



CITY OF  
**PALO  
ALTO**

## **PALO ALTO HOUSING ELEMENT WORKING GROUP**

**THURSDAY May 5, 2022**

Virtual Zoom Meeting  
5:30 PM to 8:30 PM

### **AGENDA**

**\*\*\*\*BY VIRTUAL TELECONFERENCE ONLY\*\*\*\***

Click [Here](#) to Join **Meeting ID:** 988 4878 6907 **Phone Number:** [1 \(669\) 900-6833](tel:16699006833)

Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of Covid-19, this meeting will be held by virtual teleconference only, with no physical location. Members of the public may comment by sending an email to [heupdate@citofpaloalto.org](mailto:heupdate@citofpaloalto.org) or by attending the Zoom virtual meeting to give live comments. Instructions for the Zoom meeting can be found on the last page of this agenda.

#### **Call to Order 5:30 PM (Chair)**

- Roll Call and Housekeeping (staff)

#### **Staff Updates Oral Communications/Public Comment (Chair) 5:35 PM – 5:45 PM**

- Three (3) minutes per speaker

#### **Presentation and Discussion 5:45 PM – 8:25 PM**

- Approve Teleconferencing Resolution
- Finalize Programs for Draft Housing Element
  - Approval of program list/recommendation to PTC
- Review and Finalize Goals and Policies
  - Approve goals and policies/recommendation to PTC

#### **Adjournment 8:30 PM**

Times listed above are estimates and may change.

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**Members of the Public may provide public comments to teleconference meetings via email, or by teleconference.**

ADA. The City of Palo Alto does not discriminate against individuals with disabilities. To request accommodations, auxiliary aids or services to access City facilities, services or programs, to participate at public meetings, or to learn about the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact 650-329-2550 (voice), or e-mail [ada@cityofpaloalto.org](mailto:ada@cityofpaloalto.org). This agenda is posted in accordance with government code section 54954.2(a) or section 54956. Members of the public are welcome to attend this public meeting.

1. **Written public comments** on the Palo Alto Housing Element Update may be submitted by email to [heupdate@cityofpaloalto.org](mailto:heupdate@cityofpaloalto.org)
2. **Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Working Group members, click on the link below for the appropriate meeting to access a Zoom-based meeting. Please read the following instructions carefully.
  - A. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
  - B. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
  - C. When you wish to speak on an agenda item, click on “raise hand”. The moderator will activate and unmute attendees in turn. Speakers will be notified shortly before they are called to speak. The Zoom application will prompt you to unmute your microphone when it is your turn to speak.
  - D. When called, please limit your remarks to the time limit allotted.
  - E. A timer will be shown on the computer to help keep track of your comments.
3. **Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow instructions B-E above.
4. **Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit \*9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Board. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

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# Planning & Development Services

## Memorandum

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**To:** Housing Element Working Group

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

**Date:** May 5, 2022

**Re:** Teleconferencing Resolution

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### **Recommendation**

Adopt a Resolution (**Attachment A**) authorizing the use of teleconferencing under Government Code Section 54953(e) for meetings of the Housing Element Update Working Group due to the Covid-19 declared state of emergency.

### **Background**

In February and March 2020, the state and the County declared a state of emergency due to the Covid-19 pandemic. Both emergency declarations remain in effect.

On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act, effective October 1, 2021, to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days.

**AB 361, codified at California Government Code Section 54953(e), empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act in any of the following circumstances:**

- A. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.**
- B. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.**

**C. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B) (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. (Gov. Code § 54953(e)(1).)**

In addition, Section 54953(e)(3) requires that policy bodies using teleconferencing reconsider the state of emergency within 30 days of the first teleconferenced meeting after October 1, 2021, and at least every 30 days thereafter, and find that one of the following circumstances exists:

1. The state of emergency continues to directly impact the ability of the members to meet safely in person.
2. State or local officials continue to impose or recommend measures to promote social distancing.

### **Discussion**

At this time, the circumstances in Section 54953(e)(1)(A) exist. The Santa Clara County Health Officer continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts. (See August 2, 2021 [Order](#)) In addition, the California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures.

Accordingly, Section 54953(e)(1)(A) authorizes the City to continue using teleconferencing for public meetings of its policy bodies, provided that any and all members of the public who wish to address the body or its committees have an opportunity to do so, and that the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing are protected.

To comply with public health directives and promote public safety, Palo Alto policy bodies have been meeting via teleconference since March 2020. On September 27, 2021, the City Council considered the format for future Council, committee, and Board and Commission meetings. Council determined that beginning November 1, 2021, Council meetings would be conducted using a hybrid format that allows Council Members and the public to decide whether to attend in person, following masking and distancing protocols, or participate via teleconference. Council directed that Council standing and ad-hoc committees and Boards and Commissions would continue meeting via teleconference until January 2022.

Adoption of the Resolution at **Attachment A** will make the findings required by Section 54953(e)(3) to allow the continued use of teleconferencing for meetings of the Housing Element Update Working Group.

**Attachment:**

Attachment A: Resolution Authorizing Use of Teleconferencing Under Government Code Section 54953(e) for Meetings of Housing Element Update Working Group.

## ATTACHMENT A

Resolution No. HEU WG-2022-04

Resolution Making Findings to Allow Teleconferenced Meetings Under California  
Government Code Section 54953(e)

### R E C I T A L S

A. California Government Code Section 54953(e) empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act so long as certain conditions are met; and

B. In March 2020, the Governor of the State of California proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 (“COVID-19”) pandemic, and that state of emergency remains in effect; and

C. In February 2020, the Santa Clara County Director of Emergency Services and the Santa Clara County Health Officer declared a local emergency, which declarations were subsequently ratified and extended by the Santa Clara County Board of Supervisors, and those declarations also remain in effect; and

D. On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days; and

E. While federal, State, and local health officials emphasize the critical importance of vaccination and consistent mask-wearing to prevent the spread of COVID-19, the Santa Clara County Health Officer has issued at least one order, on August 2, 2021 (available online at [here](#)), that continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts; and

F. The California Department of Industrial Relations Division of Occupational Safety and Health (“Cal/OSHA”) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures; and

G. The Housing Element Update Working Group has met remotely during the COVID-19 pandemic and can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings while this emergency continues; now, therefore,

The Housing Element Update Working Group RESOLVES as follows:

1. As described above, the State of California remains in a state of emergency due to the COVID-19 pandemic. At this meeting, the Housing Element Update Working Group has considered the circumstances of the state of emergency.
2. As described above, State and County officials continue to recommend measures to promote physical distancing and other social distancing measures, in some settings.

AND BE IT FURTHER RESOLVED, That for at least the next 30 days, meetings of the Housing Element Update Working Group will occur using teleconferencing technology. Such meetings of the Housing Element Update Working Group that occur using teleconferencing technology will provide an opportunity for any and all members of the public who wish to address the body and its committees and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing; and, be it

FURTHER RESOLVED, That the Housing Element Update Working Group staff liaison is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the Housing Element Update Working Group within the next 30 days. If the Housing Element Update Working Group does not meet within the next 30 days, the staff liaison is directed to place a such resolution on the agenda of the immediately following meeting of the Housing Element Update Working Group.

INTRODUCED AND PASSED: March 3, 2022

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

Staff Liaison

Chair of Housing Element Update Working Group

APPROVED AS TO FORM:

APPROVED:

City Attorney

Department Head



# Planning & Development Services

## Memorandum

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**To:** Housing Element Working Group

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

**Date:** May 5, 2022

**Re:** Working Group Meeting #15

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### **Purpose/Goal of Meeting**

The purpose of the May 5, 2022 Housing Element Working Group (Working Group) meeting is to review and finalize programs, policies, and goals for inclusion into the 6<sup>th</sup> Cycle Housing Element.

### **Recap from Previous Meeting**

During the previous Working Group meeting, City Staff presented the proposed programs for the 6<sup>th</sup> cycle Housing Element Update. The 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.

Staff had provided programs addressing each of the categories as well as suggested draft implementing objectives for each program. Working Group members also provided comments and suggestions for additional implementing objectives. The Working Group conducted an informal straw poll with each of the programs and implementing objectives and supported many of the suggested implementing objectives.

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.

The April 7 Working Group packet can be found [HERE](#).

## **Discussion**

Based on the Working Group progress at its April meeting, staff continued to also develop additional implementing objectives for the Housing Element programs. The staff additions since April 7<sup>th</sup> are reflected in Attachment A and shown in underlined text or ~~strikeout~~ for deletions. The Working Group additions and edits are reflected in a double underline text or double ~~strikeout~~ format.

### Continued Refinement of Programs and Objectives

As previously indicated, program and implementing objectives remains an ongoing and evolving exercise. The Working Group has been instrumental in developing the suitable sites inventory and made significant progress advancing housing element programs and objectives. More work is required, however, and the state-mandated timelines to complete the housing element require staff to now advance the Working Group's progress to the Planning and Transportation Commission (PTC).

As noted at last month's meeting, there is a mandated need to identify programs that offer a greater level of specificity as to how the City will support housing production at all income levels. Attachment A begins to introduce new specific details, but here too, more work is needed. Staff is currently in the process of evaluating the development potential of typical sites within the suitable sites inventory to ensure the anticipated development potential can be achieved and is financially feasible. Even though staff has identified some specific program proposals, these are subject to change based on staff's prototype/financial analysis. The more specific standards are intended to provide some insight as to the type of specificity that is anticipated and may be required based on this analysis. Importantly, these are draft programs that require review by the City's decision-makers who may make changes based on other policy objectives.

It is anticipated the PTC may form an ad hoc group to help facilitate a timely review before the PTC. Working Group members are encouraged to remain active in this process at participate in public meetings to offer perspective on the Working Group's discussions and to advocate for the Group's or individual member interests.<sup>1</sup>

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<sup>1</sup> As a reminder to Working Group members, when publicly talking about the Housing Element update, please distinguish any personally held perspectives from that of the Working Group's discussions.

Staff plans on returning to the Working Group to review the public review draft of the Housing Element. Staff anticipates that the draft will be released in late Summer or Fall.

### **Next Steps**

- Staff seeks feedback on Attachment A with a focus toward revised Programs and Implementation Objectives; feedback on Goals and Policies are also welcome.
- Working Group is anticipated to meet again in the Fall to review the draft Housing Element document.
- PTC meets June 8, 2022 to review the goals, policies, and programs.
- Council meets in August to review the goals, policies, and programs.

### **Future Tasks**

There are no specific Working Group assignments at this time. Staff will keep the Working Group informed of all future public meetings so, as individuals, members can participate and provide feedback along the way.

Please send any questions or comments to [heupdate@cityofpaloalto.org](mailto:heupdate@cityofpaloalto.org).

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

Working Group, May 5, 2022

### NOTES:

1. *Implementing Objectives added and endorsed by the Working Group from April 7 shown in double underlined text/~~strikeout text~~.*
2. *New Implementing Objectives added by staff since April 7 shown in single underline/~~strikeout text~~.*

**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.**

### 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.

#### Implementation Objective:

- 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.

#### Implementation Objective:

- 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.

Implementation Objective:

- 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.
- Preserve and protect affordable, middle income and at-risk housing through site acquisition or partnership opportunities, such as the California Community Housing Agency and similar programs or agencies.

**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.**

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.

Implementation Objective(s):

- ~~Consider increasing BMR ownership percentage requirement.~~ The City shall review its Below Market Rate housing program and:
  1. Require rental developments to provide the highest feasible percentage of BMR units instead of paying a fee (“Palmer Fix”).

2. Update its feasibility study<sup>1</sup> from 2020 and consider a tiered inclusionary housing requirement where market conditions support a higher inclusionary rate or production of lower income units at a reduced inclusionary rate.
  - Amend the inclusionary housing program to require deed-restricted units to retain their affordability limits in perpetuity and not sunset over a defined time period.
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.

Implementation Objective(s):

- Establish and publish on the City’s website affordable housing target application review processing times and prioritize these projects through building permit process; publish on website the City’s performance meetings established review targets.
- Waive city-staff supported affordable housing planning entitlement application fees; continue to recover consultant-supported costs but waive any associated contract administration fees.
- Consider establishing a local alternative to State law that enables property owners by faith based institutions to develop an 100% affordable housing project on the site while retaining existing religious-use parking.
- Identify City-owned surface parking lots suitable for redevelopment that includes replacement public parking and prioritizes affordable housing units.
- Review City-owned parcels and identify sites based on availability, size, access to services and related metrics that would be appropriate for transitional housing. Once parcel(s) have been identified, pursue partnerships and funding opportunities to build transitional housing.
- Encourage affordable housing development at 27 University Avenue (Palo Alto Transit Center) by amending the zoning code to establish affordable housing as a permitted land use.
- Include developments that have a high percentage (75% or better) of affordable housing or are “primarily” affordable housing to be eligible for City housing funds.
- Revise City’s website to consolidate information related to the City’s Affordable Housing Program, including access to housing resources and an affordable housing database for individuals seeking affordable housing opportunities in Palo Alto.

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<sup>1</sup> See Palo Alto City Council report dated, September 21, 2020:  
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020-2/id-11472.pdf>

**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.**

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).

Implementation Objective(s):

- Engage Stanford University and the community in a conversation about future multi-family housing opportunities within the Stanford Research Park. Identify locations suitable for housing and mixed-use development and consider zoning modifications and housing incentives as appropriate. The goal of this program is to identify housing opportunity sites for the 7<sup>th</sup> Cycle Housing Element Update.
  - Consider 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.

Implementation Objective(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.

Implementation Objective(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.
- Expand the SB330 requirements to require any commercial development to replace any demolished residential units.

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.

Implementation Objective(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.

Implementation Objective(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.

Implementation Objective(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.**

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.

Implementation Objective(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 to the City Council 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.

Implementation Objective(s):

- Continue to implement land use policies that promote an improved jobs to housing balance.
- At strategic locations, modify commercial land use and zoning standards and increase housing development standards to shift the economic benefit of redevelopment toward housing production.
- Revise the retail preservation ordinance to remove or lessen the requirement to replace existing ground floor retail area when a site is redeveloped for housing.
- 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.

Implementation Objective(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.
  - Develop objective standards for residential development in multi-family zones.
  - Formalize a procedure to offer no-cost pre-application consultation services for new housing developments.
  - For housing projects subject to the City's Architectural Review Board, limit the number of hearings before the ARB to a maximum of two meetings.
  - Amend the zoning code to make the Affordable Housing Overlay a by-right administrative process within commercial districts.
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.

Implementation Objective(s):

- ~~Expand areas throughout the City to be eligible for HIP.~~
- As a continued alternative to the State Density Bonus, expand and increase the development potential provided in the Housing Incentive Program with tailored changes at strategic locations to allow up to a 0.5 FAR increase in floor area; a 10% increase in height; including transitional height limits; parking consistent with the State Density Bonus; and other potential development waivers.
- Convert the California Avenue Pedestrian and Transit Oriented Development district into an extension of the Housing Incentive Program.

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

Implementation Objective(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.

Implementation Objective(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.

Implementation Objective(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.

Implementation Objective(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.

Implementation Objective(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.**

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: 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.

Supported 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.

Supported 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.

Implementation Objective:

- 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.

Implementation Objective:

- Partner with Human Services for community outreach with a focus on traditionally underrepresented groups.

## ATTACHMENT A

- 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.

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