

Attachment 5: Summary of Proposed Amendments to the Housing Element

The following is a summary of proposed amendments to the adopted City of Santa Clara 2023-2031 Housing Element to address the findings in HCDs March 28, 2023 comment letter. The proposed changes are organized by Housing Element chapter/appendix with reference to HCDs numbered comments.

Chapter 1 Introduction

- HCD F.1.a General Plan Consistency
 - Added statement that general plan consistency will be evaluated and maintained through annual APR and as general plan amendments occur

Chapter 2 Housing Plan

- HCD A.3.a Progress in Meeting the RHNA
 - Action 9 Zoning Ordinance – As part of Zoning Ordinance update discrete objective, added administrative permit extension
 - Action 10 Adequate Sites Inventory – Added 3 ongoing objectives to:
 - Monitor approved/proposed projects on the Housing Sites Inventory
 - Proactively notify applicants to apply for extension when their entitlement is nearing expiration
 - If proposed projects not approved within 2 years of HCD certification of Housing Element, include additional sites in inventory, as needed, to ensure sufficient capacity to meet City's RHNA at all income levels.
- HCD A.3.b Realistic Capacity
 - Added Action 19 Tasman East Specific Plan Amendment to add 1,500 units of capacity and update Tasman East infrastructure fee
- HCD A.3.f Availability of Infrastructure
 - Added Action 20 Water and Sewer Affordable Housing Service Provisions with discrete objective to adopt procedures within six months of certification of Housing Element to grant priority water and sewer service to development with units affordable to lower-income households.
- HCD A.3.i/j Emergency Shelters
 - Action 9 Zoning Ordinance, added bullet listing changes that will expand the potential locations for emergency shelters throughout the City
- HCD A.4.b Parking Requirements
 - Action 3 Affordable Housing Incentives and Facilitation, revised ongoing objective noting that reduced parking requirements for transit-rich environments (from zoning Ordinance Update) will be applied to the City's long-range plans.
 - Action 9 Zoning Ordinance, in introductory language, described revisions to parking provisions that include reduced parking requirements and unbundled parking for multi-family uses in transit-rich environments.
- HCD A.4.j Affordable Housing Ordinance
 - Action 2 Affordable Housing Ordinance, under the "By the middle of 2025" discrete objectives:
 - Revised "Assess the feasibility of updating the citywide affordable housing ordinance..." to "Update the citywide affordable housing ordinance..." and noting that complying with the proposed affordability requirements would entitle developers to use the Density Bonus provisions of state law.

- added that the City will conduct community outreach to present and receive feedback on the feasibility study and will bring the study and summary of community feedback to the City Council.
- HCD A.5.b Preservation of Assisted Rental Housing
 - Action 5 Preservation of Assisted Rental Housing & NOAH, update introductory language to reflect that there are four (not five) assisted rental projects with a total of 45 units that are identified to be a potential, albeit very low, risk of conversion to market rate use between June 2028 and October 2031. Revised action and objectives to include monitoring of naturally occurring affordable housing (NOAH). Revised and added to ongoing objectives to make specific commitments to annually monitor and analyze inventory of at-risk units, to coordinate with qualified entities, and work with tenants of at-risk units.
- HCD B.1.a Housing Programs
 - Action 1 Provision of a Variety of Housing Types
 - Under Ongoing Objectives:
 - Added new objective to annually explore regional and state funding sources to build more housing opportunities for persons with disabilities and for extremely low-income households.
 - Revised ADU production objective to include specific timeline for presenting plan to City Council if ADU production falls below expectations.
 - Added new objective to continue participating in the development and implementation of the Santa Clara County Planning Collaborative ADU Program.
 - Discrete Objective for Zoning Ordinance update
 - Revised adoption date to by November 2023
 - Added note that revised provisions to allow a variety of housing types will be through a by-right approval process using objective standards and added residential care facilities to list of housing types
 - Action 3 Affordable Housing Incentives and Facilitation
 - Revised objective regarding Naturally Occurring Affordable Housing (NOAH) to replace “explore” language with “continue to coordinate with qualified entities” and moved from Action 3 Affordable Housing Incentives and Facilitation to Action 5 which was expanded to include Preservation of Assisted Rental Housing & NOAH.
 - Action 4 Maintenance of Housing Stock
 - Added discrete objective that by fall 2025, the City will market future CDBG capital NOFAs to residential care facilities for repair and renovation work to begin in summer 2026, with the NOFA including extra points for projects that serve persons with disabilities and/or ELI households.
 - Action 11 Impact Fees
 - Timelines revised for implementation of discrete objectives to occur during the 6th Cycle Housing Element.
 - Action 15 Homeownership for First-time Buyers
 - Revised discrete objective to present proposed changes to BMP program from Housing Commission to City Council and added date for implementation of change by December 2025.

- Action 16 Fair Housing Programs
 - Revised and added new discrete objectives with specific timelines for City Council consideration/implementation.
 - Revised and added new ongoing objectives
- HCD B.2.a Sites and Zoning
 - Action 9 Zoning Ordinance, based on complete site analysis, to address a shortfall of sites available to accommodate lower income housing units, added discrete objective to apply adopted zoning designations consistent with the City's General Plan, which will add additional housing sites totaling 1,242 units to the El Camino Real corridor. Also see Chapter 6 Housing Resources, revisions to Realistic Capacity Calculation section and Table 13.6-5 Sites to Meet the RHNA that include the El Camino Real rezoning sites.
- HCD B.2.b Variety of Housing Types and Zoning Ordinance
 - Action 1 Provision of a Variety of Housing Types, added language clarifying that the Zoning Ordinance update will include provisions allowing a variety of housing types through a by-right approval process using objective standards.
 - Action 9 Zoning Ordinance, added bullet listing changes that will expand the potential locations for emergency shelters throughout the City. Removed non-committal "as necessary" language. Also see response to HCD comment A.3.j
- HCD B.3.a Mitigate Identified Constraints
 - See response / revisions to HCD comment A.4 in Chapter 5 and Chapter 2
- HCD B.3.b Group Homes
 - Action 1 Provision of a Variety of Housing Types, added language clarifying that the Zoning Ordinance update will include provisions allowing a variety of housing types, including residential care facilities (group homes), through a by-right approval process using objective standards.
 - Action 9 Zoning Ordinance, specified date (by November 2023) for completion of Zoning Ordinance update.
- HCD B.4.a Housing Plan/AFFH
 - Based on updated AFFH analysis, revised Housing Plan to include more specific goals and metrics toward mobility, outreach and education, new housing choices in south Santa Clara, and place-based strategies for increasing pedestrian/bike safety access in MTC Equity Priority Communities and improving access to opportunity in HUD designated LIM1 census tracts using CDBG dollars.
- HCD B.5.a ADUs
 - Action 1 Provision of a Variety of Housing Types, modified ongoing objective to include timeline (within six months of acceptance of APR) to present a plan to City Council to remove barriers and/or further incentivize ADU production (e.g., through additional Zoning changes) if the pace of production falls below anticipated levels. Added ongoing objective to continue participating in the development and implementation of the Santa Clara County Planning Collaborative ADU Program.
- HCD D.1.a Quantified Objectives
 - In the Quantified Objectives section, modified Table 13.2-1 Quantified Objectives to more clearly show the breakdown of units to be constructed, rehabilitated, and conserved by income level. Increased the total number of rehabilitation units and

increased the total number of conservation units to include more than the units at-risk of conversion. Added explanatory footnotes below table and noted which actions in the Housing Plan support the quantified objectives for units to be rehabilitated and conserved.

Chapter 3 Affirmatively Furthering Fair Housing (AFFH)

- HCD A.1.a Local Data and Knowledge
 - At beginning of chapter, included a new Local Knowledge section summarizing local community feedback received throughout the Housing Element Update process and key themes from the City's housing needs analysis
 - Throughout chapter added conclusions within each section from the data/analysis presented
 - At beginning of the Assessment of Fair Housing Issues section, added text about the three main geographic areas of the City (north, central, south) that are referenced throughout the document.
 - In the Race/Ethnicity section, added local data (three new tables, two new figures) with supporting narrative/analysis.
 - In the Persons with Disabilities section, added local data (two new tables) with supporting narrative/analysis.
 - In a newly titled section called Affordability by Census Tract, included summary about LMI residents at the census block level
 - Added new Figure 13.3-23 Sites Inventory/TCAC Opportunity Areas – Composite Score, to show current 2023 HCD/TCAC opportunity areas, existing affordable housing, and all sites on the inventory
 - In the Transportation section, added figures showing existing transit and the Valley Hopper service, and analysis and trends
 - In the Overcrowded Households section, added additional local data at the census tract level
- HCD A.1.b Identified Sites and AFFH
 - Added new section called AFFH Analysis of the Sites Inventory with narrative and new Table 13.3-22 Sites Inventory by HCD/TCAC Opportunity Map Area, showing the distribution of the sites inventory units by income group/affordability category. Added maps of sites inventory sites overlaid on General Plan land use map, ADU trends map, and analysis on how production and preservation strategies will help address historic segregation patterns in southern Santa Clara and prevent displacement.
- HCD A.1.c Contributing Factors to Fair Housing Issues
 - In a new section called Contributing Factors, revised Table 13.3-23 AFFH Meaningful Actions Matrix, to include re-assessment and prioritization of contributing factors to fair housing issues.
- HCD B.4.a Housing Plan/AFFH
 - See response/revisions to HCD A.1
 - Updated AFFH analysis and revised Housing Plan to include more specific goals and metrics toward mobility, outreach and education, new housing choices in south Santa Clara, and place-based strategies for increasing pedestrian/bike

safety access in MTC Equity Priority Communities and improving access to opportunity in HUD designated LIM1 census tracts using CDBG dollars.

Chapter 4 Housing Needs

- HCD A.2.a ELI Households
 - In Extremely Low Income (ELI) Households section, added analysis showing lower income households experience overpayment at a much higher rate compared to all households.
 - In Elderly (65+ years) section, added new Table 13.4-12: Senior Households by Income and Tenure and Table 13.4-13: Cost-Burdened Senior Households by Income Level and analysis showing senior ELI and VLI households are cost-burdened or severely cost-burdened at a much higher rate compared to all other senior households.
- HCD A.2.b/c Special Housing Needs
 - At the beginning of the Special Housing needs section, added conclusion based on analysis of each special housing needs population group summarizing the challenges faced by those populations and referencing the City's housing programs that will help address the gaps in resources to meet their needs.
 - In Elderly (65+) section, added new Table 13.4-12 Senior Households by Income and Tenure
 - In Farmworker section, included additional narrative and data (new Table 13.4-15 Farm Operations and Farm Labor in Santa Clara County and Table 13.4-16 Migrant Worker Student Population
- HCD A.3.i/j Emergency Shelters
 - In People Experiencing Homelessness section, added background information/data on emergency shelters and listed objective development standards for by-right permitting of emergency shelters. identifies that the current permitting process for emergency shelters, which limits the number of beds that can be permitted by right in the City based on the prior year's count of people experiencing homelessness, will be removed as part of the Zoning Ordinance Update.
- HCD A.5.a At-risk Units
 - In the At-Risk Housing Analyses section, identified examples of qualified entities and added assessment of risk of conversion. Estancia project removed from table of At-Risk projects because the affordability term, which is tied to their ground sub-lease term, runs until July 1, 2053.

Chapter 5 Constraints

- HCD A.3.f Availability of Infrastructure
 - In Water Supply section, added statement that the Addendum to the 2010 General Plan Update for the 6th Cycle Housing Element consolidates information about prior water supply assessments for the development anticipated in the City's General Plan, including Specific Plan areas, and concludes that there is sufficient existing capacity to accommodate the City's RHNA.

- HCD A.3.j Emergency Shelters
 - In Emergency Shelters section, added discussion that existing constraints to the location of emergency shelters are proposed to be removed as part of the Zoning Ordinance update, which will allow emergency shelters by right in the R-3 and R-4 Residential districts, C-C and C-R Commercial districts, and the MU-VHD Mixed Use district, and with the issuance of a Minor Use Permit in the LI Light Industrial and PQP Public/Quasi-Public districts.
- HCD A.4.a Land Use Controls
 - To address HCDs prior comment that, "the analysis should specifically address heights, lot coverages, parking, and parking in the MU and TMU zones" a paragraph was added noting that both the MU - Mixed Use and TMU - Transit-oriented Mixed Use districts have not been used to zone any parcels within the City and have not been included in the City's Zoning Ordinance Update because there are no parcels in the City with a corresponding General Plan land use designation.
- HCD A.4.c Fees and Exactions
 - In Planning and Development Fees section, added to and revised narrative clarifying that Table 13.5-5 provides all fees that may be pertinent to different types of residential projects. Added notes to Table 13.5-5. Provided additional explanation of and conclusions from Table 13.5-6 and added notes to table with details of the residential prototype projects.
- HCD A.4.d Local Processing and Permit Procedures
 - In the Planned Development section, added data (including new Table 13.5-8) showing the limited recent use of Planned Development (PD) zonings for residential development and text explaining why use of PDs has and will be further diminished with other by-right/non-discretionary approval processes.
- HCD A.4.h Housing for Persons with Disabilities (Reasonable Accommodation)
 - In the Reasonable Accommodation section, included section from both current Zoning Code and Zoning Ordinance Update listing findings for approval or denial of a reasonable accommodation request.
- HCD A.4.i Inclusionary Housing
 - In Inclusionary Housing section, added statement and excerpt from the City's Residential Density Bonus Standards chapter in the Santa Clara City Code that the provision of affordable units through the City's Inclusionary Housing Ordinance count toward the units provided for the purpose of receiving benefits under the state's density bonus law.

Chapter 6 Housing Resources

- HCD A.3.a Progress in Meeting the RHNA
 - In Pending or Proposed Projects section added narrative explaining steps City will take to ensure pending/proposed projects complete development process and result in new units
- HCD A.3.b Realistic Capacity
 - In Realistic Capacity Calculations section included:
 - Additional methodology for calculating realistic capacity
 - Buildout horizons for specific plan areas

- Description of impediments to development
- HCD A.3.a Progress in Meeting the RHNA, A.3.b Realistic Capacity, A.3.d/3 Suitability of Nonvacant Sites to Accommodate Lower Income RHNA
 - Sites to Meet the RHNA (Sites Inventory)
The changes described below are also reflected in the revised Appendix B Sites Inventory and will be included in a revised Electronic Sites Inventory to be submitted to HCD as part of the re-adoption submittal.

Sites to Meet the RHNA – As Adopted in the Housing Element (January 31, 2023)

	Units in Affordability Category				
Site/Credit Type	VLI	LI	Mod.	Above Mod	Total Capacity
RHNA	2,872	1,653	1,981	5,126	11,632
Pending & Approved Projects	389	361	857	10,339	11,946
<i>Tasman East SP</i>	-	-	531	3,919	4,459
<i>Patrick Henry Drive SP</i>	75	75	75	1,288	1,516
<i>Lawrence Station Area Plan</i>	-	5	57	635	697
<i>Freedom Circle Focus Area</i>	54	54	54	914	1,075
<i>Other</i>	261	228	141	3,569	4,199
ADU Projection	102	102	102	34	340
Available Specific Plan Sites	2,888	2,143	2,465	314	7,810
<i>Tasman East Focus Area SP</i>	214	156	458	295	1,123
<i>Patrick Henry Drive SP</i>	1,829	1,360	1,360	-	4,549
<i>Lawrence Station Area Plan</i>	845	627	647	19	2,138
				-	
Total	3,379	2,606	3,424	10,687	22,096
<i>Surplus Units</i>	507	953	1,443	5,561	10,464
<i>Surplus (% Above RHNA)</i>	18%	58%	73%	108%	73%

Sites to Meet the RHNA – As Revised / Proposed for Adoption

Site/Credit Type	Units in Affordability Category				Total Capacity
	VLI	LI	Mod.	Above Mod.	
RHNA	2,872	1,653	1,981	5,126	11,632
Pending & Approved Projects	668	746	512	10,218	12,144
<i>Tasman East SP</i>	<i>111</i>	<i>234</i>	<i>179</i>	<i>3,842</i>	<i>4,366</i>
<i>Patrick Henry Drive SP</i>	<i>76</i>	<i>75</i>	<i>75</i>	<i>1,294</i>	<i>1,520</i>
<i>Lawrence Station Area Plan</i>	<i>-</i>	<i>5</i>	<i>57</i>	<i>635</i>	<i>697</i>
<i>Freedom Circle Focus Area</i>	<i>54</i>	<i>54</i>	<i>54</i>	<i>913</i>	<i>1,075</i>
<i>Other</i>	<i>427</i>	<i>378</i>	<i>147</i>	<i>3,534</i>	<i>4,486</i>
ADU Projection	118	118	118	39	393
Available Specific Plan Sites	2,105	1,561	1,883	314	5,863
<i>Tasman East Focus Area SP</i>	<i>214</i>	<i>156</i>	<i>458</i>	<i>295</i>	<i>1,123</i>
<i>Patrick Henry Drive SP</i>	<i>1,747</i>	<i>1,299</i>	<i>1,299</i>	<i>-</i>	<i>4,345</i>
<i>Lawrence Station Area Plan</i>	<i>144</i>	<i>106</i>	<i>126</i>	<i>19</i>	<i>395</i>
El Camino Real Rezoning Sites	497	378	366	-	1,242
Total	3,388	2,803	2,879	10,571	19,642
<i>Surplus Units</i>	<i>516</i>	<i>1,150</i>	<i>898</i>	<i>5,445</i>	<i>8,010</i>
<i>Surplus (% Above RHNA)</i>	<i>18%</i>	<i>70%</i>	<i>45%</i>	<i>106%</i>	<i>69%</i>

The above table tabulates the total number of housing units in the City's Sites Inventory after making the changes summarized below.

- Pending & Approved Projects
 - Tasman East: revised to reflect affordable housing agreements approved for 2233 Calle Del Mundo (St. Anton) and 2302/2310 Calle Del Mundo (Ensemble) projects providing affordable housing at Very Low and Low Income levels; two projects revised to reduce total number of units; minor updates/corrections to unit totals and distribution.
 - Patrick Henry Drive: minor updates/corrections to unit totals and distribution.
 - Other: included three recently approved 100% affordable projects 1601 Civic Center Drive, 80 Saratoga Avenue, and 3575 De La Cruz Boulevard; minor updates/corrections to unit totals and distribution
- ADU Projection
 - Based on average number of ADUs issued building permits between 2018-2022 (previously 2018-2021)
- Available Specific Plan Sites
 - Patrick Henry Drive Specific Plan (PHD):
 - Removed "Drawbridge" parcel (4600 Patrick Henry Drive); Staff has been unable to make contact with the property owner and so did not receive a response from a qualified representative indicating any interest to redevelop with residential within the Housing Element timeframe.

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- Confirmed (by email 4/24) Pearlman (4633, 4655, 4677, 4699 Old Ironsides Drive) interest/availability to redevelop with residential within Housing Element timeframe and so this site was maintained in the sites inventory.
- Marriott Center Owners (4701 Patrick Henry Drive) worked with the City to change bylaws/CC&Rs (approved by City Council) to facilitate redevelopment of their site to residential and so the site was maintained in the sites inventory.
- Realistic capacity for ten remaining PHD sites that have maximum densities of 149 du/ac and two sites that have a maximum density of 250 du/ac based on Specific Plan assumptions regarding buildout estimates (72% of the average of the low (10,300 units) and high (12,000 units) PHD residential development capacities.
 - $72\% \text{ of } 149 \text{ du/ac} = 107 \text{ du/ac}$ is a significantly lower density compared to the density for one PHD project recently approved at 122 du/ac and two other projects with pre-applications that are proposed at 123 du/ac and 147 du/ac.
- Lawrence Station Area Plan (LSAP):
 - Removed “Gemini Rosemont” (3350 – 3420 Central Expressway) parcels – owners shared their interest (via email) in potential expansion of existing industrial and so staff concluded that residential redevelopment is unlikely within the Housing Element timeframe.
 - Confirmed (by phone 4/25) Sobrato (3450 Central Expressway) interest/availability to redevelop their parcel with residential within Housing Element timeframe. Lease with existing industrial tenant (ThermoFisher) has buy-out provision. Therefore, site was retained in Sites Inventory.
 - The expected capacity for two remaining LSAP parcels with a Very High Density Residential (VHDR) General Plan designation was recalculated based on average density of four approved/under construction LSAP projects that are also designated VHDR.
 - $191\% \text{ of } 51 \text{ du/ac} = 97.4 \text{ du/ac}$ is consistent with the four approved/under construction LSAP VHDR projects that have densities ranging from 73 to 134 du/ac (average density of 97.5 du/ac).
- Tasman East Specific Plan (TESP):
 - Expected capacity for the remaining parcels with Transit Neighborhood (TN) General Plan designation (13 parcels < 1 ac and 1 parcel > 1 ac) was recalculated based on six approved/under construction TESP projects, including two 100% affordable projects, also designated TN with actual densities ranging from 131 to 237 du/ac.
 - $215\% \text{ of } 60 \text{ du/ac} = 129 \text{ du/ac}$; $215\% \text{ of } 100 \text{ du/ac} = 215 \text{ du/ac}$ is within the density range of the six approved/under construction TESP projects (131 to 237 du/ac).
- El Camino Real Rezoning Sites:
 - Added parcels/sites (greater than 0.5 acres and less than 10 acres) with Regional Mixed Use 37-50 du/ac (RMU) General Plan designation that will be rezoned as part of the Zoning Ordinance Update from a commercial district to a new Regional Mixed Use (RMU) zoning district.
 - Realistic capacity for RMU parcels/sites based on minimum density (37 du/ac).
 - Recent approvals, including 100% affordable projects, and ongoing developer interest, demonstrate that existing older commercial on El Camino Real sites are not an impediment to additional residential development.
 - One approved/under construction 100% affordable project (Clara Gardens) on a 1.12-acre RMU designated parcel includes 120 VLI units (107 du/ac).

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Summary of Proposed Amendments to the City of Santa Clara Housing Element by Chapter/Appendix
Chapter 7 Program Accomplishments (No Changes)

Appendix A Outreach

- HCD E.1.a/b Public Participation
 - Added copy of Housing Action Coalition letters to City and HCD

Appendix B Parcel Inventory

- HCD A.3.c Parcel Inventory
 - Added information to the sites inventory table indicating relevant factors such as age, developer interest, improvement to land value ratio
- HCD A.3.d Suitability of Nonvacant Sites
 - In response to comments received regarding site suitability of certain parcels, removed several sites from the inventory (See Chapter 6 Housing Resources Realistic Capacity and Suitability of Non-Vacant Sites section). To address the reduction in the realistic capacity of sites to accommodate sufficient VLI units to meet the RHNA with an adequate buffer, rezoning sites were added along the El Camino Real corridor.