



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: June 21, 2022

TO: Planning Commission

FROM: Michael Laughlin, Planning and Housing Manager

PREPARED BY: Michael Smith, Senior Planner

SUBJECT: Study Session for the release of the Draft 2023 - 2031 Housing Element

BACKGROUND:

The Community and Economic Development Department released the 2023-2031 Housing Element for public review on the city's website on May 24, 2022. The public review period of the draft Housing Element will be available until June 24, 2022. During this period, decision makers, interested agencies, housing organizations, and the public can review the document and provide comments. Comments can be sent to Senior Planner, Michael Smith, at msmith@sanbruno.ca.gov. These comments will be reviewed, and, where appropriate, incorporated to the draft Housing Element. The revised document will then be forwarded to the California Department of Housing and Community Development Department (HCD) for review and comments.

The intent of this study session is to present information included in the draft Housing Element. The report will also highlight progress that has been made since January, specifically development of the sites inventory and housing policies. Together with comments received during the public review period, the draft document will then be forwarded to HCD for review. HCD's comments are anticipated to be returned in the fall that can be incorporated into the final draft for City Council's approval.

In compliance with the California Environmental Quality Act (CEQA), an environmental document has been prepared, and will be circulated and made available for public review with the updated draft of the Housing Element before City Council's final approval.

This report and the study session will focus on:

- The updated housing sites inventory
- Policy development considering factors such as Affirmatively Furthering Fair Housing (AFFH) and public input
- The overall Housing Element adoption schedule

DISCUSSION:

The Housing Element consists of extensive analysis on housing needs, constraints to housing production, fair housing assessments, housing resources, public engagement, and previous accomplishments as well as proposed housing sites and goals, policies, and programs. The Draft Housing Element and Technical Background Reports (appendices) are available on the Housing Element webpage.

Housing Element Sites Inventory

A key component of the draft Housing Element includes identification of potential housing sites that can feasibly be developed to satisfy the city's RHNA allocation of 3,165 units (plus a 15% buffer as directed by the City Council, totaling 3,640 units). The proposed sites inventory has been updated based on City Council's direction during the January study session and feedback provided by the public. The table below describes how the city could meet its RHNA requirement by project type.

Table 1 – RHNA Goal by Project Type

Project Type	Units	RHNA Goal + 15% buffer
Pipeline Projects	670	
TCP and other sites	1,293	
Tanforan	1,000	
Accessory Dwelling Units (ADU's)	345	
Bayhill Specific Plan Area	415	
Total	3,723	3,640

I. Pipeline Projects

According to HCD, development projects that have either been approved, issued a building permit, *or* received a certificate of occupancy since the beginning of the RHNA projection period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development. Staff has evaluated pipeline projects that could count towards the sixth cycle RHNA and the total number of pipeline units is 670 as shown in the table below.

Table 2 – Pipeline Projects

	Status	Very Low	Low	Moderate	Market	Total
Mills Park	Entitled	26	19	20	362	427
Glenview Terrace	Under Review	0	1	3	25	29
111 San Bruno Ave.	Under Review	5	0	0	41	46
271 El Camino Real	Entitled	0	1	2	20	23
732-740 El Camino Real	Under Review	8	59	6	63	136
500 Sylvan Ave.	Entitled	0	0	0	9	9
Total		34	80	331	520	670

II. TCP and Other Sites

State law requires a map to be included in the Housing Element that demonstrates available site locations that are suitable for new housing units.

For sites with assumed densities over 30 dwelling units/acre, HCD allows staff to count projected units towards low, very low-, and moderate-income targets. It is possible that the number of sites may be reduced over the course of the review by HCD. Planning for RHNA with a 15 percent buffer ensures flexibility during the review process and ensures that the City meets its RHNA and housing policy goals.

Staff analyzed sites within the TCP and determined there is significant housing development potential along its corridors which are likely to develop over the RHNA cycle. The estimated housing densities for the sites is based on numerous conversations with developers and the density of projects that have already been entitled within the TCP, therefore, the densities represent a realistic development potential for the sites. The TCP will reach its full buildout at 1,610 housing units.

The sites listed in the table below includes all identified vacant and nonvacant housing opportunity sites within the TCP and some sites outside the TCP. Sites outside the TCP include those along the northern end of the El Camino Real corridor and those at vacant former school sites. The list does not include the Tanforan sites or housing sites within the Bayhill Specific Plan which are described separately. A map of the sites by census tract can be found in Attachment 1.

Table 3 - TCP and other Sites List.

Site	Address	# of Units	Plan Area	Rezone	Status
AT&T Building	840 San Bruno Ave.	320	TCP	No	vacant
Walgreens	333 El Camino Real	150	TCP	No	active
Engvall School	2101 Sneath Ln.	118	none	No	vacant
Chili's	899 El Camino Real	100	TCP	No	active
Melody Toyota	750 El Camino Real	73	TCP	No	vacant
Mike's Auto	529 El Camino Real	72	TCP	No	vacant
Budget Motel (vacant)	850 El Camino Real	60	TCP	No	vacant
Bank of America	465 San Mateo Ave.	45	TCP	No	active
Citibank	475 San Mateo Ave.	60	TCP	No	active
San Bruno Pet Hospital	1111 El Camino Real	60	none	No	active
Bedroom Express	426 El Camino Real	50	TCP	No	active
San Bruno Gas	401 San Mateo Ave.	40	TCP	No	active
(vacant)	170 San Bruno Ave.	42	TCP	No	vacant
(vacant)	104 San Bruno Ave.	25	TCP	No	vacant
IHOP	590 El Camino Real	42	TCP	No	active
Edgemont School	500 Acacia Ave.	15	none	No	active
Russo Dental	1101 El Camino Real	15	none	Yes	active
Underutilized site	117 San Juan Ave.	2	none	No	vacant
Underutilized site	116 San Marco Ave.	2	none	No	vacant
(vacant)	San Marco Ave.	2	none	No	vacant
Total		1,293			

*The table above does not include the Tanforan site or sites within the Bayhill Specific Plan which are described in further detail below.

A limited number of rezonings will be required as specified in the table. The anticipated rezoning efforts that the City will process, along with the existing zoning capacity, and programs to amend the zoning code, will provide the flexibility for even more housing to be built beyond what is estimated in the sites inventory above.

II. Tanforan Area

Tanforan and its environs have been identified as a major opportunity site for housing based on proximity to transit, proximity to major freeways, and the result of an aging mall. As a result, staff has allocated a minimum of 1,000 housing units for the Tanforan redevelopment site. Rezoning the site to allow for housing would be part of redevelopment effort that is specified in the housing implementation program that will be realized after the Housing Element is adopted.

III. Bayhill Specific Plan

City Council adopted the Bayhill Specific Plan in October 2021 that included two housing overlay districts to provide landowners the option of developing housing. These designations allow for up to 573 dwelling units. Staff has evaluated the overlay zones and in conjunction with input from property owners has determined housing is most likely to be constructed at the Bayhill Shopping Center at 851 Cherry Ave. (210 units) and at the office building located at 801 – 851 Traeger Ave. (205 units). These two sites can accommodate up to a maximum of 415 housing units.

IV. Accessory Dwelling Units (ADU)

HCD allows each jurisdiction to include ADUs as part of its overall RHNA obligation based on the average number of building permits the jurisdiction issued for ADUs over the previous three years (2019 – 2021), as specified in its annual progress report. San Bruno issued building permits for 68 ADUs in 2021, a significant increase over 2020 when it issued building permits for seven ADUs out of 55 applications that were submitted. Projecting forward, staff estimates ADU construction to be more in line with the number of applications the City received in 2020 and 2021 and will try to convince HCD that the 345 ADUs estimated over the 8-year planning period is realistic.

Development of Housing Element Policies

Aside from identifying potential housing sites, another key part of the Housing Element update is to outline various goals, programs and policies to encourage housing development and ways to improve access to housing units. In addition to maintaining the existing housing policies, a new focus will include significant implementation on how goals and policies can affirmatively furthering fair housing (AFFH). Below is a summary of the goals that form the basis of the new draft programs.

1. Improve the development review and approval process to reduce processing times and simplify administration.
2. Increase the availability of housing throughout the city.
3. Protect current residents from displacement.
4. Support the needs of households with low incomes and special needs.
5. Improve the city's management of its affordable housing portfolio and housing funds.
6. Preserve the affordability of existing at-risk affordable housing.
7. Promote sustainable residential development that is energy efficient and reduces greenhouse gas emissions.
8. Promote equity in housing.

Attachment 2 to this staff report includes a draft list of the programs staff is recommending the city pursue in the next planning period.

These policies were developed by considering:

Housing Needs: The Housing Needs chapter of the draft Housing Element includes background analyses on City's demographics, employment and housing trends, constraints to housing, housing needs, and potential resources that aid housing production. For a summary of San Bruno's housing needs, see Attachment 3.

Affirmatively Furthering Fair Housing: "Affirmatively furthering fair housing (AFFH)" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. For a further discussion of AFFH, see Attachment 4.

Public Input and Outreach: To get the public involved in the process, staff met with fair housing advocates, services providers, and housing developers. In addition, staff three community meetings and launched a community survey which were promoted through the City's social media, announced on Channel 1, inserted into utility bills, included in the City Manager's newsletter, and distributed to downtown businesses. In partnership with 21 Elements / Let's Talk Housing, a Fair Housing Survey was also distributed to residents. Feedback obtained from all of these outreach efforts have been incorporated into the Housing Element and draft policies. An additional virtual public meeting to further solicit public's input will be held on May 26, 2022.

Overall Housing Element Adoption Schedule

State law requires that each city within the nine County Bay Area region submit their updated Housing Element to HCD for review by January 31, 2023. Below is a summary of the next steps in the process:

Table 4 – Remaining Housing Element Schedule

Activity	Completion Date
Circulate Housing Element Draft for Public Review	May 24 – June 24, 2022
Council Study Session	May 24, 2022
Submit Draft HE to HCD for review (90-day review period)	July – Oct. 2022*
Revise Document in Response to HCD Comments	Sept. - Oct. 2022
Publish Public Hearing Draft HE (1 st Round HCD comments incorporated)	Sept. - Oct. 2022
Circulate CEQA document for public review	Sept. - Oct. 2022
Hearings for HE Adoption	Oct. – Dec. 2022
Submit adopted HE to HCD for 2 nd review (30 days)	Dec. 15, 2022
Submit HE to HCD for review and certification	Jan. 31, 2023

*The first review by HCD will take up to 90 days, and it is anticipated that at least one round of revisions will be required before HCD is prepared to accept the City's Housing Element. Once the Draft Housing Element has been updated to address all HCD comments, public hearings before the Planning Commission and City Council will be scheduled for final review and adoption of the

plan. Following City Council adoption, it will be submitted to HCD for final certification. The deadline to submit a compliant housing element to HCD is January 31, 2023.

FISCAL IMPACT: There are no direct budgetary impacts to conduct the study session.

ENVIRONMENTAL IMPACT: This Study Session by the Planning Commission is not a project subject to CEQA, because the City is not taking action at this time (Public Resources Code Section 21065).

RECOMMENDATION: Receive Report

ALTERNATIVES: None. This item is for discussion only.

ATTACHMENTS:

1. Sites Inventory Map
2. Housing Element Goals and Programs
3. Housing Needs Summary
4. Affirmatively Furthering Fair Housing (AFFH) Summary