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Report regarding acceptance of the 2018 Housing Element Annual Progress Report. *(Tony Rozzi, Principal Planner)*

RECOMMENDATION

This is an informational item for the Planning Commission's consideration and input. The Housing Element Annual Progress Report will be considered by the City Council at the April 24, 2019 hearing.

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. 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 end of the 60 day grace period. There is no similar requirement for other elements of the General Plan. Additionally, the APR has to be prepared in accordance with the provisions set forth by HCD and submitted online. The APR is included as Attachment 1.

The South San Francisco Housing Element was updated for the 2015-2023 cycle, and this APR represents the yearly update. The formatting for the report has changed significantly this year to provide a comprehensive view of entitlement and permitting activity. The attached report includes the following tables:

- Table A - Housing Development Applications Submitted
- Table A2 - Annual Building Activity, including completed entitlements, issued building permits, and issued Certificates of Occupancy
- Table B - Summary of all units permitted by affordability for RHINA cycle of 2015-2023
- Table C - Sites Identified or Rezoned to Accommodate Shortfall Housing Need - Not Applicable to SSF
- Table D - Program Implementation Status
- Table E - Commercial Development Density Bonus Approved - None
- Table F - Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites for RHNA - None
- Summary Tab of Entitled Units, Submitted Applications and SB 35 Streamlining Provisions

The APR 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 in order 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. 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
The City issued 264 building permits for new residential units - two projects in the downtown make up most of these permits (150 Airport Blvd and 200 Linden Ave). Forty (40) permits were finalized this year and included the closeout of several units within the 1256 Mission Road multifamily development. Additionally, the City completed the entitlement approval process for 195 units for Cadence Phase Two (405 Cypress Avenue; 204, 208, 212/214, and 216 Miller Avenue) by Sares Regis and 172 units for 988 El Camino Real by Summerhill. At the close of 2017, the City issued building permits for 42% of the expected housing units for the City for a total of 778 units out of the 1,864 units allocated through RHNA.

Program Implementation Status
Table D of the APR 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. One program that has been due since the end of 2015 was Program 3-4B "Examine Displacement of Affordable Housing and Lower-Income Households." The City participates in the 21 Elements umbrella organization for housing efforts for San Mateo County. This partnership resulted in a draft report on displacement that was shared with the consortium in February 2018 for consideration, comments, and a final draft for public review. Since that time, the City's Economic and Community Development Department has been facilitating study sessions with the City Council to explore implementation strategies.

Additionally, Program 1-2A evaluates the City's inclusionary housing ordinance, which was updated to require a 15% contribution to affordable housing for residential rental and for-sale housing projects. Program 1-3A investigates the City's commercial and housing linkage fee, which was completed this year with the adoption of an inclusionary impact fee for new commercial, office, R&D, hotel, and retail developments to bolster the City's affordable housing fund. Program 1-5A to increase residential densities in the downtown area was also accomplished in 2018 with the adoption of a new maximum density of 180 units per acre with a approval of a community benefits plan in the Downtown Transit Core zoning district.

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

CONCLUSION
Staff encourages the Planning Commission to provide any comments for the City Council's consideration.

Attachment:
1. Annual Element Progress Report

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