



Legislation Details (With Text)

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| File created: | 2/22/2023 | In control: | City Council |
| On agenda: | 3/22/2023 | Final action: | 3/22/2023 |
| Title: | Motion to accept the 2022 Housing Element and General Plan Annual Progress Report and authorize its transmittal to the California Governor's Office of Planning and Research (ORP) and the California Department of Housing and Community Development (HCD). (Tony Rozzi, Chief Planner and Stephanie Skangos, Associate Planner) | | |

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Annual Housing Element Progress Report for 2022 in PDF Format, 2. Attachment 2 - Annual Housing Element Progress Report for 2022 in Excel - tabbed sheets, 3. Attachment 3 - Analysis of South San Francisco General Plan with Adopted Office of Planning and Research Guidelines, 4. Attachment 4 - Staff Presentation

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 3/22/2023 | 1 | City Council | approved | Pass |

Motion to accept the 2022 Housing Element and General Plan Annual Progress Report and authorize its transmittal to the California Governor's Office of Planning and Research (ORP) and the California Department of Housing and Community Development (HCD). *(Tony Rozzi, Chief Planner and Stephanie Skangos, Associate Planner)*

RECOMMENDATION

Staff recommends that the City Council, by motion:

1. **Accept the 2022 Housing Element and General Plan Annual Progress Report; and**
2. **Authorize its transmittal to the California Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD).**

BACKGROUND

California Government Code Section 65400 requires that an Annual Progress Report (APR) be prepared on the status and progress of implementation of the current Housing Element and General Plan. The APR must be submitted to the City Council, the State Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) by April 1st of each year (with a 60-day grace period). The City intends to file the APR before the April 1st deadline. The APR is included as Attachments 1 and 2.

Housing Element Compliance with HCD Guidelines

The South San Francisco Housing Element covers the period of 2015-2023, and this APR represents the yearly update on housing production. The formatting for the report continues to evolve to match the state's high priority for new housing units. This APR provides a comprehensive view of entitlement and building permitting activity. The Annual Housing Element Progress Report (Attachment 1 in PDF and Attachment 2 in Excel) includes the following tables:

- Table A - Housing Development Applications Submitted
- Table A2 - Annual Building Activity Report Summary, including completed entitlements, issued building permits, and issued Certificates of Occupancy
- Table B - Summary of Regional Housing Needs Allocation (RHNA) Progress
- Table C - Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law - Not Applicable to SSF
- Table D - Program Implementation Status
- Table E - Commercial Development Bonus Approved - None
- Table F - Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites for RHNA - None
- Table F2 - Above Moderate Income Units Converted to Moderate Income - None
- Table G - Locally Owned Lands included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of - None
- Table H - Locally Owned Surplus Sites - None at the moment. All locally owned properties are subject to the Disposition Plan approved by the Successor Agency and reviewed by the Oversight Board through December 31, 2022.
- Table I - SB9 Units Constructed and Applications for Lot Splits - None
- Table J - Student housing development for lower income students with Density Bonus - None
- Summary Tab of Entitled Units, Submitted Applications, and SB 35 Streamlining Provisions
- Local Early Action Planning (LEAP) Grant Reporting - None

The Housing Element Progress Report is informational only and does not change adopted policies or authorize any action or expenditure of funds.

Housing Element and Regional Planning

California requires each jurisdiction to prepare a Housing Element as part of its General Plan to ensure that all jurisdictions are planning for the projected housing demand throughout the State. Unlike other elements of a General Plan, the Housing Element must be updated by deadlines set by the State. The process begins with the State advising a region of their Regional Housing Needs Allocation (RHNA), which is the estimated number of housing units that will be needed over the planning period. A total of 1,864 units are needed for South San Francisco during the 2015-2023 cycle. The Housing Element does not require that these units are built during the allocation cycle. The Housing Element only requires that a city have zoning in place to ensure that the RHNA allocation can be constructed on adequate sites with permissible zoning regulations.

Regional Housing Needs Allocation Progress Summary

For 2022, the City is reporting building permit issuance for 336 new residential units, which includes five (5) single-family homes, 279 multi-family units (195 for Cadence Phase II; and 84 for the ROEM projects, which were technically issued building permits in the 2021 reporting year but did not get reported through the permitting software correctly), and 52 accessory dwelling units (ADUs). New units that receive building permit issuance during the reporting year are counted towards the current RHNA allocation.

In addition to the new units issued a building permit above, a total of 207 new residential units were finalized or issued a certificate of occupancy. This includes one (1) single-family home, four (4) small multi-family units (located within two-to-four unit structures), 172 multi-family units (for 988 El Camino Real), and 30 ADUs.

The City also approved Planning entitlements for 583 new residential units, consisting of one (1) single-family home, eight (8) small multi-family units (located within two-to-four unit structures), and 574 multi-family units (99 for the Bertolucci's Redevelopment Project; 183 for 180 El Camino Real; and 292 for Airport Boulevard).

Three Planning applications for new housing construction, totaling 547 potential units, were received in 2022, as well, and are currently under review.

At the close of 2022, the City had issued building permits for 81% of the expected housing units for the City for a total of 1,511 units out of the 1,864 units allocated through RHNA.

This is the reporting year for 2022, the eighth, and last, year of the eight-year reporting cycle:

1. The City has fulfilled expectations for the Above Moderate housing category, issuing a building permit for 1,142 units (RHNA allocation is 705 units).
2. The City has not fulfilled expectations for the Very Low, Low, and Moderate housing categories, issuing building permits for 147 Very Low units, 71 Low units, and 151 Moderate units, for a total of 369 units. (RHNA allocation is 565 Very Low units, 281 Low units, and 313 Moderate units, for a total of 1,159 units).
3. Understanding the City's pipeline, it is unlikely that the remainder of very-low-, low-, and moderate-income units will be produced during the RHNA cycle. Issuance of building permits for the L37/Kasa project would produce 158 units in these categories and boost City production of lower income units, but that issuance date could happen at the very end of the current RHNA cycle or occur in the next cycle, Cycle 6 covering the years 2023-2031.
4. There are no penalties for not providing lower income units; however, state legislation SB 35 does create streamlining requirements for cities that do not produce housing. If the latest production report submitted by the agency reflects that fewer units of below moderate housing (80% of median income and below) were issued building permits than required by the RHNA during the reporting period, then any proposed project that provides 50% of the proposed units as affordable will be given streamlined and limited review by state law. South San Francisco falls within this category since building permits have been issued for only 31.8% of lower income categories through 2022.

Program Implementation Status

Table D of the Housing Element Progress Report provides the status of implementing the current Housing Element programs. Most programs are implemented and monitored on an ongoing basis; however, some programs have deliverable dates prior to the end of the Housing Element cycle of 2023 and those have been completed.

General Plan Compliance with Adopted OPR Guidelines

The City Council approved and adopted the South San Francisco 2040 General Plan on October 26, 2022. The new General Plan contains the following elements: Land Use and Community Design; Planning Sub-Areas; A Prosperous Economy for All; Mobility and Access; Abundant and Accessible Parks and Recreation; Equitable Community Services; Community Health and Environmental Justice; Community Resilience; Climate Protection; Environmental and Cultural Stewardship; and Noise. The previous General Plan was adopted by the City Council in 1999 and contained the State mandated Land Use; Transportation (Circulation); Open Space and Conservation; Noise; and Health and Safety Elements. Additional local elements included Planning Sub-Areas; Parks, Public Facilities and Services; and Economic Development. The respective elements were revised intermittently since the 1999 adoption.

OPR adopted General Plan Guidelines in 2003, updated in 2017, for use by local jurisdictions in the preparation

of their general plans. The Guidelines are permissive, not mandatory and are quite extensive. For this year's required reporting on General Plan compliance with OPR Guidelines, the 1999 South San Francisco General Plan was analyzed by staff, as this plan was effective for the majority of the 2022 calendar year. For the 2023 reporting year, and subsequent years, the 2040 General Plan will be analyzed for OPR Compliance.

Staff has determined that the 1999 General Plan was in compliance with the adopted OPR Guidelines in most respects; however, it was in partial and non-compliance in several instances. Attachment 2 includes a checklist indicating the degree of compliance of the previous South San Francisco General Plan with each Guideline requirement. The 2040 General Plan update, to be analyzed next year, has brought the City's General Plan into full compliance with the Guidelines.

FUNDING

Submittal of the Annual Progress Report to OPR and HCD will have no financial impact on the City but does continue to make the City eligible for regional grant funding.

RELATIONSHIP TO STRATEGIC PLAN

The yearly reporting on the South San Francisco Housing Element and update on the City's housing production helps promote the City's Quality of Life strategic goal in providing a comprehensive view of new housing units produced within the reporting year, with a focus on the number of units produced within four different affordability levels. Additionally, the yearly reporting provides the City with an opportunity to evaluate the adopted programs and policies in the City's Housing Element and their effectiveness in promoting the creation of new housing and meeting the needs of the City's residents' quality of life.

CONCLUSION

Staff recommends that the City Council, by motion, accept the 2022 Housing Element and General Plan Annual Progress Report on the implementation of the Housing Element and General Plan and authorize its transmittal to the California Governor's Office of Planning and Research and the California Department of Housing and Community Development.

Attachment

1. Annual Housing Element Progress Report for 2022 in PDF format
2. Annual Housing Element Progress Report for 2022 in Excel - tabbed sheets
3. Analysis of South San Francisco General Plan with Adopted Office of Planning and Research Guidelines (PDF format)
4. Staff Presentation