to facilitate informed decision making.

Action 4.6: Develop and disseminate newsletters, fact sheets, brochures and other mediums to communicate to the public the City's policies and programs regarding housing development in an adequate and timely manner.

Time Frame: Biannual informational brochures and/or fact sheets

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Policy 4.5: Encourage the development of single-family housing and small multi-family housing developments on small parcels.

Action 4.7: Disseminate the design toolkit to assist developers of small parcels. This toolkit provides ideas and examples of techniques to develop small lots while providing usable open space, contributing to a pedestrian environment, and enhancing community character.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Policy 4.6: Ensure there is adequate water supply for current and future needs.

Action 4.8: Bring wells into operation at Gloria Bay and Pad D site to provide potable water to the city, including completing water treatment facilities if necessary.

Time Frame: 2018

Resources:

Responsible Agency: Engineering Division and Planning and Housing Division

SPECIAL NEEDS HOUSING

Although the City has a large number of residents with various special housing needs, the existing housing stock does not contain an adequate variety of housing types, price range, or amenities that accommodate the needs of these residents. Therefore, more housing that meets the requirements of households where members have special needs is needed.

Goal 5.0

Adequate housing for special needs groups in the city, including seniors, physically challenged, HIV positive or living with AIDS, homeless, at-risk youth (leaving the foster care system), small and large families, veterans, farm workers, people with developmental disabilities, and female-headed households.

Policy 5.1: Encourage the development of housing units suitable for persons with special needs, especially for seniors, veterans, and large families as needed.

Action 5.1: Facilitate the development of project(s) in the City to serve special needs groups, with a goal of assisting at least 30 persons with special needs. Meet with advocates and developers of supportive housing, group homes, licensed residential community care facilities, and assisted living facilities.

Time Frame: Meet with advocates and developers annually. Facilitate site acquisitions and/or partnerships to facilitate at least three special needs residential projects by 2022.

Resources: Staff time; acquisition and predevelopment resources, such as Supportive Housing Program, Shelter Plus Care, and Multifamily Housing Program

Responsible Agencies: Planning and Housing Division

Action 5.2: Continue to support senior projects by permitting smaller unit sizes, parking requirement reduction, and common dining facilities.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 5.3: Implement the reasonable accommodation ordinance, which provides zoning and land-use exceptions for housing serving persons with disabilities. The ordinance, adopted in 2011, provides people with disabilities a simple, ministerial process to receive minor exemptions to land use, zoning and building regulations. Publicize ordinance through the city’s website, notices at city offices, in the city newsletter and mailings, and with relevant stakeholder groups.

Time Frame: Implementation is ongoing. Publicize annually.

Resources: General Fund

Responsible Agencies: Planning and Housing Division

Action 5.4 Provide financial assistance and priority permitting for at least one affordable housing development in East Palo Alto where the project devotes at least half of its units for large extremely low-, very low- and low-income families of five or more persons.

Time Frame: Provide financial assistance and priority permitting by 2022

Resources: Affordable Housing Trust Fund, MHP, LIHTC, CDBG

Responsible Agencies: Planning and Housing Division

Objective: 40 units

Action 5.5: Explore the feasibility of various City policies/programs to reduce overcrowding. Policies and programs to be considered include, but are not limited to, the following:

- An amnesty program to legalize illegal units and potentially waive the permit fees if the landlord agrees to end overcrowding conditions.
- A reward program to encourage tenants vacating a unit to report severe overcrowding conditions.
- Incentives (e.g., fee waivers) for home owners making room additions that would be rented to lower income families/persons.

Time Frame: If appropriate and feasible, establish programs and policies by 2018.

Resources: Staff time

Responsible Agencies: Building Services Division, Police Department, Planning and Housing Division, City Attorney’s Office

Policy 5.2: Facilitate the development of emergency shelter and transitional housing for the homeless, victims of domestic violence, or the formerly incarcerated.

Action 5.6: Continue to permit emergency shelters in the Light Industrial (M-1) zone without discretionary permits. Within this zone, emergency shelters are subject to the same development and management standards that apply to the other permitted uses.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division and Building Services Division

Action 5.7: Continue to permit transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 5.8: Accommodate and facilitate the development of additional transitional housing facilities that serve victims of domestic violence, homeless individuals, and/or formerly incarcerated persons.

Time Frame: Bi-annual assessment of needs and resources

Resources: Emergency Shelter Grant, Supportive Housing Program, Multifamily Housing Program

Responsible Agencies: Planning and Housing Division

Action 5.9: Continue to allow by right the development of Single-Room-Occupancy projects in High Density Residential Zones

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 5.10: Continue to enforce the spacing requirement for residential care facilities, as identified in Section 6515.5 of the East Palo Alto Zoning Ordinance, which is currently seven hundred and fifty feet (750) for facilities that house ten persons or more, and 500 feet for facilities that house 6-10 residents.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

MITIGATE THE COST OF HOUSING

Many families and individuals cannot afford the housing costs in East Palo Alto; some pay more than 30 percent of their gross income on housing or are forced into house sharing arrangements in order to stay in the City.

Goal 6.0

Financial and policy assistance for low- and moderate-income households to ease housing cost burden and overcrowding

Policy 6.1: Stabilize rents in the City through continued implementation of the Rent Stabilization Program and Just Cause for Eviction Ordinance.

Action 6.1: Implement the Rent Stabilization and Eviction for Just Cause Ordinance.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Rent Stabilization Program

Action 6.2: Annually certify maximum legal rents that can be charged in the city.

Time Frame: Annually

Resources: Staff time

Responsible Agencies: Rent Stabilization Program

Action 6.3: Work with non-profit fair housing service providers to provide education on tenant rights.

Time Frame: Annually

Resources: Staff time

Responsible Agencies: Rent Stabilization Program

Potential Partners: Mid-Peninsula Citizens for Fair Housing, Community Legal Services in East Palo Alto, Project Sentinel

Policy 6.2: Increase the supply of extremely low-, very low-, and low-income housing opportunities through the acquisition of foreclosed properties.

Action 6.4: Pursue funding to acquire or assist in the acquisition of at least 20 foreclosed properties with the intent to sell to low-income families.

Time Frame: 2022

Resources: Staff time, Affordable Housing Trust Fund, HOME funds

Objective: 20 properties

Responsible Agencies: Community and Economic Development Department

Policy 6.3: Implement and monitor affordable housing programs to ensure the continued availability of below market rate units in the city.

Action 6.5: Monitor housing units developed as part of the City's Affordable Housing Impact Fee Ordinance to ensure compliance. Monitor affordable units with deed-restrictions to ensure long-term availability of these units as affordable housing. Current terms of affordability are 59 years for ownership and 99 years for rental, both resetting when properties are sold.

Time Frame: Annually

Resources: Staff time

Responsible Agencies: Community and Economic Development Department

Action 6.6: Monitor the effectiveness of the City’s affordable housing mitigation programs, including the Affordable Housing Program and the Condominium Conversion Ordinance, as tools to facilitate affordable housing development. In particular, the fees associated with each program will be reassessed to confirm their ability to meet the City’s affordable housing goals.

Time Frame: Ongoing; fees will be reassessed annually.

Resources: Staff time

Responsible Agencies: Community and Economic Development Department

Policy 6.4: Preserve existing, conforming mobile home parks as a source of affordable housing.

Action 6.7: Discourage removal or relocation of conforming mobile home parks by enforcing the East Palo Alto’s mobile home park closure and relocation requirements.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 6.8: Assist eligible mobile home park residents in receiving Mobile Home Park Resident Ownership Program (MPROP) funds.

Time Frame: Based on State funding opportunities.

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Objective: Based on State funding opportunities.

Action 6.9: Work with the property owners of existing mobile home parks to prepare infrastructure studies of said parks.

Time Frame: 2022

Resources: Staff time

Responsible Agencies: Engineering Division and Planning and Housing Divisions.

Objective: 1 study, dependent on funding.

MINIMIZE RESIDENT DISPLACEMENT

As many East Palo Altans cannot afford to own a home in the community, long-time residents with aspirations of owning a home are often displaced to other communities. Furthermore, many lower income residents also leave the city because of the shortage of safe, habitable, and affordable rental housing.

Goal 7.0

Increased homeownership opportunities for income-qualified households (focused on existing residents and workers in East Palo Alto)

Policy 7.1: Establish new and/or participate in existing programs that utilize a variety of funding sources to assist lower and moderate-income renters in obtaining affordable homeownership.

Action 7.1: Make first-time homebuyer funds and mortgage enhancement available through as many means as possible, including:

- Participate in the San Mateo County Mortgage Credit Certificate Program (MCC), which aims to enhance the affordability of both new and existing homes for first-time low- to moderate-income homebuyers. Educate prospective buyers about the MCC (i.e., distribute materials), seeking to enroll at least 5 lower- and moderate-income East Palo Alto households annually.
- Provide first-time homebuyer assistance to lower- and moderate-income households with funding available from the County HOME program.

Time Frame: Ongoing implementation of existing programs

Resources: MCC allocation, tax-exempt bond financing, HOME funds through San Mateo County

Responsible Agencies: Planning and Housing Division and San Mateo County Office of Housing

Action 7.2: Work with lenders and fair-housing service providers to provide credit counseling workshops in East Palo Alto that assist residents in understanding home improvement and purchase processes and how to access financing. Inform households about opportunities to increase access to housing through credit repair to enhance, while educating them to recognize predatory lending and discrimination.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Possible Partner: EPA CAN DO

Policy 7.2: Whenever possible, give priority for affordable housing opportunities to existing residents and those who work in East Palo Alto but cannot afford to live in the city.

Action 7.3: Investigate new program possibilities that provide down payment assistance and/or low-interest loans for City employees and residents.

Time Frame: Determine program possibilities by 2018. Use new programs to provide down payment assistance and/or low-interest loans to at least five very low-, low-, or moderate-income households by 2022.

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Potential Partner: HEART of San Mateo County

Goal 8.0

Minimized displacement of renters

Policy 8.1: Conserve the existing supply of affordable rental housing by preserving existing high-density residential areas.

Action 8.1: Implement the Condominium Conversion Ordinance.

Time Frame: Ongoing.

Resources: Staff time

Responsible Agencies: Planning and Housing Division , City Attorney's Office

Action 8.2: Conserve units governed by the Rent Stabilization Program by limiting commercial redevelopment which would reduce the supply of affordable units.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Goal 9.0

Improved housing and neighborhood conditions in East Palo Alto

Policy 9.1: Implement both proactive and reactive code enforcement to correct Housing, Health, and Safety Code violations.

Action 9.1: Distribute literature on the health and safety risks of lead-based paint and continue to work with the San Mateo County Housing and Code Enforcement Division to explore resources and programs available to address lead-based paint in the City's housing stock.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Building Services Division

Policy 9.2: Improve existing housing conditions and neighborhood quality through housing rehabilitation and neighborhood improvement efforts.

Action 9.2: Refer East Palo Alto homeowners to the San Mateo County Housing and Community Development Division's Home Repair Program and explore ways to increase homeowner participation. Disseminate information on the Home Repair Program through brochures available at public counters and the City's website.

Time Frame: Ongoing referrals.

Objective: Assist at least two lower income households annually

Resources: San Mateo County Office of Housing

Responsible Agencies: Planning and Housing Division and San Mateo County Office of Housing

Action 9.3: Inform homeowners on the availability of County-funded rehabilitation assistance with County brochures and multi-lingual postings to the City of East Palo's website. Work with the County to host local workshops on rehabilitation assistance for City residents.

Time Frame: Provide information on City's website is ongoing and hold at least one workshop annually

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Policy 9.3: Assist extremely low-, very low-, low- and moderate-income households in making necessary repairs and improvements.

Action 9.4: Assist eligible extremely low-, very low-income and low-income homeowners in the City in pursuing funds to aid in the rehabilitation and renovation of their homes.

Time Frame: Ongoing

Resources: Staff time, Home Weatherization Assistance Program, HUD Energy Efficiency and Green Retrofits

Responsible Agencies: Planning and Housing Division and San Mateo County Office of Housing

See Action 9.2

Policy 9.4: Assist homeowners faced with foreclosure and reduce the inventory of vacant foreclosed homes in the City, in part by creating programs to prevent residents from losing their homes and to enable residents to purchase foreclosed homes.

Action 9.5: Provide resources for homeowners facing foreclosure on the City's website, including links to loan servicers and agencies that can provide counseling and legal assistance.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 9.6: Investigate the feasibility of an ordinance that requires landlords to notify tenants of a foreclosure and protects all tenants from utility shut-offs and loss of security deposit due to a change of ownership.

Time Frame: Determine feasibility in 2018

Resources: Staff time

Responsible Agencies: Planning and Housing Division and City Attorney's Office

See Action 6.4

Policy 9.5: Address negligent affordable housing property management of projects that have received financial assistance from the City through the negotiation of a change in management to a company with a satisfactory record of complying with current health, safety, and building codes.

Action 9.7: For affordable housing projects that have received financial assistance from the City, identify projects where a history of complaints and failed inspections by authorized agencies indicate continued and uncorrected mismanagement. Contact identified property managers to determine a timeline for correction or negotiate change in property management per the stipulations set forth in the financial agreement between the City and the affordable housing developer.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division and Building Services Division

Goal 10.0

Decent, safe living environments for City residents regardless of age, gender, race, color, ancestry, national origin, familial status, marital status, sexual preference, religion, disability, language or any other arbitrary factor

Policy 10.1: Actively encourage fair housing choices for all residents.

Action 10.1: Support, publicize, and make referrals to fair housing and legal assistance programs that provide information, counseling, and investigation services concerning housing discrimination. Publicize ordinance through the city’s website, notices at city offices, in the city newsletter and mailings, and with relevant stakeholder groups.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Potential Partners: Mid-Peninsula Citizens for Fair Housing, Community Legal Services in East Palo Alto, Project Sentinel

Policy 10.2: Facilitate the development of a variety of housing options at a range of prices to meet the various housing needs of residents.

Action 10.2: Support local, regional, State, and federal initiatives in addressing predatory lending practices to protect the most vulnerable segments of the community.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Potential Partners: EPA CAN DO, Mid-Peninsula Citizens for Fair Housing, Community Legal Services in East Palo Alto, Project Sentinel

Action 10.3: Support private and public efforts to prevent discrimination in the sale or rental of housing.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Potential Partners: Mid-Peninsula Citizens for Fair Housing, Community Legal Services in East Palo Alto, Project Sentinel

IMPLEMENT ADMINISTRATIVE REMEDIES

As an element of the City's General Plan, the Housing Element must guide housing development in the East Palo Alto; the City must be held accountable for its implementation.

Goal 11.0

Implemented housing policies and broad participation in associated programs

Policy 11.1: Improve public accountability in implementing Housing Element programs, making necessary adjustments to staff and financial resources in a timely manner.

Action 11.1: Allocate financial and staff resources to maintain a monitoring system that collects information on the accomplishments and lessons learned of concerning the Housing Element's objectives and programs. Prepare detailed progress report for review by the City Council, stakeholders, and the general public.

Time Frame: Annual progress reports

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 11.2: The City Council shall hold public meetings and study sessions to discuss various housing policies in the city and to exchange input and information with residents and developers about housing needs, resources, and program options. To the extent possible, publish a schedule of study sessions.

Time Frame: Semi-annual public meetings and study sessions

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 11.3: Update the website and explore other means to communicate important housing concerns, policies, and programs to the general public.

Time Frame: Annual website updates

Resources: Staff time

Responsible Agencies: Planning and Housing Division

Action 11.4: Report to the City Council on the state of housing in East Palo Alto.

Time Frame: Annual

Resources: Staff time

Responsible Agencies: Planning and Housing Division

IMPROVE ENERGY EFFICIENCY

The City of East Palo Alto is committed to encouraging and promoting energy reduction and energy conservation in existing and new residential units as a means to reduce energy costs, conserve resources, and improve the overall environment.

Goal 12.0

Increased energy efficiency in existing and new housing development, in part as a means of reducing housing costs

Policy 12.1: Promote energy conservation in the design and siting of new residential units, and energy reduction programs for existing residential units.

Action 12.1: Enforce State Energy Code for new residential construction and additions/renovations to existing structures.

Time Frame: Ongoing

Resources: Staff time

Responsible Agencies: Building Services Division

Action 12.2: Pursue funding sources for rehabilitation loans and grants to low-income homeowners to improve energy efficiencies, such as replacing existing energy inefficient appliances.

Time Frame: Ongoing

Resources: PG&E, EECBG, HUD Energy Efficiency and Green Retrofits

Responsible Agencies: Planning and Housing Division

SUMMARY

The following table provides a summary of the implementing actions. Please see the detailed list above for full descriptions.

Table 5-5		Summary of Programs	
<i>Action Number</i>	<i>Program Name</i>	<i>Time Frame</i>	<i>Objective</i>
1.1	Meet with local non-profit and for-profit developers	Annually	
1.2	Support the continuation of a consortium of non-profit affordable housing developers	Annual meeting	
1.3	Make loans, as feasible, to developers using the Affordable Housing Trust Fund	Variable, depends on revenue	
1.4	Encourage the production of second units	Ongoing	48 units
1.5	Secure additional funds for affordable housing	Ongoing	Securing \$2,000,000 by 2022
1.6	Acquire potential development sites	Ongoing	
1.7	Allow manufactured homes	Ongoing	
1.8	Permit manufactured housing on permanent foundations in single-family neighborhoods	Ongoing	
1.9	Explore the viability of adopting affordable housing overlay zone/s	2018	
2.1	Implement the Ravenswood / 4 Corners TOD Specific Plan	Ongoing	200 units
2.2	Evaluate development standards and identify rezoning opportunities along University Avenue's commercial nodes	2016	See 2.1
3.1	Identify and remove constraints and ensure constancy with General Plan	Annual review	
3.2	Analyze data and implement policies to reduce flood hazard	Annual review	
3.3	Ensure that 965 Weeks (Olson Property) is redeveloped as affordable housing.	RFP in 2015 and construction completed in 2017.	80 units
4.1	Process permits expeditiously and provide priority for affordable housing	Annual review	
4.2	Implement the Affordable Housing Program	Ongoing	
4.3	Explore the possibility of providing loans, grants or fee waivers to pay for affordable housing	Annual assessment	

4.4	Evaluate, improve, and promote City ordinances that facilitate affordable housing development	Annually	
4.5	Support the formation of a local land trust	Ongoing	Organization formed by 2016
4.6	Communicate the City's housing policies and programs regularly	Biannual informational brochures and/or fact sheets	
4.7	Disseminate the design toolkit to assist developers of small parcels.	Ongoing	
4.8	Bring wells into operation to provide potable water for the City.	2018	
5.1	Facilitate the development of project(s) in the City to serve special needs groups.	2022	
5.2	Support senior projects	Ongoing	
5.3	Implement the reasonable accommodation ordinance	Publicize annually	
5.4	Assist affordable housing development(s)	2022	40 units
5.5	Explore new policies to address overcrowding	2018	
5.6	Permit emergency shelters in the Light Industrial zone	Ongoing	
5.7	Permit transitional and supportive housing in all zones	Ongoing	
5.8	Facilitate transitional housing	Bi-annual assessment	
5.9	Allow Single-Room-Occupancy projects in High Density Residential Zones	Ongoing	
5.10	Enforce the spacing requirement for residential care facilities	Ongoing	
6.1	Implement the Rent Stabilization and Eviction for Just Cause Ordinance	Ongoing	
6.2	Annually certify maximum legal rents	Annually	
6.3	Provide education on tenant rights	Annually	
6.4	Assist in the acquisition of foreclosed properties	2022	20 properties
6.5	Monitor affordable units with deed-restrictions	Annually	
6.6	Monitor the effectiveness of the housing programs	Ongoing; fees will be	

		reassessed annually.	
6.7	Discourage removal of conforming mobile home parks	Ongoing	
6.8	Assist eligible mobile home park residents	Ongoing	
6.9	Prepare infrastructure studies of mobile home parks	Ongoing	
7.1	Make first-time homebuyer funds and mortgage enhancement available	Ongoing	
7.2	Work with lenders and fair-housing service providers to provide credit counseling workshops	Ongoing	
7.3	Investigate new program possibilities that provide down payment assistance and/or low-interest loans for City employees and residents	2022	
8.1	Implement the Condominium Conversion	Ongoing	
8.2	Conserve units governed by the Rent Stabilization Program	Ongoing	
9.1	Reduce exposure to lead based paint.	Ongoing	
9.2	Refer residents to home repair programs.	Ongoing	2 per year
9.3	Inform homeowners about County-funded rehabilitation assistance	Ongoing and one workshop annually	
9.4	Promote use of Home Weatherization Assistance Program Funds	Ongoing	
9.5	Provide resources for homeowners facing foreclosure on the City's website	Ongoing	
9.6	Investigate requiring landlords to notify tenants of foreclosures	2018	
9.7	Address maintenance problems in affordable projects	Ongoing	
10.1	Support fair housing and legal assistance programs	Ongoing	
10.2	Address predatory lending.	Ongoing	
10.3	Support efforts to prevent discrimination in the sale or rental of housing	Ongoing	
11.1	Monitor progress of Housing Element implementation.	Annual progress reports	
11.2	Hold meetings about housing policies.	Semi-annual	

		public meetings and study sessions
11.3	Update website.	Annual website updates
11.4	Report to City Council on housing.	Annual
12.1	Enforce state energy code.	Ongoing
12.2	Pursue energy efficiency funding.	Ongoing

QUANTIFIED OBJECTIVES

Below is a summary of the quantified objectives for East Palo Alto. These objectives are the City’s best guess, but they depend on available resources and other factors outside the City’s control. Unless specifically identified, these numbers do not correspond to specific developments or proposals, rather than are an attempt to estimate what may happen in the future.

- Second units: 42 units, 10 ext low, 10 very low, 9 low, 9 moderate, 4 above moderate
- Olson Tract affordable housing: 80 units, 8 ext very low, 32 very low, 32 low, 8 moderate
- University Avenue Senior Housing: 41 units, 20 extremely low, 21 very low
- Ravenswood / 4 Corners TOD Specific Plan: 200 additional units (100 moderate and 100 above moderate)
- Additional affordable housing from housing trust fund: 40 units (10 ext low, 10 very low, 10 low and 10 moderate)
- Rehabilitation: 40 units (10 ext low, 10 very low, 10 low and 10 moderate)
- Home repair program: 2 per year (rehabilitated): (2 ext low, 2 very low, 2 low and 2 moderate)
- Foreclosed properties: 20 (conserved) 5 very low, 5 low and 10 moderate
- Second unit legalization: 20 units (conserved), 5 ext low, 5 very low, 4 low, 4 moderate and 2 above moderate

Table 5-6 Quantified Objectives: 2015-2023

<i>Program</i>	<i>New Construction</i>	<i>Renovation</i>	<i>Conservation</i>
Extremely Low Income	48	12	5
Very Low Income	73	12	10
Low Income	51	12	9
Moderate Income	127	12	14
Above Moderate Income	104	0	2
Total	403	48	40

APPENDIX A - LAND INVENTORY

Summary of Land Inventory (Vacant)										
Label	APN	Acres	Zoning	Land Use Class	Density Range	Realistic Density	Existing Use	Infrastructure Capacity	Environmental Constraints	
<i>General Commercial/Neighborhood Commercial/Office</i>										
42	063-515-170	0.54	C-1/S-3	Neighborhood Commercial	16 du/acre	16 du/acre	Vacant	Yes	None	
43, 44	063-492-280	2.09	R-M-2000, C-1/S-5	Neighborhood Commercial	16 du/acre	16 du/acre	Construction Recycling Material; Home used for commercial purposes	Yes	None	
16	063-302-340	0.42	R-1-5000	Office	16 du/acre	16 du/acre	Mostly vacant; existing residence	Yes	None	
20	063-302-460	0.36	R-1-5000	Office	16 du/acre	16 du/acre	Vacant	Yes	None	
39	063-292-200	0.75	O/S-2	Office	16 du/acre	16 du/acre	Vacant	Yes	None	
Total acreage		4.2						Total Units (16 du/acre)	66	
<i>High Density Residential</i>										
15	063-201-250, 063-201-260	0.47	R-1-5000	High Density Residential	18-40 du/a	34 du/acre	Vacant	Yes	None	
40	063-292-190	0.34	O/S-2	High Density Residential	18-40 du/a	34 du/acre	Vacant	Yes	None	
Total acreage		.81						Total Units (34 du/acre):	27	
<i>Urban Residential</i>										
	63221240	0.66	Urban Residential	Medium/High Residential	Density 20-40 dua	30 du/acre	Vacant	Yes	None	
	63231180	0.56	Urban Residential	High Density Residential	20-40 dua	30 du/acre	Vacant	Yes	None	
	63231200	2.09	Urban Residential	High Density Residential	20-40 dua	30 du/acre	Mostly vacant	Yes	None	
	63231300	0.23	Urban Residential	High Density Residential	20-40	30 du/acre	Vacant	Yes	None	
	63232210	1.11	Urban Residential	High Density Residential	20-40 dua	30 du/acre	Vacant	Yes	None	
	63232220	0.62	Urban Residential	High Density Residential	20-40 dua	30 du/acre	Vacant	Yes	None	

63232230	0.9	Urban Residential	High Density Residential	20-40 du	30 du/acre	Vacant	Yes	None
63232240	0.96	Urban Residential	High Density Residential	20-40 du	30 du/acre	Mostly vacant old industrial building on property	Yes	None
63271090	0.94	Urban Residential	Medium/High Density Residential	20-40 du	30 du/acre	vacant	Yes	None
63271450	0.75	Urban Residential	Medium/High Density Residential	20-40 du	30 du/acre	Vacant	Yes	None

Total acreage	8.9							Total Units (34 du/acre)	303
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Medium/High Density Residential

13	063-265-260	0.12	R-1-5000	Medium/High Density Residential	9-17 du/ac	14 du/acre	Vacant	Yes	None
41	063-492-200	0.40	R-1-5000	Medium/High Density Residential	9-17 du/ac	14 du/acre	Vacant	Yes	None
	063-221-240	0.66	R-1-5000	Medium/High Density Residential					

Total acreage	1.2							Total Units (14 du/acre)	16
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Low/Medium Density Residential

6	063-197-210	0.15	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
7	063-197-110	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
8	063-193-130	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
9	063-253-640	0.14	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
10, 11	063-197-340, 063-197-010	0.27	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
12	063-271-450	0.76	R-M-1000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
14	063-192-130	0.14	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
17	063-262-390	0.14	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
18	063-252-170	0.62	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None

19	063-262-200	0.27	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
21	063-191-280	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
22	063-361-100	0.16	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
23	063-361-110	0.16	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
24	063-191-260	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
25	063-361-260	0.25	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
26	063-341-130	0.92	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
27	063-182-060	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
28	063-186-080	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
29	063-186-040	0.12	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
30	063-345-010	0.18	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
31, 32, 33	063-630-040, 063-630-050, 063-630-030, 063-630-020, 063-630-010	0.59	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
34, 36	063-600-090, 063-600-100	0.91	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Mostly vacant; existing residence	Yes	None
35	063-185-210	0.30	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
37	063-371-490	0.20	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
38	063-373-150	0.17	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
46	063-253-320	0.47	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
47	063-253-280	0.66	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
48	063-362-580	0.22	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
49	063-344-050	0.34	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
50	063-344-070	0.20	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None

51	063-351-260	0.81	R-1-5000	Low/Medium Density Residential	1-8 du/ac	8 du/acre	Vacant	Yes	None
Total acreage		9.9						Total Units (8 du/acre)	79
Grand Total acreage		25						Grand Total Units	491

Note: Adjacent sites with the same owner are listed together in the same row (ex. 10, 11) as the parcels will likely be developed together. While sites have infrastructure capacity, overall water is a constraint in East Palo Alto. Please see the Constraints section for more information.

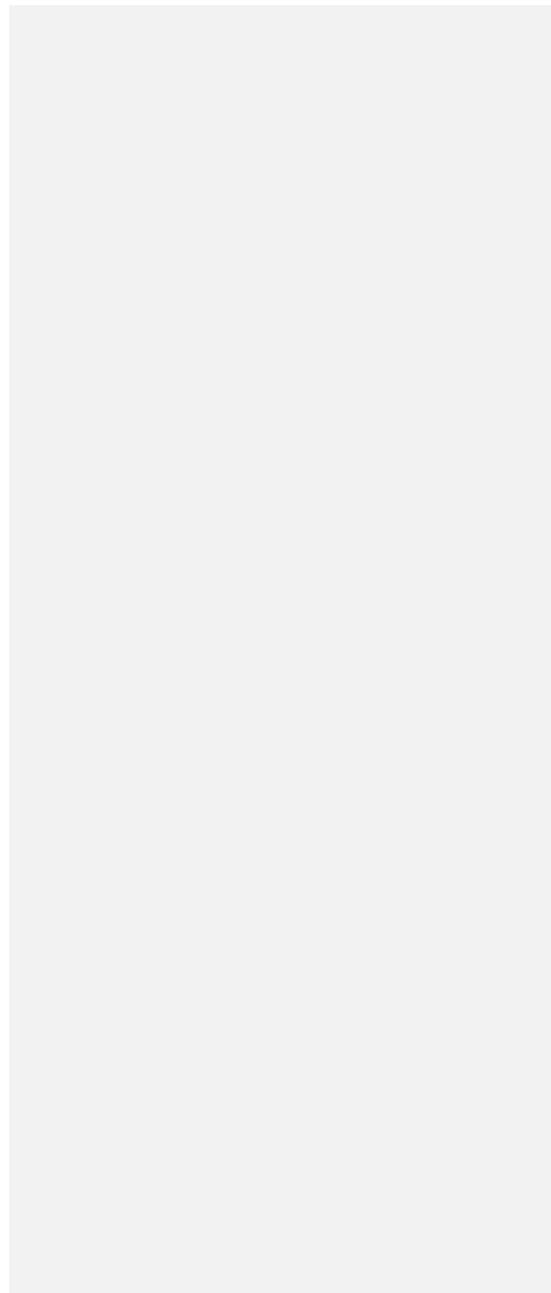
Summary of Land Inventory (Non-Vacant)									
Label	APN	Acres	Zoning	Land Use Class	Density Range	Realistic Density	Existing Use	Infrastructure Capacity	Environmental Constraints
	63221180	0.14	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221190	0.14	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221220	0.19	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221230	0.2	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221250	0.2	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221270	0.14	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221390	0.87	Urban Residential	Medium/High Density Residential	20-40 dua	34 du/acre	Mostly vacant; existing residence on property	Yes	None
	63221410	0.3	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221420	0.22	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221430	0.15	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221440	0.14	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63221450	0.16	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221500	0.13	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63221520	0.16	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None

	63221530	0.13	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Single Family Home on Property	Yes	None
	63231290	1.13	Urban Residential	High Density Residential	20-40 dua	34 du/acre	Mostly vacant single family home on the property	Yes	None
	63232090	0.6	Urban Residential	High Density Residential	20-40 dua	34 du/acre	Mostly vacant; existing house and garage on the property	Yes	None
	63232150	0.82	Urban Residential	High Density Residential	20-40 dua	34 du/acre	Non-profit (warehouse)	Yes	None
	63232160	0.31	Urban Residential	High Density Residential	20-40	34 du/acre	Non-profit	Yes	None
	63232260	0.35	Urban Residential	High Density Residential	20-40 dua	34 du/acre	SFH-not vacant	Yes	None
	63232300	0.21	Urban Residential	High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63271070	1.3	Urban Residential	Medium/High Density Residential	20-40 dua	34 du/acre	Single family home on the property	Yes	None
	63271440	0.15	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	Non-profit	Yes	None
	63271470	0.23	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63271500	0.22	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63271510	0.15	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63271520	0.16	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
	63271530	0.14	Urban Residential	Medium/High Density Residential	20-40	34 du/acre	SFH-not vacant	Yes	None
Total acreage	9.0						Total Units (34 du/acre)	306	

Note: Adjacent sites with the same owner are listed together in the same row (ex. 10, 11) as the parcels will likely be developed together. While sites have infrastructure capacity, overall water is a constraint in East Palo Alto. Please see the Constraints section for more information.

* There are four sites with a total comprising 3.8 acres that are most likely to redevelop, with a capacity for 152 units. We included properties in this list if there was a large different in the number of additional units that could be built on the site compared to the existing conditions. Additionally, the analysis took into account the condition of the building. Also, the Ravenswood / 4 Corners plan relaxes a number of

zoning standards and processes to facilitate the redevelopment of land. None of these sites were in the previous housing inventory.



APPENDIX B - REVIEW OF PREVIOUS HOUSING ELEMENT

Action Items with ~~strike through~~ are the items the City is recommending be removed in light of the loss of housing Redevelopment Agency funds.

Housing Element Accomplishments 2007-2014				
	Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
1.1	Work collaboratively with the development community			
1.2	Consortium of non-profit housing developers	Increase the availability of housing	1-Jun-11	Action 1.2 - Consortium held two meetings in 2012
1.3	Make loans to developers using set aside funds.	Increase the availability of housing	Annually	Action 1.3 - Funds recaptured by the State with dissolution of RDA so implementation of this action item is very difficult.
1.4	Encourage 2nd unit development	Increase the availability of housing	Annually	Action 1.5 - Minimum lot sizes reduced in 2011 to 5,500 for attached second units to encourage this housing model. On July 16, 2014 Ordinance 380 will be effective which will further reduce the setbacks and parking requirements for secondary dwelling units.
1.5	Amend second unit ordinance	Increase the availability of housing	1-Jun-11	Action 1.5 - Minimum lot sizes reduced in 2011 to 5,500 for attached second units to encourage this housing model. On July 16, 2014 Ordinance 380 will be effective which will further reduce the setbacks and parking requirements for secondary dwelling units.
1.6	Secure two million for housing development	Increase the availability of housing	Annually	Action 1.6 - No action. In light of the loss of RDA funds this action item is difficult for the City to implement.

1.7	Acquire development sites	Increase the availability of housing	Annually	Action 1.7—No action. In light of the loss of RDA funds this action item is difficult for the City to implement.
1.8	Modify BMR (inclusionary) Housing Program	Increase the availability of housing	1-Jun-11	Action 1.8-Ordinance revised on December 13, 2011. Further revisions will be adopted in 2014 to ensure the ordinance is legally valid.
1.9	Mobile Home and Manufactured Homes	Increase the availability of housing	Annually	Action 1.9-Ongoing effort to support this housing type.
1.10	Permit Manufactured Homes	Increase the availability of housing	Annually	Action 1.10-Ongoing effort to support this housing type. Under the provisions of State law the Planning Division treats manufactured homes in the same manner as originally constructed single family homes.
1.11	Affordable Housing Overlay Zone	Increase the availability of housing	1-May-12	Action 1.11-Ongoing discussion by City staff; further exploration of this topic is warranted.
2.1	Four Corners Specific Plan	Adopt Four Corners Specific Plan	Spring 2010	Action 2.1-Adopted by the City Council on September 18, 2012
2.2	Evaluate development standards and identify rezoning opportunities along University Avenue's commercial nodes			
2.3	Increase Housing Redevelopment Set Aside Funds	Increasing RDA Housing Set Aside Funds	1-Jan-12	Action 2.3 RDA Housing Set Aside funds no longer exist so this action item cannot be implemented
3.1	Review City ordinances and policies to reduce barriers to housing	Reduction of Housing Barriers	Annually	Action 3.1-On February 8, 2008 the Matrix Consulting Group presented a report to the City Council which identified specific measures the City could undertake to improve the development review process. City staff have been implementing these measures, including but not limited to: 1) having 35 Development Review Committee meetings since 2011 to facilitate interdepartmental review of major housing and commercial projects 2) updating the City development review applications 3) Providing handouts for customers to explain the permit process and 4) Opening the Permit Center, a one stop development review center for all applicable

				<p>projects. All of these steps improve the permitting process by providing housing in an expedited fashion.</p> <p>-City Council adopted the Reasonable Accommodations Ordinance on July 19, 2011.</p> <p>-Housing Consortium discussed ways to reduce barriers to senior and workforce housing in 2012;</p> <p>-On March 23, 2012 the Planning Commission approved a home addition for a family primarily because of the reasonable accommodations ordinance and the exceptions granted to the Zoning Ordinance if a family member has a documented disability.</p> <p>-Beginning in 2013 the Community Development Department began updating the City website to provide additional clarity to applicants on the development review process, further reducing barriers to housing.</p> <p>-Additionally, the City spent the past nine months (2013-2014) engaging in a community outreach process to discuss reducing barriers to housing for secondary dwelling units and legal conversion of garages. The zoning modifications for this process became effective in 2014.</p>
3.2	Rezone properties at 2555 Pulgas	Rezone properties to meet RHNA goal	1-Jun-11	The City rezoned a different parcel. See note above.
3.3	Explore increasing density near or at city owned properties	Increasing Housing Capacity	1-Sep-10	Action 3.3-General Plan update started in 2013. Increased density is one issue the community has discussed at great length at all fourteen (14) of the General Plan and Westside Area Plan meetings. Further exploration of increased density at city owned properties will need additional discussion and deliberation.
3.4	General Plan Amendments-Flood Hazard Protection	General Plan amendment to increase awareness of flood hazards and protection	1-Jun-11	Action 3.4-City Council adopted a resolution implementing this action on July 5, 2011. Annually, the City reviews floodplain management policies in accordance with FEMA regulations and the CRS program. Additionally, since the adoption of the Housing Element, the City has received a higher rating in the CRS program flood insurance program, giving local residents a 15% reduction in premiums.
3.5	965 Weeks Street-provide for BMR units at this site	Meet RNHA very low and low income housing targets	2013-2014	The City has owned the Olson site (965 Weeks) since July 2009. However, with the dissolution of Redevelopment Agencies, the City was attempting to maintain

				ownership of the property through discussions with the Successor Oversight Board. On February, 2012 the Successor Agency determined that the property was rightfully owned by the City of East Palo Alto. Beginning in July of 2014 the City received Letters of Interest/Statement of Qualifications from qualified firms for the actual construction of an affordable housing project. Upon selection by the City Council of a qualified firm in the City would anticipate receiving a formal submittal from an applicant in 2015 with final construction completed by 2017. The entire site is anticipated to be below market rate units with a density bonus attached to the site.
4.1	Improve permit processing times especially for affordable housing projects	Reduce constraints to housing	Annually	Action 4.1-City staff processed an affordable housing project by Mid Peninsula Housing to retrofit several existing buildings in less than ninety (90) days in 2012. Since 2013 the Community Development Department has revised the City's website to provide additional information to customers related to the development review process; modified old conditions of approval and application material to give applicants more information about the permitting process.
4.2	Expand the Below Market Rate (BMR) Housing Program	Reduce constraints and provide enhanced incentives to housing	1-Jan-12	Action 4.2-Revised BMR ordinance adopted by the City Council on December 13, 2011. Further revision will occur prior to August of 2014.
4.3	Explore the possibility of providing low-interest loans and/or grants to pay for affordable housing	Reduce constraints and provide enhanced incentives to housing	1-Jan-12	Action 4.3-The City is partnering with Rebuilding Together and the County Rehabilitation Loan Program to provide low interest loans for minor home repairs. The City also waived planning and building fees for the National Christmas in April Program in 2013. On average the City partners with Rebuilding Together on 9 homes and 3 community facilities for National Rebuilding Day and 15 homes with the Minor Home Loan Repair program.
4.4	Evaluate, improve, and promote City ordinances that facilitate affordable housing	Reduce constraints and provide enhanced incentives to housing	Annually	Action 4.4- The City just finished a nine month community engagement process in which City staff held seven community meetings and public hearings to encourage the development of secondary dwelling units and the legalization of garage conversions to make this portion of the house habitable and safe for the community. The process was undertaken to address the chronic overcrowding that has been systemic in the community since incorporation in 1983. The end result of this process is on June 17, 2014 the City Council will be adopting zoning text amendments to

				reduce the parking and setbacks requirements for residential units, and secondary dwelling units. Additionally, a portion of the zoning text amendments includes new Guest House Provisions which allow properties not eligible for detached second units to have a detached Guest House. The Guest Houses will be 700 square feet or less and be tailored to helping families stay under one roof without negatively impacting abutting property owners or the City's infrastructure.
4.5	Determine feasibility of forming a local land trust	Reduce constraints and provide enhanced incentives to housing	1-Jan-12	Action 4.5-City staff organized two housing consortium meetings in 2012 to discuss better use of limited housing resources. On March 4, 2014 the City Council provided preliminary direction to the prepare a Housing Strategy/Priority Report to provide a long term plan for utilizing the limited housing funds after the dissolution of the City's Redevelopment Agency. Formation of a local land trust is one possible strategy that is being explored. The Housing Strategy Report will be approved by the City Council in September of 2014. A local land trust is in the process of being formed.
4.6	Provide better information to the public and policymakers about housing issues	Reduce constraints and provide enhanced incentives to housing	Biannual	Action 4.6-Senior Housing and Small Lot Toolkit handouts developed by City staff in 2011 for dissemination by the public.
4.7	Encourage development on small parcels	Reduce constraints and provide enhanced incentives to housing	1-Jun-11	Action 4.7-Ordinance 344A adopted by the City Council on July 19, 2011 encourages the development of small lots.
4.8	Create an infill and small-lot development design toolkit	Reduce constraints and provide enhanced incentives to housing	2010-2011	Action 4.8-Infill and small lot development toolkit ordinance adopted by the City Council on July 19, 2011.
4.9	Develop pre approved housing packages for small lot as small as 2,500 square feet	Reduce constraints and provide enhanced incentives to housing	2011-2012	Action 4.9-Infill and small lot development toolkit ordinance adopted by the City Council on July 19, 2011.
5.1	Meet with representatives of supportive and affordable housing	Provide adequate housing for special needs groups	1-Jan-14	Action 5.1-City staff organized two Housing Consortium meetings in 2012 with non profit and for profit housing developers. Additionally, both market and below market

				rate housing developers have been active participants in the fourteen (14) General Plan and Westside Area Plan community meetings that began in 2013.
5.2	Encourage Senior Housing	Provide adequate housing for special needs groups	1-Jun-11	Action 5.2-Senior Housing Ordinance adopted by the City Council on July 19, 2011. This ordinance authorized reduced parking standards for senior housing projects.
5.3	Reasonable Accommodations Ordinance	Provide adequate housing for special needs groups	1-Jun-11	Action 5.3-City Council adopted a Reasonable Accommodations Ordinance on July 19, 2011. On March 23, 2012 the Planning Commission approved a home addition for a family primarily because of the reasonable accommodations ordinance and the exceptions granted to the Zoning Ordinance if a family member has a documented disability.
5.4	Financial Assistance/Priority Planning for Affordable Family Housing	Provide adequate housing for special needs groups	1-Jun-14	Action 5.4-The City has provided \$300,000 in financial support to Mid Peninsula Housing for a senior housing project. Discussions began in 2013 and were finalized by the City Council on March 4, 2014. Additional funding up to \$700,000 is available, contingent on Mid Peninsula demonstrating the financial feasibility of the project.
5.5	Reduce Overcrowding	Provide adequate housing for special needs groups	2012	Action 5.5- Minimum lot sizes reduced in 2011 to 5,500 for attached second units to encourage this housing model. On June 17, 2014 Ordinance 380 will be effective which will further reduce the setbacks and parking requirements for secondary dwelling units.
5.6	Emergency Shelter Ordinance	Provide adequate housing for special needs groups	1-Jun-11	Action 5.6-Emergency Shelter Ordinance adopted by the City Council on July 19, 2011 allowing this use within the M-1 (Light Industrial) Zoning District. On September 4, 2012 the City Council adopted the Four Corners Specific Plan which abolished the M-1 (Light Industrial) Zoning District, but allowed emergency shelters in the newly created Industrial Transition Zoning District along Demeter Street. On October 1, 2013 the City Council re adopted the Senate Bill 2 emergency shelter management standards as a separate chapter of the Zoning Ordinance so shelters could operate within the Industrial Transition Zoning District with the appropriate standards.
5.7	Transitional Housing Ordinance	Provide adequate housing for special needs groups	1-Jun-11	Action 5.7-Transitional Housing Ordinance adopted by the City Council on July 19, 2011. In accordance with Housing Element Action 5.7 the City approved a

				transitional housing project for ten (10) emancipated youth who were at risk for homelessness at 2150 Poplar.
5.8	Encourage Transitional Housing	Provide adequate housing for special needs groups	Annually	Action 5.8-City has received Parole Entry Program funds to house and train formerly incarcerated persons. Transitional Housing Ordinance also adopted by the City Council on July 19, 2011 and the City approved a transitional housing project for ten (10) emancipated youth at 2150 Poplar Avenue.
5.9	Single Room Occupancy (SRO) Housing	Provide adequate housing for special needs groups	1-Jun-11	Action 5.9-Ordinance 344F was adopted by the City Council on July 19, 2011 allowing SRO housing in the R1 (Single Family Residential) zoning district.
5.10	Residential Care Facilities	Provide adequate housing for special needs groups	1-Jun-11	Action 5.10-Ordinance 344G was adopted by the City Council reducing the spacing requirement between residential care facilities to a 750 foot buffer.
6.1	Rent Stabilization	Mitigate the Cost of Housing	Ongoing	<p>Action 6.1-City staff is implementing the June 2010 Rent Stabilization Ordinance adopted by the voters.</p> <p>-Issued certificates of Maximum Allowable Rent for 90% of regulated rental units by first quarter of 2013.</p> <p>-Conducted outreach to inform landlords and tenants of their rights under the Ordinance, including three informational workshops on how to seek assistance and how to comply by June 30, 2013.</p> <p>-Responded to 80% of request for landlords and tenants seeking information on how to secure their rights under the Ordinance within one business day. The remaining 20% of inquires were resolved within at least two business days.</p>
6.2	Rent Stabilization	Mitigate the Cost of Housing	Ongoing	<p>Action 6.2-City staff is annually certifying the legal rents that can be charged in the City.</p> <p>-Issued certificates of Maximum Allowable Rent for 90% of regulated rental units by first quarter of 2013.</p> <p>-Conducted outreach to inform landlords and tenants of their rights</p>
6.3	Tenants Rights	Mitigate the Cost of Housing	Ongoing	Action 6.3-City staff refer residents to Community Legal Services to the Legal Aid Society of San Mateo County. Additionally, on May 6, 2014 the City Council

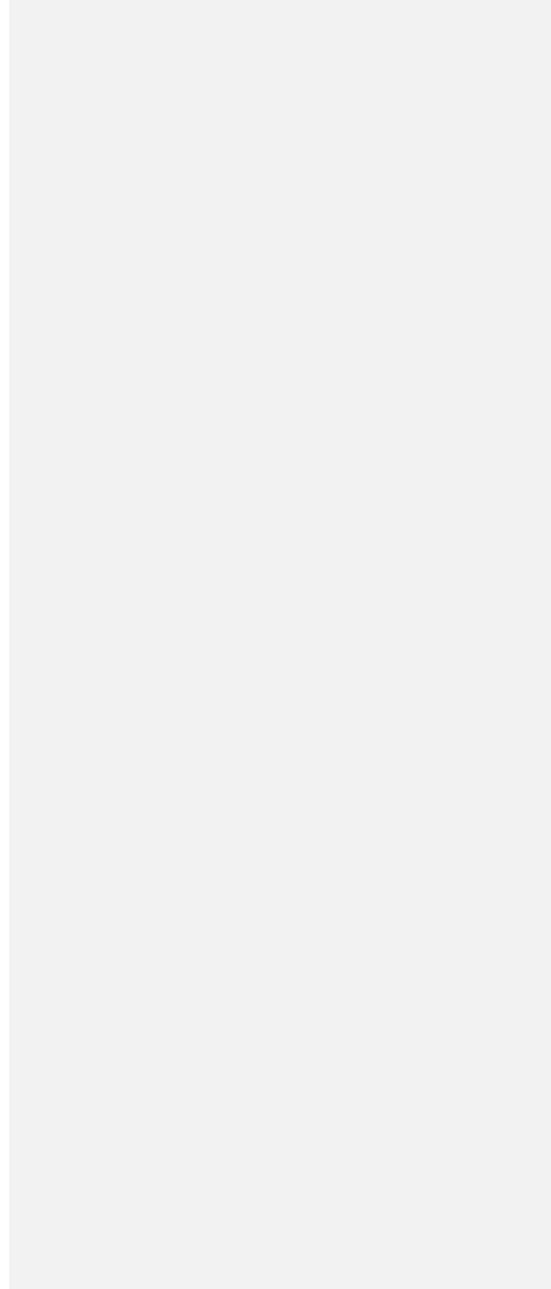
				adopted Ordinance 374 which strengthens the language within the City's municipal code prohibiting retaliation against tenants, provides for greater protection for relocation on a temporary and permanent basis of tenants and requires discretionary review through the planning process if more than three multi-family units are demolished.
6.4	Foreclosed Properties	Mitigate the Cost of Housing	1-Jan-12	Action 6.4-the City has not purchased foreclosed homes for resale to low income families. However, the City partnered with Habitat for Humanity to advertise the availability of a formerly foreclosed property that was renovated and sold as a Habitat home.
6.5	Monitor BMR Units	Mitigate the Cost of Housing	Ongoing	Action 6.5-City staff on an ongoing monitors the City's 301 BMR units. In addition to holding a lottery when units are available, City staff assisted property owners with the refinancing of two units and the sale of one unit at 773 Avelar Street.
6.6	BMR and Condo Conversion Ordinance	Mitigate the Cost of Housing	Ongoing	Action 6.6-The BMR Ordinance was revised on December 13, 2011 and the Condo Conversion Ordinance was revised on June 19, 2012; The Nexus Study for housing was approved on October 8, 2013. Additionally, the City regularly reviews development review projects for compliance with the BMR ordinance and currently has \$553,664 in BMR fees.
6.7	Discourage Mobile Home Removal or Relocation	Mitigate the Cost of Housing	Ongoing	Action 6.7-City staff on an ongoing manner ensure State laws related to mobile home parks are enforced and referred to the appropriate state agency.
6.8	Mobile Home Park Ownership Program Funds	Mitigate the Cost of Housing	Ongoing	Action 6.8-City staff on an ongoing basis refer persons to the State for Mobile Home Park Program Funds.
6.9	Mobile Home Infrastructure Studies	Mitigate the Cost of Housing	Ongoing	Action 6.9-Mobile Home infrastructure studies were prepared for the Palo Mobile Estate Project in 2009
7.1	First Time Homebuyer Funds and Mortgage Enhancement	Minimize Residential Displacement	Ongoing	Action 7.1-City staff refer residents to the County Mortgage Credit Certificate Program and the County Office of Housing for mortgage education
7.2	Credit Counseling	Minimize Residential Displacement	Annually	Action 7.2-The City in partnership with Habitat for Humanity advertised credit and mortgage counseling workshops in 2013.

8.1	Condo Conversion Ordinance	Minimize Residential Displacement	13-Jun-13	Action 8.1-Condo Conversion Ordinance revised by the City Council on June 19, 2012.
8.2	Demolition Fee (Loss of Affordable Housing)	Minimize Rental Displacement	1-Jun-13	Action 8.2-Ordinance 374 was adopted by the City Council on May 6, 2014 which requires that if more than three multifamily units are demolished that replacement housing is provided on site. The replacement housing must be available prior to the demolition permit being approved by the City.
8.3	Conserve Rent Stabilization Ordinance Units	Minimize Rental Displacement	1-Jun-13	<p>Action 8.3-Rent Stabilization Units are being preserved by implementation of the RSO ordinance.</p> <p>-Issued certificates of Maximum Allowable Rent for 90% of regulated rental units by first quarter of 2013.</p> <p>-Conducted outreach to inform landlords and tenants of their rights under the Ordinance, including three informational workshops on how to seek assistance and how to comply by June 30, 2013.</p> <p>-Responded to 80% of request for landlords and tenants seeking information on how to secure their rights under the Ordinance within one business day. The remaining 20% of inquires were resolved within at least two business days.</p>
8.4	Amending the Below Market Rate (BMR) Ordinance	Minimize Rental Displacement	1-Jun-13	Action 8.4-BMR Ordinance revised on December 13, 2011 by the City Council. Additional revisions will occur to ensure the ordinance is compatible with new case law prior to August of 2014.
9.1	Implement Code Enforcement Procedures to Correct Housing, Health and Safety Code Violations	Improve Housing and Neighborhood Conditions	Ongoing	Action 9.1-City staff refer residents to the County Health Department on health issues related to housing
9.2	Housing Rehabilitation and Neighborhood Improvement Programs	Improve Housing and Neighborhood Conditions	Annually	Action 9.2-City staff refer residents on an ongoing basis to the County Home Repair Program. Additionally, in 2013 during National Rebuilding Together Day the City partnered with Rebuilding Together to fix 9 homes and 3 community facilities in the City. Also, 15 homes were repaired with the Minor Home Repair program.

9.3	Inform homeowners of County funded rehabilitation assistance.	Improve Housing and Neighborhood Conditions	Annually	Action 9.3-City staff refer residents to the County Rehabilitation Program. Additionally, in 2013 during National Rebuilding Together Day the City partnered with Rebuilding Together to fix 9 homes and 3 community facilities in the City. Also, 15 homes were repaired with the Minor Home Repair program.
9.4	Assist eligible residents in pursuing Home Weatherization Assistance Program Funds	Improve Housing and Neighborhood Conditions	1-Jun-13	Action 9.4-City staff refer residents to the PGE Home Weatherization Assistance Program
9.5	Provide resources for homeowners facing foreclosure.	Improve Housing and Neighborhood Conditions	1-Jun-10	Action 9.5-Residents are referred to Community Legal Services and the Legal Aid Society of San Mateo for foreclosure issues;
9.6	Investigate the feasibility of an ordinance that requires tenants of foreclosure to be informed of and to protects tenants.	Improve Housing and Neighborhood Conditions	1-Jun-10	Action 9.6-City staff will work with local landlords to provide foreclosures and tenant information in the near term. Additionally, on May 6, 2014 the City Council adopted an ordinance affording tenants greater protection under the municipal code.
9.7	Management of Affordable Housing Projects	Improve Housing and Neighborhood Conditions	Ongoing	Action 9.7-City staff will work with affordable housing property management companies in the near term on this issue.
10.1	Support and Make Referrals to Fair Housing and Legal Assistance Programs.	Encourage Fair Housing Choices for All Residents	Ongoing	Action 10.1-City staff on an ongoing basis refer residents to housing and legal assistance programs concerning housing discrimination
10.2	Support local and regional efforts to address predatory lending.	Encourage Fair Housing Choices for All Residents	Ongoing	Action 10.2-City staff on an ongoing basis refer residents to local, regional, State and federal initiatives that address predatory lending
10.3	Support efforts to prevent housing discrimination.	Encourage Fair Housing Choices for All Residents	Ongoing	Action 10.3-City staff comply with State and federal laws related to fair housing.
11.1	Allocated resources to maintain a monitoring system to collect information on information and accomplishments from the Housing Element objectives and programs.	Implement Housing Policies and Broad Participation	Annually	Action 11.1-City staff annually prepare a Housing Element Progress Report in accordance with State law

11.2	City Council Study Sessions will occur that discuss various housing policies in the City.	Implement Housing Policies and Broad Participation	Semi-Annuly	Action 11.2-City staff organized two housing consortium meetings in 2012 and annually prepare the State Housing Element Progress Report with public input and testimony
11.3	Update the City's website to explore other means to communicate important housing concerns, programs to the public.	Implement Housing Policies and Broad Participation	Quarterly	Action 11.3-City website was updated in FY 2013-2014 to ensure better communication with the public.
11.4	Report to the City Council on the state of housing in East Palo Alto	Implement Housing Policies and Broad Participation	Semi-Annual	Action 11.4-City staff provide regular updates to the Council on housing projects and annually present the Housing Element progress report
12.1	Enforce State Energy Code for new residential construction and addition/renovations	Increase Energy Efficiency	Ongoing	Action 12.1-City staff on an ongoing basis enforce the State Energy Code for new residential and additions/constructions to existing units.
12.2	Pursue funding sources for rehabilitation loans and grants to low income homeowners to improve energy efficiency, such as existing energy inefficient appliances.	Fundings for Energy Efficiency	Ongoing	Action 12.2-City staff regularly refer residents to Energy Efficiency Programs run by PGE and other providers

APPENDIX C



Housing Element Glossary

Acre: a unit of land measure equal to 43,560 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other costs.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

Association of Bay Area Governments (ABAG): The Association of Bay Area Governments is a regional planning agency which encompasses nine counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. ABAG is responsible for preparing the Regional Housing Needs Determination (RHND).

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate-income tenants due to the expiration of federal, state or local agreements.

California Department of Corrections and Rehabilitation (CDCR): The State Department responsible for the operation of the California State corrections, rehabilitation, probation and parole systems.

California Department of Housing and Community Development (HCD): The State Department responsible for administering State-sponsored housing programs and for reviewing Housing Elements to determine compliance with State housing law.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Comprehensive Housing Affordability Strategy (CHAS) data: Data used by HOME and CDBG jurisdictions to prepare their consolidated plans. 2000 special tabulation data shows housing problems and the availability of affordable housing for states, counties, places, and CDBG/HOME jurisdictions.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Demolition Fee: A fee paid to a municipality by a developer in order to obtain a permit to demolish a structure. Demolition fees help reduce the loss of affordable homes by discouraging the demolition of older housing units, which tend to be more affordable than new construction; and providing a revenue source that can be directed into a housing fund and used for affordable housing development.

Density: The number of dwelling units per unit of land. Density usually is expressed “per acre,” e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: A fee or charge imposed on developers to pay for a jurisdiction’s costs of providing services to new development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type.

Dwelling, Single-family Attached: A dwelling unit attached to one or more other dwelling units by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.

Dwelling, Single-family Detached: A dwelling, not attached to any other dwelling, which is designed for occupancy by one household, and that is surrounded by open space or yards.

Dwelling Unit: One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Element: A division or chapter of the General Plan.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Emergency Shelter Grants (ESG): A grant program administered by HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time homebuyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area located on a lot of 5,000 square feet in area has a FAR of 2:1).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility which houses unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living

facilities and other quarters, including single-room occupancy housing, where 10 or more unrelated individuals are housed.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the national Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels or motels used to house the homeless).

Household: The Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Pursuant to HUD, households are defined as follows: small-- two to four non-elderly persons; large- with 5 or more members; or senior – over age 62.

Household Income: The total income of all the persons living in a household. A household income is often described as very low, low, moderate, and upper incomes based upon household size and income, relative to the regional median income.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): Program of HUD's Office of HIV/AIDS Housing to ensure that all HUD programs and initiatives are responsive to the special needs of people with HIV/AIDS.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Set-Aside: Not less than 20 percent of all taxes that are allocated to the agency pursuant to Section 33670 of the Health and Safety Code, shall be used by the Agency for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, as defined by Section 50052.5 of the Code, to persons and families of low or moderate income, as defined in Section 50093 of the Code, lower income households, as defined in Section 50079.5 of the Code, very low income households as defined in Section 50105 of the Code, and extremely low income households, as defined in Section 50106 of the Code, that is occupied by these persons and families.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is

linked to a particular house or apartment, housing subsidy is “project” or “unit” based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be “tenant based.”

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under state housing statutes, these categories are defined as follows: very low-(0-50% of county median); low (50-80% of county median); moderate-(80-120% of county median); and above moderate-income (over 120%).

Location Factor: Percentage multipliers that can be applied to total construction costs (including contractor’s overhead and profit) that accommodate for regional variations. The R. S. Means manual is a source of location factors for different cities.

Low Income Housing Tax Credit (LIHTC): Section 42 of the Internal Revenue Code that offers property owners and investors a credit or reduction in their tax liability in exchange for providing affordable housing. LIHTCs are based on the cost of development and the number of qualified low-income units in a newly constructed or rehabilitated development. The owners must offer quality units to very-low or low-income tenants at fixed, below-market-rate rents that are set at 30 percent of the applicable Area Median Income.

Manufactured Housing: Housing constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing available on the open market without any subsidy of which the price is determined by the market forces of supply and demand.

Mortgage Credit Certificates (MCCs): Mortgage Credit Certificate Program, authorized by Congress in the Tax Reform Act of 1984, provides financial assistance to "First time homebuyers" for the purchase of new or existing single-family home. In 1985, the State adopted legislation authorizing local agencies to make Mortgage Credit Certificates (MCCs) available in California.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Metropolitan Transportation Commission (MTC): Created by the state Legislature in 1970, the Metropolitan Transportation Commission is the transportation planning, coordinating and financing agency for the nine-county San Francisco Bay Area.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the Census Bureau. Severe overpayment exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities. Jurisdictions may expand the Census definition in defining units with physical defects.

Predatory Lending: The practice of a lender deceptively convincing borrowers to agree to unfair and abusive loan terms. Examples of predatory lending include selling a property for much more than it is worth using a false appraisal, knowingly lending more money than a borrower can afford to repay, and charging fees for unnecessary or nonexistent products and services.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Redevelopment Agency: California Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20% of all tax increment dollars generated from each redevelopment project area for

the purpose of increasing and improving the community's supply of housing for low and moderate-income households.

Regional Housing Needs Determination (RHND): The Regional Housing Needs Determination (RHND) is based on projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the ABAG (Association of Bay Area Governments) region. These housing need numbers serve as the basis for the update of the Housing Element.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Smart Growth: Investing time, attention, and resources in restoring community and vitality to center cities and placing new mixed use development near transit resources. This result is compact, high density, transit-oriented, pedestrian and bike friendly development with a mix of uses including residential, public, office, retail, health and childcare services in close proximity to create a complete neighborhood.

Special Needs Groups: Segments of the population which have a more difficult time finding decent affordable housing due to special

circumstances. Under California Housing Element statutes, special needs groups consist of the elderly, disabled, large families, female-headed households, farm workers, and the homeless. A jurisdiction may also consider additional special needs, such as students, military households, etc.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Supportive Housing: Supportive housing means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Subprime Mortgage: A mortgage offered to a borrower with a greater-than-average risk of defaulting on the loan.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant, HOME and Section 8, among others.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations govern use, as well as lot size, building bulk, placement, and other development standards. Use and development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a Zoning Ordinance specifying these regulation

Deleted: Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

Deleted: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

