

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 24, 2023

Jeff Maltbie, City Manager
City of San Carlos
600 Elm Street
San Carlos, CA, 94070

Dear Jeff Maltbie:

RE: San Carlos 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of San Carlos (City) housing element adopted on January 23, 2023, along with technical modifications that were received for review on August 25, 2023. The technical modifications were authorized by Resolution number 2023-008 and made available to the public for seven days prior to HCD submittal. In addition, HCD considered comments from David Tuzman pursuant to Government Code section 65585, subdivision (c). Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted housing element, including technical modifications, addresses many statutory requirements described in HCD's March 22, 2023 review; however, additional revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..land use controls... ..and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: HCD's prior review found that the element should evaluate development standards for proposed new zones including heights, floor area ratios (FAR) and impacts on achieving maximum density. The element included revisions to Program HOU 4.4 and 4-5 committing to reviewing FAR standards, recommending changes and a mid-cycle review. However, as found in HCD's prior

review, the element still should analyze heights and FAR standards for impacts on achieving maximum densities. For example, the MU-N-120 zone will allow for a maximum density of 120 units per acre and allow for a maximum of 75 feet in height. This appears to constrain the ability to achieve maximum densities. Additionally, the element indicated that the City provides 10 feet per story (p. 29); however, 10 feet per stories could also act as a constraint and generally, the element should consider a standard of 12 feet per story. The element should be revised with a complete analysis and may engage the development community to assist with this analysis. Based on the outcomes of a complete analysis, the element should add or modify programs committing to reviewing and revising development standards, including heights, story calculations and FAR standards to facilitate achieving maximum densities.

In addition, Program 4.5 (Development Standards for Maximum Densities) was revised in response to HCD's prior reviews regarding development standards and achieving maximum densities. While this program does commit to complete biennial reviews and making revisions, it should specifically commit to making revisions if the review indicates that current standards pose a potential or actual constraint on achieving maximum densities.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted, if necessary, to comply with the above requirements pursuant to Government Code section 65585.

Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jadah Francisco, of our staff, at Jadah.Francisco@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager