



Planning & Development Services

Memorandum

To: Housing Element Working Group

From: Tim Wong, Senior Planner - Housing
Clare Campbell, Manager of Long-Range Planning

Date: April 7, 2022

Re: Working Group Meeting #14

Purpose/Goal of Meeting

The purpose of the April 7, 2022 Housing Element Working Group (Working Group) meeting is to finalize programs for inclusion into the 6th Cycle Housing Element, review and finalize the City's updated goals and policies, and briefly discuss the general structure of the Draft Housing Element, to be released in the coming months.

Recap from Previous Meeting

The previous Working Group meeting was held on March 3, 2022. The Working Group discussed the following:

1. Six housing element objectives and proposed programs within each category:
 - Conservation and Preservation of Existing Housing Stock
 - Neighborhood Preservation
 - Rehabilitation Program
 - Preservation of At-Risk Housing
 - Assist in Affordable Housing Development
 - Below Market Rate Program
 - Affordable Housing Program
 - Provide Adequate Sites for a Variety of Housing Types
 - Adequate Sites Program
 - Sites Inventory Monitoring Program
 - Replacement Housing
 - Sites Used in Previous Housing Cycle
 - ADU Facilitation Program
 - Mixed-Use Program

- Removal of Constraints/Create Opportunities to Encourage Housing
 - Zoning Ordinance Monitoring Program
 - Flexibility in Development Standards
 - Expedited Project Review
 - Housing Incentive Program
- Housing for Persons with Special Needs
 - Housing for Persons with Special Needs
 - Multi-family Housing and Large Family Units
 - Homeless Prevention and Support Program
 - Transitional and Supportive Housing
 - Alternative Housing
- Fair Housing
 - Fair Housing Services
 - Affirmatively Furthering Fair Housing
 - Fair Housing Program
 - Community Outreach Program

Tasks assigned to the Working Group in preparation for the next meeting included:

- Provide additional feedback to City Staff and consultants on program concepts and overarching program ideas for the Draft Housing Element.

The March 3 Working Group packet can be found [HERE](#).

Discussion

Approval of 6th Cycle Housing Element Programs

During the previous WG meeting, City Staff and consultants presented the City's proposed programs for the 6th cycle Housing Element Update. For the updated document, City policies and programs will fall under six general categories, consistent with State direction:

- A. Conservation and preservation of existing housing stock,
- B. Assist in affordable housing development,
- C. Provide adequate RHNA sites for a variety of housing types,
- D. Removal of constraints,
- E. Housing for persons with special needs, and
- F. Fair housing.

The City's programs are designed to uphold the goals and policies of the Housing Element in a measurable and attainable manner. More importantly, the programs are created to provide support and opportunity for persons regardless of race, ethnicity, income level, and disability status.

To help the Working Group distinguish programs that are required by the State, HCD or the City Council, the programs have been color coded for quick reference: The color codes are as follows:

- State Required
- HCD Required
- Suggested City Program (items with an asterisk* are Council supported)

At this time, City Staff would like the Working Group to approve the draft programs for inclusion into the 6th Cycle Housing Element. The programs have been presented below for reference. Some changes have been made to address comments made by Working Group members during the March meeting.

A. Conservation and Preservation of Existing Housing Stock

Programs:

1. **Neighborhood Preservation (Code Enforcement):** The City is committed to preserving its existing housing stock and neighborhoods. If a complaint about substandard housing is received by the City's Code Enforcement Program, staff will provide information to the resident or homeowner about the City's Rehabilitation Program.

Example Implementation Action:

- Educate property owners and tenants about City housing programs and resources.

2. **Rehabilitation Program:** The City is committed to maintaining quality housing conditions throughout the City. The City will continue to implement the Residential Rehabilitation Program through the City's Community Development Block Grant (CDBG) program, which offers financial assistance through grants and identifies new funding opportunities for loans to qualified low- and moderate-income households to repair and maintain their homes.

Example Implementation Action:

- Seek additional funding resources to supplement CDBG funding.

3. **Preservation of At-Risk Housing:** The City will continue to support the preservation of affordable housing projects that could potentially convert to market-rate units during the planning period. The City will monitor all units and assist property owners in maintaining the affordability of these units and provide relocation resources to tenants if preservation is unsuccessful.

Example Implementation Action:

- Educate property owners about new state noticing requirements where the landlord must notify all affected households about the termination of the affordability restrictions at three years, twelve and six months.

Staff Recommendation: Approve the three programs cited above under the category of Conservation and Preservation of Existing Housing Stock.

B. Assist in Affordable Housing Development

Programs:

1. **Below Market Rate Program (BMR)*:** The City is committed to providing more affordable housing opportunities through programs such as the City's BMR program. The purpose of the program is to create and retain a stock of affordable housing in Palo Alto for people of low and moderate income. When development of three or more residential units is built in the Palo Alto, the developer is required to contribute at least 15% of those units at below market rates for ownership units or pay a fee.

Example Implementation Action(s):

- Consider increasing BMR ownership percentage requirement.
- Require rental developments to provide the highest feasible percentage of BMR units instead of paying a fee ("Palmer Fix").

2. **Affordable Housing Program:** The City is committed to increasing the supply of affordable housing. The City will continue to prioritize households at the extremely low-income level and seek new funding opportunities and partnerships to greater improve housing conditions amongst the vulnerable and lower-income communities. The City will work with developers to facilitate affordable housing development by providing gap financing as a local match to state, federal, and other public funding sources.

Example Implementation Action(s):

- Expedite processing times for affordable housing projects.
- Explore reducing/waiving fees for affordable housing projects.

Staff Recommendation: Approve the two programs cited above under the category of Assist in Affordable Housing Development.

C. Provide Adequate Sites for a Variety of Housing Types

Programs:

1. **Adequate Sites Program:** Through Zoning and Comprehensive Plan designations, the City maintains a residential site inventory that is adequate to accommodate the City's remaining share of regional housing needs. The City's Regional Housing Needs Assessment (RHNA) is 6,086 units (1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 units for above moderate income).

Example Implementation Action(s):

- Implement rezone workplan to upzone Council-approved housing sites.

- Implement the rezones within three years of HE adoption.
 - For lower income RHNA, rezoning of sites must allow at least 30 dwelling unit/acre and each site must be large enough to accommodate at least 16 units.
2. **Site Inventory Monitoring Program:** In 2017, Senate Bill 166 (SB 166), otherwise known as “no net loss,” was passed to ensure that cities and counties “identify and make available” additional adequate sites if a housing project is approved at a lower density or with fewer units by income category than what is identified in the Housing Element. In conjunction with the Adequate Sites Program above, the City will further implement a monitoring program that evaluates the current capacity of housing sites for all income levels throughout the duration of the planning period. The City commits to internally tracking the City’s available housing sites through its internal database to ensure the City remains on track towards satisfying its RHNA target.

Example Implementation Action(s):

- Develop a procedure to monitor the development of vacant and nonvacant sites in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category.
 - On an annual and ongoing basis, review the sites inventory and amend sites as necessary to accurately address the City’s RHNA goals.
 - Should an approval of development result in a shortfall of sites to accommodate the City’s remaining RHNA requirements (for lower-, moderate-, or above moderate-income households), the City will identify and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.
3. **Replacement Housing:** Development on nonvacant sites with existing residential units is subject to a replacement requirement, pursuant to Government Code Section 65583. The City will amend its code to require the replacement of units affordable to the same or lower income level as a condition of approval for any development on a nonvacant RHNA site consistent with those requirements set forth in California Density Bonus Law.

Example Implementation Action(s):

- Amend the Zoning code to require sites identified for lower income RHNA and other applicable sites with affordable units, the one-to-one replacement of existing units that are either deed restricted or occupied by lower income tenants.
4. **Sites Used in Previous Housing Cycle:** The Housing Element may only count nonvacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements providing the sites are subject to a program that allows affordable housing by right. The City will amend its code to address these requirements.

Some sites within this Housing Element were used in previous cycles and this program is included to address the by right approval requirement. Per Government Code Section 65583, the by right provision is limited to carry over sites used to meet lower-income RHNA where development includes at least 20% affordable units for lower income households.

Example Implementation Action(s):

- Revise the municipal code to include the by right approval requirement of projects that propose 20% lower income units on the carry over sites.

5. **ADU Facilitation Program:** This program aims to annually monitor provisions made to ADU legislation and amend the City's Zoning Ordinance as necessary to ensure compliance with state law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.

In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.

Example Implementation Action(s):

- Respond in a timely manner to update the City code to integrate changes in State ADU housing law.
- Maintain and update City Summary Guide to ADUs and JADU's to promote, educate, and assist homeowners with developing ADUs.
- ADU monitoring: add mid-term monitoring component to ensure affordability level is consistent with HE sites inventory assumptions.
- Explore potential options to reduce and waive fees for proposed affordable ADUs and JADUs under certain criteria.

6. **Mixed-Use Program:** Mixed-use development will add more residential units throughout the city. Such development is expected to enhance the market for businesses and provide significant opportunities for affordable housing development. Elderly, less-mobile residents, as well as employees of nearby businesses, will particularly benefit from such opportunities. Where appropriate, commercial centers and the General Manufacturing (GM) and Research, Office Limited Manufacturing (ROLM) districts should incorporate residential uses, with a focus on the production of lower-income units.

Example Implementation Action(s):

- Reevaluate the proportion of commercial to residential in mixed use buildings, with potential to amend regulations to incentivize increased residential.
- Study and evaluate options for regulations to incentivize conversion of office space to residential units where appropriate.
- On an ongoing basis, with annual review, continue to encourage mixed-use development at key nodes along commercial boulevards, especially those along El Camino Real and by the Caltrain stations. The City regularly meets with developers to discuss how to develop their properties, and encouraging housing is the best first way to influence projects.

Staff Recommendation: Approve the six programs cited above under the category of Provide Adequate Sites for a Variety of Housing Types.

D. Removal of Constraints/Opportunities to Encourage Housing

Programs:

1. **Zoning Ordinance Monitoring Program (Zoning Amendment Program):** The Palo Alto Zoning Code is continuously updated to address changes among a range of issues and State/Federal laws. The City will continue to monitor its policies, standards, and regulations to ensure they work to facilitate residential and mixed-use development in the community.

Example Implementation Action(s):

- Amend the Zoning Ordinance to address AB 101, AB 139, AB 2162, and AB 2345 requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.

2. **Flexibility in Development Standards:** The Planning and Development Services department, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the PAMC to encourage the development of low- and moderate-income housing. The City offers offsets to assist in the development of affordable housing citywide. Offsets include concessions or assistance including, but not limited to, direct financial assistance, density increases, standards modifications, or any other financial, land use, or regulatory concession that would result in an identifiable cost reduction.

Example Implementation Action(s):

- The City will conduct a study of multi-family development standards to expand opportunities for additional housing. Strategies may include, but not limited to:
 - Density increases
 - Height
 - Parking Requirements
 - Floor to Area Ratios (FAR)

- Provide incentives and remove constraints for multifamily housing in the Downtown (CD-C), Cal Ave., (CC(2)/PTOD) and El Camino Real (CN and CS) districts.*
 - Monitor application of Municipal Code standards for constraints to development of new housing and recommend changes that would minimize such constraints and enhance the feasibility of affordable housing
3. **Expedited Project Review:** The City continues to explore opportunities to improve the efficiency of the development review process. As a response to a housing shortage in the State of California, Senate Bill 330 (SB 330) was passed to restrict local rules that limit housing production. SB 330 helps strengthen the Permit Streamlining Act, by creating a more efficient two-step application process. The City has already made improvements towards expediting the development process for housing in the City by developing objective standards. Additionally, in conformance with Government Code Section 65940.1 (SB 1483), the City has all schedule of fees, application forms, Zoning Ordinance/Municipal Code, and other relevant information publicly accessible on the City's website. The City will continue to find ways to make the development process more efficient to uphold SB 330, by further streamlining the permit process and directly coordinating with developers to ensure a timely application and development process.

Example Implementation Action(s):

- Identify opportunities to reduce administrative burdens during permitting, such as automating processes, creating reference guides, and streamlining review processes.
 - Consider revising the threshold for Architectural Review Board (ARB), Planning and Transportation Commission (PTC), and Council review for residential and commercially zoned projects to allow more projects to be administratively reviewed. This would reduce time delay and uncertainty for housing development projects.
 - Conduct an annual review and amend land use regulations, development standards, permitting procedures, and fees, as needed, and where feasible, to remove impediments to, and reduce the cost of, affordable residential development.
4. **Housing Incentive Program (HIP):** The HIP was enacted in 2019 and allows for additional floor area, and when 100% affordable, waivers of other development standards, including parking, to promote housing development. The HIP discretionary review is limited to specific areas within the City (see code language: 18.16.060(k), 18.18.060(l)) and is considered an alternative to the State Density Bonus law. The ordinance language is clear and concise, leading to greater developer certainty. Currently the HIP is limited to areas within the University Downtown, California Avenue, El Camino Real, and San Antonio Road.

Example Implementation Action(s):

- Expand areas throughout the City to be eligible for HIP.

Staff Recommendation: Approve the four programs cited above under the category of Removal of Constraints/Opportunities to Encourage Housing.

E. Housing for Persons with Special Needs

Programs:

1. **Housing for Persons with Special Needs:** The City's municipal code is periodically updated to address a wide range of issues and California and Federal law. The City will continue to monitor its policies, standards, and regulations to ensure that they comply with applicable law. The City will also facilitate the development of housing for persons with disabilities and other special needs through incentives for affordable housing development.

Example Implementation Action(s):

- For extremely low income housing units, provide preferences to populations with special needs.
 - On an ongoing basis, with annual review, contract with and financially support non-profit services providers that help meet the supportive services needs of the City's diverse community, especially those with extremely low incomes.
 - In order to assist in the housing needs for special needs populations, the City will:
 - Engage with housing advocates on the identification of needs and new solutions,
 - Encourage housing developers, through the City's BMR requirements, to designate a portion of new affordable housing units for special needs populations, and
 - Partner with the County and other agencies to pursue funding sources designated for housing for special needs groups, including seniors and persons with disabilities.
2. **Multi-family Housing and Large Family Units:** Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Due to the high cost of housing and scarcity of land, housing units large enough to accommodate large families are limited. The City considers large families as a vulnerable population within the City and is committed to exploring additional opportunities for multi-family housing developments. Furthermore, the City will continue to advocate and promote the production of housing units of all to accommodate all persons and family sizes. Large family units have three or more bedroom units.

Example Implementation Action(s):

- Explore incentives to encourage larger units, such as FAR exemptions for three bedroom units.
 - Promote and encourage a mix of different bedroom units in each development.
 - The City shall encourage housing designs that meet the needs of extended, multigenerational, and/or large families.
3. **Homeless Prevention Program:** Santa Clara County adopted the Santa Clara Community Plan to End Homelessness, which is designed to address homelessness throughout Santa Clara County as a whole. The City's Homeless Prevention Program was created as a result of the County's Community Plan to End Homelessness. The Program is for Palo Alto households who

are at risk of becoming homeless as defined by HUD and focuses on self-sufficiency and stabilization. And for those experiencing homelessness and waiting for more permanent housing, provide services that offer immediate support.

Example Implementation Action(s):

- Expand areas of the City Safe Parking Program including case management.
- Create a social services directory and make it available to residents at public counters and on City website.
- Expand the City's homeless prevention program to include renter protections and financial assistance for rent, security deposits, and utilities.

4. **Transitional and Supportive Housing:** Assembly Bill 2162 (AB 2162), which was passed in 2018, requires that supportive housing be a use by right in zones where multi-family and mixed-use are permitted, including nonresidential zones permitting multifamily uses. Additionally, AB 2162 prohibits local governments from imposing any minimum parking requirements for units occupied by supportive housing residents if the development is located within ½ mile of a public transit stop. The City will amend its Zoning Ordinance to comply with the latest provisions under AB 2162 and will continue to seek new supportive housing opportunities through further analysis of the residential site inventory. The City is committed to expanding both supportive and transitional housing opportunities for vulnerable communities that rely on such services and will prioritize these housing developments near transit centers to provide easier access to City services for supportive and transitional housing residents.

Example Implementation Action(s):

- Continue to pursue the Homekey (LTP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing.

5. **Alternative Housing:** Under this program, the City will continue to support alternative types of housing, such as multifamily units, single-room occupancy units, and managed living units or "micro-units," to accommodate extremely-low-income households.

Example Implementation Action(s):

- Coordinate with the County shared housing program or HIP Housing to provide a shared housing arrangement facilitation.*
- Encourage innovative housing structures, such as micro-unit housing and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals citywide.*
- Review and amend the Zoning Ordinance to review and amend definitions and allowances of uses for the definition of family, Employee Housing, Residential care facilities, Group Homes and/or Boardinghouses to review regulations to be consistent with California Law for six or fewer residents.

Staff Recommendation: Approve the five programs cited above under the category of Housing for Persons with Special Needs.

F. Fair Housing

Programs:

1. **Fair Housing Services:** The City of Palo Alto is committed to providing equitable opportunities to all residents of Palo Alto in order to expand access to housing and increase housing mobility. To achieve fair housing goals, the City will continue to partner and support Project Sentinel who provides a variety of fair housing services including but not limited to: tenant/landlord services, including mediation, information, investigation, counseling, and referral services. The City will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Example Program Implementation(s):

- Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services.
 - In an ongoing basis, continue to provide multi-lingual fair housing information to the public regularly as needed via the public counters, message boards, City website, neighborhood watch, and in response to telephone inquiries.
 - Ongoing, continue to provide referral to Project Sentinel, State Fair Employment and Housing, HUD Fair Housing and Equal Opportunity division, and other legal services as appropriate.
 - Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds
 - Work with Project Sentinel and renter organizations to educate tenants and landlords about fair housing requirements.
2. **Affirmatively Furthering Fair Housing:** To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County's ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on racial and economic disparity, land use and zoning, and lack of assistance and resources. Methodologies were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities, and increasing accessibility to information.

Example Program Implementation(s):

- Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the city's Inclusionary Housing Ordinance, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.

- Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post “NO Section 8” on applications)
- Institute Tenant Protections to prevent anti-displacement including the following*:
 - Relocation Assistance
 - Eviction Reduction Program
 - Rental Survey Program
 - Security Deposit Limit
 - Rent Stabilization
 - Fair Chance Ordinance
 - Right to Counsel

3. **Fair Housing Program:** AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Example Implementation Action:

- Encourage mixed-income developments accessible to lower income residents citywide, especially in high opportunity and resource-rich areas through use of the City’s Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.
- Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the City’s Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.

4. **Community Outreach Program:** Community outreach is a key component to developing a comprehensive and inclusive housing market in the city. It is critical to engage local community groups and stakeholders from all sectors of the community in order to educate and provide inclusive housing opportunities. The goal of this program is to provide underrepresented community groups, which are affected by restrictions to fair and equitable housing, greater opportunities for becoming informed and engaged in the City’s housing and overall planning process.

Example Implementation Action:

- Partner with Human Services for community outreach with a focus on traditionally underrepresented groups.
- The City shall continue to facilitate opportunities for all residents and stakeholders to provide meaningful and effective input on proposed planning activities early on and continuously throughout plan development and the public review process. Outreach efforts to disadvantaged communities will be a priority.

Staff Recommendation: Approve the four programs cited above under the category of Fair Housing.

6th Cycle Housing Element Goals and Policies

There is a general structure and hierarchy of steps for effective housing implementation. In general, a jurisdiction sets forth a set of overarching goals for the community to strive for. For each goal, a set of policies are identified to help achieve the overarching goal. Under each policy are a set of programs that assist with implementation of each policy. As presented at the previous WG meeting in March, six general program categories have been created based on the program themes: conservation and preservation of existing housing stock, assist in affordable housing development, provide adequate RHNA sites for a variety of housing types, removal of constraints, housing for persons with special needs, and fair housing.

To help create a broader mission and purpose for each program, the City has crafted goals for each of the six housing categories. Each goal is accompanied by a set of policies that set specific actions the City will implement to uphold the overarching goal. The City's updated goals and policies are presented below:

GOAL 1: Preserve the existing housing stock and residential neighborhoods. Preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Related to Program Category: Conservation and Preservation of Existing Housing Stock:

Policies:

Policy 1.1: Promote the rehabilitation of deteriorating or substandard residential properties using sustainable and energy conserving approaches. (Existing Policy H1.1)

Policy 1.2: Work with property owners and nonprofit housing providers to preserve assisted multi-family units at risk of conversion to market rents and extend the affordability covenants in perpetuity whenever feasible.

Policy 1.3: Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of affordable housing units.

Policy 1.4: Ensure the replacement of existing lower-income units that are identified for potential redevelopment.

GOAL 2: Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Related to Program Category: Assist in Affordable Housing Development:

Policies:

Policy 2.1: Increase opportunities for affordable housing development through use of flexible development standards. (Adapted from existing Program Objective H3.1.5)

Policy 2.2: Enhance density bonuses that expand upon the density bonus and development standard concessions and incentives offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 2.3: Achieve a balance of rental and homeownership opportunities, including apartments, townhomes, condominiums, single-family houses, and accessory dwelling units, micro-units and alternative housing options to accommodate the housing needs of all socioeconomic segments of the community, including large families.

GOAL 3: Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Related to Program Category: Provide Adequate Sites for a Variety of Housing Types:

Policies:

Policy 3.1: Support the redevelopment of suitable lands for mixed uses containing housing to encourage compact, infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2: Rezone sites citywide to provide adequate sites, zoned at the appropriate densities and development standards to facilitate both affordable and market rate housing production.

Policy 3.3: Prioritize the acquisition of new housing sites near public transit and services, the acquisition and rehabilitation of existing housing, and the provision for housing-related services for affordable housing. (Adapted from Existing Program H3.4.1)

GOAL 4: Provide for a government environment that facilitates housing development.

Related to Program Category: Removal of Constraints

Policies:

Policy 4.1: Exempt permanently affordable housing units from any infrastructure impact fees adopted by the City. (Existing Program H3.3.2)

Policy 4.2: Provide for streamlined, timely and coordinated processing of development projects and associated environmental clearances to minimize project-holding costs.

Policy 4.3: Allow reduced development standards for accessory dwelling units.

Policy 4.4: Encourage new high-quality rental and ownership housing through the implementation of objective design standards, and architectural and green building standards in alignment with the Comprehensive Plan.

Policy 4.5: Heighten community awareness and to receive community input regarding the social, economic and environmental values of maintaining economic diversity in the City by providing affordable and mixed income higher density housing along transit corridors and at other appropriate locations.

GOAL 5: Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Related to Program Category: Housing for Persons with Special Needs:

Policies:

Policy 5.1: Support the development and preservation of group homes and supported living facilities for persons with special housing needs by assisting local agencies and nonprofit organizations in the construction or rehabilitation of new facilities for this population. (Existing Program H3.3.4)

Policy 5.2: Provide housing that addresses the needs of persons with disabilities (including persons with developmental disabilities), the mentally ill, persons with substance problems, persons with HIV/AIDS, veterans and other groups needing transitional and supportive housing.

Policy 5.3: Support the provision of emergency shelter, transitional housing, and ancillary services to address homelessness. (Existing Policy H3.5)

Policy 5.4: Support housing that incorporates facilities and services to meet the health care, transit, and social service needs of households with special needs, including seniors and persons with disabilities. (Existing Policy H4.2)

Policy 5.5: Encourage universal design of housing products and environments, making them usable by a wide range of persons with different physical and mental abilities.

Policy 5.6: Coordinate with regional agencies providing services to the homeless, for needs assessment and resource allocation.

GOAL 6: Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to reside in the housing of their choice.

Related to Program Category: Fair Housing:

Policies:

Policy 6.1: Support programs and agencies that seek to eliminate housing discrimination. (Existing Policy H4.1)

Policy 6.4: Conduct fair housing outreach and education for residents, property owners, and housing providers to ensure each understands their rights and responsibilities.

Policy 6.5: Identify mechanisms to increase production and access to housing.

Policy 6.6: Enforce notification and relocation assistance for low income households displaced due to demolition, condominium conversion, and persons displaced due to code enforcement activities of illegally converted or substandard residential dwellings.

Policy 6.7: Support and provide ways to empower community members to participate in community development.

Staff Recommendation: Approve the six Housing Element goals and associated policies.

Housing Element General Overview

Over the course of the last several months, the Working Group along with City staff and consultants have worked together to prepare a comprehensive update to the HE. Working Group members, staff, and the general public have solicited for input to create a thorough housing sites inventory analysis and a comprehensive list of housing programs that will support and promote future residential development in Palo Alto. This input will shape the Draft Housing Element Update.

The Housing Element Update will contain the updated required components set forth by HCD to ensure State compliance. Additionally, the Housing Element may include non-required discussions (i.e., environmental justice) where relevant. As required under HCD, the Housing Element Update must include:

- Public Participation (description of efforts)
- Description of General Plan Consistency
- Review and Revise
 - Progress in implementation
 - Effectiveness of the element
 - Appropriateness of goals- objectives, policies and programs
- Housing Needs Assessment
 - Level of payment compared with ability to pay (overpaying households)
 - Housing stock conditions
 - Overcrowded households
 - Existing and projected needs for all income levels
 - Regional Housing Need Allocation (RHNA)
 - Existing housing need for extremely low-income households
 - Projected housing need for extremely low-income households based on RHNA or Census
- Persons with Special Needs
 - Elderly
 - Persons with disabilities, including developmental disabilities
 - Large Households
 - Farmworkers (seasonal and permanent)
 - Female headed households
 - Homeless (annual and seasonal)
 - Other
- At-risk Units
 - Estimate of replacement versus preservation costs
 - Identification of qualified entities
 - Identification of potential funding
- Potential Governmental Constraints
 - Land use controls
 - Building codes and their enforcement
 - Site improvement requirements
 - Fees and other exactions

- Local processing and permit procedures
 - Housing for persons with disabilities
 - Transitional housing and supportive housing
- Potential Non-Governmental Constraints
 - Availability of financing
 - Price of land
 - Cost of construction
- Site Inventory and Analysis
 - Listing of properties by parcel number or other unique reference showing for each parcel
 - General description of environmental constraints to the development of housing
 - General description of infrastructure (planned/available) including water, sewer and other dry utilities, including availability and access to distribution facilities
 - For Non-vacant sites, specify the additional development potential for each site within the planning period and provide an explanation of the methodology to determine development potential
 - Demonstration of zoning to accommodate the housing need for lower income households
 - Map of sites included in the inventory
 - Number of units built between the start of the projection period and the deadline for adoption of the housing element (optional)
 - Number of units proposed using alternative provisions such as rehabilitation, conversion, preservation or accessory dwelling units (optional)
 - Analysis of whether inventory provides for a variety of housing types (Multifamily rental housing, Factory-built housing, Mobile homes, Housing for agricultural employees, Emergency Shelters, Transitional and supportive housing)
 - Carryover obligation (AB 1233), if applicable
- Quantified Objectives and Housing Programs
 - : Provide statement of quantified objectives; Maximum number of units, by income group, including extremely low-income of:
 - New construction;
 - Rehabilitation; and
 - Conservation
- Programs
 - Schedule of specific actions
 - Timeline for implementation
 - Adequate Sites Program
 - Assist in Affordable Housing
 - Address governmental constraints
 - Persons with disabilities
 - Conservation/preservation of existing housing
 - Housing opportunities for all persons
 - Preserve at-risk units

- Analysis of construction, demolition, and conversion of housing in coastal zone (if applicable)
- Description of opportunities for energy conservation in development
- Water and Sewer
- Review by HCD and legislative body

The above components are required under HCD and will be incorporated throughout various chapters of the HE. The City's Housing Element Update will be comprised of five chapters:

- Introduction
- Housing Needs Assessment
- Housing Resources and Opportunities
- Housing Constraints
- Housing Plan

Preparation of the Draft Housing Element has begun and is anticipated for review mid-summer.

Next Steps

The next Working Group meeting is anticipated to be in mid-July. Topics to be discussed at that Working Group meeting include:

- Review of the Draft HE

Future Tasks

Review and submit comments on the implementation actions listed or provide other suggestions by May 6, 2022. Additionally, we welcome other comments related to goals, policies, and programs.

Please send any questions or comments to heupdate@cityofpaloalto.org.

Attachment A: Compilation of Draft Goals, Policies, and Programs with Implementation Examples

Housing Element Update - *Draft* Goals, Policies, and Programs

Working Group, April 7, 2022

GOAL 1: Preserve the existing housing stock and residential neighborhoods. Preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Related to Program Category: Conservation and Preservation of Existing Housing Stock:

Policies:

Policy 1.1: Promote the rehabilitation of deteriorating or substandard residential properties using sustainable and energy conserving approaches. (Existing Policy H1.1)

Policy 1.2: Work with property owners and nonprofit housing providers to preserve assisted multi-family units at risk of conversion to market rents and extend the affordability covenants in perpetuity whenever feasible.

Policy 1.3: Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of affordable housing units.

Policy 1.4: Ensure the replacement of existing lower-income units that are identified for potential redevelopment.

Programs:

1. **Neighborhood Preservation (Code Enforcement):** The City is committed to preserving its existing housing stock and neighborhoods. If a complaint about substandard housing is received by the City's Code Enforcement Program, staff will provide information to the resident or homeowner about the City's Rehabilitation Program.

Example Implementation Action:

- Educate property owners and tenants about City housing programs and resources.

2. **Rehabilitation Program:** The City is committed to maintaining quality housing conditions throughout the City. The City will continue to implement the Residential Rehabilitation Program through the City's Community Development Block Grant (CDBG) program, which offers financial assistance through grants and identifies new funding opportunities for loans to qualified low- and moderate-income households to repair and maintain their homes.

Example Implementation Action:

- Seek additional funding resources to supplement CDBG funding.

3. **Preservation of At-Risk Housing:** The City will continue to support the preservation of affordable housing projects that could potentially convert to market-rate units during the planning period. The City will monitor all units and assist property owners in maintaining

the affordability of these units and provide relocation resources to tenants if preservation is unsuccessful.

Example Implementation Action:

- Educate property owners about new state noticing requirements where the landlord must notify all affected households about the termination of the affordability restrictions at three years, twelve and six months.

GOAL 2: Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Related to Program Category: Assist in Affordable Housing Development:

Policies:

Policy 2.1: Increase opportunities for affordable housing development through use of flexible development standards. (Adapted from existing Program Objective H3.1.5)

Policy 2.2: Enhance density bonuses that expand upon the density bonus and development standard concessions and incentives offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 2.3: Achieve a balance of rental and homeownership opportunities, including apartments, townhomes, condominiums, single-family houses, and accessory dwelling units, micro-units and alternative housing options to accommodate the housing needs of all socioeconomic segments of the community, including large families.

Programs:

1. **Below Market Rate Program (BMR)*:** The City is committed to providing more affordable housing opportunities through programs such as the City's BMR program. The purpose of the program is to create and retain a stock of affordable housing in Palo Alto for people of low and moderate income. When development of three or more residential units is built in the Palo Alto, the developer is required to contribute at least 15% of those units at below market rates for ownership units or pay a fee.

Example Implementation Action(s):

- Consider increasing BMR ownership percentage requirement.
 - Require rental developments to provide the highest feasible percentage of BMR units instead of paying a fee ("Palmer Fix").
2. **Affordable Housing Program:** The City is committed to increasing the supply of affordable housing. The City will continue to prioritize households at the extremely low-income level and seek new funding opportunities and partnerships to greater improve housing conditions amongst the vulnerable and lower-income communities. The City will work with developers to facilitate affordable housing development by providing gap financing as a local match to state, federal, and other public funding sources.

Example Implementation Action(s):

- Expedite processing times for affordable housing projects.
- Explore reducing/waiving fees for affordable housing projects.

GOAL 3: Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Related to Program Category: Provide Adequate Sites for a Variety of Housing Types:

Policies:

Policy 3.1: Support the redevelopment of suitable lands for mixed uses containing housing to encourage compact, infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2: Rezone sites citywide to provide adequate sites, zoned at the appropriate densities and development standards to facilitate both affordable and market rate housing production.

Policy 3.3: Prioritize the acquisition of new housing sites near public transit and services, the acquisition and rehabilitation of existing housing, and the provision for housing-related services for affordable housing. (Adapted from Existing Program H3.4.1)

Programs:

1. **Adequate Sites Program:** Through Zoning and Comprehensive Plan designations, the City maintains a residential site inventory that is adequate to accommodate the City’s remaining share of regional housing needs. The City’s Regional Housing Needs Assessment (RHNA) is 6,086 units (1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 units for above moderate income).

Example Implementation Action(s):

- Implement rezone workplan to upzone Council-approved housing sites.
- Implement the rezones within three years of HE adoption.
- For lower income RHNA, rezoning of sites must allow at least 30 dwelling unit/acre and each site must be large enough to accommodate at least 16 units.

2. **Site Inventory Monitoring Program:** In 2017, Senate Bill 166 (SB 166), otherwise known as “no net loss,” was passed to ensure that cities and counties “identify and make available” additional adequate sites if a housing project is approved at a lower density or with fewer units by income category than what is identified in the Housing Element. In conjunction with the Adequate Sites Program above, the City will further implement a monitoring program that evaluates the current capacity of housing sites for all income levels throughout the duration of the planning period. The City commits to internally tracking the City’s available housing sites through its internal database to ensure the City remains on track towards satisfying its RHNA target.

State Required - HCD Required - Suggested City Program (items with an asterisk* are Council supported)

Example Implementation Action(s):

- Develop a procedure to monitor the development of vacant and nonvacant sites in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category.
- On an annual and ongoing basis, review the sites inventory and amend sites as necessary to accurately address the City’s RHNA goals.
- Should an approval of development result in a shortfall of sites to accommodate the City’s remaining RHNA requirements (for lower-, moderate-, or above moderate-income households), the City will identify and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.

3. **Replacement Housing:** Development on nonvacant sites with existing residential units is subject to a replacement requirement, pursuant to Government Code Section 65583. The City will amend its code to require the replacement of units affordable to the same or lower income level as a condition of approval for any development on a nonvacant RHNA site consistent with those requirements set forth in California Density Bonus Law.

Example Implementation Action(s):

- Amend the Zoning code to require sites identified for lower income RHNA and other applicable sites with affordable units, the one-to-one replacement of existing units that are either deed restricted or occupied by lower income tenants.

4. **Sites Used in Previous Housing Cycle:** The Housing Element may only count nonvacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements providing the sites are subject to a program that allows affordable housing by right. The City will amend its code to address these requirements.

Some sites within this Housing Element were used in previous cycles and this program is included to address the by right approval requirement. Per Government Code Section 65583, the by right provision is limited to carry over sites used to meet lower-income RHNA where development includes at least 20% affordable units for lower income households.

Example Implementation Action(s):

- Revise the municipal code to include the by right approval requirement of projects that propose 20% lower income units on the carry over sites.

5. **ADU Facilitation Program:** This program aims to annually monitor provisions made to ADU legislation and amend the City’s Zoning Ordinance as necessary to ensure compliance with state law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.

In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.

Example Implementation Action(s):

- Respond in a timely manner to update the City code to integrate changes in State ADU housing law.
- Maintain and update City Summary Guide to ADUs and JADU's to promote, educate, and assist homeowners with developing ADUs.
- ADU monitoring: add mid-term monitoring component to ensure affordability level is consistent with HE sites inventory assumptions.
- Explore potential options to reduce and waive fees for proposed affordable ADUs and JADUs under certain criteria.

6. **Mixed-Use Program:** Mixed-use development will add more residential units throughout the city. Such development is expected to enhance the market for businesses and provide significant opportunities for affordable housing development. Elderly, less-mobile residents, as well as employees of nearby businesses, will particularly benefit from such opportunities. Where appropriate, commercial centers and the General Manufacturing (GM) and Research, Office Limited Manufacturing (ROLM) districts should incorporate residential uses, with a focus on the production of lower-income units.

Example Implementation Action(s):

- Reevaluate the proportion of commercial to residential in mixed use buildings, with potential to amend regulations to incentivize increased residential.
- Study and evaluate options for regulations to incentivize conversion of office space to residential units where appropriate.
- On an ongoing basis, with annual review, continue to encourage mixed-use development at key nodes along commercial boulevards, especially those along El Camino Real and by the Caltrain stations. The City regularly meets with developers to discuss how to develop their properties, and encouraging housing is the best first way to influence projects.

GOAL 4: Provide for a government environment that facilitates housing development.

Related to Program Category: Removal of Constraints

Policies:

Policy 4.1: Exempt permanently affordable housing units from any infrastructure impact fees adopted by the City. (Existing Program H3.3.2)

Policy 4.2: Provide for streamlined, timely and coordinated processing of development projects and associated environmental clearances to minimize project-holding costs.

Policy 4.3: Allow reduced development standards for accessory dwelling units.

Policy 4.4: Encourage new high-quality rental and ownership housing through the implementation of objective design standards, and architectural and green building standards in alignment with the Comprehensive Plan.

Policy 4.5: Heighten community awareness and to receive community input regarding the social, economic and environmental values of maintaining economic diversity in the City by providing affordable and mixed income higher density housing along transit corridors and at other appropriate locations.

Programs:

1. **Zoning Ordinance Monitoring Program (Zoning Amendment Program):** The Palo Alto Zoning Code is continuously updated to address changes among a range of issues and State/Federal laws. The City will continue to monitor its policies, standards, and regulations to ensure they work to facilitate residential and mixed-use development in the community.

Example Implementation Action(s):

- Amend the Zoning Ordinance to address AB 101, AB 139, AB 2162, and AB 2345 requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.

2. **Flexibility in Development Standards:** The Planning and Development Services department, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the PAMC to encourage the development of low- and moderate-income housing. The City offers offsets to assist in the development of affordable housing citywide. Offsets include concessions or assistance including, but not limited to, direct financial assistance, density increases, standards modifications, or any other financial, land use, or regulatory concession that would result in an identifiable cost reduction.

Example Implementation Action(s):

- The City will conduct a study of multi-family development standards to expand opportunities for additional housing. Strategies may include, but not limited to:
 - Density increases
 - Height

- Parking Requirements
 - Floor to Area Ratios (FAR)
 - Provide incentives and remove constraints for multifamily housing in the Downtown (CD-C), Cal Ave., (CC(2)/PTOD) and El Camino Real (CN and CS) districts.*
 - Monitor application of Municipal Code standards for constraints to development of new housing and recommend changes that would minimize such constraints and enhance the feasibility of affordable housing
3. **Expedited Project Review:** The City continues to explore opportunities to improve the efficiency of the development review process. As a response to a housing shortage in the State of California, Senate Bill 330 (SB 330) was passed to restrict local rules that limit housing production. SB 330 helps strengthen the Permit Streamlining Act, by creating a more efficient two-step application process. The City has already made improvements towards expediting the development process for housing in the City by developing objective standards. Additionally, in conformance with Government Code Section 65940.1 (SB 1483), the City has all schedule of fees, application forms, Zoning Ordinance/Municipal Code, and other relevant information publicly accessible on the City’s website. The City will continue to find ways to make the development process more efficient to uphold SB 330, by further streamlining the permit process and directly coordinating with developers to ensure a timely application and development process.

Example Implementation Action(s):

- Identify opportunities to reduce administrative burdens during permitting, such as automating processes, creating reference guides, and streamlining review processes.
 - Consider revising the threshold for Architectural Review Board (ARB), Planning and Transportation Commission (PTC), and Council review for residential and commercially zoned projects to allow more projects to be administratively reviewed. This would reduce time delay and uncertainty for housing development projects.
 - Conduct an annual review and amend land use regulations, development standards, permitting procedures, and fees, as needed, and where feasible, to remove impediments to, and reduce the cost of, affordable residential development.
4. **Housing Incentive Program (HIP):** The HIP was enacted in 2019 and allows for additional floor area, and when 100% affordable, waivers of other development standards, including parking, to promote housing development. The HIP discretionary review is limited to specific areas within the City (see code language: 18.16.060(k), 18.18.060(l)) and is considered an alternative to the State Density Bonus law. The ordinance language is clear and concise, leading to greater developer certainty. Currently the HIP is limited to areas within the University Downtown, California Avenue, El Camino Real, and San Antonio Road.

Example Implementation Action(s):

- Expand areas throughout the City to be eligible for HIP.

GOAL 5: Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Related to Program Category: Housing for Persons with Special Needs:

Policies:

Policy 5.1: Support the development and preservation of group homes and supported living facilities for persons with special housing needs by assisting local agencies and nonprofit organizations in the construction or rehabilitation of new facilities for this population. (Existing Program H3.3.4)

Policy 5.2: Provide housing that addresses the needs of persons with disabilities (including persons with developmental disabilities), the mentally ill, persons with substance problems, persons with HIV/AIDS, veterans and other groups needing transitional and supportive housing.

Policy 5.3: Support the provision of emergency shelter, transitional housing, and ancillary services to address homelessness. (Existing Policy H3.5)

Policy 5.4: Support housing that incorporates facilities and services to meet the health care, transit, and social service needs of households with special needs, including seniors and persons with disabilities. (Existing Policy H4.2)

Policy 5.5: Encourage universal design of housing products and environments, making them usable by a wide range of persons with different physical and mental abilities.

Policy 5.6: Coordinate with regional agencies providing services to the homeless, for needs assessment and resource allocation.

Programs:

1. **Housing for Persons with Special Needs:** The City's municipal code is periodically updated to address a wide range of issues and California and Federal law. The City will continue to monitor its policies, standards, and regulations to ensure that they comply with applicable law. The City will also facilitate the development of housing for persons with disabilities and other special needs through incentives for affordable housing development.

Example Implementation Action(s):

- For extremely low income housing units, provide preferences to populations with special needs.
- On an ongoing basis, with annual review, contract with and financially support non-profit services providers that help meet the supportive services needs of the City's diverse community, especially those with extremely low incomes.
- In order to assist in the housing needs for special needs populations, the City will:
 - Engage with housing advocates on the identification of needs and new solutions,
 - Encourage housing developers, through the City's BMR requirements, to designate a portion of new affordable housing units for special needs populations, and
 - Partner with the County and other agencies to pursue funding sources designated for housing for special needs groups, including seniors and persons with disabilities.

2. **Multi-family Housing and Large Family Units:** Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Due to the high cost of housing and scarcity of land, housing units large enough to accommodate large families are limited. The City considers large families as a vulnerable population within the City and is committed to exploring additional opportunities for multi-family housing developments. Furthermore, the City will continue to advocate and promote the production of housing units of all to accommodate all persons and family sizes. Large family units have three or more bedroom units.

Example Implementation Action(s):

- Explore incentives to encourage larger units, such as FAR exemptions for three bedroom units.
- Promote and encourage a mix of different bedroom units in each development.
- The City shall encourage housing designs that meet the needs of extended, multigenerational, and/or large families.

3. **Homeless Prevention Program:** Santa Clara County adopted the Santa Clara Community Plan to End Homelessness, which is designed to address homelessness throughout Santa Clara County as a whole. The City's Homeless Prevention Program was created as a result of the County's Community Plan to End Homelessness. The Program is for Palo Alto households who are at risk of becoming homeless as defined by HUD and focuses on self-sufficiency and stabilization. And for those experiencing homelessness and waiting for more permanent housing, provide services that offer immediate support.

Example Implementation Action(s):

- Expand areas of the City Safe Parking Program including case management.
- Create a social services directory and make it available to residents at public counters and on City website.
- Expand the City's homeless prevention program to include renter protections and financial assistance for rent, security deposits, and utilities.

4. **Transitional and Supportive Housing:** Assembly Bill 2162 (AB 2162), which was passed in 2018, requires that supportive housing be a use by right in zones where multi-family and mixed-use are permitted, including nonresidential zones permitting multifamily uses. Additionally, AB 2162 prohibits local governments from imposing any minimum parking requirements for units occupied by supportive housing residents if the development is located within ½ mile of a public transit stop. The City will amend its Zoning Ordinance to comply with the latest provisions under AB 2162 and will continue to seek new supportive housing opportunities through further analysis of the residential site inventory. The City is committed to expanding both supportive and transitional housing opportunities for vulnerable communities that rely on such services and will prioritize these housing developments near transit centers to provide easier access to City services for supportive and transitional housing residents.

Example Implementation Action(s):

- Continue to pursue the Homekey (LATP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing.

5. **Alternative Housing:** Under this program, the City will continue to support alternative types of housing, such as multifamily units, single-room occupancy units, and managed living units or “micro-units,” to accommodate extremely-low-income households.

Example Implementation Action(s):

- Coordinate with the County shared housing program or HIP Housing to provide a shared housing arrangement facilitation.*
- Encourage innovative housing structures, such as micro-unit housing and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals citywide.*
- Review and amend the Zoning Ordinance to review and amend definitions and allowances of uses for the definition of family, Employee Housing, Residential care facilities, Group Homes and/or Boardinghouses to review regulations to be consistent with California Law for six or fewer residents.

GOAL 6: Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to reside in the housing of their choice.

Related to Program Category: Fair Housing:

Policies:

Policy 6.1: Support programs and agencies that seek to eliminate housing discrimination. (Existing Policy H4.1)

Policy 6.4: Conduct fair housing outreach and education for residents, property owners, and housing providers to ensure each understands their rights and responsibilities.

Policy 6.5: Identify mechanisms to increase production and access to housing.

Policy 6.6: Enforce notification and relocation assistance for low income households displaced due to demolition, condominium conversion, and persons displaced due to code enforcement activities of illegally converted or substandard residential dwellings.

Policy 6.7: Support and provide ways to empower community members to participate in community development.

Programs:

1. **Fair Housing Services:** The City of Palo Alto is committed to providing equitable opportunities to all residents of Palo Alto in order to expand access to housing and increase housing mobility. To achieve fair housing goals, the City will continue to partner and support Project Sentinel who provides a variety of fair housing services including but not limited to:

State Required - HCD Required - Suggested City Program (items with an asterisk* are Council supported)

tenant/landlord services, including mediation, information, investigation, counseling, and referral services. The City will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Example Program Implementation(s):

- Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services.
- In an ongoing basis, continue to provide multi-lingual fair housing information to the public regularly as needed via the public counters, message boards, City website, neighborhood watch, and in response to telephone inquiries.
- Ongoing, continue to provide referral to Project Sentinel, State Fair Employment and Housing, HUD Fair Housing and Equal Opportunity division, and other legal services as appropriate.
- Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds
- Work with Project Sentinel and renter organizations to educate tenants and landlords about fair housing requirements.

2. **Affirmatively Furthering Fair Housing:** To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County's ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on racial and economic disparity, land use and zoning, and lack of assistance and resources. Methodologies were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities, and increasing accessibility to information.

Example Program Implementation(s):

- Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the city's Inclusionary Housing Ordinance, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.
- Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post "NO Section 8" on applications)
- **Institute Tenant Protections to prevent anti-displacement including the following*:**
 - Relocation Assistance
 - Eviction Reduction Program
 - Rental Survey Program
 - Security Deposit Limit
 - Rent Stabilization
 - Fair Chance Ordinance
 - Right to Counsel

3. **Fair Housing Program:** AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.

Example Implementation Action:

- Encourage mixed-income developments accessible to lower income residents citywide, especially in high opportunity and resource-rich areas through use of the City's Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.
 - Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the City's Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.
4. **Community Outreach Program:** Community outreach is a key component to developing a comprehensive and inclusive housing market in the city. It is critical to engage local community groups and stakeholders from all sectors of the community in order to educate and provide inclusive housing opportunities. The goal of this program is to provide underrepresented community groups, which are affected by restrictions to fair and equitable housing, greater opportunities for becoming informed and engaged in the City's housing and overall planning process.

Example Implementation Action:

- Partner with Human Services for community outreach with a focus on traditionally underrepresented groups.
- The City shall continue to facilitate opportunities for all residents and stakeholders to provide meaningful and effective input on proposed planning activities early on and continuously throughout plan development and the public review process. Outreach efforts to disadvantaged communities will be a priority.