CITY OF SAN BRUNO
COMMUNITY DEVELOPMENT DEPARTMENT

March 26, 2013

Housing Policy Department
Received on:
MAR 29 2013

Melinda Coy
HCD- Division of Housing Policy
P.O. Box 952053,
Sacramento, CA 94252-20531

RE: City of San Bruno Housing Element 2012 Annual Progress Report

Dear Melinda,

Enclosed please find the City of San Bruno's Housing Element Annual Progress Report for calendar year 2012. The APR was submitted to the San Bruno City Council for review on March 12, 2013. A copy of the City Council staff report is also enclosed.

If you have any questions, please contact me by phone at (650) 616-7053 or email at msullivan@sanbruno.ca.gov.

Sincerely,

Mark Sullivan
Housing & Redevelopment Manager
City of San Bruno

Attachments:
Housing Element 2012 Annual Progress Report
City Council Staff Report

567 El Camino Real, San Bruno, CA 94066-4299
Voice: (650) 616-7074 • Fax: (650) 873-6749
http://ci.sanbruno.ca.us

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

Jurisdiction City of San Bruno

Reporting Period 1-Jan-12 - 31-Dec-12

Table A

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

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				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.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income			See Instructions	See Instructions	
(9) Total of Moderate and Above Moderate from Table A3 ► ►					0	19	19	19			
(10) Total by income Table A/A3 ► ►						19	19	19			
(11) Total Extremely Low-Income Units*											

* Note: These fields are voluntary

Attachment 1

Attachment 1

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

Jurisdiction City of San Bruno

Reporting Period 1-Jan-12 - 31-Dec-12

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 whichmeet the specific criteria as outlined in G

Activity Type	Affordability by Household Incomes				(4) Description of Activity Including Housing Element Program Reference
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	0	0	0	
(2) Preservation of Units At-Risk	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

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. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for **Moderate**	0	0	0	0	0	0	
No. of Units Permitted for **Above Moderate**	19	0	0	0	0	19	19

* Note: This field is voluntary

Attachment 1

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

Jurisdiction City of San Bruno

Reporting Period 1-Jan-12 - 31-Dec-12

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.			2007	2008	2009	2010	2011	2012	2013	2014		Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	222	0	0	0	0	0	0					219
	Non-deed restricted		0	3	0	0	0	0				3	
Low	Deed Restricted	160	0	0	0	0	0	0					-139
	Non-deed restricted		0	145	0	0	154	0				299	
Moderate	Deed Restricted	188	0	0	0	0	0	0					-93
	Non-deed restricted		0	127	0	0	154	0				281	
Above Moderate		403	50	83	24	-38	15	19				153	250
Total RHNA by COG. Enter allocation number:		973											
Total Units ► ► ►			50	358	24	-38	323	19				736	237
Remaining Need for RHNA Period ► ► ► ► ►													

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

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction: City of San Bruno Reporting Period 1/1/2012 - 12/31/2012

Table C
Program Implementation Status
Housing Element Progress Report – Government Code Section 65583.
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
Program 1-A: Support infrastructure upgrades.	Continue to seek funding to upgrade and maintain infrastructure needed by San Bruno's housing supply.	Ongoing	• The City identifies infrastructure funding through infrastructure master plans, Capital Improvement Program and the Transit Corridors Specific Plan. • The City continues to rebuild the infrastructure destroyed in the Glenview explosion and fire on 9/9/10, funded through the $50 million PG&E trust agreement to rebuild the Crestmoor neighborhood • The RDA ceased operations on 2/1/12 with the passage of AB 26. Tax increment is no longer a source of funding for infrastructure projects.
Program 1-B: Maintain and expand the supply of small lots.	Conserve and expand the city's supply of small residential lots, where compatible with surrounding neighborhood character.	Ongoing	• The zone code allows development of small, flexible parcels (e.g. zero lot-line) with a Planned Unit Permit. • The Municipal Code allows at least one (1) housing unit on any sub-standard parcel, provided that it is at least 25 ft wide.
Program 1-C: Conserve second units in R-1 and R-2 zones.	Continue to legalize second units in R-1 and R-2 zones that were constructed prior to June 30, 1977 and that met the Uniform Building Code at time of construction.	Ongoing	• The City received three applications to legalize second units in 2012, and all 3 were approved. • The City provides information to the public on how to legalize second units on the City website, at the Planning Counter and the Public Library. • The City is considering a strategy to legalize second units constructed between 1977 and 2003, as part of the zone code update.
Program 1-D: Promote the Redevelopment Residential Rehabilitation Loan Program (RRRLP).	The RRRLP provides technical and/or financial assistance to low-income homeowners whose homes are not meeting health and safety standards.	Ongoing	• The program ended on 2/1/12 with the dissolution of the RDA.
Program 1-E: Pursue and promote resources for preservation and rehabilitation.	Publicize federal, State, and local resources, both financial and programmatic, to assist homeowners in preventative maintenance and to preserve and rehabilitate the City's existing housing supply.	Ongoing	• RDA LMIH funds are no longer available for this purpose. • The City provided funding to North Peninsula Neighborhood Services Center, a non-profit that assists low-income homeowners with housing repairs. • The City increased the maximum grant amount for the ReBuild it Green program by $10,000 (to a maximum of $75,000) for LEED Platinum Projects for residents of the Crestmoor-Glenview neighborhood who lost their home to the PG&E gas line explosion and fire. • The City works with PG&E on an ongoing basis to ensure that homeowners whose homes were damaged in the Glenview fire are provided the assistance they need to rebuild.
Program 1-F: Ensure replacement housing.	Require replacement of any legal housing unit that is demolished within San Bruno.	Within 1 year after	• The City Council approved an expedited and streamlined planning and permitting process for rebuilding the Crestmoor neighborhood following the

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
		adoption of the H.E.	9/9/10 PG&E explosion and fire, which destroyed 38 homes, severely damaged 17, and left about 50 with minor damage. • The City will consider requiring replacement of demolished legal housing units in all areas of the city as part of zoning code update, currently in progress.
Program 1-G: Improve legally non-conforming residential uses.	Work to facilitate improvement and expansion of existing legal non-conforming residential uses if compatible with adjacent uses.	Within 1 year after adoption of the H.E.	• As part of the zoning code update, the City is studying options for legalizing non-conforming units to ensure that they are maintained in good condition and clarifying permissible reconstruction/expansion of non-conforming uses.
* Program 1-H: Support historic preservation.	Support preservation and reuse of properties with historic character.	Ongoing	• The City promotes preservation of historic structures and resources listed in the 2003 Historic Building Survey on a case-by-case basis. There were no new cases in 2012.
Program 1-I: Allow fee waivers for affordable rehabilitation.	Waive permit fees for affordable housing rehabilitation achieved through the Community Development Block Grant (CDBG) program as well as through other San Mateo County or Redevelopment Agency programs or through non-profit agencies.	Ongoing	• City maintains its policy to waive permit fees for housing rehabilitation conducted through CDBG and other San Mateo County or Redevelopment Agency programs or through non-profit agencies. No new affordable housing projects sought fee waivers in 2012. • The City waives building permit fees for 55 homes destroyed or damaged in the Glenview Fire. In 2012, the City issued 7 permits for complete rebuilds of demolished homes and 7 permits for repair of substantially damaged homes.
Program 1-J: Continue lead-based paint abatement.	Provide information on local lead-based paint abatement programs to ensure safe and healthy living environments for all residents.	Ongoing	• The City distributes information on local lead-based paint abatement programs at City Hall and on the City website.
* Program 1-K: Ensure renovations are compatible with neighborhood character.	Maintain design standards to ensure that residential additions and renovations are compatible with overall neighborhood character. (See Program 2-F regarding new housing development.)	Within 1 year after adoption of the H.E.	• The City requires residential additions and renovations to comply with the 2009 Residential Design Guidelines, and provides informational handouts at the Planning counter and on the City website. • The City adopted an expedited permit process for rebuilding homes destroyed or damaged in the PG&E fire. Projects where the design is consistent with the Residential Design Guidelines and threshold requirements are not exceeded, can be approved administratively, bypassing the usual architectural review process. Projects that exceed thresholds can be approved by the architectural review committee, but do not require Planning Commission approval.
* Program 2-A: Update the Zoning Ordinance to be consistent with the new General Plan.	Revise the Zoning Ordinance to reflect the San Bruno 2025 General Plan, including land use designations allowing mixed-use development.	Within 1 year after adoption of the H.E.	• The zone code update began in 2011 and is expected to be completed in 2013. • The updated zoning code will create new Transit Oriented Development and Multi Use–Residential Focus zoning districts that promote high-intensity mixed-use development, including retail, office, services, and housing, consistent with the 2009 General Plan and Transit Corridors Plan. • Prior to adoption of the zone code update, the City is encouraging applicants to follow the new General Plan land uses and densities/intensities.
* Program 2-B: Complete Downtown and Transit Corridors Plan.	Complete and adopt a Downtown and Transit Corridors Plan with the goal, amongst others, of increasing residential options in Downtown and transit corridors of El Camino Real and San Bruno Avenue	Within 1 year after adoption of the H.E.	• The Transit Corridors Plan (TCP) was adopted by the City Council on February 12, 2013. The TCP encourages housing types that better meet current housing needs (e.g., shared housing, cube housing, co-housing, etc.) and mixed use development with residential over commercial uses. • The TCP will streamline the project review process (including a Program level

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
	in the vicinity of the future Caltrain Station.		EIR), and proposes to increased height limits above Ordinance 1284 requirements (requires voter approval in a citywide election).
* Program 2-C: Support identified housing opportunities.	Work with property owners and the community to support and encourage the redevelopment of identified opportunity sites into mixed uses with affordable housing components.	Ongoing	• Staff actively engages the community and real estate professionals about options to redevelop housing opportunity sites listed in the Housing Element and the Transit Corridors Plan. .
* Program 2-D: Reuse former school sites.	Facilitate the reuse of former school sites to accommodate affordable housing.	Initiate actions within 2 years after adoption of the H.E.	• The San Mateo County High School District is considering options for the former Crestmoor High School site. If the School District recommends reuse of the site, the City will work with the District to encourage development of a variety of housing types to address the needs of all incomes while preserving open space and recreational facilities. • The San Bruno Park School District voted to close the Crestmoor Elementary School in February 2013. The City will monitor the school district plans for the site. • The City is also keeping track of the former Willard Engvall and Edgemont School sites.
* Program 2-E: Consolidate Lots.	Use City funds to facilitate lot consolidation in support of the redevelopment of housing opportunity sites with affordable housing.	Initiate actions within 2 years after adoption of the H.E.	• The City works with property owners and developers to encourage parcel consolidation to facilitate affordable housing development, with a focus on the Housing Opportunity Sites in Program 2-C. • The Zoning Update, currently in progress, and Transit Corridors Plan will implement the General Plan the policy to allow development density to increase with the size of the development site. • The loss of redevelopment means the City can no longer use tax increment funds for land assembly.
Program 2-F: Ensure compatibility of new housing with neighborhood character.	Use Residential Design Guidelines to ensure that new housing development proposals are compatible with existing neighborhood character. (See Program 1-K regarding additions and renovations to existing homes.)	Within 1 year after adoption of the H.E., ongoing	• The City requires applications for new single-family housing to comply with the Residential Design Guidelines to ensure that the design, scale, and buffering retains existing neighborhood character. • The Zoning Code Update, currently in progress, and Transit Corridors Plan will establish development standards and design guidelines for new multi-family residential and mixed-use development to ensure compatibility of design and scale with surrounding uses.
* Program 2-G: Provide senior housing for a range of income levels.	Identify opportunities for the creation of affordable units for seniors who do not qualify for deed-restricted units due to equity in their current homes.	Ongoing	• The Transit Corridors Plan encourages development of small rental and for-sale units close to transit and services, which would appeal to and be affordable to seniors on fixed incomes.
* Program 2-H: Encourage moderate-income for-sale housing.	Encourage moderate-income for-sale housing within the Multi Use-Residential Focus area along El Camino Real.	Ongoing	• City staff informs developers about the need for moderately-priced for-sale housing along the transit corridors, potentially in the form of multi-family condominiums, including options for using density bonuses and smaller unit sizes to increase affordability.
Program 2-I: Provide affordable housing education.	Develop and implement an ongoing voter education program to inform residents of the need for affordable housing and ways	Within 2 years after adoption of	• City staff educates the public about the need for affordable housing using a variety of means, including community workshops during the development of the Transit Corridors Plan, articles in the City's Focus Newsletter and the City

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
	the electorate can support its development.	the H.E.	website.
Program 2-J: Conduct annual performance evaluations and ensure consistency with the General Plan.	During annual review of the General Plan, monitor, evaluate, and document housing program performance and consistency with General Plan goals and policies.	Ongoing	• The City annually prepares the Housing Element Annual Progress Report to evaluate and document housing program performance. Community Development Department staff meet regularly to discuss housing issues.
Program 3-A: Publicize affordable housing financing strategies.	Publicize the various financing strategies for development and expansion of affordable housing.	Ongoing	• City staff keep up with available financing strategies for the development of new affordable housing, and discuss with property-owners, and for-profit and non-profit developers.
Program 3-B: Support the Housing Choices Voucher Program.	Continue to participate in San Mateo County Housing Authority's Housing Choices Voucher program (formerly Section 8).	Ongoing	• City staff encourages housing developers to consider the Housing Choices Voucher program. The lottery for new applicants has not been open since 2008.
* Program 3-C: Monitor compliance with financing terms.	Ensure that units built with long-term affordability requirements are actually occupied by lower-income households. (See also Program 5-E)	Ongoing	• 325 affordable units are located within three multifamily residential developments at The Crossing. Each has an Affordable Housing Agreement that require annual certificates of program compliance. Staff monitors compliance on an ongoing basis and reviews the annual certificates of reviewed.
* Program 3-D: Preserve affordable units at Pacific Bay Vistas (formerly TreeTops).	The City will strive to preserve the original 62 very-low and low-income assisted housing units at Pacific Bay Vistas Apartments to ensure the full term of the deed restriction is met, regardless of delays in the redevelopment of the site.	Ongoing	• In response to real estate market conditions, the developer, AIMCO, applied for a modified project to allow a renovation alternative for the existing 308 apartment units, which was approved in June 2010. The affordability requirement was a condition of the original financing (1986) for the project. The developer paid off the original loan, which ended the affordability requirement. The renovation project began construction in December 2011, and the project will include no affordable units.
Program 3-E: Promote the Mortgage Credit Certificate Program.	The City will continue to participate in and promote San Mateo County's Mortgage Credit Certificate (MCC) program for first-time homebuyers.	Ongoing	• The availability of MCCs is contingent on the funding availability, which varies from year to year.
Program 3-F: Facilitate reasonable accommodations.	Facilitate the development, maintenance and improvement of housing for persons with disabilities by establishing a procedure that would reduce processing time for reasonable accommodation requests.	Within 1 year after adoption of the H.E.	• The City's Zoning Code Update will include written reasonable accommodations procedure based on fair housing laws. The Zoning Code Update began in 2011, and is expected to be completed in 2013.
Program 3-G: Accommodate manufactured housing.	Continue to permit manufactured housing in single family zones.	Within 1 year after adoption of the H.E.	• The City allows manufactured housing on permanent foundation systems in all single family zones provided that applications comply with the Residential Design Guidelines. No special restrictions on manufactured housing are included in the Zoning Update beyond those that apply to regular single family construction.
* Program 3-H: Permit child care by right in residential areas.	Ensure that land use regulations consistently allow childcare services by right in all residential zones in accordance	Within 1 year after adoption of	• The Zoning Code Update will be consistent with streamlined definitions of small and large child care facilities in accordance with San Bruno 2009 General Plan Policy LUD-10 and the California Child Day Care Act

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
	with State law.	the H.E.	
* Program 3-I: Reduce parking requirements.	Reduce parking requirements for new or reuse housing projects along transit corridors and adjacent to transit stations, as well as within the Medium Density (R-3) and High Density (R-4) zones.	Within 1 year after adoption of the H.E.	• The City is considering ways to reduce parking requirements as part of the Zoning Ordinance Update, such as adopting state density bonus law standards, unbundled parking, tandem parking for second units, and enforcement measures for homeowners that use garage space for storage. • The Transit Corridors Plan recommends reduced parking requirements for housing near transit and for residents with reduced automobile use, such as seniors and persons with disabilities.
* Program 3-J: Support condominium conversions, cooperatives, and other affordable housing ownership options.	Facilitate condominium conversions, limited equity stock cooperatives, and community apartments to ensure affordable ownership choices within the housing supply.	Within 1 year after adoption of the H.E.	• The municipal code requires an apartment owner proposing to convert to condominiums to offer existing tenants the first opportunity to buy their unit. • There were no applications for condominium conversions in 2012.
Program 4-A: Promote energy conservation.	Continue to publicize and encourage energy conservation programs, including weatherization programs.	Within 2 years after adoption of the H.E.	• In 2011, the City adopted the new CalGreen building code at a "Tier 1" level, which promotes higher green building standards. Tier 1 requires new homes to perform 15% more efficient than the standard CalGreen home. • The building division promotes energy conservation programs on its website and through an information brochure. • The City adopted the Rebuild It Green Grant Program to encourage homeowners with homes destroyed or damaged in the Glenview fire to apply for grants up to $65,000 to rebuild green beyond code requirements. The grant amount was increased by $10,000 in 2012. Upgrades include insulation with higher heat retention values, window and heating system modifications, and solar photovoltaic for the home's energy or hot water needs.
* Program 4-B: Support household and business participation in energy conservation and efficiency programs through PG&E and the State.	City Staff will work to promote and support participation energy efficiency and conservation programs described in Chapter 2 in order to help reduce long-term housing costs for residents (including low-income residents), help meet local greenhouse gas reduction targets under AB 32, and increase the sustainability of the local energy supply.	Within 1 year after adoption of the H.E., ongoing	• Energy Upgrade is a statewide program consolidating rebates for homeowners to construct energy efficiency improvements in single-family homes. Through this program PG&E offers two rebates to improve energy efficiency. For San Bruno residents, the City will match PG&E rebates, pay half of the cost of home energy audits, waive all permit fees, and provide a standalone rebate for the installation of solar panels. San Mateo County will also match PG&E's rebates. San Bruno residents are eligible to receive a maximum of $12,000 in rebates for energy efficiency upgrades.
Program 4-C: Facilitate noise insulation retrofits.	Continue to pursue funding for noise insulation from the San Francisco International Airport and educate residents about program benefits.	Within 4 years after adoption of the Housing Element, ongoing	• The City reviews the plans and issues permits for houses that participated in the Aircraft Noise Insulation Program sponsored by the San Francisco International Airport (SFO). SFO is reaching out to property owners that have purchased homes in the qualifying Federal Aviation Administration (FAA) noise contour where the previous property owner declined to participate. There are 47 potential properties that are eligible under the current criteria and 13 participated in Phase 1 and were completed in 2012. Another 22 units are participating in Phase 2. • The City works with the SFO to encourage adoption of noise insulation standards to mitigate impacts from airplane backblast, and expand the CNEL

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
			threshold level for insulation from 65 CNEL to 60 CNEL.
* Program 4-D: Ensure adequate water and sewer service and reduce water waste.	Work with the San Francisco Public Utilities Commission (SFPUC) and local departments to ensure that there are adequate water and sewer services for new development, affordable housing receives priority for these services, and new development uses best management practices to reduce water waste.	Within 1 month to 1 year after adoption of the H.E.; ongoing	• The Housing Element was submitted to the SFPUC and Water and Wastewater Divisions of the Public Services Department. The Water and Wastewater Master plan updates will be completed in 2013. • The Transit Corridors Specific Plan EIR and Water Supply Assessment analyzed the availability of water for residential development. The Transit Corridors Plan includes standards and guidelines to minimize surface water run-off and pollution, increase water conservation during construction and operation phases of new residential development, and make recycled water available for appropriate uses. • New water service connections in the Glenview fire area requires larger meters (1.5") to each home, where smaller shared meters were often used previously.
Program 4-E: Encourage drought-resistant landscaping.	Implement water conservation and drought-resistant landscaping guidelines and standards.	Within 1 year after adoption of the H.E.; ongoing	• The Sustainability Audit for the Zoning Code Update recommends standards for water conservation and drought-resistant landscaping. • The City reviews each application for residential landscape plans for consistency with the City's Water Efficiency, Landscape and Irrigation Guidelines and Municipal Code Section 10.16, Water Conservation.
* Program 5-A: Support the Below Market Rate Housing (BMR) Ordinance.	Through education and enforcement of the Below Market Rate Housing Ordinance (adopted 2008), provide guidelines for developers to comply with the City's inclusionary housing requirements.	Ongoing	• The City's BMR Ordinance requires new residential projects with 10 or more housing units to provide a minimum of 15 percent of total housing units affordable to very-low, low-, and moderate-income households through construction, donation of land, and/or payment of in-lieu fees. • No new affordable housing projects were approved in 2012. Affordable housing developers continued to express interest in two sites, 406 San Mateo Ave. (former downtown cinema site) and 850 El Camino Real (Budget Motel site) • The City continues to monitor the legal status of the BMR ordinance with respect to challenges in the Palmer and Patterson court decisions. • The City has collected approximately $2.5 million in BMR in-lieu fees, which will be used to facilitate development of new affordable housing.
* Program 5-B: Implement State density bonus regulations.	Offer a density bonus of up to 35 percent and incentives or concessions based on the number of affordable units in the development and a flat density bonus of 20 percent for all senior housing in accordance with State density bonus regulations (Government Code 65915).	Within 1 year after adoption of the H.E., ongoing	• The City encourages developers to review the density bonus law at the earliest stages in pre-development review and consultation process. • Provisions for density bonuses for residential developments will be incorporated into the Zoning Ordinance Update and Transit Corridors Plan, including defining incentives such as reductions in parking, open space, setbacks, etc.
* Program 5-C: Provide financial incentives for affordable condominium conversions.	Create incentives for condominium conversions that provide affordable housing.	Within 1 year after adoption of the H.E.	• The City received no applications for condominium conversions in 2012.
* Program 5-D: Ensure affordability in the Redevelopment Area.	Continue to administer Redevelopment Project Area requirements for development of 15 percent affordable housing.	Ongoing	• The City administered Redevelopment affordability requirements until the Agency was dissolved on 1/1/12, pursuant to AB 26, which was upheld by the California Supreme Court on 12/29/11. • On 1/13/12, the City elected to take on the housing assets and functions

SAN BRUNO HOUSING ELEMENT - ANNUAL PROGRESS REPORT – 2012
Housing Element Implementation
(CCR Title 25 §6202)

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
			previously performed by the RDA.
* Program 5-E: Provide financial assistance to facilitate affordable housing development.	Use the Redevelopment Low- and Moderate-Income Housing Fund to increase, improve, and preserve the community's supply of low- and moderate-income housing in the Redevelopment Area.	Ongoing	• See Program 5-D for an explanation on the status of the LMIH fund. • The City reviews requests for financial assistance on a case-by-case basis where necessary and appropriate to facilitate affordable housing development, based on analysis of a project's financial feasibility and desirability. • The Department of Finance rejected the Successor Agency's inclusion of the LMIH unencumbered balance (approx. $2.5 million) of the former RDA was an enforceable obligation. The funds have been returned to the County Auditor for distribution to the taxing entities under AB 26. • Affordable housing developers continue to express interest in two sites, 406 San Mateo Ave. (former downtown cinema site) and 850 El Camino Real (Budget Motel site).
Program 5-F: Increase the supply of housing for large families.	Encourage diversity in unit size to ensure that 3- and 4-bedroom affordable rental housing units are provided for large families.	Ongoing	• The City encourages developers of multifamily affordable housing to incorporate larger units in the building plans.
Program 5-G: Expedite review and waive fees for affordable housing.	Continue to expedite review and waive planning and building fees for developers of affordable housing and housing for seniors and persons with disabilities.	Ongoing	• City staff works with housing developers to expedite the review of affordable housing projects. • City has a policy to waive building fees related to the percentage of affordable units.
Program 5-H: Modify regulations to encourage affordable housing.	Modify development regulations in specific zoning districts to encourage housing affordable to very-low, low-, and moderate-income households.	Within 1 year after adoption of the H.E., ongoing	• The Transit Corridors Plan will allow higher density multifamily housing development that will encourage affordable housing.
Program 5-I: Facilitate home equity conversions.	Continue to make information regarding home equity conversion programs available to elderly homeowners.	Ongoing	• The City continued to provide an annual grant of $30,000 to HIP Housing which administers a program to educate elderly homeowners about home equity conversion. This amount was previously paid from RDA LMIH funds.
* Program 5-J: Promote the Second Unit Ordinance.	Continue to inform homeowners about the Second Unit Ordinance which permits second units by-right on appropriate residential sites.	Ongoing	• Planning and Building staff inform homeowners about the second unit ordinance and information is available on the City website. • Two second units were approved in 2012.
* Program 6-A: Promote fair housing.	Continue to adhere to State and federal fair housing and non-discrimination laws to ensure that housing opportunities are provided for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, family status, or disability.	Within 1 year after adoption of the H.E., ongoing	• The City provides referrals to fair housing services during code enforcement. City will continue to inform realtors, builders, city staff, and the community at large of the fair housing law and policies, through the City website. • The City will ensure that fair housing laws are adequately reflected in the Zoning Ordinance Update, including additions and revisions to definitions as necessary. • The City will provide informational handouts about fair housing services available at City Hall, the Senior Center, and on the City's website.
Program 6-B: Support organizations that provide housing services.	Cooperate with and support organizations providing housing information, counseling, and referral services, and handling	Ongoing	• City provides $43,500 in financial assistance annually through the RDA LMIH fund to support three non-profit housing agencies (HIP Housing, North Peninsula Neighborhood Services Center and Shelter Network). These

Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
	complaints of housing discrimination.		organizations provide housing services for home repair, painting, case management, emergency food and shelter, crisis intervention, and assistance with rent and utility bill payments to low-income homeowners. • See Program 5-D for an explanation on the status of the RDA LMIH fund.
Program 6-C: Support shared housing programs.	Continue to support shared housing programs and to promote such programs through the Senior Center and other local agencies.	Ongoing	• City provides support through the RDA LMIH fund to HIP Housing which coordinates a shared housing program. • See Program 5-D for an explanation on the status of the RDA LMIH fund.
* Program 6-D: Accommodate city's share of emergency (homeless) shelter need.	Amend the Zoning Ordinance to identify the Transit Oriented Development Area designated under the San Bruno 2025 General Plan as an appropriate zone or zones within which emergency shelters are permitted by right, in accordance with State law.	Within 1 year after adoption of the H.E.	• The Zoning Code Update, currently in progress and adopted Transit Corridors Plan, will permit emergency (homeless) shelter facilities by right (as a permitted use, without requiring a conditional use permit) within the General Plan TOD land use district, subject to reasonable and objective standards permissible by law. The designated area has sufficient and reasonably available acreage (vacant or underutilized) to meet the city's identified need (32 beds) within the planning period, including the potential for reuse or conversion of existing buildings. • The City continues to support the 10-bed shelter run by St. Bruno's Church, and will support future faith-based efforts to supply emergency and transitional housing to those in need.
* Program 6-E: Address identified need for extremely-low income and supportive housing.	Amend the Zoning Ordinance to permit transitional and supportive housing by right in residential zones, work with nonprofit builders who specialize in building housing for extremely-low income households, and facilitate the creation of supportive housing units in accordance with the City's share of countywide need identified in the HOPE Plan.	Within 2 years after adoption of the H.E.	• Zoning Ordinance Update will amend the definition of "Special residential care facilities"—already allowed by right in any residential zone—to include transitional and supportive housing uses, including those designated as SROs. This will ensure that transitional and supportive housing is treated as a residential use of property in accordance with SB2. • The City works with local or regional agencies and non-profits that specialize in supportive housing development and management to identify opportunities for the development of supportive housing in San Bruno.
Program 6-F: Participate in regional coordination on homelessness.	Work with other cities, agencies, and the County to address needs of the homeless.	Ongoing	• The City coordinates with the San Mateo County Department of Housing and social service agencies to address homeless needs on a case by case basis.

General Comments

The San Bruno Housing Element 2009-2014 was adopted on March 23, 2010, and certified by HCD on June 15, 2010.

The PG&E gas explosion and fire occurred on September 9, 2010 and destroyed 38 homes, severely damaged 17 homes, and caused damage to over 45 homes in the Crestmoor neighborhood of San Bruno. Seven building permits for new replacement homes were issued in 2012. A total of 21 permits for replacement homes have been issued. The City and PG&E have purchased nine properties.

The 308-unit Treetops apartment complex was vacated in 2005 due to severe mold problems. The developer, AIMCO, obtained entitlements to demolish the existing buildings and replace them with a 510-unit apartment complex in 2008. AIMCO was unable to secure financing for the

demolition and new project, but was able to secure HUD financing for a complete remodel of the existing 308 units. Building permits for the remodel of all 308 units was issued in 2011 and construction was in progress throughout 2012.

Local Efforts To Remove Governmental Constraints

The greatest constraints to the maintenance, improvement, and development of affordable housing are: 1) the loss of low and moderate income housing tax increment funds with the dissolution of redevelopment agencies under AB 26, 2) Ordinance 1284, adopted in 1977, which limits building heights and residential densities, 3) restrictions due to noise impacts from the San Francisco International Airport (SFO), and 4) recent legal decisions such as the Palmer vs City of Los Angeles decision (2009) which found that restricting rents in new developments violates state rent control laws.

- *Loss of Redevelopment.* The enactment of ABx1 26 dissolved all redevelopment agencies in California on February 1, 2012, and created successor agencies to wind down their operations. Low and Moderate Income Housing (LMIH) tax increment generated from the San Bruno Redevelopment Project Area was the City's main source of funding for affordable housing. San Bruno had one Redevelopment Project Area, which was established in July 1999. During its 13 years of operation, the Redevelopment Agency facilitated the development of 97 units affordable to very low income households. The Redevelopment Agency paid an annual rent subsidy of $680,000 to maintain the affordability of those units. The San Bruno Redevelopment Project generated about $1.9 million in housing set aside finds in FY 2011/12, its last year operation. The Agency had an unencumbered LMIH fund balance of $2.48 million when it was dissolved, which the Successor Agency claimed as an enforceable obligation on its Redevelopment Obligation Payment Schedule (ROPS). The California Department of Finance denied this claim and the unencumbered balance was returned to the County Auditor Controller for distribution to the taxing entities. The City monitor new initiatives to generate funding for affordable housing and economic development at the state level, such as the California Homes and Jobs Act (SB 391).

- *Ordinance 1284 Constraints.* In June 1977, the City of San Bruno adopted Ordinance No. 1284 placing restrictions on certain development standards, which constrains higher density residential development in the City. Ordinance 1284 requires approval by a majority of the voters of the City in order to allow: 1) buildings or other structures that exceeding fifty (50) feet or three (3) stories in height, whichever is less, 2) projects in residential districts at a density above what was permitted by the city's zoning code and map in 1974, and 3) multi-story parking structures. The City adopted the Transit Corridors Specific Plan in order to encourage mixed use and transit oriented development, including higher density residential uses along commercial corridors within proximity of a new Caltrain Station in the core area of the City. The Plan recommends allowing development projects that exceed Ordinance 1284 limits, including building heights between 4 and 7 stories, depending on the location, increasing the density of 111 low density residential parcels along the edges of commercial corridors, and multistory parking garages. The Plan encourages new or different housing types (e.g., housing for younger workers and for seniors) that better meet future housing needs. Adoption of the Transit Corridors Plan will also help to streamline the project review process (including a program level Environmental Impact Report). The Transit Corridors Plan was approved in February 2013. The City is in the process of updating the zoning ordinance to incorporate development standards proposed in the Transit Corridors Plan. The City is also considering a ballot initiative to amend Ordinance 1284 to allow the development intensities envisioned in the Transit Corridors Plan in November 2013.

- *SFO Constraints.* Northeastern portions of San Bruno lie beneath flight paths for arrivals and departures of San Francisco International Airport (SFO), including areas within the 65 Community Noise Equivalent Level (CNEL) and 70 CNEL aircraft noise contours. The SFO Airport Land Use Compatibility Plan (ALUCP) identifies areas within the 65 CNEL and 70 CNEL noise contours as conditionally compatible or incompatible with SFO noise compatibility policies. New residential uses are permitted within the 65 CNEL noise contour, provided that sound insulation is provided to reduce interior noise levels from exterior sources to 45 CNEL or lower and that an avigation easement is granted to

the City and County of San Francisco as operator of SFO. New residential uses are not compatible in areas exposed to noise above 70 CNEL and are not allowed in these high noise areas.

The City promotes noise mitigation from SFO to the fullest extent possible through the SFO/Community roundtable and ongoing coordination with the County Airport Land Use Commission. The City seeks to reduce the area in San Bruno impacted by airport noise in order to meet its housing responsibilities while complying with the SFO noise and land use requirements of the Airport Land Use Compatibility Plan. The Transit Corridors Plan and zoning code update will allow new residential development within the 65 decibel CNEL noise contour and define standards as outlined in the 2009 General Plan and in accordance with the 2012 ALUCP.

- *Palmer v. City of Los Angeles (1999)*. The California Court decision in Palmer v City of Los Angeles hinders San Bruno's ability to require affordable rental housing through the City's Below Market Rate Housing Program. The court ruled that local inclusionary housing programs cannot mandate rent restrictions in new rental housing developments or require payment of in-lieu fees as an alternative. City staff is monitoring the results of the Palmer decision to determine what actions, if any, the City should consider.

"The City With a Heart"

Jim Ruane, Mayor
Irene O'Connell, Vice Mayor
Ken Ibarra, Councilmember
Rico E. Medina, Councilmember
Michael Salazar, Councilmember

AGENDA

SAN BRUNO CITY COUNCIL

March 12, 2013

7:00 p.m.

Meeting Location: Senior Center, 1555 Crystal Springs Road, San Bruno

City Council meetings are conducted in accordance with Roberts Rules of Order Newly Revised and City Council Rules of Procedure. You may address any agenda item by standing at the microphone until recognized by the Council. All regular Council meetings are recorded and televised on CATV Channel 1 and replayed the following Thursday, at 2:00 pm. You may listen to recordings in the City Clerk's Office, purchase CD's, access our web site at www.sanbruno.ca.gov or check out copies at the Library. We welcome your participation. In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office 650-616-7058.

Thank you **San Bruno Garden Club** for providing the beautiful floral arrangement.

1. **CALL TO ORDER:**
2. **ROLL CALL/PLEDGE OF ALLEGIANCE:**
3. **ANNOUNCEMENTS:**

   The Annual Pancake Breakfast and Easter Egg Hunt will be held March 23, 9:00 to 11:00 a.m. at San Bruno City Park. The Easter Egg Hunt begins promptly at 11:00 a.m.

4. **PRESENTATIONS:**

   Present Proclamation to the Bay Area Chapter Volunteers of the American Red Cross Recognizing American Red Cross Month 2013.

5. **REVIEW OF AGENDA:**
6. **APPROVAL OF MINUTES:** Regular City Council Meeting of February 26, 2013.
7. **CONSENT CALENDAR:** All items are considered routine or implement an earlier Council action and may be enacted by one motion; there will be no separate discussion unless requested by a Councilmember, citizen or staff.

   a. **Approve:** Accounts Payable of February 19, 25 and March 4, 2013.
   b. **Approve:** Payroll of February 24, 2013.
   c. **Accept:** Housing Element Annual Progress Report (APR) for Calendar Year 2012 and Direct Staff to Forward the Report to the California State Office of Planning and Research and the California Department of Housing and Community Development.
   d. **Adopt:** Resolution Approving Side Letter Agreement Between the City of San Bruno and the Police Bargaining Unit, Represented by Teamsters Union Local 856, and Authorizing its Execution by the City Manager.

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: March 12, 2013

TO: Honorable Mayor and Members of the City Council

FROM: David Woltering, Community Development Director

SUBJECT: Accept the Housing Element Annual Progress Report (APR) for Calendar Year 2012 and Direct Staff to Forward the Report to the California State Office of Planning and Research and the California Department of Housing and Community Development

BACKGROUND

State law requires each jurisdiction in California to prepare an annual report on the status and progress in implementing the jurisdiction's housing element, called the Housing Element Annual Progress Report (APR). San Bruno's Housing Element (2009-2014) was adopted by the City Council on March 23, 2010 and certified by the California Department of Housing and Community Development (HCD) on June 15, 2010. The APR is a tool to help facilitate implementation of the Housing Element and to track and monitor progress in addressing the City's housing needs and goals. The report provides information on the City's progress in addressing its Regional Housing Needs Allocation (RHNA), including the number of new housing units by income level, the status of Housing Element programs, and efforts to remove governmental constraints on the development of affordable housing. The APR must be submitted to HCD and the State Office of Planning and Research by April 1, 2013.

DISCUSSION

The attached Housing Element APR was prepared using forms provided by HCD. This staff reports provides a summary of the Progress Report.

Annual Building Report Summary

Tables A, A2 and A3 provide information on new residential construction and affordability based on building permits issued during 2012. Building permits were issued for a total of 19 units in two developments in 2012:

- *Crestmoor Rebuilding*. On September 9, 2010, the PG&E gas line explosion and fire destroyed 38 homes and caused major damage to many more in the Crestmoor neighborhood of San Bruno. In 2012, building permits were issued to rebuild seven (7) single-family homes using an expedited development review process. (A total of 21 building permits have been issued for new single-family homes as of December 31, 2012.)
- *Cedar Mills*. A Planned Unit Permit was approved for the development of 14 single-family homes at 599 Cedar Avenue in April 2011. In 2012, building permits were issued to build 12 single-family homes. (All 14 permits have been issued as of December 31, 2012.)

7.c.

Regional Housing Needs Allocation (RHNA) Progress

Table B (summarized below): provides information regarding the City's progress in meeting its share of the RHNA target by income level. San Bruno has a total RHNA obligation of 973 units between 2007 and 2014. A total of 736 building permits for new housing units were issued to meet San Bruno's share of regional housing needs during the first six years of the RHNA time period. The remaining RHNA goal is 237 units.

Regional Housing Needs Allocation (RHNA) Progress

	Very Low	Low	Moderate	Above Moderate	Total Units
RHNA Goal (2007-2014)	222	160	188	403	973
Total Produced (2007-2012)	3	299	281	153	736
Surplus/(Deficit)	(219)	139	93	(250)	(237)

The Housing Element identified sufficient housing sites to meet the RHNA target, and the City is making progress in producing affordable housing to meet the needs at all income levels except units affordable to very low income (VLI) households, which has a remaining need of 219 units. State housing element law does not require production of units, only that sufficient sites be made available for housing affordable at all income levels, and that the City make a good faith effort to meet the objective. Because rents or sales prices must be significantly below market rate for very low income units, large subsidies and deed restrictions are required in order to for a unit to qualify. The City explores opportunities to encourage development of affordable units as described in Table C: Program Implementation Status. San Bruno has had a strong track record in producing VLI units, with 325 VLI units produced at The Crossing in the previous RHNA period.

Program Implementation Status

Table C details the City's progress in implementing specific programs and policies listed in the Housing Element, including local efforts to remove governmental constraints to the maintenance, improvement, and development of affordable housing. The more significant constraints are: 1) the loss of low and moderate income housing (LMIH) tax increment funds with the dissolution of redevelopment agencies under AB 26, 2) Ordinance 1284, which limits building heights and residential densities throughout the City, 3) restrictions due to noise impacts from the San Francisco International Airport (SFO), and 4) recent legal decisions such as the Palmer v City of Los Angeles decision (2009) which found that restricting rents in new developments violates state rent control laws. These constraints are summarized below:

- *Loss of Redevelopment.* The enactment of ABx1 26 dissolved all redevelopment agencies in California on February 1, 2012, and created successor agencies to wind down their operations. Low and Moderate Income Housing (LMIH) tax increment generated from the San Bruno Redevelopment Project Area was the City's main source of funding for affordable housing. San Bruno had one Redevelopment Project Area, which was established in July 1999. During its 13 years of operation, the Redevelopment Agency facilitated the development of 97 units affordable to very low income households. The City monitors new state legislation that may restore some state funding for affordable housing, such as SB 391, the California Homes and Jobs Act.
- *Ordinance 1284 Constraints.* In June 1977, the City of San Bruno adopted Ordinance No. 1284 placing restrictions on certain development standards, which constrains higher density residential development in the City. Ordinance 1284 requires approval by a majority of the voters of the City in order to allow: 1) buildings or other structures that exceeding fifty (50)

feet or three (3) stories in height, whichever is less, 2) projects in residential districts at a density above what was permitted by the City's zoning code and map in 1974, and 3) multi-story parking structures. The City adopted the Transit Corridors Specific Plan in order to encourage mixed use and transit oriented development, including higher density residential uses along commercial corridors within proximity of a new Caltrain Station in the core area of the City. The Plan recommends allowing development projects that exceed Ordinance 1284 limits, including building heights between 4 and 7 stories. The City is also considering a ballot initiative to amend Ordinance 1284 to allow the development intensities envisioned in the Transit Corridors Plan in November 2013.

- *SFO Constraints*. Northeastern portions of San Bruno lie beneath flight paths for arrivals and departures of San Francisco International Airport (SFO), including areas within the 65 Community Noise Equivalent Level (CNEL) and 70 CNEL aircraft noise contours. The SFO Airport Land Use Compatibility Plan (ALUCP) identifies new residential uses as permitted within the 65 CNEL noise contour, provided that sound insulation is provided to reduce interior noise levels from exterior sources to 45 CNEL or lower and that an avigation easement be granted to the City and County of San Francisco as operator of SFO. New residential uses are not compatible in areas exposed to noise above 70 CNEL and are not allowed in these high noise areas. The City promotes noise mitigation from SFO to the fullest extent possible through the SFO/Community roundtable and ongoing coordination with the County Airport Land Use Commission. The Transit Corridors Plan and zoning code update will allow new residential development within the 65 decibel CNEL noise contour and define standards as outlined in the 2009 General Plan and in accordance with the 2012 ALUCP.
- *Palmer v. City of Los Angeles (2009)*. The California Court decision in Palmer v City of Los Angeles hinders San Bruno's ability to require affordable rental housing through the City's Below Market Rate Housing Program. The court ruled that local inclusionary housing programs cannot mandate rent restrictions in new rental housing developments or require payment of in-lieu fees as an alternative. City staff is monitoring the results of the Palmer decision to determine what actions, if any, the City should consider.

As this report demonstrates, San Bruno has made substantial progress in implementing its 2009 Housing Element and has seen significant results from its commitment to the development of affordable housing. However, the loss of redevelopment funding for affordable housing will reduce the City's ability to provide assistance to create new deed-restricted affordable housing in the future. The City will continue to seek opportunities to create affordable housing through use of the City's BMR In-Lieu Fee Fund and other funding sources such as Federal and State Tax Credits and grant opportunities.

FISCAL IMPACT

None

ALTERNATIVES

1. Direct revisions to the Housing Element APR for incorporation prior to submittal to the specified state agencies

RECOMMENDATION

Accept the Housing Element Annual Progress Report (APR) for Calendar Year 2012 and Direct Staff to Forward the Report to the California State Office of Planning and Research and the California Department of Housing and Community Development

DISTRIBUTION

None.

ATTACHMENTS

1. 2012 San Bruno Housing Element Annual Progress Report
   Tables A, A2 and A3: Annual Building Report Summary
   Table B: Regional Housing Needs Allocation (RHNA) Progress
   Table C: Program Implementation Status

DATE PREPARED

March 7, 2013

REVIEWED BY

CM