



DATE: March 10, 2015

AGENDA ITEM # 6

**TO:** City Council  
**FROM:** David Kornfield, Planning Services Manager  
**SUBJECT:** 2015-2023 Housing Element

**RECOMMENDATION:**

Receive an update on the Housing Element and direct staff accordingly

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**SUMMARY:**

**Estimated Fiscal Impact:**

**Amount:** None

**Budgeted:** Not applicable

**Public Hearing Notice:** Not applicable

**Previous Council Consideration:** October 28, 2014

**CEQA Status:** Not applicable

**Attachments:**

1. Summary of pending 2015-2023 Housing Element policies and programs
2. Correspondence

## **BACKGROUND**

At its October 28, 2014 meeting, as part of the review of the 2015-2023 Housing Element, the City Council requested that staff follow up on several matters related to the City's affordable housing program. The topics included clarifying the affordable housing requirements, second living units, affordable housing application priority rankings, a request for proposals from affordable housing administrators, commercial linkage fees and legal concerns regarding affordable rental units. As the basis for these subjects, this report also updates the Council on the status of the 2015-2023 Housing Element.

The Council also expressed an interest in having the City's affordable housing information available on the City's website. Subsequently, a page was developed, which can be found under the Planning Division's section at the following address:

[www.losaltosca.gov/communitydevelopment/page/affordable-housing](http://www.losaltosca.gov/communitydevelopment/page/affordable-housing). The City Council also expressed an interest in the possibility of jurisdictions coordinating their affordable housing requirements. Staff continues to participate with regional and local jurisdiction regarding this matter. The housing needs for this housing element have been determined and staff will continue to pursue the topic with the next housing element cycle.

## **DISCUSSION**

### **Housing Element Status**

After incorporating revisions requested by the City Council, the 2015-2023 Housing Element was submitted to the State Department of Housing and Community Development in January 2015. The State's response was favorable with a few administrative revisions to the element (see Attachment 1). The State conditionally accepted the revisions subject to the City implementing Program 3.2.1, which requires a rezoning effort to provide the opportunity for emergency shelters.

With the State's conditional approval, the City's consultant was directed to complete the necessary environmental review. Once the environmental work is prepared, the 2015-2023 Housing Element will be brought back to the City Council for adoption with the environmental determination in early May. This will meet the State's extended deadline of May 31, 2015 for Housing Element certification.

### **Multiple-Family Affordable Housing Regulations**

One of the purposes of the Housing Element is to provide for housing opportunities across all income ranges. These include moderate, low, very-low and extremely-low incomes based on the County's median income. Currently, the median household income for Santa Clara County is \$105,500 based on a four-person household. A moderate income is 120% of the median income; a low income is 80% of the median income; a very-low income is 50% of the median income; and, an extremely-low income is 30% of the median income. The City's affordable housing goals are mainly implemented by two provisions of zoning code: one related to multiple-family housing and the other related to second living units.

Chapter 14.28 of the Municipal Code outlines the City's affordable housing regulations. The affordable housing regulations apply to all multiple-family residential projects including mixed-use

projects with multiple-family housing of five (5) or more units. Providing affordable housing is at the City Council's discretion in projects of five (5) to nine (9) units depending on the financial viability of providing such units; affordable housing is mandatory in projects with 10 or more units. If required, affordable housing is required in the following percentages to market rate units and categories as follows:

- Rental units: 15% low income or 10% very-low income housing
- Owner units: 10% moderate income housing

Given current case law, it should be pointed out that City can only enforce requiring affordable rental units if a density bonus and/or development incentives are requested by the developer or if the affordable rental units are volunteered by the developer (see below, Legal Concerns for Affordable Housing Units).

The League of Women Voters recommends a Code amendment to reflect the existing Housing Element policy that affordable housing units generally reflect the size and number of bedrooms of market rate units (Program 4.3.2). Staff concurs that, although this is stated in the General Plan, this amendment will help set the expectation of developers in the implementing zoning code.

## **Second Living Units**

Chapter 14.14 of the Municipal Code provides regulations for second living units. Second living units are small, accessory dwellings on properties zoned for single-family structures. Second living units are an additional means of providing affordable housing in the community. Second living units up to 640 square feet in size are limited to a low income household. Second living units larger than 640 square feet are limited to a very-low income household.

Second living units are limited in occupancy to a two-person household, and the property owner must reside in either the main house or the second living unit. Second living units are limited to a size of 800 square feet and must have two parking spaces.

Program 4.2.2 of the City's pending 2015-2023 Housing Element calls to consider the feasibility of reducing the minimum parcel size to allow second living units. This program should be accomplished by January of 2016.

## **Affordable Housing Application Priority Rankings**

Applications for the sale or leasing of affordable housing units within the City are subject to a priority ranking initially adopted by the City Council in 1995. These rankings are periodically reevaluated and were revised in October of 2003 to clarify school district employees as a first priority. The general intent of the ranking system is to benefit public employees that serve the City first, City residents second, persons that work in the City third and fourth, and persons that generally reside in Santa Clara County fifth. Affordable housing units are advertised for a minimum of 30 days and the applications are ranked according to the priority list. When there is more than one household equally qualified for an affordable housing unit, then the housing administrator holds a lottery. The priority rankings are as follows:

First Priority (in no order of preference)

- a. Persons who are salaried School District employees who have been employed by a school that serves Los Altos residents, including the following schools outside City limits: Springer Elementary, Mountain View High, Cupertino High, Alta Vista High, and West Valley Elementary, for a period of no less than 12 months prior to the time of application;
- b. Persons who are salaried City employees as defined in the City's personnel rules, who have been employed by the City for a period of no less than 12 months prior to the time of application; and
- c. Persons who are salaried Santa Clara County Fire Department employees who are assigned to the two fire stations located in the City of Los Altos.

Second Priority (in no order of preference)

- a. Persons who reside in the City at the time of application and who have lived in the City for at least the prior two years;
- b. Persons who have lived in the City for at least two years and who have moved out of the City within the five years prior to the time of application;
- c. Persons who are handicapped persons who reside in the City at the time of application and who have lived in the City for at least the prior two years;
- d. Households which are required to relocate their residence as a result of Council action; and
- e. Persons whose parents or children live in the City at the time of the application and such persons have lived in the City at some prior time.

Third Priority

- a. Persons who work in the City at the time of application and have worked in the City for at least two years.

Fourth Priority

- a. Persons who work in the City at the time of application.

Fifth Priority

- a. Persons who live or work within Santa Clara County at the time of application.

In considering a recent affordable housing project, staff identified a need to clarify that the First Priority should include charter schools that serve the City (e.g., Bullis Charter School). Additionally, it is recommended that "School District" in the First Priority be clarified to mean public school employees. Also, it is recommended that it be clarified that "salaried" employees means "regular full-time staff" as the intent of the priority is to benefit public employees.

The League of Women Voters recommends removal of the reference to disability in the Second Priority (c) since (a) covers all residents regardless of ability. The League also recommends that established workers in the City should have equal priority with established residents; staff concurs since the affordable housing program may help to reduce the vehicle miles traveled and promote achievements of the City's Climate Action Plan by promoting more affordable housing in the community for its workers.

An interested party suggests that the City include those with documented disabilities in the Fifth Priority as means to promote independent living opportunities for disabled persons. Staff does not support creating class for disabled persons as disabled persons may qualify for any of the City's priority rankings regardless of ability.

### **Request for Proposals to Administer Affordable Housing**

Pending Housing Element Program 4.3.5 entails developing a Request for Proposals (RFP) to administer the City's affordable housing program. The proposals will focus on a contract duration of five years, administrative responsibilities, enforcement, outreach and marketing. Specifically, the RFP will seek organizations that can effectively perform the following administrative responsibilities:

1. Administering the sales and transfer of affordable housing units in the City;
2. Acting as the City's exclusive sales agent for below-market-rate homes;
3. Advertising, establishing and maintaining program documents;
4. Assisting and arranging mortgage financing; preparing documents for mortgage loan, sales and closing;
5. Administering monitoring and compliance programs for ownership, rental and second living units;
6. Administering the resale or releasing of below-market-rate units including exercising the City's first right of refusal, if necessary;
7. Reviewing requests to refinance below-market-rate units;
8. Providing homebuyer education and counseling; and
9. Maintaining the appropriate program documents and files and providing annual reports to the City. The City desires to enter into a five-year contract for services with a self-sustaining fee structure avoiding impacts to the City's General Fund.

The Request for Proposal will also ask for a review of the following topics:

- a. Consideration of best practices in the administration of below-market-rate units including appropriate outreach, advertising and enforcement;
- b. Whether the purchase price calculations for moderate income households should be based on 100% of the Moderate Income rather than 110% of the Moderate Income; and
- c. Consideration of setting the maximum housing cost for Moderate Income units at 30% of a household's income rather than 35%.

The City has contracted with Neighborhood Housing Services Silicon Valley since 2006 for administering the City's affordable housing program. In addition to Neighborhood Housing Services Silicon Valley, proposals from other agencies that perform this service will be solicited.

## Commercial Linkage Fees

The League of Women Voters suggests that the City consider adopting a commercial linkage fee for affordable housing. The purpose of commercial linkage fees for new commercial buildings is to address the intrinsic affordable housing need generated by creating new jobs in the community. These fees are also known as jobs-housing linkage fees. The money collected is typically used to underwrite affordable housing development within a community and is established by a nexus study.

According to the California Housing Element Best Practices,<sup>1</sup> there are about 20 communities in the state that charge commercial linkage fees, which is a relatively low number compared to the amount of communities that have inclusionary affordable housing programs. Typically, the communities that have commercial linkage fees are in areas that experience a high level of job growth and a strong demand for commercial development and have a relative deficit of housing. Such communities as Oakland, San Jose, Mountain View and Sunnyvale have commercial linkage fees. Communities with commercial linkage fees are also associated with communities with redevelopment agencies that leverage the fees for housing development. Sunnyvale's commercial linkage fee is \$15 per square foot of office space and \$7.50 per square foot for retail area. Mountain View adopted a fee of \$25 per square foot of office space. Menlo Park has a fee for commercial development exceeding 10,000 square feet, which is \$15.19 per square foot for office development and \$8.24 per square foot for retail. Menlo Park, as with most communities that have commercial linkage fees, allows in-lieu fees for affordable housing units as a percentage of the sales price of the market rate units.

The primary policy considerations for a commercial linkage fee include whether it is appropriate to require such a fee given the economic and political environment of the City, the amount and application of the fee, and the use of such a fee. For Los Altos, the use of such a fee would likely help support regional housing affordability concerns as a contribution to a nearby community since Los Altos does not develop housing as a governmental program nor is the City likely to generate substantial sums to develop such housing. If the City had a fee such as Sunnyvale's or Mountain View's, the City would have collected approximately \$1M to \$1.4M for affordable housing from the following projects: Safeway, 400 Main Street, 467 First Street and Colonnade on El Camino Real.

Staff does not believe that a commercial linkage fee is appropriate for Los Altos. Los Altos has a strong affordable housing program. The City's affordable housing regulations generate actual below-market-rate units as a requirement of developing properties, rather than allow fees in-lieu of providing such units. Los Altos is not in the business of developing housing as some larger communities are. Moreover, Los Altos has a surplus of housing units compared to the number of jobs in the community.

Should Council wish to pursue adopting a commercial linkage fee, the next step would be to commission a nexus study justifying the fee. Such studies typically cost from \$15,000 to \$30,000 depending on the scope and whether communities commission a joint, multi-city study.

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<sup>1</sup>Association of Bay Area Governments. (2014). California Housing Element Policy Best Practices. Retrieved from <http://www.abag.ca.gov/files/HousingElementPoliciesBestPracticesv2.pdf>

## Legal Concerns for Affordable Rental Units

Since 2009, some California communities have had a problem enforcing their affordable housing programs that require rental units. A court case (Palmer) held that cities cannot restrict the rental rate of housing units because that would conflict with the Costa-Hawkins Rental Control Act. Some cities, Los Angeles for example, imposed affordable rental limitations without providing for alternatives to providing such housing or providing fee waivers or development incentives or a density bonus under the State's Density Bonus law.

The Costa-Hawkins Rental Control Act does not apply when the developer agrees to an affordable rental restriction in consideration for a direct financial contribution and/or by agreement or other form of assistance such as a development incentive allowed by the State Density Bonus law (California Civil Code, Section 1954.52 (b)). This is an important distinction since Los Altos' affordable housing regulations do not require rental units. Rather, the City's code allows a developer the choice of providing ownership or rental units when providing affordable housing and the City's Code uses the State Density Bonus law as the basis for granting development incentives. The City's standard conditions of approval require a developer to enter into a contract recognizing the development incentives and agreeing to provide the affordable housing units.

Problems may arise, however, in cases where the City requires affordable rental units and the developer does not seek a density bonus or other mitigation. There have been recent legislative proposals to address the impact of the Palmer; however, to date, none of them have been signed by the Governor.

In preparing this Council report, staff referenced a memo on the topic prepared by The California Affordable Housing Law Project/Public Interest Law Project,<sup>2</sup> and a report for the League of California Cities authored by the City Attorney's office.<sup>3</sup>

## Summary

Multiple-Family Affordable Housing Regulations: A code amendment is recommended to reflect the Housing Element policy language that affordable housing units reflect the size and number of bedrooms of market rate units to set the expectation in the zoning code.

Affordable Housing Priority Rankings: It is recommended that clarifying language be added that charter schools should be included in the First Priority; that the term School District means public school employees; and that the term salaried employee means a full-time, regular employee throughout the rankings; removing the Second Priority regarding disabled persons as all persons within the Second Priority have equal priority regardless of ability. It is not recommended to add

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<sup>2</sup>The California Affordable Housing Law Project/Public Interest Law Project. (May 2010). Inclusionary Zoning After Palmer & Patterson—Alive & Well in California. Retrieved from <http://pilpca.org/wp-content/uploads/2010/10/Inclusionary-Zoning-After-Palmer-Patterson-7-11-10.pdf>

<sup>3</sup>Faber, A. (2014). League of California Cities, Inclusionary Housing Requirements: Still Possible? Retrieved from <http://www.cacities.org/Resources-Documents/Member-Engagement/Professional-Departments/City-Attorneys/Library/2014/2014-Annual/9-2015-Annual-Andrew-Faber-Inclusionary-Housing-Re>

disabled persons into the Fifth Priority as disabled persons qualify for any of the City's priority rankings regardless of ability.

Request for Proposal to Administer Affordable Housing: Any additional input to criteria to be included in the RFP should be identified.

Commercial Linkage Fees: It is not recommended to adopt a commercial linkage fee for affordable housing since Los Altos has a strong, effective affordable housing program that fits the economic and cultural climate of the City. The City's regulations create physical affordable housing units and imposing a commercial linkage fee adds little benefit to the City's housing program. Should Council wish to adopt such a fee, then the next step would be direct staff to commission a nexus study.

## **FISCAL IMPACT**

None

## **PUBLIC CONTACT**

The League of Women Voters and one other interested party were notified of this report.

Posting of the meeting agenda serves as notice to the general public.





# CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

State law requires that the Housing Element contain a statement of “the means by which consistency will be achieved with other general plan elements and community goals” (California Government Code Section 65583[c][6][B]). There are two aspects of this analysis: (1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and (2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements. As shown below, the 2002–2020 General Plan contains several elements with policies related to housing, none of which conflict with the Housing Element. The City will review and revise, as necessary, the Housing Element for consistency when amendments are made to the General Plan.

General Plan Element	Policy	Description
<b>Community Design and Historic Resources</b>	1.4	Promote pride in community and excellence in design in conjunction with attention to and compatibility with existing residential and commercial environments.
	1.5	Continue to protect the privacy of neighbors and minimize the appearance of bulk in new homes and additions to existing homes.
	1.6	Continue to provide for site planning and architectural design review within the city, with a focus on mass, scale, character, and materials.
	1.7	Enhance neighborhood character by promoting architectural design of new homes, additions to existing homes, and residential developments that is compatible in the context of surrounding neighborhoods.
	1.8	Consider neighborhood desires regarding the character of future development through the establishment of development or design regulations.
	3.3	Encourage pedestrian- and bicycle-oriented design in the Downtown.
	3.8	Encourage the development of affordable housing above the ground floor throughout the Downtown.
	4.3	Evaluate development applications to ensure compatibility with residential neighborhoods south of the corridor.
	6.1	Ensure that the integrity of historic structures and the parcels on which they are located are preserved through the implementation of applicable design, building, and fire codes.
	6.2	The City shall regard demolition of Landmark structures, and historically significant resources, which have HRI rankings of 60 to 100 as a last resort. Demolition would be permitted only after the City determines that the resource retains no reasonable economic use, that demolition is necessary to protect health, safety and welfare or that demolition is necessary to proceed with a new project where the benefits of the new project outweigh the loss of the historic resource.
	6.3	Work with property owners to preserve historic resources within the community, including the orchard, or representative portion thereof,



# GOALS, POLICIES, PROGRAMS & QUANTIFIED OBJECTIVES

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## PRESERVATION – CONSERVATION – REHABILITATION

**Goal 1** Preserve the natural beauty, rural-suburban atmosphere, and high quality of residential neighborhoods to attract families with children to Los Altos.

**Policy 1.1:** *The City will encourage the preservation and improvement of the existing housing stock to minimum housing standards, including existing nonconforming housing uses.*

**Program 1.1.1 – Implement voluntary code inspection program.**

Continue the voluntary code inspection program encompassing code compliance, rehabilitation, energy conservation, and minimum fire safety standards.

**Responsible Body:** Community Development Department

**Funding Source:** Permit Fees

**Time Frame:** Ongoing

**Program 1.1.2 – Help secure funding for housing assistance programs.**

Continue to assist in the provision of housing assistance in Los Altos for low-income households with other public agencies and private nonprofit organizations that offer rental assistance, home repairs, and first-time homebuyer assistance. To minimize overlap or duplication of services, Los Altos will undertake the following actions:

The City will support County and nonprofit housing rehabilitation programs by providing program information to interested individuals through handouts available at City Hall, the Los Altos Senior Center, the Los Altos Library, and the Woodland Branch Library.

The City will contact previous rehabilitation applicants when new funding becomes available and post a legal notice in the newspaper when housing rehabilitation funds become available. The City will continue to transfer their Community Development Block Grant (CDBG) funds to the County to support housing programs each year.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** CDBG funds; other funds, as identified and secured

**Time Frame:** Ongoing



***Policy 1.2: The City will maintain and enhance the existing pleasant, attractive, moderate-density multifamily zoning districts, typically located between commercial and single-family residential areas.***

***Program 1.2.1 – Support rezoning from office to medium-density multifamily.***

Support case-by-case review of property owner–initiated rezoning from Office to Medium-Density Multifamily in the Fremont-Giffin Office District.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Policy 1.3: If transitional land use zoning is not possible or inadequate to buffer, multifamily and senior housing will be encouraged between single-family neighborhoods and commercial and public/quasi-public uses. Setbacks, sound walls, protective vegetation, and on-site landscaping will be required as a buffer when transitional land use zoning is not possible.***

***Program 1.3.1 – Enforce neighborhood residential buffering.***

Enforce minimum standards for buffers between residential properties and commercial uses and public/quasi-public uses. Enforcement will occur through the development permit review process as provided in the Zoning Ordinance. Buffering will include a combination of landscaping, minimum setback, or yard requirements and stepped-back building heights.

**Responsible Body:** Community Development Department, Planning and Transportation Commission

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Program 1.3.2 – Restrict commercial uses in residential neighborhoods.***

Continue to restrict commercial uses in residential neighborhoods.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing



**Policy 1.4: Design, construction, and remodeling permits for all residential development will be reviewed for quality, safety, privacy, and the capacity to maintain the character of existing neighborhoods.**

**Program 1.4.1 – Implement zoning and design standards.**

Continue to implement residential zoning, development standards, and design review to ensure compatibility of housing with neighborhood character, minimum open yard space, and streets that are safe.

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 1.4.2 – Evaluate design review process.**

Regularly review and adjust, if appropriate, criteria, objectives, and procedures for design review of residential construction to be compatible in terms of bulk and mass, lot coverage, and proportion with houses in the immediate vicinity. This program will set criteria under which development must be reviewed by City staff, the Design Review Commission, or the Planning and Transportation Commission.

**Responsible Body:** Community Development Department, Design Review Commission, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** ~~Ongoing~~ December 2016 Annually

**Program 1.4.3 – Facilitate alternate modes of transportation in residential neighborhoods.**

Continue to implement zoning and development standards to facilitate walkable neighborhoods and the safe use of alternate modes of transportation such as bicycles.

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 1.4.4 – Accommodate the needs of children through design review and land use regulations, including open space, parks and recreation facilities, pathways, play yards, etc.**

**Responsible Body:** Community Development Department

**Funding Source:** Parkland dedication fees

**Time Frame:** Ongoing





**Policy 1.5:** *The City will ensure that the level of development permitted in the creation of land divisions results in an orderly and compatible development pattern, within the subdivision and in relation to its surroundings; provides for quality site planning and design; and provides for quality structural design.*

**Program 1.5.1 – Review compatibility of land divisions as part of the permit review and approval process.**

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing

## **NEW CONSTRUCTION**

**Goal 2** Strive to maintain a variety of housing opportunities by location and housing type.

**Policy 2.1:** *The City will maintain zoning that provides for a range of housing sizes and residential densities.*

**Program 2.1.1 – Encourage diversity of housing.**

Require diversity in the size of units for projects in mixed-use or multifamily zones to accommodate the varied housing needs of families, couples, and individuals. Affordable housing units proposed within projects shall reflect the mix of community housing needs.

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 2.1.2 – Implement multifamily district development standards.**

Continue to implement the multifamily district development standards to ensure that the maximum densities established can be achieved and that the maximum number of units is required to be built. (See **Table B-41** in Appendix B for a summary of multifamily zoning requirements.)

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing



**Program 2.1.3 – Allow employee housing**

The City shall amend the Zoning Ordinance to specifically allow employee housing for six or fewer residents as a permitted use in residential zoning districts, in compliance with Health and Safety Code Section 17021.5 and 17021.6.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing January 2016

**Policy 2.2: The City will encourage mixed-use development in designated zones.**

**Program 2.2.1 – Provide development incentives for mixed-use projects in commercial districts.**

Continue to implement the affordable housing mixed-use policies developed for El Camino Real, and expand ~~the application of these policies~~ development incentives to other commercial districts in the city, including CN (Commercial Neighborhood), CS (Commercial Service), CD (Commercial Downtown), CD/R-3 (Commercial Downtown/ Multiple Family), and CRS (Commercial Retail Service). Development incentives will be included for these districts that will encourage the development of affordable housing in these identified commercial areas.

**Responsible Body:** Community Development Department, Planning and Transportation Commission, City Council

**Funding Source:** Permit fees

**Time Frame:** Ongoing December 2016

**Policy 2.3: The City will encourage the development of new rental units in the existing multifamily districts.**

**Program 2.3.1 – Implement density bonuses.**

Continue to implement density bonuses and other incentives as provided by state law and the City’s Zoning Ordinance.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing



## **SPECIAL NEEDS HOUSING**

**Goal 3** Create housing opportunities for people with special needs.

**Policy 3.1:** *The City will support the efforts of Santa Clara County and local social service providers to increase their capacity to operate facilities serving the homeless.*

**Program 3.1.1 – Support efforts to fund homeless services.**

Consider pursuing funding from available sources for homeless services. The City will also assist community groups that provide homeless services and assist such groups in applying for funding from other agencies. The City will consider applying for grants where appropriate or will encourage/partner with local and regional nonprofit organizations that wish to apply for such grants.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 3.1.2 – Continue to participate in local and regional forums for homelessness, supportive, and transitional housing.**

Continue to participate in regional efforts as coordinated with other adjacent cities to address homeless and emergency and transitional housing issues and potential solutions.

**Responsible Body:** Community Development Department, City Council, Community Services Agency

**Funding Source:** General Fund, CDBG funds

**Time Frame:** Ongoing

**Policy 3.2:** *The City will comply with all state legal requirements, including SB 2, pertaining to zoning provisions for homeless shelters, transitional housing, and supportive housing.*

**Program 3.2.1 – Amend the City’s Zoning Ordinance to accommodate emergency shelters.**

Amend the City’s Zoning Ordinance concurrently with the adoption of this Housing Element to allow emergency shelters as a permitted use by right in the Commercial Thoroughfare (CT) district without a conditional use permit or other discretionary review and only subject to the development requirements in this zone. This district is well suited for the development of emergency shelters with its full access to public transit and underdeveloped parcels that allow higher-density housing opportunities. The public transit opportunities include Caltrain, the VTA Bus, and the VTA transit hub on Showers Drive in Mountain View. The CT district has almost 11 acres of underdeveloped parcels that will accommodate



residential housing such as emergency shelters. Four key opportunity sites make up the approximately 11 acres of development potential that could generate as much as 378 housing units, not including density bonuses for affordable housing. The City will also evaluate adopting standards consistent with Government Code Section 65583(a) (4) that addresses operational and design criteria that may include:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility
- Off-street parking based on demonstrated need
- ~~Professional~~ Security during hours that the emergency shelter is in operation
- ~~Allowing~~ Supportive services ~~provided~~ on-site at a level commensurate with the number of beds

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** December 2014

***Program 3.2.2 – Recognize the statutory requirements for transitional and supportive housing.***

Recognize the requirement of SB 2 to explicitly allow both supportive and transitional housing types in all zones that allow residential. The definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Transitional and supportive housing will be allowed as a permitted use, subject only to the same restrictions on residential uses contained in the same types of structure.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Program 3.2.3 – Provide incentives and amend the City’s Zoning Ordinance for compliance with statutory requirements for single-room occupancy residences to address the needs of extremely low-income households.***

AB 2634 requires cities to identify zoning to encourage and facilitate supportive housing in single-room occupancy units. The City will amend the Zoning Ordinance concurrently with the adoption of this Housing Element to define single-room occupancy units (SROs) and to allow SROs





with a conditional use permit in ~~appropriately defined commercial thoroughfare~~ districts in the city.

In addition, the City will review its affordable housing ordinance and other available development incentives to determine what measures can be taken to encourage the development of housing for people with extremely low incomes.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** December 2014; ongoing

## AFFORDABILITY

**Goal 4** Allow a variety of housing densities and types in appropriate locations to accommodate housing needs at all income categories.

**Policy 4.1:** *The City will encourage the conservation of existing affordable housing, including the present rental stock represented by units in the city's existing multifamily districts, particularly rental housing affordable to low- or moderate-income households.*

### **Program 4.1.1 – Monitor condominium conversion.**

Continue to implement the Condominium Conversion Ordinance to protect against the conversion or demolition of rental units. It shall require buildings in multifamily zoning districts initially built as rental units which have not been converted to condominiums to be reconstructed as rental units unless there is greater than a 5 percent vacancy rate.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

### **Program 4.1.2: Conserve small houses in areas of small lot sizes.**

Continue to conserve the stock of small houses in areas of small lot sizes.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing



**Policy 4.2: The City will encourage the development of affordable second dwelling units that conform to zoning regulations.**

**Program 4.2.1 – Facilitate new construction of second dwelling units.**

Chapter 14.14 (Second Living Units in R1 Districts) of the Municipal Code allows a detached second dwelling unit to be permitted on a lot or parcel within a single-family residential district that has a minimum of the greater of 150 percent of the lot area required in the residential zoning district in which the second living unit is proposed to be located, or 15,000 square feet of lot area. A lesser lot size is required if a second unit is attached to the main residence. Findings for approval include that a public benefit will result because the proposed second living unit will be maintained as affordable for very low- and low-income households. A second living unit may be established through the conversion of existing floor space in a single-family structure, the addition to a single-family structure, conversion of a conforming accessory structure, or the construction of a new accessory structure.

The City will continue to implement the following actions annually:

- Continue to implement second dwelling unit regulations to provide increased opportunities for the development of affordable second units.
- Promote awareness of regulations which allow the construction of new second units consistent with City regulations through public information at the Community Development Department public counter and inclusion on the City’s website.
- Annually review the number of second dwelling unit permits issued.
- Continue to require a verification and quantification procedure regarding rent and occupancy as a condition of the permit.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 4.2.2 – Consider reducing minimum lot sizes for second dwelling units.**

Study the feasibility and ~~consider~~ amend, as appropriate, ing the Zoning Ordinance to a reduce in the minimum lot size for second dwelling units.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** General fund

**Time Frame:** January 2016



**Policy 4.3: The City will facilitate the development of new units of affordable housing.**

**Program 4.3.1 – Assist in the development of affordable housing.**

If necessary for the development of affordable housing projects, and when requested by the project sponsor, consider assisting in securing funding for low- and moderate-income housing developments through one or more of the following actions:

- Transfer the City’s annual CDBG allocation to the County for projects that serve the Los Altos community.
- Provide funding to participate in a multi-jurisdictional housing finance program (such as a Mortgage Revenue Bond or Mortgage Credit Certification Program).
- Apply for state and federal funding on behalf of a nonprofit, under a specific program to construct affordable housing including persons with disabilities or developmental disabilities.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** CDBG funds, state or federal grant funds

**Time Frame:** Ongoing

**Program 4.3.2 – Implement Chapter 14.28 of the Municipal Code, which defines the number of required below-market-rate (BMR) units by development size and type, and requires on larger projects (greater than 10 market-rate units) that the BMR units generally reflect the size and number of bedrooms of the market-rate units.**

Continue to implement the City’s Multi-Family Affordable Housing Ordinance (Chapter 14, Section 28), which includes a series of unit thresholds at which affordable housing units will be required. The ordinance establishes the following thresholds and requirements:

- 1–4 units: Affordable housing units are not required.
- 5–9 units: Affordable housing units are required. In the event that the developer can demonstrate to the satisfaction of the City Council that providing affordable housing units in a project will be financially infeasible, the City Council may waive the requirement to provide affordable housing units.
- 10 or more units: Affordable housing units are required as follows:
  - For rental units – 15 percent low income or 10 percent very low-income housing
  - For owner units – 10 percent moderate-income housing

Chapter 14.28 also notes that unless otherwise approved by the City Council, all affordable units in a project shall be constructed concurrently





with market-rate units, shall be dispersed throughout the project, and shall not be significantly distinguishable by design, construction, or materials.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Program 4.3.3 – Consider reduced parking requirements for certain housing types and affordable housing units.***

For affordable housing units and small housing units including senior housing, studios and SROs, the City will consider allowing just one parking space per unit.

The City will continue to monitor the underground parking requirement to ensure this requirement is not a constraint to the production of housing or a constraint to meeting maximum densities.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Program 4.3.4 – Continue to encourage maximum densities.***

Continue to ensure that the City is meeting maximum densities in the zones that allow multifamily housing. The City will monitor the lot coverage requirement and the height requirements. Most recently, the City removed the “stories requirement” from the commercial and multiple-family districts to allow more flexibility in development and to facilitate greater potential densities. The City also codified a maximum density development requirement, which notes that the maximum density permitted shall be constructed unless it is determined by the City Council that a less dense project would be in the best interests of the community. In addition, the City will monitor the underground parking requirements as stated in Program 4.3.3 to ensure that they do not cause a significant constraint to meeting the maximum densities required by all of Los Altos’ multiple-family zoning districts.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Annually

***Program 4.3.5 – Initiate an affordable housing administration contract review and renewal.***

Initiate a Request for Project for the contract administration of the City’s affordable housing programs including an emphasis on an appropriate contract duration, administration responsibilities, enforcement, outreach and marketing.

**Responsible Body:** Community Development Department, City Council



**Funding Source:** General fund

**Time Frame:** July 2015

***Program 4.3.6 – Improve the City’s BMR program priority ranking process.***

Review and amend, as necessary, the City’s BMR program application ranking process.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** General fund

**Time Frame:** July 2015

***Program 4.3.7 – Consider a commercial development linkage fee for affordable housing.***

- Study and explore the option of a commercial development linkage fee for affordable housing. If appropriate, consider adopting a local fee.

**Responsible Body:** Community Development Department, City Council

**Funding Source:** General fund

**Time Frame:** January 2016

## **HOUSING NONDISCRIMINATION**

**Goal 5**     **Strive to make housing in the city available to all regardless of age, sex, race, ethnic background, marital status, veteran status, religion, or physical disability.**

***Policy 5.1: The City supports nondiscrimination in housing.***

***Program 5.1.1 – Assist residents with housing discrimination and landlord-tenant complaints.***

Continue to provide a service to refer individuals to organizations or agencies who handle complaints about discrimination, landlord-tenant relations, etc. Complaints regarding discrimination will be referred to the Mid-Peninsula Citizens for Fair Housing, Santa Clara County, and other appropriate fair housing agencies. Complaints regarding landlord-tenant problems will be referred to the Los Altos Mediation Program, the County of Santa Clara Office of Consumer Affairs, or other appropriate local agencies.

**Responsible Body:** Community Development Department

**Funding Source:** General Fund, CDBG funds

**Time Frame:** Ongoing



**Policy 5.2: Consistent with the requirements of SB 520, the City will remove constraints and allow for “reasonable accommodations” for the disabled in housing development standards.**

**Individuals with disabilities may request exceptions to zoning, subdivision, or building standards in order to receive reasonable accommodation to achieve accessibility.**

**Applicants may request an administrative permit to continue or expand a nonconforming residential use or to construct accessibility improvements within a yard or setback area. There will be a minimal fee or no fee to apply for a reasonable accommodation.**

**The administrative permit review process will include application of the following decision-making criteria:**

- **The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.**
- **The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.**
- **The requested accommodation would not impose an undue financial or administrative burden on the City.**
- **The requested accommodation would not require a fundamental alteration in the nature of the City's land-use and zoning program.**
- ~~**The requested accommodation would reduce barriers and increase visitability on the site.**~~
- **The City publishes information on its permit procedures in the form of brochures that are available at the permit counter in the Community Development Department and on the City's website. City staff is available at the permit counter to answer questions about procedures for special accommodations under the City's Zoning Ordinance.**

**A decision on the administrative permit for a reasonable accommodation may be appealed to the Planning Commission.**



## SENIOR HOUSING

**Goal 6** Increase housing opportunities for Los Altos' senior population.

**Policy 6.1:** *The City will promote services and education to help seniors maintain their independence and remain in their own homes as long as possible.*

***Program 6.1.1 – Discourage senior-only housing from converting to other uses.***

Discourage projects developed as senior-only projects from converting to other uses.

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing

***Program 6.1.2 – Assist seniors to maintain and rehabilitate their homes.***

Seek, maintain, and publicize a list of resources or service providers to help seniors maintain and/or rehabilitate their homes.

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing

***Program 6.1.3 – Encourage conforming and contextual senior housing near transportation and services.***

Ensure that senior housing conforms and harmonizes with surrounding neighborhoods and encourage that it be located near transportation and services.

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing



**Policy 6.2: The City will encourage a variety of senior housing opportunities, including building type, degree of care, and form of ownership.**

**Program 6.2.1 – Provide senior housing density bonuses and development incentives.**

Provide density bonus increases in the Cuesta-Lassen multifamily district of up to 38 dwelling units per acre for projects that are senior-only. Provide expanded development incentives for senior-only projects in this district. Consider increased densities and development incentives for senior and affordable housing projects in all multifamily districts.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

**Program 6.2.2 – Designate and encourage senior housing on specific well-suited sites.**

Identify and consider additional parcels well suited for senior housing. All PUD/SC sites were developed during the previous planning period.

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing

**Program 6.2.3 – Mixed-use development, including developments that contain senior and institutional housing, will be encouraged in public and quasi-public land use areas that are zoned PCF.**

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing

**Program 6.2.4 – Senior housing with extended care facilities will be allowed in multifamily and mixed-use zoning districts.**

Continue to explore opportunities to promote senior housing with extended care facilities in other multifamily and mixed-use districts. This type of housing is currently allowed as a conditional use in the PCF district.

**Responsible Body:** Community Development Department

**Funding:** Permit fees

**Time Frame:** Ongoing





## ENERGY EFFICIENCY

**Goal 7** Maximize Los Altos' sustainability through energy efficiency, water conservation, and greenhouse gas reductions.

**Policy 7.1:** *The City will encourage energy and water conservation measures to reduce energy and water consumption in residential, governmental, and commercial buildings.*

**Program 7.1.1 – Promote energy and water conservation through education and financial incentives.**

Continue to promote residential energy and water conservation, consistent with the City's adopted Climate Action Plan, through consumer information on financial assistance and rebates for energy-efficient home improvements published by governmental agencies, nonprofit organizations, and utility companies. The City will make information available at the public counter of the Community Development Department, at the Los Altos Senior Center, through the public libraries, and through the City's newsletters. The information will also be available on the City's website, and a link to energy programs will be placed on the Los Altos Environmental Commission's website.

**Responsible Body:** Community Development Department

**Funding Source:** General Fund, CDBG funds

**Time Frame:** Ongoing

**Program 7.1.2 – Participate in a Property Assessed Clean Energy (PACE) financing program.**

Los Altos has adopted resolutions supporting the CalFIRST Property Assessed Clean Energy (PACE) Program. By doing this, Los Altos residents may be eligible to finance any energy improvements to their homes—solar panels, water-efficient landscapes, etc.—on their property tax assessment. This allows the financing to be extended over multiple years and also allows a home to be sold with that assessment assigned to the new owner. Although CalFIRST has encountered legal challenges to providing these loans for residential purposes, other opportunities exist. The City will vet the applicability of Cal FIRST alternatives and will participate as appropriate.

**Responsible Body:** Community Development Department

**Funding Source:** General Fund

**Time Frame:** Ongoing



***Program 7.1.3 – Promote the use of solar energy.***

This program focuses on promoting solar energy as a means to increase energy efficiency and promote green energy alternatives. As part of this program, the City will leverage and promote other state and commercial initiatives to encourage solar energy, such as grants, tax credits, and rebates, as they are implemented. (No design review of solar panels is allowed by law. Setbacks, height restrictions, etc., are already covered by the Zoning Ordinance.)

**Responsible Body:** Community Development Department

**Funding Source:** General Fund, other funds as identified

**Time Frame:** Ongoing

***Policy 7.2: The City will continue to implement building and zoning standards to encourage energy and water efficiency.***

***Program 7.2.1 – Implement energy-efficient regulations.***

Continue to implement building code and zoning standards that promote energy efficiency in residential design, layout, construction, and landscaping. The City enforces energy efficiency standards of Title 24 of the California Code of Regulations (California Building Code Standards), which uses zoning requirements for lot size, building separation, yards, setbacks, landscaping, and design review to promote energy conservation in new development.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing

***Program 7.2.2 – Monitor and implement thresholds and statutory requirements of climate change legislation.***

Monitor the implementation measures of the Global Warming Solutions Act of 2006 (AB 32) and SB 375, which requires planning organizations to promote sustainable communities as part of their regional transportation plans. The City will implement the measures as guidance for thresholds and compliance methods are released by the State.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing



## STATUTORY COMPLIANCE AND REPORTING

**Goal 8** Support regional efforts to advance responsible housing policy and planning, and strive for timely compliance with all statutory reporting requirements.

***Policy 8.1: The City will comply with all HCD and other statutory reporting requirements for housing programs and plans.***

***Program 8.1.1 – Develop annual housing status report.***

Provide an annual status report to the City Council and California Department of Housing and Community Development (HCD) on the status of the General Plan housing programs and their implementation as required by state law.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Annually

***Policy 8.2: The City will support local and regional efforts to develop and implement proven and effective housing policies and plans.***

***Program 8.2.1 – Participate in the regional housing needs determination.***

Continue the regional conversation about meeting the housing needs. Actively participate in the ABAG Regional Housing Needs Determination. The City will meet with ABAG staff to provide land use, housing, employment, and other information related to the RHNA formula to ensure that the allocation accurately represents Los Altos' fair share of the region's housing needs.

**Responsible Body:** Community Development Department

**Funding Source:** Permit fees

**Time Frame:** Ongoing, as requested



## QUANTIFIED OBJECTIVES

**Table 1** represents the number of housing units the City has the capacity to build or entitle between January 2015 and January 2023, when the Housing Element period ends. Between January 2014 and August 2014, a total of 36 housing units were entitled or constructed in Los Altos. Moving forward, the City estimates that an additional 787 housing units could be built across all income categories. These estimates are based on a number of factors, including historical production, current market forces, pending Zoning Ordinance amendments, City housing programs, and state laws and guidelines for density bonuses.

Second units in Los Altos are deed-restricted and limited to low and very low incomes. Between 2009 and 2014, 11 second units were constructed (a rate of just under 2 per year). Based on the number of applications received in the past, the City expects to increase the number of second units produced from approximately 2.25 units per year to 4 units per year during the current planning period. The City will increase efforts to educate residents about second units through Program 4.2.1.

**Table 1**

Quantified Objectives (January 31, 2015–January 31, 2023)

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
<b>Permits Issued January 2014–August 2014</b>						
Single-Family	0	0	0	0	16	16
Multifamily	0	0	1	1	18	20
Second Units	0	0	0	0	0	0
Density Bonus	0	0	0	0	0	0
<b>Total</b>	<b>1</b>			<b>1</b>	<b>34</b>	<b>36</b>
<b>Estimated Units January 2015–January 2023</b>						
Single-Family	<u>0</u>	<u>00</u>	<u>0</u>	0	190	190
Multifamily	<u>15268</u>	<u>126</u>	<u>127</u>	142	142	552
Second Units	<u>032</u>	<u>12</u>	<u>20</u>	0	0	32
<b>Total</b>	<u>15300</u>	<u>138</u>	<u>147</u>	142	332	774
Rehabilitation*	0			0	0	0
Conservation/Preservation**	0			0	0	0
<b>Grand Total</b>	<b>301</b>			<b>143</b>	<b>366</b>	<b>810</b>

Source: City of Los Altos 2014

\*The City has no funding and does not plan to seek any funding for rehabilitations. \*\* There are currently no units at risk of converting.





### Developmental Disabilities

Senate Bill (SB) 812 requires the City to include the needs of individuals with a developmental disability within the community in the special housing needs analysis. According to Section 4512 of the Welfare and Institutions Code, a “developmental disability” means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism.

Many developmentally disabled persons can live and work independently in a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. **Table B-20** provides information about Los Altos’ population of developmentally disabled persons; **Table B-21** provides information about those persons’ place of residence.

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating ‘barrier-free’ design in all, new multifamily housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

**Policy 5.2** in this Housing Element provides reasonable accommodation process for people with disabilities. The City has included **Policy 5.2 Program 4.3.1** in this Housing Element to help facilitate the development of housing accessibility for persons with developmental disabilities.

**Table B-20**

Developmentally Disabled Resident by Residence Type

Zip Code	0–17 Years	18+ Years	Total
94022	26	16	42
94024	27	27	54
<b>Total</b>	<b>53</b>	<b>43</b>	<b>96</b>

Source: HCD 2014

**Table B-43**

**Allowed Residential Uses by Zone**

Housing Type	R1-H	R1-10	R1-20	R1-40	R3-4.5	R3-5	R3-3	R3-1.8	R3-1	CN	CT	CRS	CD	CD/R3	CRS/OAD
Single-family residence	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Second living units	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Small family day care	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Large family day care	C	C	C	C	-	-	-	-	-	-	-	-	-	-	-
Two-family dwelling unit	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Apartment (two units or more per building)	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Multi-family residential dwelling units	-	-	-	-	-	-	-	P	P	-	C	-	-	-	-
Housing located above the ground floor	-	-	-	-	-	-	-	-	-	C	-	C	C	-	C
Mixed use projects	-	-	-	-	-	-	-	-	-	C	C	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Emergency shelter	-	-	-	-	-	-	-	-	-	-	- P <sup>1</sup>	-	-	-	-
Transitional housing <sup>2</sup>	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Supportive housing <sup>2</sup>	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mobile home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufactured home (consistent with design review)	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Single room occupancy (SRO) facilities <sup>3</sup>															
Small residential care facility (6 or fewer)	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
Large residential care facility (7 or more) <sup>4</sup>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>

Source: City of Los Altos Municipal Code, retrieved June 2014

“P” – Permitted by right

“C” – Permitted with a Conditional Use Permit

“-” - Not permitted

1 Pending adoption.

2 Per SB2 transitional and supportive housing is allowing in all zones that allow for residential uses and adhere to requirement of that zone.

3 Pending adoption.

~~4 Large residential care facilities are not allowed in residential district. They are allowed conditionally in the Public and Community Facilities (PCF) District.~~





<u>4388 El Camino Real (78 units)</u>		<u>420-426 Tyndall Street (8 units)</u>	
Planning:	\$15,000	Planning:	\$10,500
Building:	\$285,590	Building:	\$28,586
Engineering & Impact Fees:	\$957,158	Engineering & Impact Fees:	\$88,237
<b>TOTAL FEES</b>	<b>\$1,257,748</b>	<b>TOTAL FEES</b>	<b>\$127,323</b>

In addition to planning, building, ~~and~~ engineering, and impact fees, developers must also pay school impact fees and transportation impact fees prior to construction.

**School Fees**

The Los Altos School District also charges impact fees on new residential construction as provided for under state law. The school impact fee is approximately \$2.24 per square foot for residential development. An average 3,500-square-foot home would pay approximately \$7,840 in school impact fees.

**Transportation Impact Fees**

The City established a comprehensive neighborhood traffic management program in November 1999 that specifies a process for implementing traffic calming measures designed to reduce or manage volumes and travel speeds on local streets, as well as a process for residents to petition the City for improvements. Traffic calming measures include changes in street alignment, street width reductions, installation of barriers or other physical devices, and enforcement to reduce traffic speeds and/or cut-through volumes, in the interest of street safety, livability, and other public purposes. As congestion increases, the potential for diversion of traffic to local streets increases.

The City applies a Traffic Impact Fee to all new and redeveloped sites as follows (Chapter 3.48, LAMC):

Traffic Impact Fee -	
Single Family Residential Unit	\$5,142.00
Multiple Family Residential Unit	\$3,156.00
Senior Residential Unit	\$1,323.00
Commercial (Per 1,000 Sq. Ft.)	\$9,418.00
Office (Per 1,000 Sq. Ft.)	\$7,585.00

While the Traffic Impact Fee does create additional costs, it is not significant as a percentage of land and construction costs in Los Altos. The fees are also comparable to those in neighboring communities.



**LEAGUE OF WOMEN VOTERS**  
**of the Los Altos-Mountain View Area**  
**97 Hillview Avenue, Los Altos, CA 94022**

September 16, 2014

Chair Ronit Bodner and  
Members of the Planning and Transportation Commission  
City of Los Altos  
One North San Antonio Road  
Los Altos, CA 94022

Dear Chair Bodner and Members of the Planning and Transportation Commission

Re: Housing Element-Agenda Item #2, September 18th

The League of Women Voters of the Los Altos/Mtn. View Area would like to comment on the Draft 2015-2023 Housing Element. First, we support the changes to the Housing Element proposed by staff. However, we encourage more changes, as explained below.

First, we are pleased that most of the comments we offered at the stakeholder workshop have been incorporated into the staff report by David Kornfield as issues that need to be addressed. That said, one of our most important concerns for many years has been what we consider to be weak administration of the below-market-rate (BMR) program by Neighborhood Housing Services Silicon Valley (NHSSV). We have been recommending that the City issue a Request for Proposals (RFP) in order to determine whether there might be another housing consultant that would offer better services for the BMR program.

Many of the specific concerns referenced in David's memo are concerns that could be raised during the RFP process, so that the staff would benefit from the expertise of several potential administrators. Some of these specific concerns are perhaps most appropriate to be reserved for discussion with the administrator selected. One concern that is not included in the memo is the issue of whether more ownership units should be targeted to those at lower-income levels. We suggested in 2011 during the last Housing Element update process, that because of the historically low interest rates, ownership housing became more feasible for households with lower incomes. We would like this issue to be addressed with the potential BMR administrators. We would also like this issue to be reviewed every few years, rather than waiting for the next Housing Element update in 2023, because of cyclical changes in interest rates.

With regard to the Quantified Objectives shown on page 28, Table 1 appears to show that 565 Multifamily Units are estimated to be built by January 2023 in the extremely low, very low and low categories. This number is hard to believe; it would seem likely that should 565 new multifamily units be built, at the most a small percentage of these units would be affordable to those at the lower-income levels. And because of the Palmer decision, if a developer is not seeking a density bonus, the percentage of BMR's built as part of the 565 might be far less than 10%. The Quantified Objectives should be specific with regard to units at each income level to be clear, more realistic, and comply with Housing Element law. The Quantified Objectives also show 103 single-family units at moderate-income levels; this is probably an error, also, as nearly all the single-family units are at above-moderate levels.



One issue raised in David's memo, item f. iv., is an issue that the Council could probably resolve very quickly. It has been Council policy that the BMR units should reflect the unit mix in any particular project; it was probably an oversight that this was not included in the last amendment of the BMR ordinance.

Another issue raised, item d., we believe is an issue more appropriately discussed with the City Attorney, as she is very familiar with the Palmer case, which impacts the rental BMR program severely, as well as the pending San Jose court case which may seriously impact the BMR ownership program. This issue is critical in Los Altos, since the BMR program is the main way that Los Altos produces housing affordable to those at the lower-income levels.

Item e. in David's memo is an item that should be taken up by the Council, rather than rely upon NHSSV. We have recommended commercial and rental housing impact fees, as we think that most neighboring jurisdictions have many of these fees. It not only seems fair that we have similar fees, but these fees are useful for financing affordable housing at the lower-income levels.

Likewise, we believe City staff should survey nonprofits and other developers on the potential for housing for those with lower incomes, rather than just rely on NHSSV, which no longer acts as a developer of such housing..

With regard to Policy 4.3, we agree with the programs listed. However, we believe the City should add a program regarding potential use of City-owned sites for affordable housing. It is possible that with the City making some contribution of land, a partnership with a nonprofit to build such housing might be possible. We make this suggestion because the high cost of land is a major constraint to the building of housing affordable to those at the lower-income levels, as noted on page 76 of the Draft. We hope the City will add a program to consider the lease of City-owned parcels and to initiate discussions with nonprofit housing developers and others to see if this is feasible. Such a program could be added to Program 4.3.1 or it could be a separate program. If the City decides to adopt rental housing and/or commercial linkage fees, these fees would help to fund such an affordable housing development.

With regard to Policy 4.2 re affordable second units, we encourage the City to review the present restrictions with regard to lot size for second units. As Table B-47 shows, most of the parcels in the City are not large enough to allow for a second unit. Many Bay Area cities are now allowing second units on smaller lots; we hope Los Altos will review the standards of other jurisdictions and consider modifying this ordinance. In addition, Program 4.2.1 states that the City will continue to require a verification and quantification procedure regarding rent and occupancy of these units. We would like to know what this procedure is, as, in the past, we have been advised that the program is not monitored unless there is a complaint, and therefore, there is no assurance that these units are actually affordable.

Thank you for considering our input.

Susan Russell  
Co-Chair, Housing Committee  
League of Women Voters of Los Altos/Mountain View Area  
Cc: James Walgren  
David Kornfield  
Marcia Somers

## David Kornfield

---

**From:** James Walgren  
**Sent:** Tuesday, January 06, 2015 10:53 AM  
**To:** 'troylee.grx@gmail.com'  
**Cc:** David Kornfield  
**Subject:** FW: Priority 5 BMR Housing Purchase: Please Consider People With Disabilities First

Mr. Lee

Thank you for your comments. They will be included with the City Council's consideration – most likely either Feb 10 or 24, to be confirmed.

James Walgren

James Walgren, AICP  
Assistant City Manager  
Community Development Director  
650.947.2635

City of Los Altos  
One North San Antonio Road  
Los Altos, California 94022

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**From:** Troy Lee [<mailto:troylee.grx@gmail.com>]  
**Sent:** Tuesday, January 06, 2015 9:53 AM  
**To:** Yvonne Dupont  
**Subject:** Fwd: Priority 5 BMR Housing Purchase: Please Consider People With Disabilities First

Hello Ms. Dupont,

Please consider the following (see email below) in your next policy planning meeting.

### **RE: Consideration of Disability in Fifth Priority**

*The Los Altos Town Crier* reports that some tweaks are coming to the Los Altos BMR policies. As a public program, please consider people with documented disabilities as stated in ADA Law when using a lottery in the Fifth Priority.

This could be similar to requirements and policy outlined in the Second Priority rank. However, please accept California Department of Rehabilitation (DOR) Documentation of Disability when verifying Disability.

<http://www.dor.ca.gov/>

Los Altos' participation in being an independent living resource for people with disabilities would likely find favor with both State and Federal agencies, both governmental and private.

---

Troy Lee  
**(415) 625-3871** (SMS)

 profile

----- Forwarded message -----

From: **Troy Lee** <[troylee.grx@gmail.com](mailto:troylee.grx@gmail.com)>  
Date: Tue, Jan 6, 2015 at 9:48 AM  
Subject: Priority 5 BMR Housing Purchase: Please Consider People With Disabilities First  
To: [dkornfield@losaltosca.gov](mailto:dkornfield@losaltosca.gov)

**RE: Consideration of Disability in Fifth Priority**

Hello Mr. Kornfield,

*The Los Altos Town Crier* reports that some tweaks are coming to the Los Altos BMR policies. As a public program, please consider people with documented disabilities as stated in ADA Law when using a lottery in the Fifth Priority.

This could be similar to requirements and policy outlined in the Second Priority rank. However, please accept California Department of Rehabilitation (DOR) Documentation of Disability when verifying Disability.

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Los Altos' participation in being an independent living resource for people with disabilities would likely find favor with both State and Federal agencies. both governmental and private.

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Troy Lee  
**(415) 625-3871** (SMS)

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