



Staff Report

STUDY SESSION TO REVIEW THE 2007-2014 GENERAL PLAN HOUSING ELEMENT UPDATE

Honorable Mayor and Council Members:

Summary

One of the Community Development Department's on-going projects on the Council's Priority Calendar is the comprehensive General Plan Update for the City. This was the highest priority and single-most important work program the Council added as part of their Spring 2006 Priority Calendar review.

A significant General Plan Element for review and amendment (which aligns with the Land Use, DTSP, and Economic Development Target Site Policy Amendments project) is **Housing** – a draft of the Housing Element document is due to the State of California by June 30, 2009. In June 2008 the City Council authorized staff to engage the services of Dyett & Bhatia, General Plan Consultants, to prepare the Housing Element Update.

Dyett & Bhatia has worked closely with staff to complete the background research necessary to guide Housing Element policy decisions. This study session item serves as an opportunity to review the Housing Element data with the City Council and engage in a policy discussion regarding opportunities for future development of housing within the City.

Background

The Belmont Planning Commission reviewed the Housing Element update at a study session at their April 21, 2009 meeting. At that meeting, the Commission provided questions and comments to the consultant, and engaged in housing policy discussion related to the *Housing Constraints* and *Potential Housing Sites* analysis. The full video of the 4/21/09 Planning Commission meeting is available on the City Web site. Listed below is a brief outline of some of the requested follow-up topics from the Commission study session:

- 1. Additional Development since January 2007** - Provide additional data on approved units (approximately 25) in Belmont in this time period – Planning Staff will forward addresses and project descriptions.
- 2. Code Enforcement Authority related to Maintenance** - Can the City require maintenance and improvement of properties through the Code enforcement process, instead of Conditional Use Permit (CUP)? What would be involved in this effort; for example - zoning text changes; arrangements with Police Department and courts regarding use of citations and fines, etc.

3. **Other Cities' Housing Elements** - How are nearby cities meeting their housing needs? The Planning Commission indicated cities like Los Altos Hills, Hillsborough, and Atherton.
4. **Senior Housing Options** - Discuss the HIP (Human Investment Project) program, home-sharing program, and adopt a grandparent.
5. **Second Units** - Provide an accounting of any legal second units, and any data available about illegal second units. This topic can most likely be addressed in the programs chapter. The City is already considering several programs to encourage legalization of those units, including amnesty periods, so they can count as affordable units.
6. **Topography** - Discuss as part of housing constraints.
7. **Wording Changes** - Several items created confusion for the Commission, and need rewording, including:
 - o "relaxation of standards" – Suggestion made that (if the concept of modified discretionary review is acceptable), careful wording is needed to describe a different review process for requests for exceptions to standards (CUP instead of PD rezoning or variance).
 - o Emergency Shelter - explain that this concept is for a temporary homeless shelter, not a shelter for all residents in an emergency.

As discussed above, the full Commission study session can be viewed on the City Website to assess additional review topics, questions, observations, and concerns.

Discussion

The attached Housing Element Analysis Summary memorandum (Attachment A) prepared by Dyett & Bhatia outlines the research completed thus far for the Housing Element. The research is divided into four topics as follows:

- **Housing needs and Supply Assessment** – This research topic includes an evaluation of our existing housing needs as a community and is based on demographic data. This topic also examines the condition and status of our existing housing stock (i.e. housing types, age and condition, and costs).
- **Constraints to Housing Production** – There are three subsections within this topic, including Non-Governmental Constraints (market demands, development costs/financing), Governmental Constraints (land use regulations, fees, parking requirements), and the Development Review Process (required entitlements, conflicting regulation documents, lack of design guidelines).
- **New State Legislation Requirements** – This topic provides discussion related to four state legislative bills that must be addressed in the Housing Element Update, including the provision of extremely low-income housing, secondary dwelling units, emergency shelters, and density bonus provisions.

- **Housing Needs Allocation and Potential Sites** – Each local jurisdiction in San Mateo County has an established regional housing needs assessment that determines the number of new housing units they must plan to accommodate by 2014. The City of Belmont Housing Element must document the planning and future development of 399 new housing units between the years 2007 and 2014. Dyett and Bhatia has completed an extensive Potential Housing Sites Analysis and identified potential housing development sites within the City.

Dyett & Bhatia has prepared two maps (attachments B and C); one map indicates vacant residentially zoned sites and the other identifies potential housing opportunity development sites along the Ralston/El Camino Real corridor that could potentially accommodate housing units. These sites also include the City's target economic development areas that have been established by the Redevelopment Agency.

Staff is seeking discussion and feedback from the City Council regarding the attached Housing Element Analysis Summary. Specifically, staff seeks Council feedback related to the *Housing Constraints Analysis* (Section 1.3), and input regarding the *Potential Housing Sites Analysis* (Section 1.4); comments are encouraged regarding which potential housing sites should be included in the Draft Housing Element.

General Plan/Vision Statement

The Housing Element update is part of a larger General Plan Update that was authorized by the City Council in June 2008.

Fiscal Impact

There is no fiscal impact related to this study session item.

Public Contact

Posting of City Council agenda.

Recommendation

No action is required to be taken by the City Council at this time. Dyett & Bhatia will incorporate the comments and feedback received by the City Council into the draft Housing Element document. The City Council will have an opportunity to review this document in June 2009.

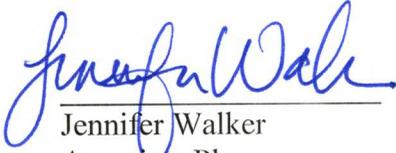
Alternatives

1. Direct staff to return for further discussion and direction.

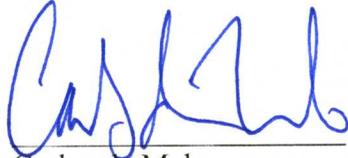
Attachments

- A. Housing Element Analysis Summary memorandum, Dyett & Bhatia, 04/13/09
- B. Map of Potential Residential Sites
- C. Map of Potential Housing Opportunity Sites – Ralston/El Camino Real Corridor

Respectfully submitted,



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Attachment A

Housing Element Analysis Summary Memorandum
Dyett & Bhatia, 04/13/09

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M E M O R A N D U M

To: Carlos de Melo, City of Belmont
Laurie Shiels, City of Belmont

From: Leslie Gould, Dyett and Bhatia

Re: Housing Element Analysis Summary:
Housing Needs, Constraints, and Potential Housing Development Sites

Date: April 13, 2009

Research for the Housing Element has been completed, related to the following four topics:

- Housing Needs and Supply Assessment
- Constraints to Housing Production
- New State Legislation Requirements
- Potential Housing Development Sites

This memo summarizes the key findings from the analysis. This analysis is intended to facilitate a policy discussion with City staff, the Planning Commission, and the City Council regarding potential housing development sites. The sites need to be specifically identified in the Draft Housing Element that will be submitted to the State Housing and Community Development Department. Key information and maps are provided as part of this memo as the basis for the discussion.

The next key step in the Housing Element preparation will be the compilation of proposed City programs to meet housing needs; and the preparation of the Draft Housing Element. The work will be conducted in May, and presented to the Planning Commission and City Council in June 2009.

1.1 HOUSING NEEDS AND SUPPLY ASSESSMENT

HOUSING NEEDS

Age

- Belmont has fewer children, and more seniors (over 65) than State and County averages.
- There has been a large increase in number of seniors, and many are over age 75. A key question is whether they will remain in their homes, or move to smaller residential units or assisted living.

Race and Ethnicity

- Minorities increased from 13 to 31 percent of the population. The predominant minorities in Belmont are Asian and Pacific Islander.

Employment Characteristics and Trends

- Belmont's biggest employment categories are retail trade, and

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professional/scientific/technical services. There are lots of high-tech and professional companies nearby, including: United, Oracle, Genentech, and Kaiser.

- Only 10 percent of Belmont residents work in Belmont; and 37 percent commute out of San Mateo County to work.
- Unemployment is low compared to the State average – 5.9 percent vs. 9.1 percent (December 2008).
- There is a high percentage of management and professional employment among Belmont residents – 54 percent. A large percentage also work in sales/office (27 percent) and service employment (14 percent), for a total of 41 percent.
- The jobs/housing balance is low for the City, since the City is predominantly a bedroom community. However the jobs/housing ratio overall for the County is well balanced - 1.4 jobs per household.

Household Characteristics and Trends

- Over three quarters of Belmont households are singles, empty nester households, or other family households. The breakdown includes: (1) Married no children – 31 percent; (2) Singles – 27 percent; and (3) Other families and others – 20 percent. Less than a quarter of the households in Belmont are married with children (22 percent).
- The ratio of owners to renters has been stable over the years: owners 60 percent and renters 40 percent.
- Most households in Belmont are small (65 percent). The household size breakdown is: 37 percent 2-person households; 27 percent 1-person households; and 30 percent 3-4 person households.

Household Incomes

- There are many low-income and very-low income households in Belmont. Over 30 percent of Belmont households earn less than \$35,000 per year, and 15 percent earn less than \$25,000. **Thirty percent of the community is low income (includes low, very low, or extremely low income). Thirteen percent is very low or extremely low income.**
- Most middle class professionals cannot afford housing costs in Belmont.
- Many residents go to Samaritan House for food annually.

Special Needs

- More than 70 percent of elderly households who rent are overpaying for housing (more than 30 percent of their income.) Also 25 percent of senior homeowners are overpaying for housing.
- A large portion of the Belmont population has a disability (22 percent). Many of those with disabilities are seniors (40 percent). Almost 60 percent are adults, ages 16 to 64.
- Single parents with children constitute five percent (5 percent) of the households in Belmont. One percent of the single parent households with children live below the

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poverty line. Housing providers also noted that many single mothers cannot afford housing, and come to their agencies in crisis.

Homeless

The County 2007 homeless survey found 12 homeless people in Belmont (1 percent of the County total). Most are single males with at least one disability. None were children. There is a need for some homeless beds in Belmont.

HOUSING STOCK CHARACTERISTICS

Housing Development

- A total of 245 housing units were built in Belmont from 2000 to 2008; which is an average of 31 units per year, and a total increase of 2.3 percent.
- ABAG projects the addition of approximately 800 new households between 2008 to 2015 in Belmont. This indicates that at least 114 units should be built each year to house the new residents.
- The Regional Housing Needs Assessment requirement for Belmont is 399 housing units between 2007 and 2014, which would mean adding 80 units per year.

Vacancy Rates

- Vacancy rates are extremely low: 0.3percent for ownership units and 1 percent for rental units.

Housing Types

- Detached single family homes are the predominant housing type - 58 percent of the total housing units. A total of 142 new detached single family units have been built since 2000.
- Other types of housing are increasingly being built, including attached single family units (68 units built since 2000) and multi-family units (103 units built since 2000).
- There are 606 rental units with three or more bedrooms, which should be more than adequate to house the 471 rental households in Belmont with four or more persons.

Housing Age and Condition

- Housing stock in Belmont is in good condition; less than 1 percent is estimated to be in poor condition. Each year, about four percent of residential units obtain building permits for improvements.

Housing Costs

- Housing costs have increased dramatically in Belmont over the past eight years. The median price of a single family home increased 57 percent since 2000, from \$469,000 to \$920,000 in 2008. The median sales price for condominiums in Belmont was \$601,000 in 2008.
- Apartment rents range from \$1200 to \$1400 for a one-bedroom; and \$1600 to \$1800 for a two-bedroom unit. Since rental rates are lower than the average countywide

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rental rates, and vacancy rates in Belmont are very low (1 percent), units may be difficult to find.

- Belmont rents are not affordable to extremely low or very low income households. According to HUD standards, an extremely low income household with two persons can only afford \$544 for monthly rent, compared to the average rent of \$1400 for a one-bedroom unit. In the Belmont market, such households are forced to pay over 60 percent of their income for rent.
- Belmont housing purchase prices are not affordable for any low or moderate income households. Only high-income households earning over \$230,000 per year (more than \$160,000 for a condo) can begin to afford home mortgage payments in Belmont, based on 2008 home prices.
- Approximately 35 percent of all renter households and 31 percent of owner households overpay for housing costs, based on the HUD standard that households spending more than 30 percent of their income for housing are overpaying.
- In 2000, 72 percent of low-income renters and 48 percent of low-income owners were overpaying for housing costs.

Existing Assisted Housing and the Risk of Conversion

- There are twelve assisted housing developments in Belmont, providing a total of 267 affordable units. Four of these projects are group homes for persons with disabilities.
- Affordable units are at risk of conversion to market rate units during or soon after the 2007-2014 planning period include:
 - Bonnie Brae Terrace -- 60 Section 8 units could expire during the planning period.
 - Horizons -- 24 Section 8 units could expire during the planning period.
 - Belmont Vista – includes 10 units for moderate-income seniors that could expire in 2011.
 - Crestview Group Home – six residential care units for disabled children, which could expire in 2016.More information on at-risk units is pending.

1.2 CONSTRAINTS TO HOUSING PRODUCTION

NON-GOVERNMENTAL CONSTRAINTS

These types of constraints generally relate to the housing market, and involve factors beyond the control of the City.

Housing Market

- Belmont, like other communities in San Mateo County, the Bay Area, California, and beyond, has experienced a severe drop-off in new housing construction in recent months.
- While there was considerable housing activity during the last planning period, very few units have been constructed in recent years.

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Development Costs

- Land costs are high. Land costs are 15-20percent of the total cost of a multifamily housing project; and 40percent of the cost of a single family home.
- Single family home lots can cost as much as \$250,000 to \$425,000.
- Based on a typical multifamily construction in San Mateo County, land costs run \$40,000-\$60,000 per unit, but can run as high as \$75,000 per unit in some locations.
- Along the El Camino corridor in San Mateo County, land costs range from roughly \$2 million to \$5 million an acre, with the permitted density driving much of the difference.

Mortgage and Rehabilitation Financing

- Interest rates are historically low.
- People with short credit history, lower incomes or self-employment incomes, or those with other unusual circumstances, have had trouble qualifying for a loan or were charged higher rates.
- Many builders are finding it nearly impossible to get construction loans for residential property at the current time. Banks require larger investments by the builder than they ever have in the past.
- Complicated projects, like mixed use developments, are often the hardest to finance. Non-profit developers may find it especially difficult to secure funding from the private sector.

GOVERNMENTAL CONSTRAINTS

These types of constraints relate to local regulations and fees, and HCD may request that the City revise requirements to reduce constraints if the City's requirements are more onerous than surrounding jurisdictions.

General Plan, Downtown Specific Plan, and Zoning: Land Use Categories

- The General Plan, Downtown Specific Plan, and Zoning Code include a variety of residential land use categories, which allows a range of densities to accommodate different types of residential units.

Residential Development Standards

- Development standards such as setbacks and open space requirements are not unusual or onerous compared to other jurisdictions.
- The City has a variety of mechanisms to allow flexibility for special situations, including the Planned Development District, variance applications, density bonus incentives, and special rules in the Downtown for mixed use projects.

Fees and Exactions

- The average total fees charged for single-family homes in Belmont was found to be on par with those charged in other county jurisdictions.

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- Fees for multi-family housing were less than half of those charged by surrounding jurisdictions.

Constraints to Housing for Persons with Disabilities

- HCD requires an analysis of special constraints related to housing for persons with disabilities.
- The City of Belmont has long supported the development of housing opportunities for persons with disabilities. The City currently has a variety of special needs housing, which has often been funded directly through City redevelopment funds.
- Requests for the installations of ramps or interior modifications are processed over the counter. No special review is required.

Parking Requirements

- Single-family homes require a total of four parking spaces. Such a requirement is appropriate in hillside areas without on-street parking. However in flatter areas with normal street widths and on-street parking, it may be overly stringent.
- All multifamily units are required to have two parking spaces per unit. Studio apartments require a total of two parking spaces per unit, the same requirement as for larger units with 1, 2, or 3 bedrooms. Most communities reduce the parking requirements for studio units.
- *Potential Solution: Differentiate single family home parking requirements between hillsides and Belmont Village/El Camino*
- *Potential Solution: Reduce the parking requirement for studio units to 1-1.5 spaces per unit.*

Licensed Care Facilities

- There is no identification of zones where licensed care facilities with more than seven persons can be located. No mention of such facilities is made in the current Zoning Ordinance.
- *Potential Solution: Identify zones where the development of licensed care facilities for over seven persons can be located.*

DEVELOPMENT REVIEW PROCESS

The Development Process

- Development standards are sometimes very difficult for developers to meet for multi-family development, particularly on small lots. Projects typically need some sort of exception to be physically and financially feasible.
- A Planned Development (PD) zone change is the current default route since the findings for a variance are dependant upon cause.
- A PD requires three hearings, lengthening and complicating the development process and potentially deterring developer.

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- The review timeframes for projects are long, and involve great uncertainty. The timeframe for development can reach as long as 18 months for a multi-family development.
- *Potential Solution: Allow the relaxation of development standards on small lots through the Conditional Use Permit process rather than the variance or Planned Development Zone process, if projects can demonstrate that they comply with design guidelines and do not cause substantial adverse impacts on adjoining properties.*
- *Potential Solution: Clarify existing zoning regulations related to the density of residential allowed in the commercial zones.*

Confusing Zoning Code, and Lack of Design Guidelines

- Developers have difficulty interpreting definitions, requirements, and standards, particularly in the Downtown where both the Specific Plan and the Zoning Code regulations apply; in some cases there are conflicting requirements.
- There are no design guidelines adopted to provide direction to applicants (as well as City staff and community members) about the City's expectations.
- *Potential Solution: Update the Zoning code to clarify definitions, requirements, and standards in districts where regulations are unclear or confusing. This particularly applies in the Downtown.*
- *Potential Solution: Adopt clear design guidelines so the decision-makers, staff, applicants, and residents know the review criteria and expectations at the outset of a project.*

The CUP Requirement

- The City currently requires a CUP for almost any new development. Multi-family developments require a CUP in multi-family zoning districts.
- The fact that a Conditional Use Permit is required for new development likely deters developers from proposing projects in Belmont. The CUP requirement means that the City can deny the project outright, even if it meets development standards and other requirements.
- *Revise the zoning to clarify that residential is by right instead of a conditional use, in both multifamily residential zones and in commercial zones that allow residential development as part of a mixed use project.*

I.3 NEW STATE LEGISLATION REQUIREMENTS

AB 2634 (2004) Quantification of Housing Need for Extremely Low-Income

Requirement

- The housing needs of this income category must be quantified in the Housing Element, though specific housing sites need not be identified.
- While the RHNA does not include a separate "extremely low-income" category, about 50percent of very low-income households can be presumed to be extremely low.

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Response

- In Belmont, there are 434 extremely low-income renter households and 288 extremely low-income ownership households.
- In total, over 70 percent of these extremely low-income households overpay (spend over 30 percent of their incomes) on housing.

AB 1866 (2002) Second Units

Requirement

- Allow second units by-right in single-family zones and require no more than one parking space per unit (or bedroom).
- Off-street parking in setback areas and tandem parking must be permitted to fulfill the parking requirement.
- These second unit requirements are meant to increase the availability of affordable housing. Second units are also a valuable housing source for seniors who would benefit from some family assistance, but want to live independently.
- The City already allows second units by-right in single-family zones (with certain allowable exceptions).
- *Solution: The City needs to update its Zoning Ordinance to reflect AB 1866 parking requirements for second units.*

SB 2 (2007) Emergency Shelters

Requirement

- Requires identification of zones where emergency shelters are permitted by right, and designation of transitional and supportive housing as a residential use.
- Requires that a zone or zones be identified, or that the City enter into a multi-jurisdictional agreement with neighboring jurisdictions to address the emergency shelter need.
- Requires transitional and supportive housing to be treated the same as any other residential use. For example transitional or supportive housing cannot be allowed in an industrial zone if residential uses are not permitted there.

Response

- *Solution: Belmont will identify a zone where emergency shelters are permitted by-right. The proposed area is along the eastern side of El Camino, at the southern end.*
- *Solution: Belmont will revise its Zoning Code to clarify that transitional and supportive housing shall be treated the same as any other housing in a residential zone.*

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SB 1818 (2005) Density Bonus Law

Requirement

- Requires jurisdictions to offer a density bonus that can provide up to 35 percent added density for affordable and/or senior housing. Previously 25 percent was required.

Response

- *Solution: Belmont must update its density bonus provisions to abide by State law.*

I.4 HOUSING NEEDS ALLOCATION AND POTENTIAL SITES

HOUSING NEEDS ALLOCATION

Regional Housing Needs Allocation Process

The City/County Association of Governments of San Mateo County (C/CAG) worked with the State and the Association of Bay Area Governments to establish each jurisdiction's regional housing needs assessment (RHNA) based on mathematical formulas and rules. Factors that must be considered in the allocation process include: water and sewer capacity; land suitable for urban development or conversion to residential use; protected open space - lands protected by state and federal government; county policies to protect prime agricultural land; distribution of household growth; market demand for housing; city-centered growth policies; loss of affordable units contained in assisted housing; high housing cost burdens; housing needs of farm workers; impact of universities and colleges on housing needs in a community.

For the Bay Area's allocation formula, the selected factors and their respective weights are:

- Household growth (45%)
- Existing employment (22.5%)
- Employment growth (22.5%)
- Household growth near existing transit (5%)
- Employment growth near existing transit (5%)

A second mathematical equation is used to divide each jurisdiction's total need, based on the first formula, into the four income categories, as defined by state law. The percent of households within the Bay Area that fall within each of the state-defined income categories are:

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Bay Area Household Income Categories

<i>Income Group</i>	<i>Income Group Approximate Percent of Median Income</i>	<i>Percent of Bay Area Households</i>
Very-low	Up to 50 percent	23%
Low	Between 50 and 80	16%
Moderate	Between 80 and 120	19%
Above-moderate	Above 120	42%

Source: ABAG, San Francisco Bay Area Housing Needs Plan 2007-2014, June 2008.

Once a jurisdiction's total need is calculated, the total units are then divided using an income allocation method, based on region-wide income distributions. An adjustment factor is used to address concentrations of poverty.

Belmont's Housing Need

This section provides a short summary of the available information that was used to allocate Belmont's RHNA. According to ABAG's Projections 2007, the number of households in Belmont was projected to increase at an estimated rate of 0.5 percent per year between 2000 and 2015 from 10,418 to 11,170 households. This is a faster growth rate than between 1990 and 2000, where the estimate annual growth rate was 0.3 percent. Projections 2007 estimated that employment in the City of Belmont would increase from 7,710 jobs in 2000 to 8,520 jobs in 2015, a 0.7 percent annual growth rate.

The San Mateo County median family income was estimated to be \$95,000 for a family of four in 2008. The Belmont median family income was estimated by Claritas to be \$118,954 in 2008. The data available is not grouped into the same income categories as provided by the California Department of Housing and Community Development (HCD), so the calculation to compare Belmont to the regions income distribution cannot be replicated at this time.

Estimated Belmont Household Income Categories

<i>Income Group</i>	<i>HCD Defined Income Limit for San Mateo County</i>	<i>Available Data Income Distribution</i>	<i>Percent of Belmont Households</i>
Very-low	Up to \$56,660	Up to \$49,999	12%
Low	Between \$56,611 and \$90,500	Between \$50,000 and \$74,999	13%
Moderate	Between \$90,501 and \$114,000	Between \$74,999 and \$99,999	15%
Above-moderate	Above \$114,001	Above \$100,000	60%

Source: Income limits for San Mateo County, HCD; Income distribution, Claritas 2008;

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Based on C/CAG's and ABAG's analysis, the City of Belmont's RHNA is 399 new housing units.

Belmont 2007-2014 Regional Housing Need Allocation

<i>Income Group</i>	<i>Number</i>	<i>Percent</i>
Very low (under \$56,550)	91	23%
Low (\$56,551-\$90,500)	65	16%
Moderate (\$90,501-\$114,000)	77	19%
Above moderate (above \$114,000)	166	42%
Total	399	100%

Sources: "City of Belmont 2001-2006 Housing Element," "Final Regional Housing Needs Allocation" (ABAG, adopted 5/15/08) "Memorandum: Official State Income Limits for 2008," (HCD)

The City may count any approved, under construction or completed units since January 2007 towards meeting the RHNA. Between January 2007 and March 2009, the City has approved at least nine new units. These nine are counted as affordable units due to the high density approved (30 units per acre) and the default density provided by HCD for the City of Belmont (minimum 20 units per acre.)

Units Built, Under Construction, or Approved since 2007 and Remaining Need

<i>Project Name</i>	<i>Status</i>	<i>Affordable Units by Income</i>				<i>Total Units</i>	<i>Method of Affordability Determination</i>
		<i>VL</i>	<i>L</i>	<i>M</i>	<i>AM</i>		
Belmont View: 1300 El Camino Real	Approved (2007)		9			9	Default density
Remaining Need		91	56	77	166	390	

Source: Housing Leadership Council

POTENTIAL HOUSING SITES ANALYSIS

The Housing Element must identify adequate sites within the City that would allow the development of the jurisdiction's share of the regional housing need. The inventory of land can include vacant or underutilized residentially zoned sites, and vacant or underutilized non-residentially zoned sites that allow residential uses. The land inventory analysis must identify which sites are available and suitable to accommodate a portion of the RHNA by income level during the planning period. The analysis must demonstrate that the land inventory can provide a variety of housing types to meet the needs of the special needs groups in the city.

Government Code Section 65583.2(c)(3)(B) allows local governments to utilize "default" density standards deemed adequate to meet the "appropriate zoning" test for affordable housing. Sites at or greater than the default density are assumed to accommodate affordable units. The purpose is to provide a numerical density standard for local governments, resulting

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in greater certainty in the housing element review process. If a local government has adopted density standards that comply with the designated default densities, no further analysis is required to establish the adequacy of the site for affordable housing. The default density for Belmont is 20 units per acres.

BELMONT'S POTENTIAL HOUSING SITES

The attached maps illustrate potential housing sites in Belmont. The sites include: vacant residentially-zoned sites; Belmont Village Target Sites; and the vacant and underutilized commercially-zoned sites along the El Camino Real Transit Corridor.

Vacant Residentially-zoned Sites

Based on the analysis of data provided by San Mateo County and GIS, there are more than 85 vacant residentially zoned parcels in Belmont, which could support approximately 50 new single family homes. In this analysis, HRO-zoned parcels were not expected to support any new housing within the planning period due to slopes and other hillside constraints, though some new units may develop prior to 2014. These units are likely to be affordable only to households with above-moderate incomes. In addition to the R1 parcels, there are 16 vacant sites zoned either R2, R3, or R4, which together would allow approximately 32 multi-family units. However, due to site constraints such slope, it is unlikely that most of these sites would develop at the default density of 20 units per acre. Therefore, these units would also be affordable to households with above moderate incomes.

Belmont Village Target Sites

As part of the Belmont Economic Development Strategy effort, the City is working with consultants to amend the existing zoning and Downtown Specific Plan regulations in order to accommodate desired types of new development in Downtown. Analysis related to this effort indicates that between 120 and 180 new housing units could be accommodated on the three target sites: Firehouse Square, Village Center, and Belmont Station. Based on feedback received from the City Council, Planning Commission, and City staff, the new zoning regulations would allow residential mixed-use projects in the Belmont Village zones with densities ranging from 15 to 30 units per acre (and possibly up to 45 units per acre with a conditional use permit.) The approved project, Belmont View, in Firehouse Square will be built at 30 units per acre. Because the development sites in Belmont Village will meet the City's default density, they would qualify as affordable housing sites for purposes of the Housing Element.

El Camino Real Transit Corridor

During the Housing Element stakeholder interviews and the Public Workshop held in December 2008, the El Camino Real Transit Corridor was identified as a likely place for additional housing. While there is only 1.7 acres of vacant land along the corridor, there are more than 14 acres of underutilized land. Underutilized land is defined in this analysis as an assessed value ratio less than 1.0. The assessed value ratio compares the value of the built improvements to the value of the land. If the land is worth more than the improvements, then the site is considered underutilized. Additional factors considered in the analysis include the size of the parcel and whether it is adjacent to other underutilized parcels. Small individual parcels are difficult to develop efficiently with units that would meet the affordability requirements. However, multiple small parcels together can be consolidated for a larger,

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feasible project. If all 16.1 acres were to be redeveloped at the City's default density, more than 320 units could be accommodated along the transit corridor.

In order for the underutilized parcels to be considered adequate sites, the City will need to amend the zoning to allow residential uses "by right," without requiring a conditional use permit, or planned unit development permit.

Summary of Potential Sites

Based on this initial analysis, the land inventory in the City of Belmont could provide a surplus of 164 units above the RHNA.

Summary of Potential Sites	
	<i>Potential Units</i>
Remaining Need	390
Vacant Residentially-zoned land	82
Belmont Village Target Sites	150
El Camino Transit Corridor	322
Surplus	164

This analysis shows that the City of Belmont can meet (and exceed) the State requirements for potential housing sites affordable to a range of incomes, if the City Council is willing to commit to zoning changes under consideration for Belmont Village and the El Camino Transit Corridor. The key change is to allow housing as a by right use within the target sites and along the El Camino corridor. The City can encourage or require that the housing be developed as part of a mixed-use project with commercial ground floor uses.

1.5 CONCLUSION – PLANNING COMMISSION DISCUSSION ITEMS

The Planning Commission should provide comments on the housing constraints analysis discussed in Section 1.3, and specifically the potential solutions that are presented for reducing housing development constraints.

The Planning Commission should also provide comments on the potential housing sites analysis in Section 1.4, and provide comments regarding which sites should be presented in the Draft Housing Element. The Planning Commission may also wish to comment on the zoning changes that would be necessary for the sites to qualify as affordable housing sites under State housing law.

Attachment B

Map of Potential Residential Sites

Attachment C

Map of Potential Housing Opportunity Sites – Ralston/El Camino Real Corridor

