



CITY OF
**PALO
ALTO**

PLANNING & COMMUNITY ENVIRONMENT

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Palo Alto, CA 94301
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Housing Policy Department
Received on:

APR 01 2016

MEMORANDUM

To: Department of Housing and Community Development
From: Eloiza Murillo-Garcia, Senior Planner
Cc: Governor's Office of Planning and Research
City of Palo Alto City Council
City of Palo Alto Planning and Transportation Commission
Date: March 30, 2016
Re: 2015 Annual Housing Element Progress Report

Attached is the City of Palo Alto's 2015 Annual Housing Element Progress Report. The City is continuing to work on updates to other elements of its General Plan, the City of Palo Alto Comprehensive Plan. If conforming amendments to the Housing Element are necessary as part of the Comprehensive Plan update process, the City will consult with HCD.

Please contact me at (650) 329-2561 or by e-mail : eloiza.murillo Garcia@cityofpaloalto.org should you have any questions.

Department of Housing and
Community Development
ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of Palo Alto

Mailing Address: 250 Hamilton Avenue

Palo Alto, CA 94301

Contact Person: Eloiza Murillo-Garcia Title: Senior Planner

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Reporting Period by Calendar Year: from 1/1/15 to 12/31/15

These forms and tables, (see sample – next page) must be submitted to HCD and the Governor’s Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400) at the addresses listed below:

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

-and-

Governor’s Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202)

Jurisdiction: City of Palo Alto
 Reporting Period: Date: 01/01/15 - Date: 12/31/15

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

1	2	3	4			5	5a	6		7	8
			Affordability by Household Incomes					Housing with Financial Assistance and/or Deed Restrictions			
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
1501 California Avenue	1	O				28	28	28			
1501 California Avenue	5+	O				58	58	58			
1501 California Avenue	5+	O				54	54	54			
2123 Staunton Ct	5+	R	6	2		8	8	8	See Instructions		
405 Curtner Ave	5+	O				6	6	6			
640 Middlefield Ave	2-4	O				1	1	1			
125 Hawthorne Ave	2-4	O				1	1	1			
2209 El Camino Real	1	O				1	1	1			
2500 El Camino Real	5+	R	14	56		70	70	70			
385 Sherman Ave	2-4	O				4	4	4			
(9) Total of Moderate and Above Moderate from Table A3			▲	▲	▲	8	15	15			
(10) Total by income Table A/A3			▲	▲	▲	20	58	246			
(11) Total Extremely Low-Income Units*						8	160	246			

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction: City of Palo Alto
 Reporting Period: Date: 01/01/15 - Date: 12/31/15

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes			TOTAL UNITS	subsecion (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income		
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Palo Alto
Reporting Period Date: 01/01/15 - Date: 12/31/15

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Unit	Second	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0			8			8	8
No. of Units Permitted for Above Moderate	7						7	7

* Note: This field is voluntary

(8 2nd dtt s/Cottages, + 87 SFR BPermits issued - 80 SFR BPermits Demo = +7 Rebuilds for CY ear 2015)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Palo Alto
Reporting Period Date: 01/01/15 - Date: 12/31/15

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.	RHNA Allocation by Income Level		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
	Income Level	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted			20								20	671
	Non-deed restricted	691											
Low	Deed Restricted		6	58								64	368
	Non-deed restricted	432											
Moderate	Deed Restricted		3	8								11	267
	Non-deed restricted*	278											
Above Moderate		597	14	160								174	413
Total RHNA by COG. Enter allocation number:		1,988	23	246								269	1,719
Total Units													
Remaining Need for RHNA Period													

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Palo Alto
Reporting Period Date: 01/01/15 - Date: 12/31/15

General Comments:

All programs reported in Table C are taken from the Housing Goals, Policies and Programs section of the City's 2015-2023 Housing Element, adopted on November 10, 2014 and certified on January 20, 2015

Housing Element 2015-2023 Near Term Implementation Programs -- Time Frame

Implement within 2 years of adoption (by Dec. 2016)

- H2.1.7 PROGRAM Explore developing a Transfer of Development Rights (TDR) program to encourage higher-density housing in appropriate locations.
- Eight-Year Objective:** Create opportunities for higher-density housing.
Funding Source: City funds
Responsible Agency: Planning & Community Environment
Time Frame: Consider program within two years of Housing Element adoption
Status: Not yet completed.
- H2.1.8 PROGRAM Promote redevelopment of underutilized sites by providing information about potential housing sites on the City's website, including the Housing Sites identified to meet the RHNA and information about financial resources available through City housing programs.
- Eight-Year Objective:** Provide information to developers about potential housing sites.
Funding Source: City funds
Responsible Agency: Planning & Community Environment
Time Frame: Post information on website upon adoption of Housing Element
Status: Completed.
- H2.1.9 PROGRAM Amend the Zoning Code to create zoning incentives that encourage the consolidation of smaller lots identified as Housing Inventory Sites and developed with 100% affordable housing projects. Incentives may include development review streamlining, reduction in required parking for smaller units, or graduated density when consolidated lots are over one-half acre. Adopt amendments as appropriate. Provide information regarding zoning incentives to developers.
- Eight-Year Objective:** Amend the Zoning Code to provide development incentives to meet the RHNA.
Funding Source: City funds
Responsible Agency: Planning & Community Environment
Time Frame: Adopt amendments within two years of Housing Element adoption
Status: Not yet completed.

H2.2.4 PROGRAM

As detailed in the Resources chapter of the Housing Element, the City of Palo Alto has committed to providing financial assistance towards the conversion of 23 multi-family units to very low-income (30-50% AMI) units for a period of 55 years, and is seeking to apply credits towards the City's RHNA (refer to Appendix C - Adequate Sites Program Alternative Checklist). The Palo Alto Housing Corporation (PAHC) approached the City for assistance in converting a portion of the 60 units at the Colorado Park Apartments, to be reserved for very low-income households. The committed assistance will ensure affordability of the units for at least 55 years, as required by law.

Eight-Year Objective: By the end of the second year of the housing element planning period, the City will enter into a legally enforceable agreement for \$200,000 in committed assistance to purchase affordability covenants on 23 units at the Colorado Park Apartments. The City will report to HCD on the status of purchasing affordability covenants no later than July 1, 2018, and to the extent an agreement is not in place, will amend the Housing Element as necessary to identify additional sites.

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing

Status: Completed.

H3.1.14 PROGRAM

Encourage and support the regional establishment of a coordinated effort to provide shared housing arrangement facilitation, similar to the HIP Housing Home Sharing Program in San Mateo County. Advocate among regional and nonprofit groups to establish the necessary framework.

Eight-Year Objective: Meet with regional groups and work to establish a Santa Clara Home Sharing Program

Funding Source: City Housing funds

Responsible Agency: Planning & Community Environment

Time Frame: Within two years of Housing Element adoption

Status: Not yet completed.

H3.5.2 PROGRAM

Amend the Zoning Code to clarify distancing requirements for emergency shelters, stating that "no more than one emergency shelter shall be permitted within a radius of 300 feet."

Eight-Year Objective: Amend the Zoning Code to clarify distancing requirements for emergency shelters.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt amendments within one year of Housing Element adoption

Status: Completed.

H3.5.3 PROGRAM

Amend the Zoning Code to revise definitions of transitional and supportive housing to remove reference to multiple-family uses, and instead state that “transitional and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.”

Eight-Year Objective: Amend the Zoning Code to revise transitional and supportive housing definitions.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt amendments within one year

Status: Completed.

H5.1.7 PROGRAM

In accordance with Government Code Section 65589.7, immediately following City Council adoption, the City will deliver to all public agencies or private entities that provide water or sewer services to properties within Palo Alto a copy of the 2015-2023 Housing Element.

Eight-Year Objective: Immediately following adoption, deliver the 2015-2023 Palo Alto Housing Element to all providers of sewer and water services within the City.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within one month of adoption of the Housing Element

Status: Completed.

Implement within 3 years of adoption (by Dec. 2017)

H1.1.2 PROGRAM

Consider modifying development standards for second units, where consistent with maintaining the character of existing neighborhoods. The modifications should encourage the production of second units affordable to very low-, low-, or moderate-income households.

Eight-Year Objective: Consider modifying the Zoning Code to provide for additional second units.

Funding Source: General Fund

Responsible Agency: Planning & Community Environment

Time Frame: Conduct a study within three years of adoption of Housing Element to assess the potential for additional second units with modifications to the development standards.

Status: Not yet Completed (Underway).

H1.1.3 PROGRAM

Provide incentives to developers such as reduced fees and flexible development standards to encourage the preservation of existing rental cottages and duplexes currently located in the R-1 and R-2 residential areas.

Five-Year Objective: Preserve 10 rental cottages and duplexes.
Funding Source: City Housing Fund
Responsible Agency: Planning and Community Environment
Time Frame: Explore incentives within three years of Housing Element adoption
Status: Not yet completed.

H2.1.1 PROGRAM

To allow for higher density residential development, consider amending the Zoning Code to permit high-density residential in mixed use or single use projects in commercial areas within one-half a mile of fixed rail stations and to allow limited exceptions to the 50-foot height limit for Housing Element Sites within one-quarter mile of fixed rail stations.

Eight-Year Objective: Provide opportunities for a diverse range of housing types near fixed rail stations.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Consider Zoning Code amendments within three years of Housing Element adoption

Status: Not yet completed.

H2.1.3 PROGRAM

Amend the zoning code to specify the minimum density of eight dwelling units per acre in all RM-15 districts. Consider amending the zoning code to specify minimum density for other multifamily zoning districts, consistent with the multi-family land use designation in the Comprehensive Plan.

Eight-Year Objective: To provide opportunities for up to 10 additional dwelling units on properties zoned RM-15

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet Completed.

H2.1.4 PROGRAM

Amend the Zoning Code to create zoning incentives that encourage the development of smaller, more affordable housing units, including units for seniors, such as reduced parking requirements for units less than 900 square feet and other flexible development standards.

Eight-Year Objective: Provide opportunities for 75 smaller, more affordable housing units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed.

H2.2.1 PROGRAM

Implement an incentive program within three years of Housing Element

adoption for small properties identified as a Housing Element Site to encourage housing production on those sites. The incentive eliminates Site and Design Review if the project meets the following criteria:

- The project has 9 residential units or fewer
- A residential density of 20 dwelling units per acre or higher
- Maximum unit size of 900 square feet

Eight-Year Objective: Streamline processing for identified Housing Element Sites.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt program within three years of Housing Element adoption

Status: Site and Design Review threshold has been increased to 9 units.

H2.2.2 PROGRAM

Work with Stanford University to identify sites suitable for housing that may be located in the Stanford Research Park and compatible with surrounding uses.

Eight-Year Objective: Identify sites suitable for housing to accommodate additional housing units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Identify sites within three years of Housing Element adoption

Status: Not yet Completed (Underway)

H2.2.6 PROGRAM

On parcels zoned for mixed use, consider allowing exclusively residential use on extremely small parcels through the transfer of zoning requirements between adjacent parcels to create horizontal mixed use arrangements. If determined to be appropriate, adopt an ordinance to implement this program.

Eight-Year Objective: Consider transfer of zoning requirements to create horizontal mixed use.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed (Can be accomplished with Program 2.1.9).

H3.1.1 PROGRAM

Amend the City's BMR ordinance to lower the BMR requirement threshold from projects of five or more units to three or more units, and to modify the BMR rental section to be consistent with case law related to inclusionary rental housing.

Eight-Year Objective: Provide opportunities for four additional BMR units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Amend BMR Ordinance within three years of Housing Element adoption.

Status: Not yet completed. (Underway)

H3.1.12 PROGRAM

Amend the Zoning Code to provide additional incentives to developers who provide extremely low-income (ELI), very low-income, and low-income housing units, above and beyond what is required by the Below Market Rate program, such as reduced parking requirements for smaller units, reduced landscaping requirements, and reduced fees.

Eight-Year Objective: Provide incentives for development of housing for Extremely Low Income households.

Funding Source: City Housing funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed.

H3.3.4 PROGRAM

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.

Eight-Year Objective: Regularly review existing development regulations, and amend the Zoning Code accordingly to reduce regulatory obstacles to this type of housing.

Funding Source: City & CDBG Funds

Responsible Agency: Planning & Community Environment

Time Frame: Amend Zoning Code within three years of Housing Element adoption.

Status: Not yet completed.

H3.4.4 PROGRAM

The City will work with affordable housing developers to pursue opportunities to acquire, rehabilitate, and convert existing multi-family developments to long-term affordable housing units to contribute to the City's fair share of the region's housing needs.

Eight-Year Objective: Identify potential sites for acquisition and conversion and provide this information to developers.

Funding Source: City funds

Responsible Agency: Planning and Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Ongoing.

H4.2.1 PROGRAM Ensure that the Zoning Code facilitates the construction of housing that provides services for special needs households and provides flexible development standards for special service housing that will allow such housing to be built with access to transit and community services while preserving the character of the neighborhoods in which they are proposed to be located.

Eight-Year Objective: Evaluate the Zoning Code and develop flexible development standards for special service housing.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Evaluate the Zoning Code within three years of adoption of the Housing Element.

Status: Not yet completed.

H4.2.2 PROGRAM Work with the San Andreas Regional Center to implement an outreach program that informs families in Palo Alto about housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.

Eight-year objective: Provide information regarding housing to families of persons with developmental disabilities.

Funding Source: General Fund

Responsibility: Planning and Community Environment

Time frame: Develop outreach program within three years of adoption of the Housing Element.

Status: Not yet completed.

Implement within 4 years of adoption (by Dec. 2018)

H3.1.7 PROGRAM Ensure that the Zoning Code permits innovative housing types such as co-housing and provides flexible development standards that will allow such housing to be built, provided the character of the neighborhoods in which such housing is proposed to be located is maintained.

Eight-Year Objective: Review the Zoning Code and determine appropriate amendments to allow innovative housing types with flexible development standards.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Consider changes to the Zoning Code within four years of Housing Element adoption.

Status: Not yet completed.

H3.3.7 PROGRAM Prepare a local parking demand database to determine parking standards

for different housing uses (i.e. market rate multifamily, multifamily affordable, senior affordable, emergency shelters etc.) with proximity to services as a consideration. Adopt revisions to standards as appropriate.

Eight-Year Objective: Determine parking standards for different residential uses.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within four years of Housing Element adoption

Status: Not yet completed. (The City Council has requested we prioritize this program due to changes in the State Density Bonus Law related to parking.)

H3.6.1 PROGRAM

Conduct a nexus study to evaluate the creation of workforce housing for City and school district employees.

Eight-Year Objective: Create the opportunity for up to five units of workforce housing.

Funding Source: City of Palo Alto Commercial Housing Fund

Responsible Agency: Planning & Community Environment

Time Frame: Conduct a study within four years of adoption of the Housing Element.

Status: Not yet completed.

Implement with Comprehensive Plan

H2.1.10 PROGRAM

As a part of planning for the future of El Camino Real, explore the identification of pedestrian nodes (i.e. “pearls on a string”) consistent with the South El Camino Design Guidelines, with greater densities in these nodes than in other areas.

Eight-Year Objective: Explore the identification of pedestrian nodes.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.1.11 PROGRAM

Consider implementing the Pedestrian and Transit Oriented Development (PTOD) Overlay for the University Avenue downtown district to promote higher density multifamily housing development in that area.

Eight-Year Objective: Consider PTOD for University Avenue.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within four years of Housing Element adoption, in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.1.12 PROGRAM

Evaluate developing specific or precise plans for the downtown, California Avenue, and El Camino Real areas to implement in the updated Comprehensive Plan. Adopt plans for these areas, as appropriate.

Eight-Year Objective: Evaluate developing plans for downtown, California Avenue, and El Camino Real.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed. (Proposed for inclusion as an implementation program in the Comprehensive Plan Update)

H2.2.7 PROGRAM

Explore requiring minimum residential densities to encourage more housing instead of office space when mixed-use sites develop, and adopt standards as appropriate.

Eight-Year Objective: Explore requiring minimum densities in mixed use districts.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.2.8 PROGRAM

Assess the potential of removing maximum residential densities (i.e. dwelling units per acre) in mixed use zoning districts to encourage the creation of smaller housing units within the allowable Floor Area Ratio (FAR), and adopt standards as appropriate.

Eight-Year Objective: Assess removal of maximum densities in mixed use zoning districts.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).