CITY OF LOS ALTOS

Draft 2015–2023
Housing Element

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INTRODUCTION

CONTENTS OF THE HOUSING ELEMENT

The Housing Element of the General Plan is a comprehensive statement by the City of Los Altos of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this element are an expression of the statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community. The purpose of the Housing Element is to establish specific goals, policies, and objectives relative to the provision of housing and to adopt an action plan toward this end. In addition, the element identifies and analyzes housing needs, as well as resources and constraints to meeting those needs.

In accordance with state law, the Housing Element is to be consistent and compatible with other General Plan elements. Additionally, the Housing Element is to provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the contents of a housing element. By law, the Housing Element must contain:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs.
- A statement of the community's goals, quantified objectives, and policies relevant to the maintenance, improvement, and development of housing.
- A program that sets forth an eight-year schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

The housing program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and moderate-income households; address governmental constraints to housing maintenance, improvement, and development; conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

Although by nature of the state mandate, the Housing Element tends to focus on the affordability and availability of housing for low- and moderate-income households and families, the element must also address the housing needs and related policy issues for the entire community and be consistent with the adopted policies of the rest of the General Plan. For these reasons, the focus of the updated Housing Element will be on policies and programs that can balance the desire of residents to maintain the character of residential neighborhoods, manage traffic, and minimize visual and other impacts of new development, while addressing the needs of low- and moderate-income households and special needs groups (such as seniors and individuals with disabilities).

This balance will require the City to examine strategies to accommodate higher-density housing, mixed-use projects in commercial zones, infill developments, and second units without sacrificing other legitimate community goals.

SUMMARY OF GOALS

The City of Los Altos Housing Element contains the following eight primary goals:

1. Preserve the natural beauty, rural-suburban atmosphere, and high quality of residential neighborhoods to attract families with children to Los Altos;

2. Strive to maintain a variety of housing opportunities by location and housing type;

3. Create housing opportunities for people with special needs;

4. Allow a variety of housing densities and types in appropriate locations to accommodate housing needs at all income levels;

5. Strive to make housing in the city available to all regardless of age, sex, race, ethnic background, marital status, veteran status, religion, or physical disability;

6. Increase housing opportunities for Los Altos' senior population;

7. Maximize Los Altos' energy efficiency; and

8. Support regional efforts to advance responsible housing policy and planning, and strive for timely compliance with all statutory reporting requirements.

CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

State law requires that the Housing Element contain a statement of "the means by which consistency will be achieved with other general plan elements and community goals" (California Government Code Section 65583[c][6][B]). There are two aspects of this analysis: (1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and (2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements. As shown below, the 2002–2020 General Plan contains several elements with policies related to housing, none of which conflict with the Housing Element.

General Plan Element	Policy	Description
Community Design and Historic Resources	1.4	Promote pride in community and excellence in design in conjunction with attention to and compatibility with existing residential and commercial environments.
	1.5	Continue to protect the privacy of neighbors and minimize the appearance of bulk in new homes and additions to existing homes.
	1.6	Continue to provide for site planning and architectural design review within the city, with a focus on mass, scale, character, and materials.
	1.7	Enhance neighborhood character by promoting architectural design of new homes, additions to existing homes, and residential developments that is compatible in the context of surrounding neighborhoods.
	1.8	Consider neighborhood desires regarding the character of future development through the establishment of development or design regulations.
	3.3	Encourage pedestrian- and bicycle-oriented design in the Downtown.
	3.8	Encourage the development of affordable housing above the ground floor throughout the Downtown.
	4.3	Evaluate development applications to ensure compatibility with residential neighborhoods south of the corridor.
	6.1	Ensure that the integrity of historic structures and the parcels on which they are located are preserved through the implementation of applicable design, building, and fire codes.
	6.2	The City shall regard demolition of Landmark structures, and historically significant resources, which have HRI rankings of 60 to 100 as a last resort. Demolition would be permitted only after the City determines that the resource retains no reasonable economic use, that demolition is necessary to protect health, safety and welfare or that demolition is necessary to proceed with a new project where the benefits of the new project outweigh the loss of the historic resource.
	6.3	Work with property owners to preserve historic resources within the community, including the orchard, or representative portion thereof, on the civic center site.

General Plan Element	Policy	Description
	Summary of Consistency	The design-related policies of the Community Design and Historic Resources Element enhance the quality of housing in the city, encourage alternative transportation modes, support providing affordable housing and mixed-use projects, and balance preservation of historic resources with the benefits of new projects. These policies are consistent with the Housing Element.
Land Use	2.2	Encourage a variety of residential housing opportunities by allowing residential uses with adequate parking in appropriate commercial areas, including sections of the Downtown area, Foothill Plaza, and along El Camino Real.
	2.3	Continue to conduct design review of residential and nonresidential development applications to ensure compatibility with surrounding property and neighborhoods.
	2.4	Promote the use of planned unit developments (PUDs) to achieve physical development that recognizes the unique qualities of a site and harmonizes with existing and future land uses in the vicinity.
	2.5	For planned unit developments (PUDs), review, at a minimum, site plans and building elevations concurrently with tentative maps for future subdivision applications.
	3.1	Encourage residential development above the ground floor that includes affordable housing units.
	3.2	Consider zoning code incentives to encourage mixed-use development.
	3.3	Consider a parking fee for residential use of City-owned parking plazas in lieu of additional parking requirements for below market rate housing residents.
	3.4	Consider amending the zoning code to allow development of three-story buildings in the Downtown core to encourage construction of below market rate housing units.
	4.2	Encourage mixed-use projects with retail, housing, and/or lodging in addition to retail and office uses.
	4.3	Encourage residential development on appropriate sites within the El Camino Real corridor.
	4.4	Encourage the development of affordable housing.
	4.5	In the El Camino CT District, consider amending the zoning code to allow a third story for projects that include a residential component.
	5.1	Consider amending the zoning code to allow increased development density and intensity for the provision of mixed use and affordable housing.
	5.2	At the Foothill Plaza (Crossings) CN District, consider amending the zoning code to allow development of three-story buildings to encourage construction of below market rate housing units.
	Summary of Consistency	The Land Use Element policies encourage a variety of development types that include housing and affordable housing in commercial districts. These policies are consistent with the Housing Element.

General Plan Element	Policy	Description
Economic Development	2.5	Work with property owners and business associations to ensure an adequate supply of attractive parking with convenient access, as well as pedestrian and bicycle facilities, to accommodate patron and employee needs in all commercial areas in Los Altos.
	3.5	Allow mixed-use development with multifamily residential and commercial uses to provide alternative housing opportunities within the community.
	4.3	Promote the development of mixed-use commercial and residential developments within the El Camino Real area to provide housing opportunities within the community.
	4.4	Discourage the division of land and encourage the aggregation of parcels in the El Camino Real commercial area.
	4.5	Designate El Camino Real as the principal area for intensification of commercial and residential development.
	Summary of Consistency	The Economic Development Element policies support providing appropriate parking and alternative transportation modes, advance mixed-use development with housing, and designate the El Camino Real corridor for an intensification of development including housing. Maintaining larger lot sizes in the El Camino Real area should promote greater project efficiencies and result in more housing potential. These policies are consistent with the Housing Element.
Open Space, Conservation and Community Facilities	2.6	Adopt land use controls that prevent incompatible uses for parcels adjacent to existing open space lands and recreation areas.
	2.7	Establish buffers from adjoining land uses to protect the natural state of all creekside areas.
	10.1	Cooperate with other organizations and providers to promote and optimize resources for dependent residents.
	10.2	Adopt land use controls for second units, zoning, and day care that encourage dependent care services.
	Summary of Consistency	The Open Space, Conservation and Community Facilities Element policies promote retention of natural open space such as creek and recreation areas and require buffers from creekside areas. The policies support the development of necessary community facilities for such groups as dependent residents and alternative housing types such as second living units. These policies are consistent with the Housing Element.
Circulation	2.12	Provide adequate maintenance of local streets and roadways.
	2.14	Achieve residential street travel widths consistent with safe residential use of streets and with maintaining neighborhood character.
	2.15	Discourage construction of private streets.
	5.1	Continue to encourage off-street parking in residential areas.
	5.3	Reduce the amount of on-street parking in single-family residential neighborhoods caused by adjacent nonresidential and multifamily residential uses.
	Summary of Consistency	The Circulation Element policies will maintain streets and roads and maintain the residential character of the community. Policies to

General Plan Element	Policy	Description
		encourage off-street parking and to discourage private streets enhance residential development by managing parking and maintaining streets that meet the public standards. These policies are consistent with the Housing Element.
Natural Environment and Hazards	1.1	Update acceptable levels of risk/life safety standards when necessary, and see that buildings are brought up to those standards, consistent with state law.
	2.1	Work with other jurisdictions to regulate land uses in flood-prone areas and allow development in those areas only with appropriate mitigation.
	7.1	Ensure that new development can be made compatible with the noise environment by utilizing noise/land use compatibility standards and the Noise Contours Map as a guide for future planning and development decisions.
	7.2	Enforce the following maximum acceptable noise levels for new construction of various noise-sensitive uses in an existing noise environment. • 60 dBA CNEL is the maximum acceptable outdoor noise exposure level for single-family residential areas. • 65 dBA CNEL is the maximum acceptable outdoor noise exposure level for multiple-family residential areas. • 70 dBA CNEL is the maximum acceptable outdoor noise exposure level for schools (public and private), libraries, churches, hospitals, nursing homes, parks, commercial, and recreation areas. Excepted from these standards are golf courses, stables, water recreation, and cemeteries.
	7.3	Work to achieve indoor noise levels not exceeding 45 dBA CNEL in the event that outdoor acceptable noise exposure levels cannot be achieved by various noise attenuation mitigation measures.
	7.7	Require the inclusion of design features in development and reuse/revitalization projects to reduce the impact of noise on residential development.
	7.8	Require an acoustical analysis for new construction and in areas with a higher than established noise levels.
	8.4	Ensure location and design of development projects so as to conserve air quality and minimize direct and indirect emissions of air contaminants.
	Summary of Consistency	The Natural Environment and Hazards Element policies minimize risk by requiring structures to meet current seismic, noise, and flood regulations. An insignificant number of properties are located within the 100-year floodplain. These policies are consistent with the Housing Element.
Infrastructure and Waste Disposal	1.1	Continue to work with California Water Services Company to ensure that the City's drinking water meets all federal and state water quality standards.
	1.2	Ensure that the California Water Services Company meets the demand for water for the population anticipated within the Los Altos water service area, and that adequate pressure levels are maintained.
	1.3	Review development proposals to determine whether adequate water pressure exists for existing and new development.

General Plan Element	Policy	Description
	2.1	Continue to work with the Palo Alto Regional Water Quality Control Plant to ensure that adequate sewage treatment capacity is available to meet the needs of development in Los Altos.
	2.2	Review development proposals to ensure that if a project is approved, adequate sewage collection and treatment capacity is available to support such proposals.
	Summary of Consistency	The Infrastructure and Waste Disposal Element requires an analysis of adequate water and sewer capacity. Because the city has adequate infrastructure, these policies are consistent with the Housing Element.

EFFORTS TO ACHIEVE PUBLIC PARTICIPATION

State law requires cities and counties to make a diligent effort to achieve participation by all segments of the community in preparing a housing element. Section 65583[c][6] of the California Government Code specifically requires that "the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the program shall describe this effort."

The diligent effort required by state law means that local jurisdictions must do more than issue the customary public notices and conduct standard public hearings prior to adopting a Housing Element. State law requires cities and counties to take active steps to inform, involve, and solicit input from the public, particularly low-income and minority households that might otherwise not participate in the process. Active involvement of all segments of the community can include one or more of the following:

- Outreach to community organizations serving low-income, special needs, and underserved populations;
- Special workshops, meetings, or study sessions that include participation by these groups;
- Establishment of an advisory committee with representatives of various housing interests; or
- Public information materials translated into languages other than English if a significant percentage of the population is not English proficient.

To meet the requirements of state law, the City of Los Altos has completed the public outreach and community involvement activities described below.

PUBLIC NOTICE AND OUTREACH

City staff conducted a stakeholder workshop on May 1, 2014. The eight attendees represented local government agencies, nonprofits, and real estate professionals. Appendix A contains a copy of the public notice posted for the workshop.

The City prepared notification of the workshop using a variety of media and techniques to inform the public and interested organizations of the update process and to solicit participation by all segments of the community. An e-mail notice was also sent to the City Council, City commissions and committees, and other interested parties. The notice was mailed to the following community organizations and select development professionals:

St. Simon's Catholic Church
1860 Grant Road
Los Altos, CA 94022

Covenant Church
1555 Oak Avenue
Los Altos, CA 94024

St. Paul's Anglican Church
101 North El Monte Avenue
Los Altos, CA 94022

Christ Episcopal Church
1040 Border Road
Los Altos, CA 94022

Los Altos Lutheran Church
460 S. El Monte Avenue
Los Altos, CA 94022

First Baptist Church of Los Altos
625 Magdalena Avenue
Los Altos, CA 94022

Immanuel Lutheran Church-
E.L.C.A.
1715 Grant Road
Los Altos, CA 94024

Foothill Baptist Church
1347 Richardson Ave. & Grant Road
Los Altos, CA 94022

St. Nicholas Catholic Church
473 Lincoln Ave. at Sherman
Los Altos, CA 94022

Seventh Day Adventist Church
2100 Woods Lane
Los Altos, CA 94024

St. William's Catholic Church
611 S. El Monte at Covington
Los Altos, CA 94022

First Church of Los Altos
401 University Avenue
Los Altos, CA 94022

Los Altos United Methodist Church
655 Magdalena Avenue
Los Altos, CA 94024

Union Presbyterian Church of Los Altos
858 University Avenue
Los Altos, CA 94022

Foothills Congregational Church
461 Orange Avenue
Los Altos, CA 94022

Silicon Valley Leadership Group
Lauren Doud
224 Airport Parkway, Suite 620
San Jose, CA 95110

Los Altos Community Foundation
Roy Lave
183 Hillview Avenue
Los Altos, CA 94022

Los Altos Neighborhood Network
President Kathy Putman
P.O. Box 576
Los Altos, CA 94023

Kiwanis Club of Los Altos
P.O. Box 484
Los Altos, CA 94023

Rotary Club of Los Altos
P.O. Box 794
Los Altos, CA 94023

Jeff Warmoth
309 Second Street, Suite #3
Los Altos, CA 94022

Owen Signature Homes
Shaun and Bob Owen
445 S. San Antonio Road, Suite 201
Los Altos, CA 94022

Abigail Co.
Abigail Ahrens
329 S. San Antonio Road, Suite 6
Los Altos, CA 94022

Los Altos Senior Center
Candace Bates
97 Hillview Avenue
Los Altos, CA 94022

Los Altos Legacies
183 Hillview Avenue
Los Altos, CA 94022

Silicon Valley Association of Realtors
Paul Cardus
19400 Stevens Creek Blvd., #100
Cupertino, CA 95014

Community Services Agency
204 Stierlin Road
Mountain View, CA 94043

League of Women Voters
97 Hillview Avenue
Los Altos, CA 94022

WRITTEN COMMENTS REGARDING THE HOUSING ELEMENT

Stakeholder Meeting – May 1, 2014

The City solicited input on the Housing Element update process at the stakeholder meeting through mailings to community organizations and through public notice. City staff conducted the workshop on May 1, 2014. Eight people attended the meeting representing nonprofit organizations, local civic organizations, and private citizens.

Comments received at the stakeholder workshop raised concerns about or expressed interest in the following:

- Helping appropriate parties underwrite below-market-rate (BMR) loans and provide mortgage assistance;
- Encouraging development of BMR housing and workforce housing;
- Providing better housing for seniors and surviving spouses having difficulty staying in the community;

- Supporting co-housing, a collaborative housing arrangement where single-family or attached units are typically centered around a shared green space, social building, or recreational area;
- Considering recent affordable housing case that could affect BMR housing in Los Altos;
- Considering commercial and residential linkage fees for affordable housing;
- Considering the following improvements to the City's BMR program:
    - Set the purchase price for moderate-income homes to 100 percent of the area median income rather than 110 percent, which would allow a greater (lower) income range for applicants;
    - The maximum purchase price for moderate-income units should be set at 30 percent of the income category rather than 34 percent to lower the price and increase their affordability;
    - All rental BMR units should be set at the very low-income level;
    - BMR units should reflect the unit mix in any particular project; and
    - The administration of BMR units should have more outreach, longer advertising periods, and more consistent enforcement.
- Considering an affordable housing overlay as a tool to incentivize BMR unit production and considering performance standards rather than density;
- Requiring housing as part of commercial development Downtown;
- Identifying land costs in the city as an impediment to BMR housing;
- Brainstorming best practices to improve the administration of the BMR units;
- Focusing housing efforts on seniors and those with disabilities;
- Surveying BMR developers on the realistic housing potential; and
- Having a realistic understanding of land value and market trends and using that to have realistic expectations of the city's housing opportunities.

Copies of written comments received preceding or during the hearing can be found in Appendix A – Public Participation.

Public Hearing—Planning and Transportation Commission Meeting – September 18, 2014

On September 18, 2014, the Los Altos Planning and Transportation Commission held a public hearing to review a preliminary draft of the updated Housing Element. The meeting was attended by commissioners and members of the public. Meeting attendees were in support of the draft Housing Element and a summary of those comments is provided below.

Public hearing input was received related the City's affordable housing regulations and administration of its below market rate housing, which are important, related topics to the Housing Element, which is to be reviewed following the State's review of the draft Housing Element to make sure that the basic goals, policies and programs are sound and a good basis from which to consider any potential changes to regulations and administration.

The Planning and Transportation Commission supported the draft Housing Element. The Commission was supportive of providing for the housing units as required by the State; however, were wary of contributing to the area's traffic. The Commission also encouraged a more frequent review of the City's progress on meeting its housing goals. The Commission discussed a number of subjects related to housing but not directly related to the draft Housing Element such as the potential parking impacts of allowing second living units on smaller properties than presently allowed.

The City received two letters of support for the draft Housing Element, one from the League of Women Voters and another from the City's affordable housing consultant Neighborhood Housing Services Silicon Valley. Copies of written comments received preceding or during the hearing can be found in Appendix A – Public Participation.

Public Hearing—City Council Meeting – October 28, 2014

On October 28, 2014, the Los Altos City Council held a public hearing to review the public review draft of the City's updated Housing Element.

Comments received at the City Council hearing raised concerns about or expressed interest in the following:

- Reviewing the administration of the BMR program
- Considering commercial development linkage fees for affordable housing
- Updating programs to reflect that the City transfers its CDBG funds to the County for their administration and use for County services and projects that serve Los Altans
- Continuing regional conversation about meeting the housing needs

With the recommended changes, the City Council approved the draft Housing Element to be submitted to HCD for it's 60-day review.

Copies of written comments received preceding or during the hearing can be found in Appendix A – Public Participation.

INCORPORATION OF PUBLIC COMMENTS AND SUGGESTIONS

Many of the public comments submitted during the Housing Element update process have been addressed issues in the updated Housing Element goals, policies and programs. The City's Housing Element has addressed these concerns and recommendations in the following ways:

- Added Programs 4.3.5 and 4.3.6 related to the BMR program administration and application process.
- Added Program 4.2.2 to consider reducing the minimum lot size for second dwelling units.
- Updated the quantified objectives for multi-family units during the planning period to a more realistic estimate.

GOALS, POLICIES, PROGRAMS & QUANTIFIED OBJECTIVES

PRESERVATION – CONSERVATION – REHABILITATION

Goal 1 Preserve the natural beauty, rural-suburban atmosphere, and high quality of residential neighborhoods to attract families with children to Los Altos.

Policy 1.1: The City will encourage the preservation and improvement of the existing housing stock to minimum housing standards, including existing nonconforming housing uses.

Program 1.1.1 – Implement voluntary code inspection program.

Continue the voluntary code inspection program encompassing code compliance, rehabilitation, energy conservation, and minimum fire safety standards.

Responsible Body: Community Development Department

Funding Source: Permit Fees

Time Frame: Ongoing

Program 1.1.2 – Help secure funding for housing assistance programs.

Continue to assist in the provision of housing assistance in Los Altos for low-income households with other public agencies and private nonprofit organizations that offer rental assistance, home repairs, and first-time homebuyer assistance. To minimize overlap or duplication of services, Los Altos will undertake the following actions:

The City will support County and nonprofit housing rehabilitation programs by providing program information to interested individuals through handouts available at City Hall, the Los Altos Senior Center, the Los Altos Library, and the Woodland Branch Library.

The City will contact previous rehabilitation applicants when new funding becomes available and post a legal notice in the newspaper when housing rehabilitation funds become available. The City will continue to transfer their Community Development Block Grant (CDBG) funds to the County to support housing programs each year.

Responsible Body: Community Development Department, City Council

Funding Source: CDBG funds; other funds, as identified and secured

Time Frame: Ongoing

Policy 1.2: The City will maintain and enhance the existing pleasant, attractive, moderate-density multifamily zoning districts, typically located between commercial and single-family residential areas.

Program 1.2.1 – Support rezoning from office to medium-density multifamily.

Support case-by-case review of property owner–initiated rezoning from Office to Medium-Density Multifamily in the Fremont-Giffin Office District.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Policy 1.3: If transitional land use zoning is not possible or inadequate to buffer, multifamily and senior housing will be encouraged between single-family neighborhoods and commercial and public/quasi-public uses. Setbacks, sound walls, protective vegetation, and on-site landscaping will be required as a buffer when transitional land use zoning is not possible.

Program 1.3.1 – Enforce neighborhood residential buffering.

Enforce minimum standards for buffers between residential properties and commercial uses and public/quasi-public uses. Enforcement will occur through the development permit review process as provided in the Zoning Ordinance. Buffering will include a combination of landscaping, minimum setback, or yard requirements and stepped-back building heights.

Responsible Body: Community Development Department, Planning and Transportation Commission

Funding Source: Permit fees

Time Frame: Ongoing

Program 1.3.2 – Restrict commercial uses in residential neighborhoods.

Continue to restrict commercial uses in residential neighborhoods.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Policy 1.4: Design, construction, and remodeling permits for all residential development will be reviewed for quality, safety, privacy, and the capacity to maintain the character of existing neighborhoods.

Program 1.4.1 – Implement zoning and design standards.

Continue to implement residential zoning, development standards, and design review to ensure compatibility of housing with neighborhood character, minimum open yard space, and streets that are safe.

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Program 1.4.2 – Evaluate design review process.

Regularly review and adjust, if appropriate, criteria, objectives, and procedures for design review of residential construction to be compatible in terms of bulk and mass, lot coverage, and proportion with houses in the immediate vicinity. This program will set criteria under which development must be reviewed by City staff, the Design Review Commission, or the Planning and Transportation Commission.

Responsible Body: Community Development Department, Design Review Commission, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Program 1.4.3 – Facilitate alternate modes of transportation in residential neighborhoods.

Continue to implement zoning and development standards to facilitate walkable neighborhoods and the safe use of alternate modes of transportation such as bicycles.

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Program 1.4.4 – Accommodate the needs of children through design review and land use regulations, including open space, parks and recreation facilities, pathways, play yards, etc.

Responsible Body: Community Development Department

Funding Source: Parkland dedication fees

Time Frame: Ongoing

Policy 1.5: The City will ensure that the level of development permitted in the creation of land divisions results in an orderly and compatible development pattern, within the subdivision and in relation to its surroundings; provides for quality site planning and design; and provides for quality structural design.

Program 1.5.1 – Review compatibility of land divisions as part of the permit review and approval process.

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

NEW CONSTRUCTION

Goal 2 Strive to maintain a variety of housing opportunities by location and housing type.

Policy 2.1: The City will maintain zoning that provides for a range of housing sizes and residential densities.

Program 2.1.1 – Encourage diversity of housing.

Require diversity in the size of units for projects in mixed-use or multifamily zones to accommodate the varied housing needs of families, couples, and individuals. Affordable housing units proposed within projects shall reflect the mix of community housing needs.

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Program 2.1.2 – Implement multifamily district development standards.

Continue to implement the multifamily district development standards to ensure that the maximum densities established can be achieved and that the maximum number of units is required to be built. (See **Table B-41** in Appendix B for a summary of multifamily zoning requirements.)

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Program 2.1.3 – Allow employee housing

The City shall amend the Zoning Ordinance to specifically allow employee housing for six or fewer residents as a permitted use in residential zoning districts, in compliance with Health and Safety Code Section 17021.5.

Responsible Body: Community Development Department, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Policy 2.2: The City will encourage mixed-use development in designated zones.

Program 2.2.1 – Provide development incentives for mixed-use projects in commercial districts.

Continue to implement the affordable housing mixed-use policies developed for El Camino Real, and expand the application of these policies to other commercial districts in the city, including CN (Commercial Neighborhood), CS (Commercial Service), CD (Commercial Downtown), CD/R-3 (Commercial Downtown/ Multiple Family), and CRS (Commercial Retail Service). Development incentives will be included for these districts that will encourage the development of affordable housing in these identified commercial areas.

Responsible Body: Community Development Department, Planning and Transportation Commission, City Council

Funding Source: Permit fees

Time Frame: Ongoing

Policy 2.3: The City will encourage the development of new rental units in the existing multifamily districts.

Program 2.3.1 – Implement density bonuses.

Continue to implement density bonuses and other incentives as provided by state law and the City's Zoning Ordinance.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

SPECIAL NEEDS HOUSING

Goal 3 Create housing opportunities for people with special needs.

Policy 3.1: The City will support the efforts of Santa Clara County and local social service providers to increase their capacity to operate facilities serving the homeless.

Program 3.1.1 – Support efforts to fund homeless services.

Consider pursuing funding from available sources for homeless services. The City will also assist community groups that provide homeless services and assist such groups in applying for funding from other agencies. The City will consider applying for grants where appropriate or will encourage/partner with local and regional nonprofit organizations that wish to apply for such grants.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 3.1.2 – Continue to participate in local and regional forums for homelessness, supportive, and transitional housing.

Continue to participate in regional efforts as coordinated with other adjacent cities to address homeless and emergency and transitional housing issues and potential solutions.

Responsible Body: Community Development Department, City Council, Community Services Agency

Funding Source: General Fund, CDBG funds

Time Frame: Ongoing

Policy 3.2: The City will comply with all state legal requirements, including SB 2, pertaining to zoning provisions for homeless shelters, transitional housing, and supportive housing.

Program 3.2.1 – Amend the City's Zoning Ordinance to accommodate emergency shelters.

Amend the City's Zoning Ordinance concurrently with the adoption of this Housing Element to allow emergency shelters as a permitted use by right in the Commercial Thoroughfare (CT) district without a conditional use permit or other discretionary review and only subject to the development requirements in this zone. This district is well suited for the development of emergency shelters with its full access to public transit and underdeveloped parcels that allow higher-density housing opportunities. The public transit opportunities include Caltrain, the VTA Bus, and the VTA transit hub on Showers Drive in Mountain View. The CT district has almost 11 acres of underdeveloped parcels that will accommodate

residential housing such as emergency shelters. Four key opportunity sites make up the approximately 11 acres of development potential that could generate as much as 378 housing units, not including density bonuses for affordable housing. The City will also evaluate adopting standards consistent with Government Code Section 65583(a) (4) that addresses operational and design criteria that may include:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility
- Off-street parking based on demonstrated need
- Professional security during hours that the emergency shelter is in operation
- Supportive services provided on-site at a level commensurate with the number of beds

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: December 2014

Program 3.2.2 – Recognize the statutory requirements for transitional and supportive housing.

Recognize the requirement of SB 2 to explicitly allow both supportive and transitional housing types in all zones that allow residential. The definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Transitional and supportive housing will be allowed as a permitted use, subject only to the same restrictions on residential uses contained in the same types of structure.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 3.2.3 – Provide incentives and amend the City's Zoning Ordinance for compliance with statutory requirements for single-room occupancy residences to address the needs of extremely low-income households.

AB 2634 requires cities to identify zoning to encourage and facilitate supportive housing in single-room occupancy units. The City will amend the Zoning Ordinance concurrently with the adoption of this Housing Element to define single-room occupancy units (SROs) and to allow SROs with a conditional use permit in appropriately defined districts in the city.

In addition, the City will review its affordable housing ordinance and other available development incentives to determine what measures can be taken to encourage the development of housing for people with extremely low incomes.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: December 2014; ongoing

AFFORDABILITY

Goal 4 Allow a variety of housing densities and types in appropriate locations to accommodate housing needs at all income categories.

Policy 4.1: The City will encourage the conservation of existing affordable housing, including the present rental stock represented by units in the city's existing multifamily districts, particularly rental housing affordable to low- or moderate-income households.

Program 4.1.1 – Monitor condominium conversion.

Continue to implement the Condominium Conversion Ordinance to protect against the conversion or demolition of rental units. It shall require buildings in multifamily zoning districts initially built as rental units which have not been converted to condominiums to be reconstructed as rental units unless there is greater than a 5 percent vacancy rate.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 4.1.2: Conserve small houses in areas of small lot sizes.

Continue to conserve the stock of small houses in areas of small lot sizes.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Policy 4.2: The City will encourage the development of affordable second dwelling units that conform to zoning regulations.

Program 4.2.1 – Facilitate new construction of second dwelling units.

Chapter 14.14 (Second Living Units in R1 Districts) of the Municipal Code allows a detached second dwelling unit to be permitted on a lot or parcel within a single-family residential district that has a minimum of the greater

of 150 percent of the lot area required in the residential zoning district in which the second living unit is proposed to be located, or 15,000 square feet of lot area. A lesser lot size is required if a second unit is attached to the main residence. Findings for approval include that a public benefit will result because the proposed second living unit will be maintained as affordable for very low- and low-income households. A second living unit may be established through the conversion of existing floor space in a single-family structure, the addition to a single-family structure, conversion of a conforming accessory structure, or the construction of a new accessory structure.

The City will continue to implement the following actions annually:

- Continue to implement second dwelling unit regulations to provide increased opportunities for the development of affordable second units.
- Promote awareness of regulations which allow the construction of new second units consistent with City regulations through public information at the Community Development Department public counter and inclusion on the City's website.
- Annually review the number of second dwelling unit permits issued.
- Continue to require a verification and quantification procedure regarding rent and occupancy as a condition of the permit.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 4.2.2 – Consider reducing minimum lot sizes for second dwelling units.

Study the feasibility and consider amending the Zoning Ordinance to a reduce in the minimum lot size for second dwelling units.

Responsible Body: Community Development Department, City Council

Funding Source: General fund

Time Frame: January 2016

Policy 4.3: The City will facilitate the development of new units of affordable housing.

Program 4.3.1 – Assist in the development of affordable housing.

If necessary for the development of affordable housing projects, and when requested by the project sponsor, consider assisting in securing funding for low- and moderate-income housing developments through one or more of the following actions:

- Transfer the City's annual CDBG allocation to the County for projects that serve the Los Altos community.
- Provide funding to participate in a multi-jurisdictional housing finance program (such as a Mortgage Revenue Bond or Mortgage Credit Certification Program).
- Apply for state and federal funding on behalf of a nonprofit, under a specific program to construct affordable housing.

Responsible Body: Community Development Department, City Council

Funding Source: CDBG funds, state or federal grant funds

Time Frame: Ongoing

Program 4.3.2 – Implement Chapter 14.28 of the Municipal Code, which defines the number of required below-market-rate (BMR) units by development size and type, and requires on larger projects (greater than 10 market-rate units) that the BMR units generally reflect the size and number of bedrooms of the market-rate units.

Continue to implement the City's Multi-Family Affordable Housing Ordinance (Chapter 14, Section 28), which includes a series of unit thresholds at which affordable housing units will be required. The ordinance establishes the following thresholds and requirements:

- 1–4 units: Affordable housing units are not required.
- 5–9 units: Affordable housing units are required. In the event that the developer can demonstrate to the satisfaction of the City Council that providing affordable housing units in a project will be financially infeasible, the City Council may waive the requirement to provide affordable housing units.
- 10 or more units: Affordable housing units are required as follows:
    - For rental units – 15 percent low income or 10 percent very low-income housing
    - For owner units – 10 percent moderate-income housing

Chapter 14.28 also notes that unless otherwise approved by the City Council, all affordable units in a project shall be constructed concurrently with market-rate units, shall be dispersed throughout the project, and shall not be significantly distinguishable by design, construction, or materials.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 4.3.3 –Consider reduced parking requirements for certain housing types and affordable housing units.

For affordable housing units and small housing units including senior housing, studios and SROs, the City will consider allowing just one parking space per unit.

The City will continue to monitor the underground parking requirement to ensure this requirement is not a constraint to the production of housing or a constraint to meeting maximum densities.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 4.3.4 – Continue to encourage maximum densities.

Continue to ensure that the City is meeting maximum densities in the zones that allow multifamily housing. The City will monitor the lot coverage requirement and the height requirements. Most recently, the City removed the "stories requirement" from the commercial and multiple-family districts to allow more flexibility in development and to facilitate greater potential densities. The City also codified a maximum density development requirement, which notes that the maximum density permitted shall be constructed unless it is determined by the City Council that a less dense project would be in the best interests of the community. In addition, the City will monitor the underground parking requirements as stated in Program 4.3.3 to ensure that they do not cause a significant constraint to meeting the maximum densities required by all of Los Altos' multiple-family zoning districts.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Annually

Program 4.3.5 – Initiate an affordable housing administration contract review and renewal.

Initiate a Request for Project for the contract administration of the City's affordable housing programs including an emphasis on an appropriate contract duration, administration responsibilities, enforcement, outreach and marketing.

Responsible Body: Community Development Department, City Council

Funding Source: General fund

Time Frame: July 2015

Program 4.3.6 – Improve the City's BMR program priority ranking process.

Review and amend, as necessary, the City's BMR program application ranking process.

Responsible Body: Community Development Department, City Council

Funding Source: General fund

Time Frame: July 2015

Program 4.3.7 – Consider a commercial development linkage fee for affordable housing.

- Study and explore the option of a commercial development linkage fee for affordable housing. If appropriate, consider adopting a local fee.

Responsible Body: Community Development Department, City Council

Funding Source: General fund

Time Frame: January 2016

HOUSING NONDISCRIMINATION

Goal 5 Strive to make housing in the city available to all regardless of age, sex, race, ethnic background, marital status, veteran status, religion, or physical disability.

Policy 5.1: The City supports nondiscrimination in housing.

Program 5.1.1 – Assist residents with housing discrimination and landlord-tenant complaints.

Continue to provide a service to refer individuals to organizations or agencies who handle complaints about discrimination, landlord-tenant relations, etc. Complaints regarding discrimination will be referred to the Mid-Peninsula Citizens for Fair Housing, Santa Clara County, and other appropriate fair housing agencies. Complaints regarding landlord-tenant problems will be referred to the Los Altos Mediation Program, the County of Santa Clara Office of Consumer Affairs, or other appropriate local agencies.

Responsible Body: Community Development Department

Funding Source: General Fund, CDBG funds

Time Frame: Ongoing

Policy 5.2: Consistent with the requirements of SB 520, the City will remove constraints and allow for "reasonable accommodations" for the disabled in housing development standards.

Individuals with disabilities may request exceptions to zoning, subdivision, or building standards in order to receive reasonable accommodation to achieve accessibility.

Applicants may request an administrative permit to continue or expand a nonconforming residential use or to construct accessibility improvements within a yard or setback area. There will be a minimal fee or no fee to apply for a reasonable accommodation.

The administrative permit review process will include application of the following decision-making criteria:

- ***The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.***
- ***The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.***
- ***The requested accommodation would not impose an undue financial or administrative burden on the City.***
- ***The requested accommodation would not require a fundamental alteration in the nature of the City's land-use and zoning program.***
- ***The requested accommodation would reduce barriers and increase visitability on the site.***
- ***The City publishes information on its permit procedures in the form of brochures that are available at the permit counter in the Community Development Department and on the City's website. City staff is available at the permit counter to answer questions about procedures for special accommodations under the City's Zoning Ordinance.***

A decision on the administrative permit for a reasonable accommodation may be appealed to the Planning Commission.

SENIOR HOUSING

Goal 6 Increase housing opportunities for Los Altos' senior population.

Policy 6.1: The City will promote services and education to help seniors maintain their independence and remain in their own homes as long as possible.

Program 6.1.1 – Discourage senior-only housing from converting to other uses.

Discourage projects developed as senior-only projects from converting to other uses.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

Program 6.1.2 – Assist seniors to maintain and rehabilitate their homes.

Seek, maintain, and publicize a list of resources or service providers to help seniors maintain and/or rehabilitate their homes.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

Program 6.1.3 – Encourage conforming and contextual senior housing near transportation and services.

Ensure that senior housing conforms and harmonizes with surrounding neighborhoods and encourage that it be located near transportation and services.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

Policy 6.2: The City will encourage a variety of senior housing opportunities, including building type, degree of care, and form of ownership.

Program 6.2.1 – Provide senior housing density bonuses and development incentives.

Provide density bonus increases in the Cuesta-Lassen multifamily district of up to 38 dwelling units per acre for projects that are senior-only. Provide expanded development incentives for senior-only projects in this district. Consider increased densities and development incentives for senior and affordable housing projects in all multifamily districts.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 6.2.2 – Designate and encourage senior housing on specific well-suited sites.

Identify and consider additional parcels well suited for senior housing. All PUD/SC sites were developed during the previous planning period.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

Program 6.2.3 – Mixed-use development, including developments that contain senior and institutional housing, will be encouraged in public and quasi-public land use areas that are zoned PCF.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

Program 6.2.4 – Senior housing with extended care facilities will be allowed in multifamily and mixed-use zoning districts.

Continue to explore opportunities to promote senior housing with extended care facilities in other multifamily and mixed-use districts. This type of housing is currently allowed as a conditional use in the PCF district.

Responsible Body: Community Development Department

Funding: Permit fees

Time Frame: Ongoing

ENERGY EFFICIENCY

Goal 7 Maximize Los Altos' sustainability through energy efficiency, water conservation, and greenhouse gas reductions.

Policy 7.1: The City will encourage energy and water conservation measures to reduce energy and water consumption in residential, governmental, and commercial buildings.

Program 7.1.1 – Promote energy and water conservation through education and financial incentives.

Continue to promote residential energy and water conservation, consistent with the City's adopted Climate Action Plan, through consumer information on financial assistance and rebates for energy-efficient home improvements published by governmental agencies, nonprofit organizations, and utility companies. The City will make information available at the public counter of the Community Development Department, at the Los Altos Senior Center, through the public libraries, and through the City's newsletters. The information will also be available on the City's website, and a link to energy programs will be placed on the Los Altos Environmental Commission's website.

Responsible Body: Community Development Department

Funding Source: General Fund, CDBG funds

Time Frame: Ongoing

Program 7.1.2 – Participate in a Property Assessed Clean Energy (PACE) financing program.

Los Altos has adopted resolutions supporting the CalFIRST Property Assessed Clean Energy (PACE) Program. By doing this, Los Altos residents may be eligible to finance any energy improvements to their homes—solar panels, water-efficient landscapes, etc.—on their property tax assessment. This allows the financing to be extended over multiple years and also allows a home to be sold with that assessment assigned to the new owner. Although CalFIRST has encountered legal challenges to providing these loans for residential purposes, other opportunities exist. The City will vet the applicability of Cal FIRST alternatives and will participate as appropriate.

Responsible Body: Community Development Department

Funding Source: General Fund

Time Frame: Ongoing

Program 7.1.3 – Promote the use of solar energy.

This program focuses on promoting solar energy as a means to increase energy efficiency and promote green energy alternatives. As part of this program, the City will leverage and promote other state and commercial initiatives to encourage solar energy, such as grants, tax credits, and rebates, as they are implemented. (No design review of solar panels is allowed by law. Setbacks, height restrictions, etc., are already covered by the Zoning Ordinance.)

Responsible Body: Community Development Department

Funding Source: General Fund, other funds as identified

Time Frame: Ongoing

Policy 7.2: The City will continue to implement building and zoning standards to encourage energy and water efficiency.

Program 7.2.1 – Implement energy-efficient regulations.

Continue to implement building code and zoning standards that promote energy efficiency in residential design, layout, construction, and landscaping. The City enforces energy efficiency standards of Title 24 of the California Code of Regulations (California Building Code Standards), which uses zoning requirements for lot size, building separation, yards, setbacks, landscaping, and design review to promote energy conservation in new development.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

Program 7.2.2 – Monitor and implement thresholds and statutory requirements of climate change legislation.

Monitor the implementation measures of the Global Warming Solutions Act of 2006 (AB 32) and SB 375, which requires planning organizations to promote sustainable communities as part of their regional transportation plans. The City will implement the measures as guidance for thresholds and compliance methods are released by the State.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing

STATUTORY COMPLIANCE AND REPORTING

Goal 8 Support regional efforts to advance responsible housing policy and planning, and strive for timely compliance with all statutory reporting requirements.

Policy 8.1: The City will comply with all HCD and other statutory reporting requirements for housing programs and plans.

Program 8.1.1 – Develop annual housing status report.

Provide an annual status report to the City Council and California Department of Housing and Community Development (HCD) on the status of the General Plan housing programs and their implementation as required by state law.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Annually

Policy 8.2: The City will support local and regional efforts to develop and implement proven and effective housing policies and plans.

Program 8.2.1 – Participate in the regional housing needs determination.

Continue the regional conversation about meeting the housing needs. Actively participate in the ABAG Regional Housing Needs Determination. The City will meet with ABAG staff to provide land use, housing, employment, and other information related to the RHNA formula to ensure that the allocation accurately represents Los Altos' fair share of the region's housing needs.

Responsible Body: Community Development Department

Funding Source: Permit fees

Time Frame: Ongoing, as requested

QUANTIFIED OBJECTIVES

Table 1 represents the number of housing units the City has the capacity to build or entitle between January 2015 and January 2023, when the Housing Element period ends. Between January 2014 and August 2014, a total of 36 housing units were entitled or constructed in Los Altos. Moving forward, the City estimates that an additional 787 housing units could be built across all income categories. These estimates are based on a number of factors, including historical production, current market forces, pending Zoning Ordinance amendments, City housing programs, and state laws and guidelines for density bonuses.

Second units in Los Altos are deed-restricted and limited to low and very low incomes. Between 2009 and 2014, 11 second units were constructed (a rate of just under 2 per year). Based on the number of applications received in the past, the City expects to increase the number of second units produced from approximately 2.25 units per year to 4 units per year during the current planning period. The City will increase efforts to educate residents about second units through Program 4.2.1.

Table 1

Quantified Objectives (January 31, 2015–January 31, 2023)

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
Permits Issued January 2014–August 2014						
Single-Family	0	0	0	0	16	16
Multifamily	0	0	1	1	18	20
Second Units	0	0	0	0	0	0
Density Bonus	0	0	0	0	0	0
Total	**1**			**1**	**34**	**36**
Estimated Units January 2015–January 2023						
Single-Family	0			0	190	190
Multifamily	268			142	142	552
Second Units	32			0	0	32
Total	**300**			**142**	**332**	**774**
Rehabilitation*	0			0	0	0
Conservation/Preservation**	0			0	0	0
Grand Total	**301**			**143**	**366**	**810**

Source: City of Los Altos 2014

*The City has no funding and does not plan to seek any funding for rehabilitations. ** There are currently no units at risk of converting.

APPENDIX A: PUBLIC PARTICIPATION

LEAGUE OF WOMEN VOTERS
of the Los Altos-Mountain View Area
97 Hillview Avenue, Los Altos, CA 94022

September 16, 2014

Chair Ronit Bodner and
Members of the Planning and Transportation Commission
City of Los Altos
One North San Antonio Road
Los Altos, CA 94022

Dear Chair Bodner and Members of the Planning and Transportation Commission

Re: Housing Element-Agenda Item #2, September 18th

The League of Women Voters of the Los Altos/Mtn. View Area would like to comment on the Draft 2015-2023 Housing Element. First, we support the changes to the Housing Element proposed by staff. However, we encourage more changes, as explained below.

First, we are pleased that most of the comments we offered at the stakeholder workshop have been incorporated into the staff report by David Kornfield as issues that need to be addressed. That said, one of our most important concerns for many years has been what we consider to be weak administration of the below-market-rate (BMR) program by Neighborhood Housing Services Silicon Valley (NHSSV). We have been recommending that the City issue a Request for Proposals (RFP) in order to determine whether there might be another housing consultant that would offer better services for the BMR program.

Many of the specific concerns referenced in David's memo are concerns that could be raised during the RFP process, so that the staff would benefit from the expertise of several potential administrators. Some of these specific concerns are perhaps most appropriate to be reserved for discussion with the administrator selected. One concern that is not included in the memo is the issue of whether more ownership units should be targeted to those at lower-income levels. We suggested in 2011 during the last Housing Element update process, that because of the historically low interest rates, ownership housing became more feasible for households with lower incomes. We would like this issue to be addressed with the potential BMR administrators. We would also like this issue to be reviewed every few years, rather than waiting for the next Housing Element update in 2023, because of cyclical changes in interest rates.

With regard to the Quantified Objectives shown on page 28, Table 1 appears to show that 565 Multifamily Units are estimated to be built by January 2023 in the extremely low, very low and low categories. This number is hard to believe; it would seem likely that should 565 new multifamily units be built, at the most a small percentage of these units would be affordable to those at the lower-income levels. And because of the Palmer decision, if a developer is not seeking a density bonus, the percentage of BMR's built as part of the 565 might be far less than 10%. The Quantified Objectives should be specific with regard to units at each income level to be clear, more realistic, and comply with Housing Element law. The Quantified Objectives also show 103 single-family units at moderate-income levels; this is probably an error, also, as nearly all the single-family units are at above-moderate levels.

ATTACHMENT 3

One issue raised in David's memo, item f. iv., is an issue that the Council could probably resolve very quickly. It has been Council policy that the BMR units should reflect the unit mix in any particular project; it was probably an oversight that this was not included in the last amendment of the BMR ordinance.

Another issue raised, item d., we believe is an issue more appropriately discussed with the City Attorney, as she is very familiar with the Palmer case, which impacts the rental BMR program severely, as well as the pending San Jose court case which may seriously impact the BMR ownership program. This issue is critical in Los Altos, since the BMR program is the main way that Los Altos produces housing affordable to those at the lower-income levels.

Item e. in David's memo is an item that should be taken up by the Council, rather than rely upon NHSSV. We have recommended commercial and rental housing impact fees, as we think that most neighboring jurisdictions have many of these fees. It not only seems fair that we have similar fees, but these fees are useful for financing affordable housing at the lower-income levels.

Likewise, we believe City staff should survey nonprofits and other developers on the potential for housing for those with lower incomes, rather than just rely on NHSSV, which no longer acts as a developer of such housing..

With regard to Policy 4.3, we agree with the programs listed. However, we believe the City should add a program regarding potential use of City-owned sites for affordable housing. It is possible that with the City making some contribution of land, a partnership with a nonprofit to build such housing might be possible. We make this suggestion because the high cost of land is a major constraint to the building of housing affordable to those at the lower-income levels, as noted on page 76 of the Draft. We hope the City will add a program to consider the lease of City-owned parcels and to initiate discussions with nonprofit housing developers and others to see if this is feasible. Such a program could be added to Program 4.3.1 or it could be a separate program. If the City decides to adopt rental housing and/or commercial linkage fees, these fees would help to fund such an affordable housing development.

With regard to Policy 4.2 re affordable second units, we encourage the City to review the present restrictions with regard to lot size for second units. As Table B-47 shows, most of the parcels in the City are not large enough to allow for a second unit. Many Bay Area cities are now allowing second units on smaller lots; we hope Los Altos will review the standards of other jurisdictions and consider modifying this ordinance. In addition, Program 4.2.1 states that the City will continue to require a verification and quantification procedure regarding rent and occupancy of these units. We would like to know what this procedure is, as, in the past, we have been advised that the program is not monitored unless there is a complaint, and therefore, there is no assurance that these units are actually affordable.

Thank you for considering our input.

Susan Russell
Co-Chair, Housing Committee
League of Women Voters of Los Altos/Mountain View Area
Cc: James Walgren
David Kornfield
Marcia Somers

NEIGHBORHOOD HOUSING SERVICES SILICON VALLEY

NeighborWorks® CHARTERED MEMBER

September 18, 2014

City of Los Altos
David Kornfield, Planning Services Manager
One North San Antonio Road
Los Altos, CA 94022

RE: City of Los Altos Draft Housing Element Update 2015 - 2023

Dear David,

Neighborhood Housing Services Silicon Valley (NHSSV), has reviewed the City of Los Altos' draft Housing Element and is providing the following comments. We respectfully request the City include NHSSV's full suite of services particularly our foreclosure intervention and financial counseling services in your housing resource summary. We commend the City of Los Altos' encouragement of their Below Market Rate (BMR) Program that supports goals 2 - 6:

2. Strive to maintain a variety of housing opportunities by location and housing type;
3. Create housing opportunities for people with special needs;
4. Allow a variety of housing densities and types in appropriate locations to accommodate housing needs at all income levels;
5. Strive to make housing in the city available to all regardless of age, sex, race, ethnic background, marital status, veteran status, religion or physical disability; and
6. Increase housing opportunities for Los Altos' senior population.

NHSSV's SERVICES FOR LOS ALTOS RESIDENTS:

• **Homebuyer Education:** NHSSV provides ongoing classes in homebuyer education and credit and budget counseling. Prospective homebuyers attend up to ten hours of class to prepare themselves for the purchase of their first home. They learn the real estate and mortgage processes, assessment of credit, budgeting, the roles and responsibilities of real estate agents and loan officers, how to determine affordability, escrow and the closing process, and subordinate financing programs. Each participant learns how to set realistic homeownership goals based on his or her family's earning power and available homes in the local market.

• **First Mortgage Lending:** As a licensed mortgage lender and approved Fannie Mae Seller and Servicer, NHSSV builds family wealth and stability by originating and funding first mortgage loans designed to assist low and moderate-income first-time Homebuyers. NHSSV recently launched a major refinance initiative to assist homeowners who are underwater and to lower 1st mortgage costs for borrowers with subordinate financing.

• **Down Payment Assistance:** NHSSV works with a variety of public jurisdictions, nonprofit corporations, and private-sector financial institutions to provide special secondary mortgage assistance products to maximize borrower's buying power that promotes growth, preserves homeownership and revitalizes distressed neighborhoods.

• **Real Estate Sales:** NHSSV is a licensed real estate broker. NHSSV's sales agents assist homebuyers to locate the home on the market that is right for them and close the purchase transaction. NHSSV Agents also specialize in short sale negotiation giving families an alternative to foreclosure. In 2012, NHSSV was approved as a Community Buyer from the National Community Stabilization Trust to acquire REO properties from participating lenders. By partnering with private investors and construction teams, the organization now has a complete system for acquiring, rehabilitating, and selling distressed properties throughout our service area.

31 North Second Street • Suite 300 • San Jose, CA 95113 • Phone: 408.279.2600 • Fax: 408.228.3750
www.nhsnow.org

NEIGHBORHOOD HOUSING SERVICES SILICON VALLEY

NeighborWorks® CHARTERED MEMBER

As the City's current BMR Program Administrator, NHSSV serves the community by managing the City's BMR portfolio with monitoring, sales, rental certifications, and customer service activities.

Please feel free to contact me if you have any questions or would like more information about how we can support the City of Los Altos' Housing Element and all that it entails for success.

Best,

Matt Huerta, Executive Director
Neighborhood Housing Services Silicon Valley
408.579.6505
Mhuerta@nhssv.org

About NHSSV

Neighborhood Housing Services Silicon promotes resident engagement as the most effective revitalization tool to generate lasting positive impacts that instill a sense of neighborhood ownership in communities across Silicon Valley.

NHSSV is a member of the NeighborWorks America Network, a national affiliation of 235 independent, community-based nonprofit organizations committed to community revitalization. It is the only nonprofit full-service realty in Silicon Valley. It is also certified by the US Department of Treasury as a Community Development Financial Institution (CDFI). NHSSV is the only community-based nonprofit corporation in California approved as a direct seller and servicer by Fannie Mae.

Since 1995, NHSSV's HomeOwnership Center has educated and counseled over 7,500 prospective homebuyers. In the last 3 years NHSSV has prevented over 600 homes from foreclosure. Since 2001, NHSSV has provided direct loans to 430 low and moderate income homeowners for a total investment of over $125 million in first and secondary mortgage financing. Over the years, NHSSV has trained over 600 neighborhood leaders to take action on issues impacting their communities.

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LEAGUE OF WOMEN VOTERS
of the Los Altos-Mountain View Area
97 Hillview Avenue, Los Altos, CA 94022

October 27, 2014

Mayor Megan Satterlee and Councilmembers
City of Los Altos
One North San Antonio Road
Los Altos, CA 94022

Dear Mayor Satterlee and Members of the City Council:

Re: Housing Element-Agenda Item #10, October 28th

The League of Women Voters of the Los Altos/Mtn. View Area wishes to comment on the Draft 2015-2023 Housing Element. First, we support the changes to the Housing Element proposed by staff. However, we view the Housing Element as an opportunity for the City to seriously review its housing policies, and therefore we encourage additional changes, as explained below.

We are pleased that the staff memo proposes a comprehensive re-evaluation of the City's affordable housing programs, including review of the administration of the programs, review of the priority rankings, and study of new policies to encourage affordable housing development.

That said, one of our critical concerns for many years has been the weak administration of the below-market-rate (BMR) program by Neighborhood Housing Services Silicon Valley (NHSSV). We have been recommending that the City issue a Request for Proposals (RFP) in order to determine whether a different housing consultant would offer better services for the BMR program. We urge the following language under 4.3.2, in order to ensure that the administrative issues are seriously reviewed soon:

"Issue an RFP for administration of the BMR program within the next six months. Evaluate the performance of the administration annually, with an in-depth review at the end of the contract."

"Add information re BMR programs to City website including income eligibility, notices of upcoming BMR availability, City's priority ranking for BMR purchasers and renters along with link to BMR administrative agency."

Many of the specific concerns referenced in the staff memo could be raised during the RFP process; staff would benefit from the expertise of several potential administrators. Other concerns are more appropriate for discussion with the administrator selected. Many of the issues raised in the memo could be addressed immediately by the Council, or by the City Attorney, rather than with the BMR administrator. You have a copy of our letter to the PTC which includes our suggestions.

One concern not included in the memo is whether more ownership units should be targeted to those at lower-income levels. We suggested in 2011 during the last Housing Element update, that because of current historically low interest rates, ownership housing is more feasible for households with lower incomes. We would like this issue to be addressed with the potential BMR administrators. We would

also like this issue to be reviewed every few years, rather than waiting for the next Housing Element update in 2023, because of cyclical changes in interest rates.

Item e. in the staff memo to the PTC is a policy issue that should be taken up by the Council, rather than the administrative agency. We recommend commercial and rental housing impact fees, as most neighboring jurisdictions have many of these fees. Los Altos should also implement these fees, which will help finance housing at lower-income levels. Because of the Palmer decision, the City can no longer require BMR rentals unless the developer is asking for higher density under the State Density Bonus Law, as the Colonnade development did. And it is possible that soon, the California Supreme Court may strike down the San Jose ordinance with regard to requiring BMR's in ownership developments.

Thus, we urge the City to consider doing a nexus study, establishing the linkage between building of luxury apartments, condos, office space, etc., and the need for affordable housing. Such a study would allow the City to legally impose housing linkage fees which could be used for affordable housing. Typically, cities with rental housing impact fees negotiate with developers to build the BMR units which would be equivalent to the fees, rather than collecting these fees.

Fees could be given to the Housing Trust to help solve the affordable housing crisis in our region, but with priority for these funds to be used for those who live or work in Los Altos. Or the fees could be held in a fund for Los Altos to build affordable housing in the City. 4.3.2 should state:

"Consider ordering a nexus study to evaluate adopting affordable housing fees, including a rental housing impact fee, in-lieu fees for multi-family ownership units, and commercial/office linkage fees."

With regard to Policy 4.3, we agree with the programs listed. However, we believe the City should add a program regarding potential use of City-owned sites for affordable housing. With the City making a contribution of land, a partnership with a nonprofit to build such housing might be possible. The high cost of land is a major constraint to building housing affordable to those at the lower-income levels, as noted on page 76 of the Draft. We hope the City will add a program to consider the lease of City-owned parcels and to initiate discussions with nonprofit housing developers. If the City decides to adopt rental housing and/or commercial linkage fees, these fees would help to fund such an affordable housing development.

With regard to Policy 4.2 re affordable second units, we encourage the City to review the current ordinance. As Table B-47 shows, most of the parcels in the City are not large enough to allow for a second unit. Many Bay Area cities now allow second units on smaller lots; we hope Los Altos will review the standards of other jurisdictions and consider modifying this ordinance, along with actively encouraging homeowners to use this ordinance. We would suggest adding 4.2.2:

"Evaluate whether current ordinance should be amended to allow second living units on smaller lots and whether parking requirements should be reduced."

In addition, Program 4.2.1 states that the City will continue to require a verification procedure regarding rent and occupancy of these units. We suggest restating 4.2.1 to add the word "annual":

"Continue to require an **annua**l verification and quantification procedure regarding rent and occupancy as a condition of the permit."

It is our understanding that there is no monitoring unless there is a complaint, and therefore, there is no assurance that these units are actually affordable.

With regard to the Quantified Objectives on page 28, Table 1 shows that 281 Multifamily Units are estimated to be built by January 2023 in the extremely low, very low and low categories. We question whether this number is realistic. Because of the Palmer decision, if a developer is not seeking a density bonus, perhaps **no** BMR's will be built as part of multi-family developments. The Quantified Objectives also should be specific with regard to units at each income level, rather than being lumped together, to comply with Housing Element law. The Quantified Objectives show 142 at moderate-income levels, which is high, as well.

Generally, we would like the Housing Element to reflect a committed effort by the Council to try to do more regarding affordable housing. Thank you for considering our input.

Susan Russell
Co-Chair, Housing Committee
League of Women Voters of Los Altos/Mountain View Area
Cc: James Walgren
David Kornfield
Marcia Somers
Jolie Houston

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APPENDIX B: HOUSING NEEDS ASSESSMENT

POPULATION CHARACTERISTICS

Population Trends

Los Altos has not experienced substantial population growth for several decades. Because the city is nearly built out, most of the population changes that have occurred since 1970 are due largely to annexations. Changes in household composition related to age and the percentage of households with children have had a greater influence on Los Altos' population than growth from new development. The city's population gradually increased between 1970 and 1980, and peaked for a period around 1980, when the US Census recorded 26,816 residents. Between 1980 and 1990, the number of residents gradually declined to 26,599. Between 1990 and 2000, the city's population increased around 4.5 percent, less than half the growth rate (12.4 percent) for Santa Clara County overall. According to the 2000 US Census, the city's population was 27,693. The California Department of Finance estimated the 2013 population of Los Altos at 29,792, a 2.8 percent increase over the population recorded in 2010. Forecasts for 2020, 2030, and 2040 indicate that Los Altos will continue to experience some growth (**Table B-1**). The city's population is projected to grow by over 0.23 percent annually between 2013 and 2020, while Santa Clara County is expected to see a 1.14 percent annual increase in population during the same period (**Table B-2**).

Table B-1

City of Los Altos and Santa Clara County Population 2000–2040

	2000	2010	2013	2020	2030	2040
Los Altos	27,693	28,976	29,792	30,200	31,400	32,800
Santa Clara County	1,682,585	1,781,642	1,842,254	1,977,900	2,188,500	2,423,500

Source: 2000, 2010 US Census Data; Department of Finance; 2020, 2030, 2040 ABAG Projections

Table B-2

City of Los Altos and Santa Clara County Population Growth 1990–2020

	2000–2010		2010–2013		2013–2020	
	Population Change	Annual Percentage Change	Population Change	Annual Percentage Change	Projected Population Change	Annual Percentage Change
Los Altos	1,283	0.46%	816	0.70%	408	0.23%
Santa Clara County	99,057	0.59%	60,612	0.85%	135,646	1.14%

Source: 2000, 2010 US Census Data; Department of Finance; 2020 ABAG Projections

Age of Population

Current estimates indicate that between 2000 and 2010 there was a notable increase in residents older than 60 years of age (**Table B-3**). During the same period, the percentage of residents between 25 and 44 years of age decreased by 6 percent. This change in population age distribution resulted in the median age increasing from 44.2 in 2000 to 46.2 in 2010.

Table B-3

Los Altos Age Distribution

	2000		2010	
Age Group	**Number**	**Percentage**	**Number**	**Percentage**
0–9 years	3,603	13%	3,953	14%
10–19 years	3,307	12%	3,975	14%
20–24 years	609	2%	638	2%
25–34 years	1,989	7%	1,371	5%
35–44 years	4,794	17%	3,902	13%
45–54 years	4,668	17%	5,384	19%
55–59 years	1,978	7%	2,141	7%
60–64 years	1,399	5%	1,828	6%
65–74 years	2,483	9%	2,741	9%
75–84 years	2,155	8%	1,908	7%
85+ years	708	3%	1,135	4%
Total	**27,693**	**100%**	**28,976**	**100%**
Median Age	44.2		46.2	

Source: US Census Bureau, 2000 and 2010 Decennial Census Counts

Households

The number of households increased by about 350 households, or 3.3 percent, between 2000 and 2013 (**Table B-4**). The annual percentage change in households between 2000 and 2013 occurred at a lower rate than the total population during the same period, indicating an increase in the average household size.

Table B-4

Los Altos Household Estimates

Year	Households	Numerical Change	Annual Percentage Change
2000	10,462	—	0.0%
2010	10,745	283	0.3%
2013	10,812	67	0.2%

Source: US Census Bureau, 2007–2011 ACS (Five-Year Estimates)

Household Type and Composition

The characteristics of the city's households can be further evaluated by examining household size, composition, housing unit age, and other relevant factors.

In 2000, the largest percentage (38.4 percent) of households in the city consisted of two persons (**Table B-5**). By 2010, two-person households still accounted for the largest percentage of households, but had decreased to 35.2 percent of total households. Large families (households of five or more related individuals) constituted less than 10 percent of all households in 2010. The US Census Bureau reported a small increase in the percentage of one-person households between 2000 and 2010, from 18.7 to 19.4 percent. Between 2000 and 2010, the average household size increased from 2.61 persons per household to 2.66 persons.

Table B-5

Los Altos Number of Persons per Household

	2000		2010	
	Number	Percentage	Number	Percentage
1 Person	1,955	18.7%	2,086	19.4%
2 Persons	4,022	38.4%	3,787	35.2%
3 Persons	1,755	16.8%	1,709	15.9%
4 Persons	1,897	18.1%	2,208	20.5%
5 Persons	640	6.1%	697	6.5%
6 Persons	151	1.4%	199	1.9%
7 + Persons	42	0.4%	59	0.5%
Total	**10,462**	**100.0%**	**10,745**	**100.0%**
Average Household Size	2.61		2.66	

Source: 2000 and 2010 US Census Data

The 2010 Census reported that 78 percent of all households in the city were married-couple families, 8 percentage points higher than countywide (**Table B-6**). The 2010 Census reported that 37 percent of all households in the city were married-couple households with children, roughly the same proportion as countywide. There were 5 percent more non-family households countywide than citywide. Los Altos has very few non-family households with more than one person (2 percent).

Table B-6

Household Composition by Type (2010)

Household Type	Los Altos		Santa Clara County	
	Number	Percentage	Number	Percentage
Single person (living alone)	2,120	20%	135,702	23%
Family, no children	4,416	41%	194,841	32%
Family with children	3,952	37%	229,782	38%
Multi-person, non-family	222	2%	39,327	7%
Total	**10,710**	**100%**	**599,652**	**100%**

Source: 2010 US Census Data

INCOME CHARACTERISTICS

The median income of Los Altos' residents rose dramatically between 1990 and 2000 and continued to rise between 2000 and 2011. Estimates for 2011 indicate that the median household income grew from $126,740 in 2000 to $151,856 in 2010 (**Table B-7**). However, according to the ABAG Housing Element Data Profiles, when adjusted for inflation, the median income may have decreased by as much as 10 percent over the same period. Households earning more than $100,000 annually accounted for 67 percent of all household in Los Altos in 2011.

Table B-7

Los Altos Household Income (2011)

Income Range	Total Households	Percentage of Total Households
Less than $24,999	650	6%
$25,000 to $49,999	1,086	10%
$50,000 to $74,999	737	7%
$75,000 to $99,999	1,030	10%
More than $100,000	7,207	67%
Total	**10,710**	**100%**
Median Household Income	$151,856	

Data Note: Income represents annual income for the preceding year, expressed in current dollars, including an adjustment for inflation.

Source: US Census Bureau, 2000 Decennial Census Counts, 2007–2011 ACS (Five-Year Estimates)

Over the same period, the county also experienced a dramatic increase in income, though comparatively less than Los Altos. Since 1990, the city's median income has grown at a faster rate than the county's. In 1990, the city's median income was 160 percent of the county's median income. In 2011, the median income for Los Altos households rose slightly to 170 percent of the median income of residents living in the county (**Table B-8**).

Table B-8

Los Altos and Santa Clara County Median Income Growth, 1990–2013

Year	Los Altos	Percentage Change	Santa Clara County	Percentage Change
1990	$78,867	—	$48,115	—
2000	$126,740	61%	$74,419	55%
2011	$151,856	20%	$89,064	20%

Data Note: Income represents annual income for the preceding year, expressed in current dollars, including an adjustment for inflation.

Source: US Census Bureau, 2000 Decennial Census Counts, 2007–2011 ACS (Five-Year Estimates)

In evaluating income levels, five standard measures are often used—extremely low income, very low income, low income, moderate income, and above moderate income. These income levels are expressed as a percentage of the median income, the mid-point at which half of all households earn more and half earn less. **Table B-9** shows the distribution of households across income categories for Los Altos in 2010 including the estimated percentage of corresponding households. It should be noted that the data in the ABAG Housing Element Data profiles used for **Table B-9** (CHAS, based on ACS 2006–2010) does not report the median income figure used to identify the ranges. Rather, the median income of $151,856 is reported from the 2007–2011 ACS. Since the median income figure is likely slightly different from the 2014 HCD median income and income limit ranges for Santa Clara County, the information provided in **Table B-9** is for informational purposes only. That being said, **Table B-9** illustrates a clear concentration of households in the above moderate-income category.

Table B-9

2011 Los Altos Household Income Range by Income Category

Income Category	Comparable HCD Income Limit Range	Total Households	
		Number	Percentage
Extremely Low (0%–30% of Median)	Less than $31,850	595	6%
Very Low (31%–50% of Median)	$31,851–$53,050	595	6%
Low (51%–80% of Median)	$53,051–$84,900	665	6%
Moderate (81%–120% of Median)	$84,901–$126,600	985	9%
Above Moderate (Greater than 120% of Median)	Greater than $126,600	7,850	73%
Total		**10,690**	**100%**

Source: 2006–2010 Comprehensive Housing Affordability Strategy (CHAS)

Median household income includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. For median family income, the incomes of all household members related to the householder age 15 years and older are summed and treated as a single amount. Because many households consist of only one person, average household income is usually less than average family income. HUD provides data regarding extremely low-income residents through specially prepared Census data for the Comprehensive Housing Affordability Strategy (CHAS) required as part of the National Affordability Housing Act of 1991.

Characteristics of Extremely Low-Income Residents

In 2010, a total of 595 households in Los Altos earned 30 percent or less of the median household income of $151,856. These 595 extremely low-income households in Los Altos accounted for about 6 percent of the city's total households. It is likely that many of the extremely low-income households in Los Altos are senior residents who own their homes but who have extremely low fixed incomes.

Extremely low-income households typically comprise persons with special housing needs, including but not limited to persons experiencing homelessness or at risk of homelessness, persons with substance abuse problems, and farmworkers. Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Housing elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

County Income Limits

Income limits are published annually by the US Department of Housing and Urban Development (HUD). These limits are used to determine eligibility for participation in various housing subsidy programs. The income limits are adjusted for household size. For a family of four, the median income was estimated to be $105,550 in Santa Clara County in 2014. Income limits for Santa Clara County households in 2014 are shown in **Table B-10**.

By 2023, the total number of extremely low-income households in Los Altos is projected to be 684 based on the 600 extremely low-income households and a projected need of 84 additional housing units needed for extremely low-income households during the planning period.

Table B-10

Santa Clara County Income Limits (2014)

	Number of Persons in Household							
Income Category	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	$22,300	$25,500	$28,650	$31,850	$34,400	$36,950	$39,500	$42,050
Very Low	$37,150	$42,450	$47,750	$53,050	$57,300	$61,550	$65,800	$70,050
Low	$59,400	$67,900	$76,400	$84,900	$91,650	$98,450	$105,250	$112,050
Median	$73,850	$84,400	$94,950	$105,500	$113,950	$122,400	$130,800	$139,250
Moderate	$88,600	$101,300	$113,950	$126,600	$136,750	$146,850	$157,000	$167,100

Source: HCD, Official State Income Limits, 2014

POVERTY

The poverty rate is a federally defined level of income for minimum subsistence. The dollar threshold for poverty is adjusted for household size and composition.

According to 2010 Census data, 2.06 percent of the city's population had incomes below the federally defined poverty level (**Table B-11**). The highest rates of poverty by age are among elderly adults at 2.9 percent. By race, the highest rates of poverty are found in Other (2.21 percent), White (2.52 percent), or Two or more races (2.52 percent).

Table B-11

Los Altos Poverty Rates (2012)

Group	Total Population	Above Poverty Level	Below Poverty Level	Poverty Rate
Los Altos	28,892	28,298	594	2.06%
By Age				
Under 18 years	7,526	7,476	50	0.66%
18 to 64 years	15,675	15,319	356	2.27%
65 years and over	6,485	6,297	188	2.90%
By Race				
Asian/Pacific Islander	6,919	6,857	62	0.90%
Black	187	183	4	2.14%
American Indian or Alaska Native	10	10	0	0.00%
Other	181	177	4	2.21%
White	20,085	19,599	486	2.42%
Two or More Races	1510	1,472	38	2.52%
Hispanic	1288	1,275	13	1.01%
White Alone – Not Hispanic or Latino	19,077	18,598	479	2.51%

Source: 2012 ACS

EMPLOYMENT CHARACTERISTICS

Employment has an important impact on housing needs. Different jobs and associated income levels determine the type and size of housing a household can afford. Employment growth in the region typically increases housing demand.

The California Employment Development Department (EDD) estimates that as of January 2014, 13,700 Los Altos residents were in the labor force, with an unemployment rate of 2.6 percent. Los Altos' unemployment rate is substantially lower than the state and national averages, and is among the lowest in Santa Clara County.

According to the ACS 2007–2011 Five-Year Estimates, jobs held by Los Altos residents were primarily concentrated in the professional, scientific, management, administrative, and waste management services (25 percent), manufacturing (24 percent), and educational, health, and social services (20 percent) industries. **Table B-12** identifies employment by industry type for Los Altos and Santa Clara County.

Table B-12

Employment by Industry Type, 2011

Industry Type	Los Altos		Santa Clara County	
	Number	Percentage	Number	Percentage
Agriculture, forestry, fishing and hunting, and mining	0	0%	4,425	1%
Construction	292	2%	47,005	6%
Manufacturing	2,841	24%	167,034	20%
Wholesale trade	171	1%	20,252	2%
Retail trade	749	6%	81,918	10%
Transportation and warehousing, and utilities	153	1%	23,578	3%
Information	670	6%	32,627	4%
Finance, insurance, real estate, and rental and leasing	863	7%	44,015	5%
Professional, scientific, management, administrative, and waste management services	3,039	25%	152,960	18%
Educational, health, and social services	2,368	20%	157,349	18%
Arts, entertainment, recreation, accommodation, and food services	439	4%	60,638	7%
Other services (except public administration)	299	2%	36,330	4%
Public administration	200	2%	22,421	3%
Employed civilian population 16 years and over	12,084	100%	850,552	100%

Source: ACS 2007–2011 Five-Year Estimates

The EDD produces an Occupational Employment and Wage Data spreadsheet by metropolitan statistical area (MSA) yearly. **Table B-13** shows employment projections from 2010 through 2020 as related to job growth for the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area. During the next seven years, new employment in the MSA is expected to be concentrated in a variety of occupations. When comparing these annual incomes to the median income in 2014 for a family of four ($105,500), only three occupational groups are above this median income (market research analysts and marketing specialists, biomedical engineers, and medical scientists). Of these ten occupational groups, the highest annual salary falls under the medical scientists occupation at $113,942. The lowest annual salary is within the home health aides occupation at $21,736.

Table B-13

San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area Projection of Employment by Occupation Category

Occupation	Median Hourly Wage	Median Annual Salary	Estimated Employment		Percentage Change
			2010	2020	
Paralegals and Legal Assistants	$32.79	$68,203	1,780	2,760	55%
Meeting, Convention, and Event Planners	$26.18	$54,454	590	900	53%
Market Research Analysts and Marketing Specialists	$51.22	$106,538	5,850	8,900	52%
Home Health Aides	$10.45	$21,736	3,340	4,940	48%
Biomedical Engineers	$52.60	$109,408	620	910	47%
Database Administrators	$49.24	$102,419	1,610	2,360	47%
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	$26.96	$56,077	1,520	2,150	41%
Automotive and Watercraft Service Attendants	$11.60	$24,128	630	890	41%
Medical Scientists, Except Epidemiologists	$54.78	$113,942	2,140	3,020	41%
Security and Fire Alarm Systems Installers	$24.77	$51,522	440	620	41%

Source: EDD 2014
Note: Annual salary is calculated by multiplying hourly wages by 2,080.

It should be noted that although the San Jose-Sunnyvale-Santa Clara MSA occupations reported in **Table B-13** include jobs available to Los Altos residents, very few of those types of jobs will actually occur within the city. Many of the jobs created in Los Altos will continue to be in services, retail, and public sector industries that typically employ low- and moderate-income wage earners. In addition, the demand for services of all kinds will remain strong. For these reasons, Los Altos will continue to experience a local demand for housing affordable for these income groups. The number of high paying jobs in the region in recent years has created an upward pressure on housing costs. The result is that households previously considered middle class, such as teachers and public safety personnel, are in need of affordable housing.

JOBS/HOUSING BALANCE

The ratio of jobs to housing is used as a measure of how a community is inducing commuter travel as growth occurs. A community with a balance of jobs and housing has as many jobs as residents that are able to work. For example, a city with 1,000 employed residents requires 1,000 jobs to be in balance. A community is out of balance if it has more jobs than employed residents or has more employable residents than jobs.

In 2010, Los Altos had a jobs-to-employed residents ratio of 1.25 (14,760 jobs/11,560 employed residents), indicating that there are more jobs in the city than there are housing units. It is important to note that this metric may be poor at predicting commute travel for a city like Los Altos, as many residents work outside of the city and many employees in the city live elsewhere. As shown in **Table B-14**, ABAG projects that the jobs/housing ratio will steadily increase through 2040 up to 1.36.

Table B-14

Jobs/Housing Balance, 2010 to 2040

Year	Number of Jobs	Number of Employed Residents	Ratio of Jobs to Employed Residents
2010	14,760	11,560	1.28
2015	15,660	12,230	1.28
2020	16,610	13,000	1.28
2025	16,950	13,080	1.30
2030	17,290	13,050	1.32
2035	17,760	13,180	1.35
2040	18,240	13,380	1.36

Sources: ABAG Projections 2013

Commute distance is an important factor in housing availability and affordability and is also an indicator of the jobs/housing balance. Communities with extended commute distances generally have a poor jobs/housing balance, while those with short average commutes tend to have a strong jobs/housing balance. The burden of the additional costs associated with extended commuting disproportionately affects lower-income households who must spend a larger portion of their overall income on fuel. This in turn affects a household's ability to occupy decent housing without being overburdened by cost. **Table B-15** indicates that the vast majority of Los Altos residents travel less than 30 minutes from home to work. This figure indicates that many of the jobs are within 20 miles of the city and that there is a strong jobs/housing balance, meaning that the available jobs are within relatively close distance to the employees' places of residence.

Table B-15

Travel Time to Work

Travel Time to Work	Percentage
Less than 30 minutes	77%
30 to 59 minutes	18%
60 or more minutes	5%
Total	**100%**

Source: ACS 2008–2012 Five-Year Estimates, Household Characteristics, Special Needs Groups

Elderly

As in many well-established suburbs, the elderly remain a significant part of the local population, both in number and percentage. **Table B-16** compares the number of older adults in 1990, 2000, and 2010. The elderly population is increasing faster than the total population, although the percentage of the population represented by persons 65 years of age or more has increased only slightly since 2000. If this trend continues, Los Altos will need to plan for a larger number and variety of housing alternatives that address the changing needs of older adults as they become less able to function fully independently.

Table B-16

Pattern of Aging in Los Altos

	1990		2000		2010	
	Population	Percentage Change	Population	Percentage Change	Population	Percentage Change
Total Population	**26,492**	**NA**	**27,693**	**4.50%**	**28,976**	**4.63%**
Population 55+	8,243	NA	8,723	5.80%	9,753	11.81%
Population 65+	4,997	NA	5,346	7.00%	5,784	8.19%

Source: 1990, 2000, and 2010 US Census Data

In 1990, 8,243 residents of Los Altos, or 31 percent of the total population, were 55 and older. By 2010, residents age 55 and older had increased to 34 percent of the total population. Residents age 65 and older constituted 20 percent of the total population in 2010. As the population ages, the City needs to plan accordingly to accommodate this aging population and to provide services for residents with special needs.

One common special need for a growing portion of the elderly is assisted living facilities that combine meal, medical, and daily living assistance in a residential environment. Several California Department of Social Services licensed elderly care facilities provide services in Los Altos. Bridgepoint (capacity 150), Hidden Lane Villa (capacity 6), Snow White Care Home (capacity 6), and El Sereno Home (capacity 6) offer assisted living services in a residential home setting (**Table B-17**).

Table B-17

California Department of Social Services Licensed Elderly Care Facilities

Type of Facility	Name	Address	License Status	Number of Beds
Residential Care Homes	Bridgepoint at Los Altos	1174 Los Altos Avenue	Licensed	136 Apartments (licensed for 150 residents)
Residential Care Homes	Hidden Lane Villa	890 Berry Avenue	Licensed	6
Residential Care, Assisted Living, & Skilled Nursing	The Terraces at Los Altos	373 Pine Lane	Licensed	65 – Residential Care 67 – Skilled Nursing 14 – Assisted Living
Residential Care Homes	Snow White Care Home	431 Mundell Way	Licensed	6
Residential Care Homes	El Sereno Home	2080 El Sereno Avenue	Licensed	6

Source: California Department of Social Services 2014

The facilities listed above are primarily institutional care facilities. Many of the seniors who might consider selling their homes are younger, active seniors who do not yet require institutional nursing care. There is a need in the community to provide high-quality, independent-living senior housing. Because many seniors desire to "downsize" when they move, these senior housing developments will necessarily be higher-density projects with on-site supportive services. An increase in this type of available housing for seniors makes it possible for them to sell their homes and remain in the community.

Disabled Residents

Physical disabilities include mobility impairments, self-care limitations, or other conditions that may require special housing accommodations or financial assistance. Individuals with such disabilities can have a number of special needs that distinguish them from the population at large.

- Individuals with mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to their homes to allow continued independent living. Such modifications are often called "handicapped access."
- Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services.
- Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.
- Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage are low-income than the population at large and their special housing needs are often more costly than conventional housing.

Disabled persons often require special housing features to accommodate physical limitations. Some disabled persons may have financial difficulty due to the cost of having their special needs met or because of difficulty in finding appropriate employment. Although California Administrative Code Title 24 requires all public buildings to be accessible to the public through architectural standards such as ramps, large doors, and restroom modifications to enable handicapped access, not all available housing units have these features. According to the 2000 Census, (unfortunately the 2010 Census did not collect this information) approximately 2,966 persons (or just over 10 percent of the total population) had a disability in Los Altos (**Table 18**). **Table 19** reports that of the 1,418 working age residents with a disability, approximately 67 percent are employed.

Table B-18

Persons with a Disability by Age Group, 2000

	Persons	Percentage
Total 5–15 years old with a disability	**135**	**5%**
Sensory	0	0%
Physical	14	0%
Mental	126	4%
Self-care	8	0%
Total 16–64 years old with a disability	**1,418**	**48%**
Sensory	233	8%
Physical	370	12%
Mental	279	9%
Self-care	96	3%
Go-outside-home	404	14%
Employment	769	26%
Total 65 and older with a disability	**1,413**	**48%**
Sensory	459	15%
Physical	868	29%
Mental	400	13%
Self-care	267	9%
Go-outside-home	640	22%
Total with a disability	**2,966**	**100%**

Source: 2000 US Census, SF3, information not collected in the 2010 Census.

Table B-19

Employment Status for Disabled Persons, 2000

Employment Status	Working-Age Residents with a Disability (16 to 64 years old)	
	Number	Percentage
Employed	943	67%
Not Employed	475	33%
Total	**1,418**	**100%**

Source: 2000 US Census, information not collected in the 2010 Census.

Developmental Disabilities

Senate Bill (SB) 812 requires the City to include the needs of individuals with a developmental disability within the community in the special housing needs analysis. According to Section 4512 of the Welfare and Institutions Code, a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism.

Many developmentally disabled persons can live and work independently in a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. **Table B-20** provides information about Los Altos' population of developmentally disabled persons; **Table B-21** provides information about those persons' place of residence. **Policy 5.2** in this Housing Element provides reasonable accommodation process for people with disabilities. The City has included **Policy 5.2** in this Housing Element to help facilitate housing accessibility for persons with developmental disabilities.

Table B-20

Developmentally Disabled Resident by Residence Type

Zip Code	0–17 Years	18+ Years	Total
94022	26	16	42
94024	27	27	54
Total	**53**	**43**	**96**

Source: HCD 2014

Table B-21

Developmentally Disabled Residents by Residence Type

Zip Code	Independent Living	Own Home
94022	<10	41
94024	0	54

Source: HCD 2014

Families with Female Heads of Households

Most female-headed households are either single elderly women or single mothers. Traditionally, these two groups have been considered special needs groups because their incomes tend to be lower, making it difficult to obtain affordable housing, or because they have specific physical needs related to housing (such as child care or assisted living support). Single mothers, in particular, tend to have difficulty in obtaining suitable, affordable housing. Such households also have a greater need for housing with convenient access to child-care facilities, public transportation, and other public facilities and services.

According to the 2010 Census, 599 family households in Los Altos are female-headed. This number represents roughly 7.2 percent of the total households in the city. It is possible that many of these households are overpaying for housing (i.e., more than 30 percent of their income) or are experiencing other unmet housing needs.

Large Households

Large households are defined by most state and federal agencies as households of five or more individuals. In 2010 in Los Altos, 824 owner-occupied and 131 renter-occupied households contained five or more persons. Overall, 955 households had five or more persons, which accounts for approximately 9 percent of households in the city. Large households often face special challenges in the housing market because they need to find housing of sufficient size (three or more bedrooms) and do not always have sufficient income to purchase or rent such housing.

Table B-22

Household Size, 2010

	Number	Percentage
Owner	9,002	84%
Householder living alone	1,422	13%
Households 2–4 persons	6,756	63%
Large households 5+ persons	824	8%
Rental	1,743	16%
Householder living alone	664	6%
Households 2–4 persons	948	9%
Large households 5+ persons	131	1%
Total	**10,745**	
Total householders living alone	2,086	19%
Households 2–4 persons	7,704	72%
Large households 5+ persons	955	9%

Source: 2010 US Census

Farmworkers

Los Altos is not an agricultural area, and there are no known sites in the city with active agricultural as the primary land use. The likelihood of special farmworker housing needs is extremely low. According to the 2010 Census, no persons were employed in farming, forestry, and fishing occupations of a total labor force of 12,084. The California Employment Development Department includes farmworkers, nursery workers, delivery truck drivers for produce and flowers, horticulturists, landscapers, tree trimmers, and lawn gardeners in this category. Given Los Altos' location in an urban region, it is likely that few, if any, of these "farmworkers" are employed in crop production or harvesting. Program 2.1.3 is proposed to comply with the state Employee Housing Act related to farmworker housing.

Homeless

Homelessness is caused by a number of social and economic factors, including a breakdown of traditional social relationships, unemployment, shortage of low-income housing, and the deinstitutionalization of the mentally ill. A homeless person lacks consistent and adequate shelter. Homeless persons can be considered resident (those remaining in an area year-round) or transient. Emergency and transitional shelters can help to address the needs of the homeless. Emergency shelters provide a short-term solution to homelessness and involve limited supplemental services. In contrast, transitional shelters are designed to remove the basis for homelessness. Shelter is provided for an extended period of time and is combined with other social services and counseling to assist in the transition to self-sufficiency.

In the 2013 Santa Clara County Homeless Census and Survey, a total of four homeless people were counted in Los Altos. Of those identified as homeless, all were classified as unsheltered. Because homeless individuals frequently move from place to place and are not always visible on the street, it is difficult to get an accurate count of homeless persons in a community.

The Community Services Agency, located in Mountain View, offers a number of services for the homeless population in Los Altos. The agency used to operate the Alpha Omega homeless shelter, which is no longer in service. Although the Community Services Agency no longer offers a homeless shelter, the agency does assist the homeless population with the following services: assistance with food, rental assistance, employment assistance, access to eye glasses, transportation assistance, housing information, aid in applying for public assistance, and shelter referrals.

The closest homeless shelter for Los Altos residents is a 15-bed, rotating men's shelter operated by West Valley Community Services, Inc. (WVCS), a private nonprofit, community-based agency. Although Los Altos is not in WVCS' direct service area, the agency does take referrals for the emergency shelter and other services.

Table B-23

Local Homeless Service Providers

Type of Facility	Name	Location	Support Services
Transitional Housing	Emergency Housing Consortium of Santa Clara County	Sunnyvale, Santa Clara, San Jose, San Martin, and Gilroy	Yes
Shelter & Supportive Services	Family Supportive Housing, Inc.	Operates the three services listed below	Yes
Shelter	San Jose Family Shelter	San Jose	No
N/A	Bridges AfterCare Program	San Jose	Yes
Transitional Housing	GlennArts Arms	San Jose	Yes

Source: Santa Clara County 2013

Agencies Offering Homeless Assistance

A number public service organizations and agencies in Santa Clara County offer shelter, counseling, or other services for the homeless, abused, or elderly.

Emergency Housing Consortium of Santa Clara County

The Santa Clara County Consortium's most successful program is the Transitional Housing Program (THP). This program enables a person to obtain a job and work and eventually achieve independence in a conventional housing environment.

Other consortium programs include the New Start Program, which helps homeless individuals obtain employment, and the Waste Management Program, which gives people a job with the Waste Management Department of the City of San Jose.

Lastly the consortium offers a volunteer program through its facility, which in return guarantees a room for 30 days. The Emergency Housing Consortium has shelters and programs located in Sunnyvale, Santa Clara, San Jose, San Martin, and Gilroy.

Family Supportive Housing, Inc.

Family Supportive Housing offers shelter and supportive services to homeless families in Santa Clara County. In 2013, the organization provided emergency housing for 180 families through the San Jose Family Shelter and prepared over 186,000 nutritious meals for the homeless. In addition, Family Supportive Housing supplied 450 homeless individuals with food, clothing, case management, educational classes, and workshops during 2013. The organization offers three distinct services to assist families in the transition from homelessness to finding permanent housing: the San Jose Family Shelter, the Bridges AfterCare program, and GlennArts Arms.

San Jose Family Shelter

This emergency shelter facility provides overnight rooms and meals for families with children for stays of up to three months. Seventy percent of the people served by the shelter are children, the majority of whom are under the age of 10. Family Supportive Housing opened the new 35,000-square-foot San Jose Family Shelter in April 2012.

Bridges AfterCare Program

The Bridges Aftercare Program is for people who have successfully completed their stay at the San Jose Family Shelter. This program offers support services to assist families in continuing on their path to self-sufficiency.

GlennArts Arms

GlennArts Arms is a transitional housing program that offers a rental subsidy and case management for families for up to two years. There are 16 to 20 families that can be served through this program.

County Housing Programs Available to Meet Special Needs

The Santa Clara County Community Development Commission/Housing Authority administers the Section 8 Housing Choice Voucher Program. This program provides tenant-based rental subsidies for very low-income households.

The County has one federal grant program to assist eligible persons seeking permanent, transitional, or emergency housing-related services.

Community Development Block Grants (CDBG)

The County receives an annual Community Development Block Grants allocation to provide funding to nonprofit agencies that service the City of Los Altos to enable them to offer housing and housing-related services to eligible lower-income persons including seniors, persons with disabilities, the homeless, and battered spouses. CDBG funds can be used for acquisition, construction, or rehabilitation of affordable housing to lower-income persons. There is not currently an agreement with nonprofit agencies to provide homeless services, however, the City provides a share of its CDBG funds to the County to allocate to local service providers. The City might consider a formal agreement in the future.

Units Eligible for Conversion

State housing element law requires cities and counties to document and evaluate the potential loss of publicly subsidized rental housing occupied by low-income households. Such developments are assisted under an agreement that requires affordability of the rental units for a specified period of time. Thereafter, the property owner may charge market rents. A search of federal, state, and local records uncovered no assisted rental housing units restricted to occupancy by low-income households that are eligible to convert to market-rate rental housing within the next ten years.

LOS ALTOS HOUSING STOCK

Housing Composition

The composition of the city's housing stock has not seen significant change in the last 20 years. The number of single-family, detached homes in Los Altos has continued to decline. In 1990, 90 percent of Los Altos' housing units were single-family, detached homes. By 2000, this number had decreased to 86 percent, and it continued to decrease to a rate of 83 percent in 2013. The largest change in the housing stock is the increase in multifamily housing with five or more units, which increased from 5 percent in 1990 to 10 percent in 2013. The vacancy rate in Los Altos remained almost constant between 1990 and 2008, and reached a rate of 4.1 percent in 2010. The number of persons per household has not changed significantly since 1990, but is lower than the countywide average.

Table B-24

Housing Units for the City of Los Altos (1990–2013)

Housing Units									Persons per Household
Year	Total	Single		Multiple		Mobile Homes	Occupied	Percentage Vacant	
		Detached	Attached	2 to 4	5 Plus				
1990	10,323	9,244	338	218	520	3	10,047	2.7%	2.60
2000	10,727	9,185	364	259	903	16	10,462	2.5%	2.60
2008	10,820	9,219	383	275	927	16	10,552	2.5%	2.60
2010	11,204	9,372	558	219	1,055	0	10,745	4.1%	2.59
2013	11,274	9,360	558	227	1,129	0	n/a	n/a	2.64

Source: California Department of Finance, 1990–2013 City/County Population and Housing Estimates

Housing Occupancy and Tenure

Of the 11,204 dwelling units reported by the 2010 Census, 10,745 units (approximately 96 percent) were occupied and 459 units (4 percent) were vacant in 2010. Of the vacant units, 35 percent were for sale or rent, 20 percent were for seasonal or recreational use, and the remaining were rented or sold but vacant or classified as "other" vacant (**Table B-25**). According to "Raising the Roof, California Housing Development Projections and Constraints, 1997–2020," the desirable vacancy rate in a community is considered to be 5 percent. Generally, when the vacancy rate drops below 5 percent, the demand for housing exceeds the supply. Subsequently, prospective buyers and renters may experience an increase in housing costs.

Table B-25

Housing Units by Occupancy Status

Occupancy Status	Number	Percentage
Total Housing Units	**11,204**	**100%**
Occupied Housing Units	10,745	96%
Vacant Housing Units	459	4%
For Rent	92	1%
For Sale Only	68	1%
Rented or Sold, Not Occupied	57	1%
For Seasonal, Recreational, or Occasional Use	96	1%
For Migrant Workers	0	0%
Other Vacant	146	1%

Source: 2010 US Census Data

Los Altos has remained a largely home-owning community due to strong income growth during the 1990s and 2000s. As housing prices have climbed over the past 20 years, a decreasing percentage of households countywide can afford homeownership in Los Altos. Based on current housing prices, it is unlikely that extremely low-, very low-, low-, or moderate-income households can afford to purchase a home in the city without financial assistance, except for a small percentage of older homeowners who have substantial equity in an existing home.

Age and Condition of Housing Stock

The age and condition of the housing stock provide additional indicators of housing adequacy and availability in many communities. Although age does not always correlate with substandard housing conditions, neighborhoods with a preponderance of homes more than 40 years old are more likely than newer neighborhoods to have a concentration of housing problems related to deferred maintenance, inadequate landscaping, outdated utilities or interior amenities, and a need for housing rehabilitation.

Age of Housing Stock

The year a structure was built can, at times, be an indicator of the current condition of the housing unit. Housing units built before 1940 may be old but may not necessarily be dilapidated. In contrast, newer homes that were built equipped with adequate utilities and amenities may already be run down due to abuse or general lack of care. However, it is useful to look at the age of the housing stock to determine where inadequacies may lie or why certain units remain vacant. **Table B-26** shows that the highest percentage of housing units in the city was built during the 1950s. Over 80 percent of the housing stock was built before 1970. Very few units (7 percent) have been built since 2000.

Table B-26

Age of Housing Stock (2011)

Year Built	Number of Units	Percentage
Built 2005 or later	426	4%
Built 2000 to 2004	374	3%
Built 1990 to 1999	590	5%
Built 1980 to 1989	511	5%
Built 1970 to 1979	1,343	12%
Built 1960 to 1969	2,002	18%
Built 1950 to 1959	4,462	40%
Built 1940 to 1949	889	8%
Built 1939 or earlier	583	5%
Total	**11,180**	**100%**

Source: 2007–2011 ACS Data

Housing Conditions

Although nearly 60 percent of the city's housing stock is more than 50 years old, the overwhelming majority of homes are in good to excellent condition. Most households properly maintain their homes, and the City has an active code enforcement program to address incipient problems before they become irreversible.

In addition, the City participates in the Urban County program whereby Santa Clara County passes along a portion of its CDBG funding to communities that are not otherwise eligible to receive CDBG funds directly from the federal government. The City is free to use its funds for any CDBG-eligible project and is not obligated to allocate any of its funds to a housing rehabilitation loan program. Although it is not required to do so, the City has found that it is most efficient to contract with County and California Department of Housing and Community Development (HCD) staff to operate the rehabilitation loan program on its behalf.

Rehabilitation

Less than 1 percent of the structures in the city are currently in need of rehabilitation. This is based on visual surveys by the Building Official and Code Enforcement Officer. The community is primarily made up of single-family houses built between 1950 and 1970. The single-family housing stock remains in very good condition due to high property values. The multiple-family housing stock is also in very good condition. The Sherwood Gateway Specific Plan area has a few single-family houses in lesser condition due to their age and location in a commercial district. The Sherwood Gateway Specific Plan area plans for the rebuilding of these housing units under the goals of the Specific Plan. Because Los Altos is a very small community with a high median household income, the few problem areas in the city are well known and monitored regularly. City staff primarily responds to complaints regarding maintenance issues that can be resolved quickly through communications with homeowners and landlords.

Housing Size

The number of bedrooms in a housing unit can also characterize the housing stock in a community, as shown in **Table B-27**. Consistent with the city's character as a community of primarily a single-family homes, the highest percentage of homes in the city (81 percent) had three or more bedrooms. Very few (less than 5 percent) studio and one-bedroom units are available for Los Altos residents, and they are primarily renter-occupied. This affects single individuals, couples, and small families looking for a smaller more affordable place to reside, in particular those looking to purchase a home.

Table B-27

Number of Bedrooms per Housing Unit (2010)

	Owner-Occupied	Renter-Occupied	Total
No bedroom	—	19	19
1 bedroom	46	469	515
2 bedrooms	835	664	1,499
3+ bedrooms	8,271	397	8,668
Total	**9,152**	**1,549**	**10,701**

Source: 2006–2010 ACS Data

Overcrowding

Overcrowding typically results when either (1) the costs of available housing with a sufficient number of bedrooms for larger families exceeds the family's ability to afford such housing, or (2) unrelated individuals (such as students or single adults) share dwelling units due to high housing costs. This can lead to overcrowded situations if the housing unit is not large enough to accommodate all of the people effectively. In general, overcrowding is a measure of the ability of existing housing to adequately accommodate residents and can result in deterioration of the quality of life in a community.

The Census defines overcrowding as 1.01 or more persons per room and extreme overcrowding as more than 1.51 persons per room. The State of California allows two people to occupy the first 70 square feet, plus one additional person for each 50 square feet, for the rooms that can legally be used for sleeping purposes. **Table B-28** summarizes the overcrowding status in the city. Less than 1 percent of the city's owner-occupied and renter-occupied units are considered overcrowded or severely overcrowded. Overcrowding is not an issue in Los Altos.

Table B-28

Persons per Room in All Occupied Housing Units (2010)

	Owner-Occupied	Renter-Occupied	Total
Households with 1.00 or less occupants per room	9,103	1,506	10,609
Households with 1.01 to 1.50 occupants per room	42	22	64
Households with 1.51 or more occupants per room	7	21	28

Source: 2006–2010 ACS Data

HOUSING COSTS

Rental Costs

The cost of rental housing has increased dramatically in Santa Clara County over the past 20 years. The 1990 Census reported 57 percent of rental units in Los Altos cost over $1,000 per month, and rents have steadily increased since then. The 1990 Census reported the county's rents as considerably lower than the city's. Only 19 percent of the county's rental units were $1,000 or more.

In 2014, monthly rents in Los Altos ranged between approximately $2,600 and $6,500 (see **Table B-29**). There were no studio apartments, or apartments with four or more bedrooms, for rent in Los Altos at that time. A limited number of one-, two-, and three-bedroom apartments were available. Lack of available rental units raises their market value.

Table B-29

Rental Rates in Los Altos (2014)

Unit Size	Range
1-bedroom	$2,595–$3,495
2-bedroom	$3,400
3-bedroom	$5,500
4-bedroom+	$5,075–$6,500

Source: zillow.com; Rent.com

Fair market rents (FMR) are established by HUD and are used by housing agencies to establish the Voucher Payment Standards used in the Section 8 Housing Choice Voucher Program. The fair market rents are also used as the maximum allowable gross rents, including utility allowances, for certain special programs, like the Project-Based Voucher Program. Unit condition and location are a consideration in determining rent reasonableness. Fair market rents for the Santa Clara County area effective October 1, 2013, are provided in **Table B-30**.

Table B-30

Fair Market Rents for Existing Housing in Santa Clara County (2013)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	Single-Room Occupancy (SRO)	Mobile Home Space Rent
$1,105	$1,293	$1,649	$2,325	$2,636	$3,031	$3,427	$3,822	$4,218	$829	$660

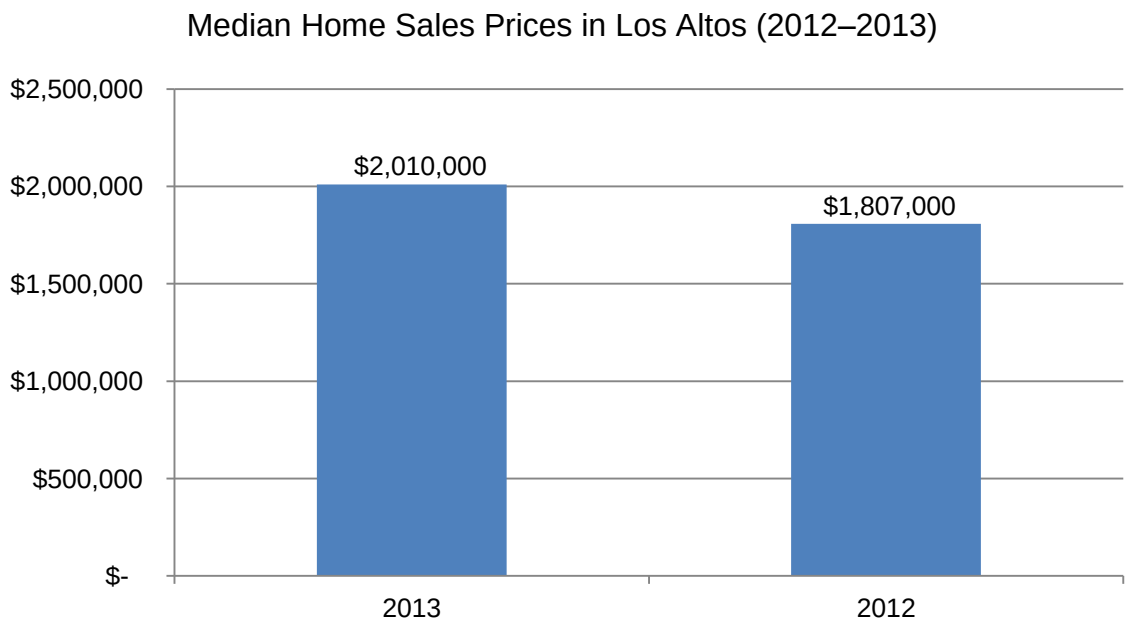
Source: Housing Authority of the County of Santa Clara 2013

Rental stock available in Los Altos is limited at any monthly rental rate. **Table B-29** shows the range of costs for rental units listed locally for rent. Listings vary from month to month.

Home Prices

The price of homes in the Silicon Valley region have long been regarded as some of the most expensive in California and even the nation. Housing prices in Los Altos have been historically higher than housing prices in other areas of the region. As of May 2014, just 13 homes were listed for sale in Los Altos, ranging in price from $1,049,000 for a 2-bedroom/2.5-bathroom townhouse to $4,198,000 for a five-bedroom single-family home. The least expensive single-family home for sale in Los Altos was listed at $1,698,000. **Figure B-1** reports the median sales price for 2013 and 2012. The change from $1,807,000 to $2,010,000 between 2012 and 2013 marks an 11 percent increase.

Figure B-1



Source: dqnews.com 2013

Income and Affordability

Five income categories are typically used for comparative purposes based on the median countywide income (per HCD annual income limits): extremely low (0–30 percent of median income), very low (31–50 percent of median income), low (51–80 percent of median income), moderate (81–120 percent of median income), and above moderate (more than 120 percent of median income). One method of analyzing housing affordability for each income group is to compare the number and/or percentage of housing units by cost to the number and/or percentage of households by comparable income levels.

A standard measure of housing affordability is that housing expenses, on the average, should not exceed 30 percent of a household's income. However, to truly evaluate housing affordability, individual circumstances and factors must be taken into account. These circumstances and other factors include other long-term debt, mortgage interest rates, the number of children in a household, and other large, ongoing expenses (such as medical bills).

Table B-31 shows the number of households paying between 30 and 50 percent or greater than 50 percent of their income for housing. In 2010, approximately 37 percent of renter-occupied households and 38 percent of owner-occupied households were paying more than 30 percent of their income toward housing costs. Some households choose to pay over 30 percent of their income for various reasons, such as location, aesthetics, or other features. In contrast, some households are forced to pay a large percentage of their income because of the limited availability of affordable housing.

Table B-31

Number of Households Overpaying

Tenure/Income Category	30%–50% Cost Burden	50%+ Cost Burden	30%+ Cost Burden (Total Overpaying)
Total Owner-Occupied	**1,970**	**1,449**	**3,419**
Very low	185	525	710
Low	85	225	310
Moderate	125	180	305
Above moderate	1,575	519	2,094
Total Renter-Occupied	**265**	**315**	**580**
Very low	0	185	185
Low	70	60	130
Moderate	50	70	120
Above moderate	145	0	145
Total Overpaying Occupied Units	**2,235**	**1,764**	**3,999**
Total Occupied Units[1]	**10,700**		

Source: 2006–2010 ACS Data

Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in Los Altos with the maximum affordable housing cost to households at different income levels. The area median income (AMI) provides a benchmark for estimating the affordability of housing and the ability of newcomers to move into the community. Taken together, this information can generally demonstrate who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding or a burden on housing cost.

In evaluating affordability, the maximum affordable price refers to the maximum amount that could be afforded by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison. The maximum affordable home and rental prices for residents of Santa Clara County are shown in **Table B-32**. The affordability of the county's housing stock for each income group is discussed below. HCD has estimated the 2014 county area median income (AMI) to be $105,500.

Table 32 shows the maximum rents and sales prices, respectively, that are affordable to extremely low-, very low-, low-, moderate-, and above moderate-income households. Affordability is based on the following assumptions: a household spending 30 percent or less of their total household income for shelter; the maximum household income levels established by HUD and HCD; and maximum affordable sales prices based on 5 percent down, 30-year fixed rate mortgage at 5 percent annual interest rate. Based on the information in **Table B-32**, only households with above moderate income would be able to afford to purchase a house. Similarly, only households with above moderate income would be able to rent a housing unit with more than one bedroom.

Table B-32

Housing Affordability in Relation to Income

Income Category	Annual Household Income Limit (4-person household)	Affordable Monthly Payment*	Maximum Purchase Price
Extremely Low	$31,850	$796	$130, 600
Very Low	$53,050	$1,326	$245,700
Low	$84,900	$2,123	$384,400
Moderate	$126,600	$3,165	$580,000

Source: Numbers estimated using income information from the California Department of Housing and Community Development 2014. CNNmoney.com mortgage calculator, 5% down, 5% interest, and 30-year mortgage.

Note: Affordable housing costs assume that 30% of gross household income is applied toward rent or house payment.

* Utilities not included.

Assisted Housing "At Risk" of Conversion

No government-assisted rental properties in Los Altos may be at risk of opting out of programs that keep them affordable to very low- and low-income households over the Housing Element Period (2015–2023). Generally, the inventory consists of HUD, multifamily bonds, and density bonus properties. Target levels include the very low-income group and the low-income group.

State law requires the City to identify, analyze, and propose programs to preserve housing units that are currently restricted to low-income households and that will become unrestricted and possibly lost as low-income housing. As no units fit these criteria, the analysis is not required to be included in this Housing Element. However, the City is including the following summary of assisted housing units for informational purposes.

Inventory of Assisted Housing

Currently, in addition to 43 deed-restricted and affordable second living units, there are a total of 105 income-restricted housing units in Los Altos. The City's assisted multi-family units have expiration dates of 30-years or greater. Older contracts reset for an additional 30 years if sold within the restricted period, so those contracts remain indefinitely. Some of the newer contracts will expire following the 30-year period.

Preservation

Although not required, the City is also including the following list of entities in Santa Clara County qualified to help preserve assisted lower-income units (**Table B-33**). The Housing Element goals and policies provide additional information on strategies to preserve the city's affordable housing stock.

Table B-33

Qualified Entities in Santa Clara County

No.	Name	Address	Contact	Phone Number
1	Affordable Housing Foundation	P.O. Box 26516 San Francisco, CA 94126	Eric Tang	(415) 387-7834
2	BRIDGE Housing Corporation	One Hawthorne, Ste. 400 San Francisco, CA 94105	Lydia Tan	(415) 989-1111
3	Cambrian Center, Inc.	2360 Samaritan Place San Jose, CA 95124	Dale J. Harrington	(408) 559-0330
4	Charities Housing Development Corp.	195 East San Fernando St. San Jose, CA 95112	Chris Block	(408) 282-1125
5	Christian Church Homes of Northern California, Inc.	303 Hegenberger Road, Ste. 201 Oakland, CA 94621	William F. Pickel	(510) 632-6714
6	Community Home Builders and Associates	675 North First St., Ste. 620 San Jose, CA 95112	Mark D. Lazzarini	(408) 977-1726
7	Community Housing Developers, Inc.	255 N. Market St., Ste. 290 San Jose, CA 95110	Bonnie Bamburg	(408) 279-7676
8	Community Housing Improvement Systems & Planning Assoc. Inc.	295 Main Street, Suite 100 Salinas, CA 93901	Normond V. Kolpin	(831) 757-6251
9	Eden Housing, Inc.	409 Jackson Street Hayward, CA 94544	Catherine A. Merschel	(510) 582-1460
10	Foundation for Affordable Housing, Inc.	2847 Story Road San Jose, CA 95127	Wallace K. Shepherd	(408) 923-8260
11	Matinah Salaam	3740 Barrington Drive Contra Costa, CA 94518	Matinah Salaam	(925) 671-0725
12	Mid-Peninsula Housing Coalition	303 Vintage Park Drive, #250 Foster City, CA 94404	Fran Wagstaff	(650) 356-2900
13	Palo Alto Housing Corp	725 Alma Street Palo Alto, CA 94301	Marlene H. Prendergast	(650) 321-9709

No.	Name	Address	Contact	Phone Number
14	Palo Alto Senior Housing Project, Inc.	455 E. Charleston Road Palo Alto, CA 94306	Genie Dee	(650) 494-1944
15	Satellite Housing Inc.	2526 Martin Luther King Jr. Way Berkeley, CA 94704	Kate Hartley	(510) 647-0700
16	South County Housing, Inc	7455 Carmel Street Gilroy, CA 95020	Jan Lindenthal	(408) 842-9181

Source: HCD 2009

CURRENT AND FUTURE HOUSING NEEDS

Regional Housing Needs Allocation (RHNA)

State law (California Government Code Section 65584) provides for councils of governments to prepare regional housing allocation plans that assign a share of a region's housing construction need to each city and county. In the nine-county San Francisco Bay Area, the Association of Bay Area Governments (ABAG) is the council of governments authorized under state law to identify existing and future housing needs for the region. ABAG produced the San Francisco Bay Area Housing Needs Plan which covers the period from 2014 to 2022. After the plan was developed, the Regional Housing Needs Allocation (RHNA) was adopted by ABAG in May 2008. Los Altos' RHNA was determined to be 477 for the current planning period.

It should be noted that the 5th Cycle RHNA Projection Period is from January 1, 2014 to October 31, 2022. Due to challenges associated with ABAG adopting its Regional Transportation Plan, the Planning Period does not sync directly with the RHNA Projection Period. The Planning Period for this element is from January 31, 2015 to January 31, 2023.

ABAG's methodology is based on the regional numbers supplied by HCD; these are "goal numbers" and are not meant to match, and often exceed, anticipated growth in housing units. A goal vacancy rate is set by HCD, and then a housing unit need to meet that vacancy rate is derived by assessing potential growth rates (population, jobs, and households) and loss of housing due to demolition. The numbers produced by HCD are provided to ABAG in the form of a regional goal number, which is then broken into income categories. ABAG is mandated to distribute the numbers to Bay Area jurisdictions by income categories. ABAG is responsible for allocating the RHNA goal number to cities and counties in the Bay Area.

The methodology used to determine the future need considered the growth in the number of households expected, the need to achieve desired vacancy rates, the need for more housing opportunities, and compensation for anticipated demolition. An "avoidance of impaction" adjustment was applied to the preliminary allocation figure to avoid further concentration of low-income units in jurisdictions that have more than the regional average.

The RHNA allocation is a minimum needs number—cities and counties are free to plan for, and accommodate, a larger number of dwelling units than the allocation. The City must, however, use the numbers allocated under the RHNA to identify measures (policies and ordinances) that are consistent with these new construction goals. While the City must also show how it will accommodate for these units to be built, it is not obligated to build any of the units itself or finance their construction.

According to the RHNA, the City of Los Altos has a total housing construction need of 477 units and an annual need of about 68 units. **Table B-34** shows Los Altos' allocation for the 2015–2023 planning period.

Table B-34

Regional Housing Needs Determination (2015–2023)

Income Category	Income Level	# of Units	% of Total
Extremely Low	0-30% of AMI	84	18%
Very Low	30-50% of AMI	85	18%
Low	50-80% of AMI	99	21%
Moderate	80-120% of AMI	112	23%
Above Moderate	120%+ of AMI	97	20%
Total		**477**	**100%**

Sources: ABAG 2008 Regional Housing Needs Determination. Adopted May 15, 2008.
Note: This table presents regional housing need for the 2014-2022 5th Cycle RHNA Projection Period.

Table B-34A lists the residential developments entitled and permitted from January 2014 until August 2014.

Table B-34A

Remaining RHNA by Income Category

Permits Issued January 2014–August 2014						
Housing Unit Type	**Extremely Low**	**Very Low**	**Low**	**Moderate**	**Above Moderate**	**Total**
Single Family	0	0	0	0	16	16
Multi-Family	0	0	1	1	18	20
Second Units	0	0	0	0	0	0
Density Bonus	0	0	0	0	0	0
Total Permitted	**0**	**0**	**1**	**1**	**34**	**36**
RHNA						
RHNA	84	85	99	112	97	477
Remaining RHNA	84	85	98	111	63	441
Total (Remaining Lower-Income RHNA)	**267**			**111**	**63**	**NA**

Source: City of Los Altos, January 2014

Table B-34B displays a summary of all vacant and underutilized land identified for development in the planning period. There is currently a total of 43.10 acres of vacant or underutilized land in Los Altos with the capacity to yield 739 units of new housing across all income categories.

Table B-34B

Summary of Vacant and Underutilized Land

	Acres	Existing No. Units	Realistic No. Units
Total Vacant Land	**7.42**	**0**	**33**
Total Underutilized Land	**35.68**	**36**	**706**
Total	**43.10**	**36**	**739**

Table B-34C summarizes the City's RHNA, the residential units permitted in Los Altos since January 2014, and the total number of potential housing units identified through the City's vacant and underutilized land inventory. The results indicate that the City has already made progress toward meeting its current RHNA. Since January 2014 the City permitted 36 units across all income levels. The remaining number of new housing units needed to meet the current RHNA is 441. The vacant and underutilized land inventory identified sites with a potential for 739 new housing units. These sites include 564 potential housing affordable to lower-income levels and 175 potential housing units affordable to moderate- and above moderate-income levels. Although there is a shortfall of nine units in the moderate category, it is assumed that moderate-income households would also be able to afford lower-income housing and would take advantage of the significant unit surplus in the lower-income category. The number of potential housing units accommodated by sites identified in the vacant and underutilized land inventory exceeds the City's RHNA by 298 units.

Table B-34C

Summary of RHNA Required Units

Density	Number of Housing Units by Affordability Level			
	Lower	Moderate	Above Moderate	Total
2014-2021 RHNA	268	112	97	477
Entitled (After January 1, 2014)	1	1	34	36
Remaining RHNA	267	111	63	441
Vacant Sites	0	9	24	33
Underutilized Sites	564	93	49	706
Remaining Need	-297	9	-10	-298

Source: City of Los Altos, 2014

FUTURE DEVELOPMENT POTENTIAL

Areas with Potential for Residential Development

Table B-35 contains an inventory of vacant sites with residential development potential as of August 2014. A mandatory provision of below market rate (BMR) units applies to all multiple-family projects with ten or more units and to those projects within a Mixed-Use Overlay District that include housing. All of the sites listed below are located in Residential Zones and will not require a rezone. There are no visible obstructions, incompatible surrounding structures, or infrastructure capacity impediments that would prevent any of the sites listed below from being developed. **Appendix E** provides a map of the vacant sites in **Table B-35**.

Realistic Capacity

Due to the extremely high cost and limited availability of vacant land in Los Altos, developments are consistently built to the maximum allowable density. In addition, the City's zoning ordinance requires that residential developments must be built to their maximum densities when they are constructed in commercial or mixed-use districts. For example, sections 14.22.030 and 14.24.030 of the Los Altos Zoning Code require maximum densities of 24 du/ac and 38 du/ac for its primary multiple-family residential districts. Exceptions to maximum density must be based on health, safety and welfare; however, since this provision was adopted in 1995, no projects have been approved without meeting the maximum density requirements.

The City allows housing in all commercial districts as mixed-use development with residential units permitted above the ground level only, except for in the Commercial Thoroughfare (CT) District, which allows commercial, mixed-use with housing above the ground floor or residential-only development for the entire building, and in the Commercial Downtown/Multiple Family (CD/R3) District downtown where residential uses are a conditionally permitted use. In non-CT Commercial Districts the City assumes a 20-unit per acre density as realistic capacity of the non-ground floor development capacity; however, the downtown commercial area residential projects are not limited in density. A recently entitled and permitted project at 86 Third Street developed a mixed-use of office space and 20 dwellings at a density of 40 units per acre. Another recent project in the downtown area at 100 First Street demonstrated a 48-unit project achieved a greater density of 48 units per acre for a residential-only project following key recent zoning changes that removed floor area limits and increased height limits. A recent project at 4750 El Camino Real developed a mixed-use building with 205 dwelling units at a density of 41 dwellings per acre including density bonus units. Commercial and mixed-use projects downtown are not limited in floor area or number of story limits but limited to a height of 30 or 45 feet depending on the district. Mixed-use and purely multiple-family residential development in the CT District are allowed up to a height of 45 feet. **Table B-35A** below lists recently entitled projects in commercial zones in Los Altos.

Recent development trends clearly show that when residential units are allowed, developers will include residential components in their projects in Los Altos.

There is a unique market condition in Los Altos where people downsizing from large estates seek 2- or 3-bedroom condominiums as replacement housing close to their previous home. The projects at 100 First Street and 86 Third Street are illustrative of the strong demand for residential development in commercial areas of Los Altos.

Table B-35

Potential Vacant Sites Inventory

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infra-structure Capacity	On-site Constraints
1	37 View St	167-37-009	R1-10	4 du/ac	Single Family	0.19	0	1	Vacant	Yes	None
2	34 Mt Hamilton	167-37-034	R1-10	4 du/ac	Single Family	0.35	0	1	Vacant	Yes	None
3	374 2nd St	167-41-036	CD	20 du/ac	Downtown Commercial	0.16	0	3	Vacant	Yes	None
5	895 N San Antonio	170-01-022	CN	20 du/ac	Commercial Neighborhood	0.27	0	4	Vacant	Yes	None
6	181 Alvarado Ave	170-12-004	R1-10	4 du/ac	Single Family	0.49	0	1	Vacant	Yes	None
7	379 Hawthorne	170-28-058	R1-10	4 du/ac	Single Family	0.5	0	1	Vacant	Yes	None
8	University Ave	175-14-025	R1-10	4 du/ac	Single Family	0.29	0	1	Vacant	Yes	None
9	Orange Ave	175-15-054	R1-10	4 du/ac	Single Family	0.14	0	1	Vacant	Yes	None
10	University Ave	175-18-040	R1-10	4 du/ac	Single Family	0.24	0	1	Vacant	Yes	None
11	Lorraine Ave	189-15-007	R1-10	4 du/ac	Single Family	0.09	0	1	Vacant	Yes	None
12	Miramonte Ave	189-15-026	CN	20 du/ac	Commercial Neighborhood	0.11	0	2	Vacant	Yes	None
13	718 Ronald Ct	189-19-003	R1-10	4 du/ac	Single Family	0.28	0	1	Vacant	Yes	None
14	719 Filip	189-19-017	R1-10	4 du/ac	Single Family	0.23	0	1	Vacant	Yes	None
15	1289 Eureka	193-34-030	R1-10	4 du/ac	Single Family	0.23	0	1	Vacant	Yes	None
16	1060 Rosemont	193-40-019	R1-10	4 du/ac	Single Family	0.2	0	1	Vacant	Yes	None
17	1491 Miramonte	193-41-039	R1-10	4 du/ac	Single Family	0.35	0	1	Vacant	Yes	None
18	1049 Dartmouth	193-44-023	R1-10	4 du/ac	Single Family	0.23	0	1	Vacant	Yes	None
19	1040 Runnymead	193-44-033	R1-10	4 du/ac	Single Family	0.23	0	1	Vacant	Yes	None

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infra-structure Capacity	On-site Constraints
21	Nash Rd	336-02-008	R1-10	4 du/ac	Single Family	0.35	0	1	Vacant	Yes	None
22	Madonna Wy	336-03-030	R1-10	4 du/ac	Single Family	0.31	0	1	Vacant	Yes	None
23	Arboretum Dr	342-04-078	R1-10	4 du/ac	Single Family	1.48	0	5	Vacant	Yes	Part of Under-developed site at 2100 Woods Lane
24	1276 Montclaire	342-09-045	R1-10	4 du/ac	Single Family	0.31	0	1	Vacant	Yes	None
25	Longden Cl	342-10-088	R1-10	4 du/ac	Single Family	0.39	0	1	Vacant	Yes	None
					Totals	**7.42**	**0**	**33**			

City of Los Altos, August 2014

Table B-35A

Recently Entitled Projects in Commercial Zones

Address	Date	Zone	Type	Lot Size	Max Density	Units Built	Units/ Acre	BMR Units	Income
5100 El Camino Real	8/05	CT	Multi-family	0.79 ac	38 du/ac	29	36	3	Very Low
4388 El Camino Real	10/06	CT	Multi-family	2.2 ac	38 du/ac	78	35	8	Very Low
100 First Street	11/07	CD/ R3	Multi-family	0.97 ac	No max[1]	48	48	5	Moderate /Low
86 Third Street	5/13	CD/ R3	Office/ Multiple-family	0.49 ac	No Max	20	40	2	Moderate /Low
960 N San Antonio Road	1/08	PUD	Office/Multiple-family	2.096 ac	38 du/ac	46	22	6	Very low
4750 El Camino Real	6/12	CT	Retail/ Multiple-family	4.7 ac	38 du/ac	205	41	21	Moderate /low/ very low
396 First Street	5/11	CD/R3	Multiple-family	0.4	No max	20	50	2	Moderate /low
Totals				**11.65 ac**		**446**		**47**	

1. There is no maximum density defined for the CD or CRS districts. Density is determined by lot size, height restrictions, density bonuses, setbacks, unit size and other factors as applicable to the development.

Source: City of Los Altos, August 2014

Table 36B below is a list of all projects that have included multi-family housing built in Los Altos since 2002. Collectively, the data clearly illustrates that point that virtually all multi-family projects meet the maximum density allowed for the zone. Some projects have even exceeded the prescribed maximum density after density bonus laws or other incentives were applied. This is due to several factors.

1. The cost of land in Los Altos is very high; thus, developers are seeking to maximize the value of the structure to receive an adequate return on investment.

2. The cost of housing in the Silicon Valley remains very high and developers are interested in maximizing the number of units to maximize their return on investment.

3. The incremental cost for construction of each additional unit of housing is not expensive in relation to the overall costs of the land, fees and entitlements.

4. The demand for housing in the area remains high and relatively stable in relation to other areas of the state and country.

Given these realities of the local housing market, it is reasonable to expect that future multi-family and mixed-use projects in Los Altos will continue to be built at densities very close to or exceeding the maximum allowed for the zone. The results of this analysis have been applied to the Vacant Sites Inventory in **Table B-35**.

Table B-35B

Recent Multiple-Family Development[1]

Project Address	Zone	Type	Lot Size	Max Density	Units Approved	Units/ Acre	BMR Units	BMR Income Limit	Entitlement Date	Built
36 Lyell Street	R3-1.8	Multiple-Family Residential	0.16	24 du/ac	3	19[2]	0	NA	1/09	Built
569 Lassen Street	R3-1.8	Multiple-Family Residential	0.16	24 du/ac	3	19[3]	1	Low	8/08	Built
240 Third Street	CD	Mixed-Use (retail/office/m-f residential)	0.33	NA	2	6	0	NA	4/08	Built
510-516 Tyndall Street	R3-1.8	Multiple-Family Residential	0.33	24 du/ac	8	24	1	Moderate	3/08	Built
100 First Street	CD/R3	Mixed-Use (office/m-f residential)	0.97	NA	48	48	5	Moderate	11/07	Under Construction
420-426 Tyndall Street	R3-1.8	Multiple-Family Residential	0.33	24 du/ac	8	24	1	Moderate	5/07	Built
4388 El Camino Real	CT	Multi-family Residential	2.2	38 du/ac	78	35	8	Very Low	10/06	Built
438 Tyndall Street	R3-1.8	Multiple-Family Residential	0.16	24 du/ac	4	25	1	Moderate	12/06	Built
437 Tyndall Street	R3-1.8	Multiple-Family Residential	0.16	24 du/ac	4	25	1	Moderate	2/06	Built
5100 El Camino Real	CT	Multi-family Residential	0.79	38 du/ac	29	36	3	Very Low	8/05	Built
477 Tyndall Street	R3-1.8	Multiple-Family Residential	0.16	24 du/ac	4	25	1	Low	6/02	Built
41 Cuesta Street	R3-1.8	Multiple-Family Residential	0.33	24 du/ac	8	24	1	Very Low	6/02	Built
70 Cuesta Drive	R3-1.8	M-F	0.16	24 du/ac	3	24	0		5/10	Built
950 N. San Antonio Road	PUD	M-F	2.096	38 du/ac	46	22	6	Very low	1/08	Built
100 First Street	CD/R3	Commercial/M-F	0.97	None	48	22	5	Mod/low	11/07	Under Construction
396 First Street	CD/R3	Commercial/M-F	0.4	None	20	48	2	Mod/low	5/11	Built
86 Third Street	CD/R3	Commercial/M-F	0.49	None	20	50	2	Mod/low	5/13	Under Construction
Totals			**10.2**		**336**		**38**			

Source: City of Los Altos 2009/May 2010

1. This table summarizes the projects with multiple-family housing units since 2002.
2. The R3-1.8 District requires at least 1,850 square feet of gross lot area per unit. Thus, the maximum density project for lots of this size is three units.
3. The basic lot size in the R3-1.8 District is 7,100 square feet. This table has several recent examples of maximum density projects on small lots.

Small Sites and Lot Consolidation

While the City does have several small sites, current conditions do not warrant a special program for lot consolidation. This is due to the location of the small sites within the City and the reigning market conditions in the Silicon Valley. Opportunities to consolidate small lots in Los Altos are rare since the lots are few in total and are often not contiguous with other small lots. Where small lot consolidation has been feasible in the past, however, it has been done. The zoning code itself currently provides an incentive for lot consolidation. For example, a lot consolidation in the R3-1.8 district would yield more units based on maximum density calculations than the individual lots by themselves. Recent projects at 420-426 Tyndall Street and at 510-516 Tyndall Street demonstrate the ability and incentive to consolidate adjacent parcels; both projects combined two adjacent lots and each developed eight-unit projects at the maximum density; both projects included one moderate-income unit.

Consolidation Incentive Scenario

Zone = R3-1.8

Lot 1 size = 7,100 sq/ft;

Max Density = 24 du/ac;

Subtotal Allowable Units under Zoning Code = 3 dwelling units;

Zone = R3-1.8

Lot 2 size = 7,100 sq/ft

Max Density = 24 du/ac;

Subtotal Allowable Units under Zoning Code = 3 dwelling units;

Consolidated Lot (Lot 1 + Lot 2) = 14, 200 sq/ft

Max Density = 24 du/ac;

Total Allowable Units under Zoning Code = 7 dwelling units;

Net Gain through Consolidation = 1 dwelling unit

Median value of One Dwelling Unit in Los Altos in 2008 = $1,000,001

With the current high price of land in Los Altos and the strong market demand for housing in the area, the City currently sees development on small parcels and is even able to provide incentives that yield BMR units as part of small-site development projects.

The City has numerous examples of new, multiple-family small-lot developments in the R3-1.8 district where projects were granted development incentives and density bonuses consistent with the State Density Bonus regulations. The density bonus provisions have typically been applied to allow a fourth unit in what otherwise would have been a three-unit project in exchange for development incentives. These projects on the small lots have translated into an affordable housing percentage of 33 percent of the total dwelling units before the density bonus is applied. The City's application of the State Density Bonus and Other Incentives law on projects with fewer than five base units is above and beyond the minimum State threshold.

Small Lot Development with BMR Scenario

Zone = R3-1.8

Lot size = 7,100 sq/ft;

Max Density = 24 du/ac;

Total Allowable Units under Zoning Code = 3 dwelling units;

BMR units = 1 dwelling unit;

BMR Percentage of Total Units = 33%

Applied Density Bonus = 1 additional dwelling unit

Total Units with Density Bonus = 4 dwelling units

Lastly, according to State law, the density bonus and incentive provisions technically apply to projects containing five or more residential units; however, the City of Los Altos allows consideration of incentives and density bonuses for projects with fewer than five units, which is above and beyond the State law. Recent projects on Cuesta Drive, Tyndall Drive, and Lassen Street demonstrate this application of the density bonus provisions on small lots and the City's ability to generate affordable housing on small lots.

Areas with Redevelopment and Re-use Potential

Much of the potential for additional housing in Los Altos relies on the redevelopment of underutilized properties in multifamily and commercial zoning districts. There is a strong market incentive to develop parcels in Los Altos to their highest and best use. **Table B-36** estimates that there are approximately 35.68 acres of underutilized property that has development or reuse potential. In addition, the El Camino Real corridor in particular has been identified in the current General Plan Land Use Element update process as an area where affordable housing can be created as properties redevelop. Incentives to build housing along El Camino Real, such as allowing additional building stories and increasing allowable floor area, are included in the draft Land Use Element update. Disincentives to build commercial-only projects are also included. Similar mixed-use development incentives are also being considered for other business districts in Los Altos.

Table B-36

Potential Underutilized Sites Inventory

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infrastructure Capacity	On-site Constraints
26	126 Pasa Robles	167-17-006	R1-10	4 du/ac	Single Family	0.27	1	2	Underutilized	Yes	One SFR on two legal lots
28	250 Pasa Robles	167-18-032	R1-10	4 du/ac	Single Family	0.31	1	2	Underutilized	Yes	One SFR on two legal lots
29	479 Los Altos	167-27-070	R1-10	4 du/ac	Single Family	2.31	1	8	Underutilized	Yes	None
30	14 4th st	167-38-061	R3-1	38 du/ac	Medium Density Multi-Family	0.16	1	4	Underutilized	Yes	One SFR
31	110 2nd st	167-39-028	R3-1	38 du/ac	Medium Density Multi-Family	0.16	1	4	Underutilized	Yes	One SFR
33	1st St	167-41-016	CS	20 du/ac	Downtown Commercial	0.1	0	2	Underutilized	Yes	Parking Lot
34	360 2nd st	167-41-034	CD	20 du/ac	Downtown Commercial	0.16	0	3	Underutilized	Yes	Parking Lot
35	366 2nd st	167-41-035	CD	20 du/ac	Downtown Commercial	0.16	1	3	Underutilized	Yes	One SFR
36	382 2nd st	167-41-037	CD	20 du/ac	Downtown Commercial	0.16	0	3	Underutilized	Yes	Parking Lot
37	388 2nd st	167-41-038	CD	20 du/ac	Downtown Commercial	0.16	1	3	Underutilized	Yes	Small Office Building
38	394 2nd st	167-41-054	CD	20 du/ac	Downtown Commercial	0.16	0	3	Underutilized	Yes	Pancake House Parking Lot
39	1005 Acacia	170-01-045	CN/ SPZ	20 du/ac	Commercial Neighborhood	0.05	1	1	Underutilized	Yes	Condemned Structure
42	568 Gabilan	170-38-006	R3-1.8	16 du/ac	Medium Density Multi-Family	0.11	1	2	Underutilized	Yes	One SFR

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infrastructure Capacity	On-site Constraints
43	526 Lassen	170-38-030	R3-1.8	16 du/ac	Medium Density Multi-Family	0.16	1	3	Underutilized	Yes	One SFR
44	517 Tyndall	170-38-047	R3-1.8	16 du/ac	Medium Density Multi-Family	0.16	1	3	Underutilized	Yes	One SFR
46	123 Fremont Av	170-38-060	OAD	16 du/ac	Downtown Commercial	0.15	0	3	Underutilized	Yes	Existing Office - GP Housing Element 4.3 encourages rezoning to MF
47	129 Fremont Ave	170-38-062	OAD	16 du/ac	Downtown Commercial	0.15	0	3	Underutilized	Yes	Existing Office - GP Housing Element 4.3 encourages rezoning to MF
48	105 Fremont	170-38-066	OAD	16 du/ac	Downtown Commercial	0.31	0	7	Underutilized	Yes	Existing Office - GP Housing Element 4.3 encourages rezoning to MF
49	140 Lyell	170-39-043	R3-1.8	16 du/ac	Medium Density Multi-Family	0.24	1	5	Underutilized	Yes	One SFR
50	527 Orange	175-16-017	R1-10	4 du/ac	Single Family	0.3	1	2	Underutilized	Yes	One SFR on two legal lots
51	679 University	175-16-036	R1-10	4 du/ac	Single Family	0.3	1	2	Underutilized	Yes	One SFR on two legal lots
52	Palm Av	175-16-074	R1-10	4 du/ac	Single Family	0.39	1	2	Underutilized	Yes	One SFR on two legal lots
53	636 Palm Av	175-16-084	R1-10	4 du/ac	Single Family	0.34	1	2	Underutilized	Yes	One SFR on two legal lots
54	650 Palm Av	175-17-028	R1-10	4 du/ac	Single Family	0.6	1	3	Underutilized	Yes	One SFR on

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infrastructure Capacity	On-site Constraints
											three legal lots
55	983 Loraine	189-15-095	R1-10	4 du/ac	Single Family	0.18	1	2	Underutilized	Yes	One SFR on two legal lots
56	933 Loraine	189-15-117	R1-10	4 du/ac	Single Family	0.09	1	1	Underutilized	Yes	One SFR on three legal lots (117,118 & 119)
57	937 Loraine	189-15-118	R1-10	4 du/ac	Single Family	0.09	0	1	Underutilized	Yes	One SFR on three legal lots (117,118 & 119)
58	943 Loraine	189-15-119	R1-10	4 du/ac	Single Family	0.09	0	1	Underutilized	Yes	One SFR on three legal lots (117,118 & 119)
59	1485 Fremont	197-16-064	R1-10	4 du/ac	Single Family	1.48	1	5	Underutilized	Yes	Historic Property
60	Richardson Ave	318-07-008	R1-10	4 du/ac	Single Family	0.23	0	1	Underutilized	Yes	Parking Lot
61	Arboretum Dr	342-04-078	R1-10	4 du/ac	Single Family	8.9	1	28	Underutilized	Yes	Church w/ SFR. Part of Under-developed site at 2100 Woods Lane. To achieve max density, a PUD will be required in order to address the site environmental constraints
62	St Joseph Av	342-25-056	R1-10	4 du/ac	Single Family	0.12	0	1	Underutilized	Yes	Odd shaped Driveway for adj. SFR
63	4546 El Camino Real	167-12-047	CT	38du/ac	Thoroughfare Commercial	1.76	0	66	Underutilized	Yes	Commercial building
64	4546 El Camino Real	167-12-042	CT	38 du/ac	Thoroughfare Commercial	2.78	0	105	Underutilized	Yes	Commercial building

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infrastructure Capacity	On-site Constraints
65	4844 El Camino Real	170-02-023	CT	38 du/ac	Thoroughfare Commercial	0.54	0	20	Underutilized	Yes	Commercial building
66	4856 El Camino Real	170-02-029	CT	38 du/ac	Thoroughfare Commercial	0.56	0	21	Underutilized	Yes	Commercial building
67	4896 El Camino Real	170-02-026	CT	38 du/ac	Thoroughfare Commercial	0.84	1	31	Underutilized	Yes	One SFR, commercial building
68	El Camino Real	170-03-084	CT	38 du/ac	Thoroughfare Commercial	0.54	0	20	Underutilized	Yes	Parking
69	5000 El Camino Real	170-04-050	CT	38 du/ac	Thoroughfare Commercial	0.86	0	32	Underutilized	Yes	Commercial building
70	730 Distel Drive	170-04-055	CT	38 du/ac	Thoroughfare Commercial	2.58	0	98	Underutilized	Yes	Office building
71	5150 El Camino Real	170-04-066	CT	38 du/ac	Thoroughfare Commercial	3.8	0	144	Underutilized	Yes	Office building
72	962 Acacia Avenue	170-01-048	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	1	2	Underutilized	Yes	SFR
73	952 Acacia Avenue	170-01-049	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	0	2	Underutilized	Yes	Parking
74	952 Acacia Avenue	170-01-050	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	0	2	Underutilized	Yes	Parking
75	942 Acacia Avenue	170-01-051	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.22	1	4	Underutilized	Yes	SFR
76	928 Acacia Avenue	170-01-052	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	1	2	Underutilized	Yes	SFR
77	916 Sherwood Avenue	170-01-053	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.18	1	3	Underutilized	Yes	SFR
78	994 Acacia Avenue	170-01-047	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.29	1	8	Underutilized	Yes	SFR
79	994 Sherwood Avenue	170-01-086	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.22	0	4	Underutilized	Yes	Parking

Site ID	Address	APN	Zone	Allowable Density	General Plan	Acres	Existing No. Units	Realistic No. Units	Vacant/ Underutilized	Infrastructure Capacity	On-site Constraints
80	988 Sherwood Avenue	170-01-042	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	0	2	Underutilized	Yes	Parking
82	987 Acacia Avenue	170-01-043	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.17	1	3	Underutilized	Yes	SFR
83	966 Sherwood Avenue	170-01-044	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.19	1	3	Underutilized	Yes	SFR
84	961 Sherwood Avenue	170-01-065	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	1	2	Underutilized	Yes	SFR
85	941 Sherwood Avenue	170-01-062	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	1	2	Underutilized	Yes	SFR
86	933 Sherwood Avenue	170-01-061	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.11	1	2	Underutilized	Yes	SFR
87	929 Sherwood Avenue	170-01-060	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.12	1	2	Underutilized	Yes	SFR
88	921 Sherwood Avenue	170-01-059	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.14	1	2	Underutilized	Yes	SFR
89	899 Sherwood Avenue	170-01-056	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.14	1	2	Underutilized	Yes	SFR
90	905 Sherwood Avenue	170-01-057	CN/ SPZ	20 du/ac	Neighborhood Commercial	0.13	1	2	Underutilized	Yes	SFR
92	4546 El Camino Real	167-16-018	CT	38 du/ac	Thoroughfare Commercial	0.19	0	5	Underutilized	Yes	Public Parking
		Total Underutilized				**35.68**	**36**	**706**			

Source: City of Los Altos, August 2014

Analysis of Underutilized Sites

Four of the underutilized sites, identification numbers 63, 64, 92, and 77 hold the majority of the redevelopment capacity for residential units with a combined estimated realistic capacity of 315 dwelling units respectively. Below, the feasibility of redevelopment and the realistic capacity of dwelling units are discussed in more detail for each of the sites.

Parcels 167-14-047 (Site 63), 167-12-042 (Site 64), and 167-16-018 (Site 92) are part of the underdeveloped Village Court shopping center. Village Court has a combined area of 4.73 acres and buildings totaling approximately 34,500 square feet. The center has housing potential of 171 dwellings and is under a common ownership.

Parcel 170-04-066 (Site 71) is an underdeveloped office condominium property. The property has an area of 3.8 acres with buildings totaling approximately 79,000 square feet. Since the entire property is under a common ownership, redevelopment is possible, with a potential yield of 144 dwelling units.

Site 61, which could yield an additional 28 units, is the site of a church and a single-family residence. The site will likely require a Planned Unit Development (PUD) permit to achieve the maximum density allowed for the zone and to protect the distinctive natural features. Rezoning to a PUD is not a significant development constraint because it is considered at the same time with any subdivision of the site. It is expected that this site will develop to its highest and best use as a residential land use as the existing community facility has waned in its use and the property owner and developers have approached the City over the last few years as to the site's development potential. This is a somewhat secluded residential area; it is unique because it is a large wooded area that could accommodate a planned unit development of single-family homes or possibly a senior project that would include affordable units and/or an assisted living project. The City's General Plan provides development incentives that encourage housing for seniors.

Table B-37 contains an estimate of the potential number of additional housing units that can be accommodated through alternative programs to augment the residential development capacity of existing, residentially zoned vacant and underutilized sites listed in **Tables 35** and **36**. These alternative strategies include the approval of second units (the City believes that four to five second units per year is a reasonable objective), and the granting of density bonuses for projects that contain minimum percentages of affordable housing with long-term affordability requirements as specified under state law.

For the 565 multi-family units listed in the City's Quantified Objectives from 2015 through 2023, the City might conservatively expect at least 39 additional units to be built as a result of the State's density bonus law. This estimate is based on the law's provisions that grant a twenty percent (20%) density bonus to developments with units affordable to lower-incomes and a five percent (5%) density bonus to multi-family developments that include BMR units for moderate incomes.

Table B-37

Los Altos Programs 2014 - 2023

Programs	# Of Units
Second Living Units	32
Density Bonus	39
Total	**71**

City of Los Altos, 2014

Availability of Public Facilities and Services

Much of Los Altos' infrastructure is old; however the systems can still accommodate the projected housing needs during the next five years. The cost of infrastructure improvement required for residential development will be borne by the developers. All of the vacant sites identified in **Tables B-36** and **B-37** have sufficient infrastructure availability, including water and sewer, to allow development to occur.

Water and Sewer Priority for Affordable Housing Developments

To comply with Senate Bill (SB) 1087, the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority status for service allocations to proposed developments that include units affordable to lower-income households.

CONSTRAINTS

Non-Governmental Constraints

Non-governmental constraints include community preferences and market conditions such as land costs, construction costs, and financing that affect the availability and cost of housing but which are not directly related to local government policies or regulations.

Land and Construction Costs

The availability of environmentally suitable land, the cost of that land, and construction costs pose the greatest constraints to the availability and affordability of housing in Los Altos. These constraints primarily affect low- and moderate-income households, not above moderate-income households, and make it difficult for homebuilders to provide affordable housing regardless of local zoning and development requirements. This constraint is prevalent throughout the region.

Land Costs

A search of Realtor.com, Zillow.com, and LoopNet records in April 2014 identified just three vacant residential property for sale, or sold within the last three years in Los Altos. A wider search of vacant residential properties and properties with redevelopment potential in neighboring cities yielded the following results:

- Single-family lot (0.17 acres) with approved plans, Los Altos: $1.60 million
- Single-family lot (0.58 acres), Los Altos: $1.26 million
- Single-family lot (0.23 acres, Los Altos: $2.05 million
- Land, neighboring cities(within 10 miles): $54,000 – $19.5 million

Given these high land costs, it is unlikely that increases in density (such as a 25 percent density bonus) would significantly reduce the per-unit cost of building market-rate and affordable dwelling units. In spite of this, the City has been successful in having affordable housing included in new multiple-family developments. For example, 21 affordable units were included in the 205-unit 4750 El Camino Real project and two affordable units were included in the 20-unit 397 First Street project

Construction and Labor Costs

The most significant constraint on development of new housing in Los Altos and the region is the overall cost of housing, including land costs and construction costs. Many factors can affect the cost to build a house, including the type of construction, materials, site conditions, finishing details, amenities, and structural configuration.

Construction costs for a single family home were obtained from building-cost.net, a housing construction cost resource that calculates the total estimated cost of building a new home (land costs not included). Single-family home construction costs in 2014 were estimated at approximately $161 per square foot for average quality construction. The estimated total construction cost of a 3,500-square-foot home with an attached garage, central heating and air,

and average building materials was $566,684. For a custom home with high end materials, the estimated cost of construction is $243 per square foot, or $853,611 for a 3,500-square-foot home.

In addition to these construction costs, a developer building a new home must also pay for the land, building permit and plan check fees, and architecture and engineering costs. According to the City of Los Altos, building permit and plan check fees for a 3,500-square-foot house (this is calculated at a valuation of $200 per square foot) in 2014 total $59,632. For more information, see "Governmental Constraints," below. The scarcity of easily developed land, combined with the great demand, indicates that housing construction costs are likely to remain high in the future.

The Cost and Availability of Financing

The City has not uncovered any local constraints to the availability or cost of financing for home purchases or rehabilitation that differ significantly from the availability and cost of financing generally in California. Even in older neighborhoods of the city, there are no barriers to obtaining financing for home purchase, improvement, or construction (other than customary underwriting considerations by lenders).

The primary factor related to home finance affecting housing affordability and availability is the cost of borrowing money (interest rates). Historically, substantial changes in interest rates have correlated with swings in home sales. When interest rates decline, sales increase. The reverse has been true when interest rates increase. In the past, there has been a dramatic growth in alternative mortgage products, such as graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and qualify for larger home loans. Even during periods of high interest rates, these alternative products allow more buyers to qualify for homeownership, thus dampening the swings in home sales that accompany changes in interest rates.

Nevertheless, the fixed interest rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates. Most governmental programs that seek to increase homeownership among low- and moderate-income households rely on loan products that provide fixed interest rates below prevailing market rates, either for the principal loan or for a second loan that provides part of the down payment for home purchase. Many programs offer deferred second loans to facilitate homeownership. **Table B-38** illustrates interest rates as of June 2014. The table presents both the interest rate and the annual percentage rate (APR) for different types of home loans. The interest rate is the percentage of an amount of money which is paid for its use for a specified time, and the APR is the yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR includes the interest rate, fees, points, and mortgage insurance and is therefore a more complete measure of a loan's cost than the interest rate alone. However, the loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment.

Table B-38

Interest Rates

	Interest Rate	APR
Conforming		
30-year fixed	4.250%	4.335%
15-year fixed	3.500%	3.647%
5-year adjustable rate	3.375%	4.025%

Source: www.wellsfargo.com, June 2014
Notes: Conforming loan is for no more than $417,000. A jumbo loan is greater than $417,000.

Infrastructure Capacity

Los Altos is a built-out city with the primary infrastructure in place or readily accessible. For proposed development projects, the City requires appropriate engineering studies to determine project-specific utilities, water and sewer infrastructure requirements. Recommendations resulting from the studies are required to be incorporated into the design of projects.

Water Availability and Adequacy

All domestic and commercial water in Los Altos is supplied by the California Water Service Company, and financially supported by user fees. Currently, 28 percent of the City's water comes from well water purchased from Cal Water and 72 percent comes from Santa Clara Valley Water District (SCVWD) sources, which include underground aquifers, reservoirs, and the San Joaquin-Sacramento River Delta. The City does not anticipate a significant increase in water demand during the planning period and the SCVWD has not identified any substantial concerns with adequate availability of water resources during the planning period.

Sewer

With the exception of a few homes with septic systems, the City's sewer system serves all development within Los Altos, adjacent unincorporated areas within the "urban service area," and a portion of Los Altos Hills. Since 1972, the City has contracted with the City of Palo Alto for sewage treatment. The City's contract is for 3.6 million gallons a day (MGD) of treatment, and as of 2009 used 70 percent of the City's permitted capacity. The City's remaining permitted capacity is adequate to allow future development of vacant sites and the intensification of commercial areas in accordance with the Land Use Element. The typical design life of a wastewater facility is 50 years. The Palo Alto Regional Water Quality Control Plant was designed in 1969 to serve the wastewater management needs of Palo Alto, Los Altos, Mountain View, East Palo Alto, Los Altos Hills, and Stanford. The existing plant serves Los Altos for the period of this Housing Element. The Palo Alto Regional Water Quality Control Plant prepared and adopted a Long Range Facilities Plan in 2012 to ensure the long-term operation of the facility is designed to provide adequate capacity to the communities served, including Los Altos.

Utilities

Los Altos has adequate utilities for urban development. Natural gas and electricity are provided by Pacific Gas & Electric Company. New development is required to provide verification of utility service availability at the time of development.

Environmental Constraints

There are no environmental conditions or constraints in Los Altos that would significantly affect the production and maintenance of housing. The City has taken measures to mitigate and effectively manage environmental constraints presented by seismic activity, landslides and flooding in the planning area.

Although the City is located between the active San Andreas and Hayward faults, as well as numerous smaller faults, no known active faults traverse the Los Altos planning area and no Alquist-Priolo Earthquake Fault Zoning has been established by the state within the City. As such, housing developers in Los Altos are not required to take any additional measures to mitigate potential effects of fault activity.

Landslides are unlikely to occur where slopes are less than 15 percent. Within the Los Altos planning area, slopes that are 15 percent or more are isolated to the southwest portion of the City. While there are no recent examples of landslides in the planning area, in conjunction with development on such slopes the City requires geotechnical soil reports to review the slope stability and potential mitigation of landslide risks.

Los Altos is subject to periodic flood hazards associated with creek overflow, dam inundation, and potential mud and debris flows during rain storms of a few hillsides within the planning area. The Los Altos planning area contains both 100- and 500-year floodplain areas. Adobe Creek is the most flood-prone of Los Altos creeks. The Santa Clara Valley Water district has requested the City to require setbacks along the creek and to require property owners to dedicate an easement or fee title to the District. In accordance with the adopted watercourse protection regulations, special setbacks are required and development restrictions applied along Adobe Creek from Shoup Park to O'Keefe Lane. These regulations reduce flood risks in the city.

Los Altos participates in the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Agency (FEMA). The NFI program provides federal flood insurance and federally financed loans for property owners in flood prone areas. To qualify for federal flood insurance, the City must identify a flood hazard area and implement a system of protective controls.

Governmental Constraints

The section of the element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities. The analysis should identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing. The analysis should determine whether local regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs. An adequate evaluation must assess the cumulative impacts of standards, including whether such requirements impede the ability to achieve maximum allowable densities.

Land Use Controls and Development Standards

The City's land use controls and development standards have little effect on the ability to finance or achieve maximum density in residential projects. This is due in part to the very high land value compared to construction costs. This is also a result of the City's zoning requirement to develop at the maximum allowable density, which has been successfully implemented without exception since 1995. This section identifies the land use controls and development standards in Los Altos.

Los Altos General Plan

Adopted in 2002, the General Plan for Los Altos is the primary source of long-range planning and policy direction used to guide growth and preserve and enhance the quality of life within the community. The Land Use Element of the General Plan sets basic land use policy and establishes land use classifications. **Table B-39** provides the land use categories as well as a description of the category and maximum density for each category. The Land Use Element of the General Plan notes that for multi-family projects, developers are required to build projects at 75 percent to 100 percent of maximum density.

Table B-39

General Plan Land Use Categories

Land Use Category	Maximum Dwelling Units per Acre or Floor Area Ratio	Description
Single Family Large Lot	2.0 units/acre	Detached single-family homes on large lots
Single Family Medium Lot	4.0 units/acre	Detached single-family homes
Single Family Small lot	10.0 units/acre	Detached single-family homes on smaller lots
Low Density Multi-Family	15.0 units/acre	Detached and attached single-family homes, condominiums, duplexes, and apartments
Senior Housing	28.0 units/acre	Detached and attached single-family homes, condominiums, duplexes, and apartments for seniors.
Medium Density Multi-Family	38.0 units/acre	Detached and attached single-family homes, condominiums, and apartments.
Neighborhood Commercial		
Foothill Plaza	2.0:1 w/ residential	Retail uses serving the needs of nearby neighborhoods. Specified areas may also include general business, medical, or professional uses. Residential development is allowed by right at Foothill Plaza.
All Other Locations	0.5:1 w/ residential	
Downtown Commercial		
Downtown Core	No limit	General retail uses and service, commercial recreational, cultural, and office uses that serve local residents. Higher density residential uses that enhance village character of the Downtown are also allowed by right in the Core and Periphery areas.
Downtown Periphery	No limit	

Thoroughfare Commercial		
El Camino Real Corridor	38 du/acre	Retail, service, and small office uses that typically rely on vehicle traffic and serve the city and/or regional market. Permits mixed use development and affordable residential opportunities along El Camino Real Corridor.
Planned Community	Varies from 4 to 50 du/acre	Various single-family and senior residential densities and housing type and community facilities.

Source: Los Altos General Plan 2002, Los Altos Municipal Code

Los Altos Zoning

The City of Los Altos Zoning Code includes residential districts, the Planned Community District, and the Planned Unit Development District to provide flexibility in terms of land uses and density. In addition, multifamily residential development is allowed by right in many commercial zones in the city. Residential, commercial, and planned development zoning are intended to regulate the development of housing by identifying areas of the City appropriate for residential uses and a variety of housing densities.

Title 14 (Zoning) of the Los Altos Municipal Code is the City's primary guide for residential development. The zoning code establishes development standards and zoning districts that control the type, location, and density of residential development in Los Altos. The zoning regulations serve to protect and promote the health, safety, and general welfare of the community residents and also implement the goals and policies of the General Plan.

Part of these development controls include specific development standards. **Table B-40** identifies the development standards that are applied to residential development in the city. Setbacks for front, rear, and side yards are established in the City's Code and are listed in the table, as are height restrictions and maximum densities. The Zoning code provides densities in units per square foot in some locations, and units per acres in others; **Table B-41** provides densities for all districts that allow residential uses in units per acre. It should be noted that **Table B-40** is a snapshot of development standards intended to give an overview of constraints in Los Altos. Although different standards may exist under certain circumstances (e.g., if a lot abuts a single-family residential zone, if a lot is surrounded by smaller lots, if a lot is on the corner of an intersection), **Table B-40** provides the most restrictive standards and therefore is a sufficient summary of constraints. For more information, see Title 14 (Zoning) of the Los Altos Municipal Code.

Table B-40

Development Standards for Zones Allowing Residential Uses[1]

	R1-H	R1-10	R1-20	R1-40	R3-4.5	R3-5	R3-3	R3-1.8	R3-1	CN	CT	CRS	CD	CD/R3	CRS/OAD
Minimum Site Area (new lots) (square feet)	20,000	10,000	20,000	40,000	5 Acres	1 acre	21,000	7,100	7,100	None listed	20,000	None listed	None listed	None listed	None listed
Maximum Density (unit/sq ft)	1/ 20,000	1/ 10,000	1/ 20,000	1/ 40,000	2/ 9,000	1/ 5,000	1/ 3,000	1/ 1,800	38 units/acre	None listed	38 units /acre	None listed	None listed	None listed	None listed
Maximum Site Coverage	25%	35% single story/ 30% 2 story	25%	20%	Decided by City Council	30%	30%	40%	40%	None listed	None	None listed	None listed	None listed	None listed
Maximum Structure Height	2 stories / 27’	2 stories / 27’	2 stories / 27’	2 stories / 27’		2 stories / 30’	2 stories / 30’	2 stories / 30’	3 stories / 35’	30’	45’	30’	45’	45’	30’
Minimum Parking	2 spaces (1 covered)	2 spaces (1 covered)	2 spaces (1 covered)	2 spaces (1 covered)		2 spaces (1 covered)	2 spaces (1 covered)	2 spaces (1 covered)	2 underground spaces per unit	2 off street spaces per unit	2 off street spaces per unit	2 off street spaces per unit	2 off street spaces per unit	2 off street spaces per unit	2 off street spaces per unit
Minimum Setbacks															
Front	30’	25’	30’	50’	Decided by City Council	40’	40’	20’	20’	None	25’	0’	2’	10’	0’
Side	25’	20’	25’	30’		15’	15’	7.5’	7.5’	None	None	None	None	None	None
Rear	50’	25’	35’	50’		30’	30’	25’	25’	20’	None	None	None	10’	None

Source: Los Altos Municipal Code, retrieved June 2014

Notes:

1 The terms None, None Listed, and 0’ are shown at different places in this table. These different words are intentional. None means the code does not require that standard for that zone, none listed means the code is silent about any requirements, and 0’ means the code requires the building to be built to the property line.

Table B-41

Residential Units per Acre

	Units per square foot	Units per acre
R1-H	1 per 20000	2.2
R1-10	1 per 10000	4.4
R1-20	1 per 20000	2.2
R1-40	1 per 40000	1.1
R3-4.5	2 per 9,000	9.7
R3-5	1 per 5,000	8.7
R3-3	1 per 3,000	14.5
R3-1.8	1 per 1,800	24.2
R3-1	38.0 units/acre	38.0
CN	None listed	None listed
CT	38.0 units /acre	38.0
CRS	None listed	None listed
CD	None listed	None listed
CD/R3	None listed	None listed
CRS/OAD	None listed	None listed

Source: Los Altos Municipal Code, retrieved June 2014

In addition to the basic residential and non residential zones mentioned above, the City has a Planned Community District (PC) and a Planned Unit Development Zone (PUD). The PC is intended to provide for the long-term development of large properties of at least 20 acres. A PC requires the approval of a Master Plan and allows for single-family residences and senior citizen housing. Maximum density of a PC parcel for single-family housing is dependent on the zoning of the parcel prior to being rezoned PC. Maximum density for senior housing is 50 units per acre.

The PUD is intended to provide options for instances where the objectives of the zoning code are achieved with a development of planned units which do not conform in all respects with the land use pattern designated on the zoning map or the district regulations as identified in **Table B-41**, above. **Table B-42**, below, provides a description of permitted uses and development standards for the various PUD designations in Los Altos.

Table B-42

Planned Unit Development Zone Development Standards

	PUD/RI Cluster	PUD/R	PUD / OA	PUD / C	PUD / SC
Permitted Residential Uses	Single-family dwellings	All permitted uses in R1-10 and R3-5	All permitted uses in R1-10 and R3-5	All permitted uses in the CN, CD, CRS, CR, Ra-10, and R3-5	Housing and medical care facilities for senior citizens
Site Area	5 acres (3 acres if the site has frontage on Chester Circle)				
Standards	Development standards shall be no less than the maximum prescribed by the regulations for the district which is comparable to the use proposed				

Source: Los Altos Municipal Code, retrieved June 2014

Potential Constraints Presented by the City's Zoning Requirements

The City's zoning requirements do not present a constraint to meeting its overall future housing construction needs under ABAG's Regional Housing Needs Assessment. To ensure that the City continues to meet maximum densities the City will implement Program 4.3.4 to monitor the land use controls to ensure development potential. Given land and development costs in the City, however, that portion of the City's allocation in low- and moderate-income categories can only be met in multiple-family zoned areas or commercial areas permitting multifamily housing. It should be noted that the City allows rental housing as a permitted use in all residential zoning districts. The code also does not differentiate between factory-built housing or mobile homes and permanent construction. All housing is subject to the same design review process. The following is a list of the zoning requirements.

Maximum permitted residential density: The City's multifamily zones permit densities of between 4 and 38 dwelling units per acre before density bonuses. This is a sufficient range of densities to permit the construction of various types of affordable housing.

Parking: In general, the City requires two parking spaces per dwelling unit, only one of which must be covered. Units with fewer than two bedrooms have a parking requirement of 1.5 parking spaces, one of which must be covered. The City counts the driveway as an additional parking space which allows most units to meet the City's parking requirements by providing a covered garage with the capacity to shelter one automobile. In addition, the City requires underground parking in its highest density zone, except on lots of less than 30,000 square feet. All parking standards can also be relaxed through the development review process, and as such, the relaxed standards could be considered a development incentive.

Although these parking requirements are typical for cities of similar size and character, they may be viewed as a financial constraint for some developments. The underground parking requirement serves several purposes. In the City's most densely developed areas, street parking is at a premium. The potential increases in traffic and on-street parking demand are two of the most contentious issues with residents and merchants when new developments are proposed. The underground parking requirement ensures that impacts to on-street parking availability are mitigated while providing deeded parking spaces to new residents who demand parking for new market-rate units. Furthermore, the compact development and efficient use of space that comes with underground parking is important to create a streetscape and density of uses that encourages

pedestrian activity and reduces vehicle trips in the City's downtown and commercial districts. The underground parking requirement on large lots is typically not seen as a significant constraint because it allows the living spaces of the dwellings to be larger within the zoning requirements which coincide with the market demand for larger dwelling units. Finally, the cost of providing underground parking is relatively small compared to the high overall land costs and the prevailing high market prices for dwelling units. Projects in the highest density districts and in the downtown area have consistently provided underground parking meeting the City's requirements and affordable housing units.

Existing parking requirements may be excessive for special types of housing, such as senior housing and very small one-bedroom apartments. For these projects the parking requirements may increase costs beyond what is feasible for affordable housing construction. In such situations, the City has the ability to require less costly parking standards on a case-by-case basis, as an incentive for providing affordable housing under its affordable housing and density bonus ordinances. In the past, the City has typically waived the full parking requirements for BMR units and only required one parking spot per unit, even when two were called for by code. Although two parking spots are required for second units, the parking requirements can be co-mingled with the main unit. As a result, second units rarely require additional parking to be constructed to meet zoning requirements.

For certain types of housing, including senior housing; studio, one and two bedroom affordable units; and SRO units, the City will require just one parking space per unit. The program described in the previous Housing Element as **Program 4.3.4** – *Amend the zoning code to reduce parking requirements for certain types of affordable housing* will be implemented concurrently with the adoption of this Housing Element. The program will comply with Section 65915 P.1 of the California State Government Code

Minimum lot size: Single family zone minimum lot sizes range from 20,000 square feet to 40,000 square feet. For multifamily zones, minimum lot sizes range from five acres for the lowest density zone to 7,100 square feet for the highest density zone. Minimum lot size requirements do not impose an unreasonable constraint to the production of affordable housing in relation to the size of vacant land remaining for residential development.

Minimum dwelling unit size: The City does not impose minimum dwelling unit sizes in its multifamily zones.

Maximum height: The maximum height in all but the highest density multifamily zone can accommodate two-story buildings. In the higher density multiple-family residential zones three-story development is permitted at a height of 35 feet. Three stories are considered a reasonable height to achieve the permitted density and reduce the land cost per dwelling unit in the highest density zone. Maximum densities in the other multifamily zones are 4, 8, 14, and 24 dwelling units per acre. Two stories are considered sufficient to achieve these densities, plus allowed density bonuses. The downtown commercial CD/R3 Combining District was recently amended to allow up to a 45-foot height limit and no limit to the number of stories. Projects at 100 First Street and 397 First Street demonstrate that four stories could be built within that height limit at a density of approximately 50 dwellings per acre.

Although the height restrictions place a constraint on development, residential projects are still able to meet maximum densities and achieve densities of at least 20 dwelling units per acre, which meets the State's density guidelines for the region to make affordable housing development feasible. The height limitations also conform to historic structures and the character of existing neighborhoods in the City.

Provisions for a Variety of Housing

The Housing Element must identify adequate sites that are available to encourage the development of various housing types for all economic segments of the population through appropriate zoning and development standards. Some of the housing types include single-family residential housing, multiple-family residential housing, residential accessory dwelling units, mobile homes, duplexes, transitional housing, supportive housing, second units, single room occupancy units, and emergency shelters. **Table B-43** shows the housing types that are permitted by Zoning District.

Table B-43

Allowed Residential Uses by Zone

Housing Type	R1-H	R1-10	R1-20	R1-40	R3-4.5	R3-5	R3-3	R3-1.8	R3-1	CN	CT	CRS	CD	CD/R3	CRS/OAD
Single-family residence	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Second living units	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Small family day care	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Large family day care	C	C	C	C	-	-	-	-	-	-	-	-	-	-	-
Two-family dwelling unit	-	-	-	-	P	-	-	-	-	-	-	-	-	-	-
Apartment (two units or more per building)	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Multi-family residential dwelling units	-	-	-	-	-	-	-	P	P	-	C	-	-	-	-
Housing located above the ground floor	-	-	-	-	-	-	-	-	-	C	-	C	C	-	C
Mixed use projects	-	-	-	-	-	-	-	-	-	C	C	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	P	-
Emergency shelter	-	-	-	-	-	-	-	-	-		- P[1]	-	-	-	-
Transitional housing[2]	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Supportive housing[2]	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mobile home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufactured home (consistent with design review)	P	P	P	P	-	-	-	-	-	-	-	-	-	-	-
Single room occupancy (SRO) facilities[3]															
Small residential care facility (6 or fewer)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large residential care facility (7 or more)[4]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: City of Los Altos Municipal Code, retrieved June 2014

"P" – Permitted by right

"C"– Permitted with a Conditional Use Permit

"-" - Not permitted

1 Pending adoption.

2 Per SB2 transitional and supportive housing is allowing in all zones that allow for residential uses and adhere to requirement of that zone.

3 Pending adoption.

4 Large residential care facilities are not allowed in residential district. They are allowed conditionally in the Public and Community Facilities (PCF) District.

Zoning for Lower-Income Households

Pursuant to Government Code Section 65583.2(c)(3), the high density residential and commercial zones in Los Altos allow densities appropriate to encourage and facilitate housing for lower-income households. According to HCD specifications, the City of Los Altos would need to allow densities of at least 20 dwelling units per acre to make affordable housing development feasible. The City has identified the capacity to accommodate the lower-income RHNA in zones that allow multi-family development at densities of 16 to 38 units per acre. Maximum densities are not prescribed for the CD or CRS zone, but are determined by other limitations which generally amount to densities of approximately 20 dwelling units per acre.

In addition, a code amendment to the City's Multiple-Family Affordable Housing Regulations requires the inclusion of at least one low-income below-market-rate unit for projects that exceed 10 dwelling units. A graduated number of BMR units and a mix of income categories are required according to the size of the project.

Maximum lot coverage: The maximum permitted lot coverage is 40 percent in the two highest density multifamily zones (i.e., the R3-1.8 District requires 24 dwelling units per acre. The R3-1 District requires 38 dwelling units per acre). Based on the development history, the permitted coverage is sufficient to achieve the maximum permitted dwelling unit densities, plus density bonuses, in consideration of the height limitation and parking requirements.

Residences in commercial zones: The City permits mixed residential-commercial developments in all commercial zones with a use permit. The CT District permits a density of 38 du/ac, there is no maximum dwelling unit density for mixed-use projects and residential projects in the other commercial zones.

Permit and Development Impact Fees

Los Altos charges a number of planning building and engineering fees to cover the cost of processing development requests, providing public facilities and services to new development, and mitigating the environmental impacts of new development. Although these fees are necessary to meet City service and environmental standards, they can have an impact on the cost of housing, particularly affordable housing. Appendix C summarizes the various Community Development Department, Building Department, and Engineering Department fees charged by the City.

Planning fees have a minimal impact on housing cost because most of the fees are flat rate charges, not per unit charges, and can be spread over the entire development. For a modest-sized development proposal, permit fees would typically amount to a few hundred dollars per dwelling unit.

Building and engineering fees have a much larger effect than planning fees on the final cost of a home. Such fees include water and sewer impact and hook-up costs, park fees (in lieu of land dedication), construction taxes, and similar charges. The City's development impact fees could be significant for an affordable multifamily housing project; however, these fees have not been a constraint to developers constructing market-rate housing that also includes some affordable units.

Two recent projects, 4400 El Camino Real (78 units) and 420-426 Tyndall Street (8 units) provide an example of the type and amount of impact fees that would be incurred by similar projects:

4388 El Camino Real (78 units)		420-426 Tyndall Street (8 units)	
Planning:	$15,000	Planning:	$10,500
Building:	$285,590	Building:	$28,586
Engineering:	$957,158	Engineering:	$88,237
TOTAL FEES	**$1,257,748**	**TOTAL FEES**	**$127,323**

In addition to planning, building, and engineering fees, developers must also pay school impact fees and transportation impact fees prior to construction.

School Fees

The Los Altos School District also charges impact fees on new residential construction as provided for under state law. The school impact fee is approximately $2.24 per square foot for residential development. An average 3,500-square-foot home would pay approximately $7,840 in school impact fees.

Transportation Impact Fees

The City established a comprehensive neighborhood traffic management program in November 1999 that specifies a process for implementing traffic calming measures designed to reduce or manage volumes and travel speeds on local streets, as well as a process for residents to petition the City for improvements. Traffic calming measures include changes in street alignment, street width reductions, installation of barriers or other physical devices, and enforcement to reduce traffic speeds and/or cut-through volumes, in the interest of street safety, livability, and other public purposes. As congestion increases, the potential for diversion of traffic to local streets increases.

The City applies a Traffic Impact Fee to all new and redeveloped sites as follows (Chapter 3.48, LAMC):

Traffic Impact Fee -	
Single Family Residential Unit	$5,142.00
Multiple Family Residential Unit	$3,156.00
Senior Residential Unit	$1,323.00
Commercial (Per 1,000 Sq. Ft.)	$9,418.00
Office (Per 1,000 Sq. Ft.)	$7,585.00

While the Traffic Impact Fee does create additional costs, it is not significant as a percentage of land and construction costs in Los Altos. The fees are also comparable to those in neighboring communities.

Park Land Dedication In-Lieu Fees

According to Section 13.24.010 of the Los Altos Municipal Code, as a condition of approval of a final subdivision or parcel map, the subdivider shall dedicate land, pay a fee in lieu thereof, or a combination of both at the option of the city, for park or recreational purposes. The planning commission shall, upon approving a tentative map, recommend the conditions necessary to comply with the requirements for park land dedication or fees in lieu thereof as set forth in this section, and such conditions shall be attached as conditions of approval of the map. **Table B-44** presents the current Park Land Dedication in-Lieu Fees.

Table B-44

Park Land Dedication In-Lieu Fees

Single Family Residential Unit	$56,500.00
Multiple Family Residential Unit	$35,500.00

Source: City of Los Altos 2014

How Fees Constrain Development

As a means of assessing the cost that fees contribute to development in Los Altos, the City has calculated the total fees associated with development of a single-family and multi-family development. As indicated in **Table B-45**, development fees for a 3,500-square-foot residential project run approximately $59,632 per unit, and development fees for a multi-family project are approximately $16,000 per unit. The fees for a single-family unit make up about 11 percent of the total construction costs, and for a multifamily unit fees constitute 21 percent of total construction costs. These fees are consistent with other cities in Santa Clara County and do not represent a significant financial constraint to new housing development.

Table B-45

Proportion of Fee in Overall Development Cost for a Typical Residential Development

Development Cost for a Typical Unit	Single-Family	Multi-Family
Total estimated fees per unit	$59,632	$16,000
Typical estimated cost of development per unit	$566,684[1]	$75,000[2]
Estimated proportion of fee cost to overall development cost per unit	11%	21%

Source: City of Los Altos 2014

Notes:

1 Cost is for a 3,500-square-foot house with a two-car garage

2 Cost is for a typical 1,000-square-foot multi-family unit at $175 per square-foot

Permit Processing Procedure

The City of Los Altos meets state-required timelines for the approval of development permits, as shown below (**Table B-46**). The time required for development approval is not generally a constraint or substantial cost to housing developers. An overly lengthy review process, however, could adversely affect an affordable housing project if the time required to obtain approval affects the proponent's ability to access funding for the project (particularly governmental grants).

Table B-46

Application Processing Times

Application	Time Frame
One-Story Single-Family Residential Design Review	2 Weeks
Two-Story Single-Family Residential Design Review	5-7 weeks – Design Review Commission
Variances	5-7 weeks – Design Review Commission
Use Permit and Tentative Maps	5-7 weeks – Planning and Transportation Commission 10-12 weeks – City Council
Commercial and Multifamily Design Review	5-7 weeks –Planning and Transportation Commission 10-12 weeks – City Council
Projects with Environmental Review	7-10 weeks – Planning and Transportation Commission 10-12 weeks – City Council
Typical Agenda Limits	
Design Review Commission	4 items
Planning and Transportation Commission	3 items
City Council	3 items
Factors Affecting Service Levels and Application Processing Time	
1. Volume of applications	
2. Number of general inquiries (phone, front counter, correspondence)	
3. Extent and detail of code requirements	
4. Minimum time lines for public notice (state law and zoning code)	
5. Additional time and extent of noticing desired by some members of the community	
6. Concurrent special projects	
7. Subjective review issues (building and site design)	
8. Generally high level of community involvement and interest	
9. Agenda item staff report and review chain	

Source: City of Los Altos Planning Division, 2014

For single-family development, the planning process is typically two to seven weeks. The building permit process for single-family development is three to seven weeks. The entire planning and permitting process for single-family developments could require five to 14 weeks in total

For multi-family development, the planning process is typically three to four months. The building permit process for multi-family development is three to seven weeks. The entire planning and permitting process could require six to 22 weeks to complete.

Because of the high value of developments, the carrying costs, even at the high end of the processing timeline, do not equal a significant portion of the overall development costs. The City has relatively fast permitting timelines compared to surrounding communities, such as San Jose. The design review does have a cost, but it provides for higher quality construction and higher and more sustainable property values.

Design Review Commission

The Los Altos Zoning Ordinance (Chapter 14.76) establishes a commission design review process for single-family residential development projects that contain two stories or have variances for conformance to the City's zoning standards.

The City provides objective written criteria in the *City of Los Altos Single Family Residential Design Guidelines for New & Remodeled Homes*. The Design Guidelines include detailed explanations of the City's design goals, the City's review process, an explanation of how the design guidelines were developed as well as architectural and site planning guidelines that include illustrations and examples of conforming designs. There are separate design review forms for one and two story homes. The filing fee for single-family development ranges from $825 for staff-level review to $1,650 for Design Review Commission review.

The Design Guidelines Goals are as follows:

- Improve and enhance the architectural quality and design integrity of single-family residential housing in Los Altos;
- Illustrate the goals of the General Plan, including those relating to privacy, bulk, neighborhood character, and landscaping; and
- Provide a vision of single-family residential housing and neighborhoods that reflects the community values of Los Altos.

In order to grant design approval, the zoning regulations require positive findings to the following criteria:

- The proposed structure or alteration follows all provisions of the Los Altos Municipal Code and Zoning Ordinance;
- The height, elevations and placement on the site of the proposed main or accessory structure or addition, when considered with reference to the nature and location of residential structures on adjacent lots, will avoid unreasonable interference with views and privacy, and will consider the topographic and geologic constraints imposed by particular building site conditions;

- The natural landscape will be preserved where practical by minimizing tree and soil removal, grade changes will be minimized and will be in keeping with the general appearance of neighboring developed areas;

- The orientation of the proposed main or accessory structure or addition in relation to the immediate neighborhood will minimize the perception of excessive bulk;

- General architectural considerations, including the character, size, scale and quality of the design, the architectural relationship with the site and other building materials, and similar elements have been incorporated in order to ensure the compatibility of the development with its design concept and the character of adjacent buildings; and

- The proposed structures have been designed to follow the natural contours of the site with minimal grading, minimum impervious cover, and maximum erosion protection. A stepped foundation shall generally be required where the average slope beneath the proposed structure is 10 percent or greater.

Planning and Transportation Commission

Among the Planning and Transportation Commission's responsibilities is review of all site plans and building designs for all multiple-family, mixed-use, and commercial development. The Commission can recommend modifications to a project's overall layout, landscaping, design, and use of materials, among other things. For multiple-family and mixed-use development the Commission review process typically takes five to seven weeks to review a proposed project and make a recommendation to the City Council, for a total process of three to four months including environmental review.

Commercial and multi-family review is $825 for administrative and $4,950 for Planning and Transportation Commission design review, which is a small percentage of the overall value of the development. The design review application instructions are available on the City's website and at the City's planning service counter.

Codes and Enforcement

The City has adopted the 2013 California Building Code (CBC). The building code is administered ministerially by City staff with an established process. There are no local amendments with regard to the cost of materials or methods in the CBC that pose a significant constraint to housing development or maintenance. The City's Municipal Code prohibits wood burning fireplaces in new construction, but this should have no impact on development or construction costs.

The City enjoys high property values and high incomes, thus building maintenance and code enforcement are much less of an issue for Los Altos than for other communities. Property owners are able to maintain their homes in good condition and market rents for the area are high enough to allow landlords to do the same. As described under the Rehabilitation section of this element, the number of structures in the City currently in need of rehabilitation is less than 1 percent. Because Los Altos is a very small community with a high median household income, the few problem areas in the City are well known and monitored regularly. City staff primarily responds to complaints regarding maintenance issues and can resolve any code violations quickly through communications with homeowners and landlords.

Health and Safety Code 17980(b)(2) requires local governments to give consideration to the needs for housing as expressed in the Housing Element when deciding whether to require vacation of a substandard building or to repair as necessary. The enforcement agency is required to give preference to the repair of the building whenever it is economically feasible to do so without having to repair more than 75 percent of the dwelling.

The prevailing market conditions in Los Altos mean that the provisions in Health and Safety Code 17980(b)(2) rarely need to be enforced. The City's high ownership rate and high median income yield few, if any, cases where rehabilitation becomes an issue. Home owners in Los Altos are voluntarily upgrading their homes to meet or exceed minimum housing and building standards. The desirability of the location means that some homes in good condition are even being demolished to make way for newer and sometimes larger dwellings. Should a case arise where the City would need to make a determination regarding vacation or rehabilitation, especially in regard to affordable units, the City will abide by the provisions of the Health and Safety Code with a preference for rehabilitation of the unit.

On-site Infrastructure

The City considers on a case by case basis what level of improvements are required for a project. Since Los Altos is a built-out community, on-site infrastructure requirements primarily consist of improvements, upgrades, and repairs that are performed in compliance with the site plan. Many neighborhoods, primarily single-family, do not have curbs, gutters, or sidewalks, and it is the City's practice to maintain that semi-rural appearance as a desired quality. Developments in commercial and multi-family districts are improved with curbs, gutters and sidewalks, as applicable. In these districts it is customary to have the project proponent repair the street adjacent to the project as determined necessary, and repair broken or missing curb, gutter or sidewalk elements. While on-site infrastructure requirements do add some additional costs to a project it is not in an amount that would affect affordability. As a built-out community, on-site infrastructure costs are comparatively lower in Los Altos than in other communities where there is no existing infrastructure, or where water, sewer and other utilities must be extended to greenfield developments.

Inclusionary Housing

The City of Los Altos implements an affordable housing ordinance that defines the required number of required below-market-rate (BMR) units by development size and type, and requires projects with more than 10 market rate units to include BMR units that generally mirror the size and number of bedrooms of the market-rate units. Projects of five to nine units may be required to provide BMR units as part of conditions placed on the project during the discretionary review process. In May 2009 the City amended the Multi-family Affordable Housing Ordinance (Chapter 14 Section 28) to include a series of unit thresholds at which affordable housing units will be required. This action is described in the updated version of **Program 4.3.2** - *Implement an affordable housing ordinance that defines the number of required below-market-rate (BMR) units by development size and type.*

The objective of this amendment was to simplify the requirements and to provide definite thresholds for the development community by condensing the City's affordable housing regulations and reducing subjectivity during the review process. There should be minimal to no net costs associated with the inclusion of affordable housing units because they are required in conjunction with the City granting development incentives and density bonuses that compensate developers for providing the affordable housing.

The amended ordinance establishes the following thresholds and requirements:

14.28.030 General requirements.

The following provisions shall apply to all multiple-family residential projects:

A. One to four units. Affordable housing units are not required.

B. Five to nine units. Affordable housing units are required. In the event that the developer can demonstrate to the satisfaction of the city council that providing affordable housing units in a project will be financially infeasible, the city council may waive the requirement to provide affordable housing units.

C. Ten units or more. Affordable housing units are required.

D. For multiple-family residential projects where affordable housing units are required, the following minimum percentage of units shall be provided.

1. Rental units. Fifteen (15) percent low income or ten (10) percent very-low income housing.

2. Owner units. Ten (10) percent moderate income housing.

E. Notwithstanding Section 14.28.030 (D) in projects containing more than 10 units and when more than one affordable unit is required at least one affordable unit must be provided at the low income level.

F. Unless otherwise approved by the city council, all affordable units in a project shall be constructed concurrently with market rate units, shall be dispersed throughout the project, and shall not be significantly distinguishable by design, construction or materials. The City has and will continue to work with developers to be creative and flexible with these requirements and has on a case-by-case basis approved off-site construction as an option to meet these requirements.

G. Any tentative map, use permit, PUD, design application or special development permit approved for multiple-family residential construction projects meeting the foregoing criteria shall contain sufficient conditions of approval to ensure compliance with the provisions of this chapter.

The City's affordable housing ordinance may reduce the percentage of profit attainable on some developments; however, these potential losses could be negligible or counteracted if density bonuses and incentives from the City can offset the net costs to developers for including BMRs. While additional costs borne by developers to subsidize the affordable units may be passed through to home-buyers of the market-rate units in multi-family developments; the City is committed to providing development incentives to minimize the additional costs to developers and reduce the increase in costs for home buyers.

Because of continuing strong market demand for housing in Los Altos it is unlikely that the City's affordable housing ordinance will diminish the supply of housing available. The basic ordinance has been in place since 1995 and the City has not seen a decrease in permits or experienced a softening of the real estate market, even during periods of economic decline.

According to the Los Altos Building Dept, the current construction cost is $200 per square foot. Moderate units are selling for $460K, so there appears to be ample room in the market to turn a profit even on some types of BMR development.

Other Incentives for Affordable Housing

The City grants the following types of incentives for affordable housing:

- Extra lot coverage;
- Setback reductions;
- Height and number of story increases;
- Reduced parking requirements; and
- Defer fees/waive fees (on a case-by-case basis).

The City also removed floor area limits in downtown zones (CRS, CD, CS) to encourage development, which has improved the financial feasibility of projects and has increased the potential number of housing units included in mixed-use developments and multiple-family projects (Ordinance: 08-320 of the City of Los Altos Zoning Code). Ordinance 08-321 also increased the height limit in the CD and CD/R3 zones from 30 feet to 45 feet. In addition, there are several policies in the Land Use Element to encourage housing downtown. For example, Policy 3.1 in the Land Use Element encourages residential development in commercial zones above the ground floor that includes affordable housing units.

Density Bonus Regulations

As stated in the Los Altos Zoning Ordinance Chapter 14.30, developer incentives specified in Government Code Section 65915 may be provided by the City Council on a case-by-case basis and provided the following findings are made:

- The granting of the incentive will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the area;
- The benefit to the City derived from granting the incentive is appropriate when considered against the cost to the developer to provide low- or very low-income housing units;
- The provision of low- or very low-income housing by the developer will assist the City in meeting its share of the regional housing needs.

Notwithstanding Government Code Section 65915(f), the City Council may apply the density bonus to any multiple-family residential project.

Second Living Units in R1 Districts

As stated in the Los Altos Zoning Ordinance Chapter 14.14, upon granting of a use permit, one second living unit may be permitted on a lot or parcel within a single-family residential zoning district. At a minimum the unit shall be the greater of (1) 150 percent of the lot area required in the residential zoning district in which the second living unit is proposed to be located; or (2) 15,000 square feet of lot area. A second living unit may be established through the following:

- The conversion of existing floor space in a single-family structure, in which case the figure of 150 percent or 15,000 square feet of lot area set forth above shall be reduced to 130 percent and 13,000 square feet respectively in the R1-10 zoning district, and reduced to 100 percent of the minimum required lot area in the R1-20, R1-H and R1-40 zoning districts;

- An integral addition to a single-family structure; in which case the figures of 150 percent and 15,000 square feet set forth above shall be reduced to 130 percent and 13,000 square feet respectively in the R1-10 zoning district, and reduced to 100 percent of the minimum required lot area in the R1-20, R1-H and R1-40 zoning district;

- The conversion of an existing accessory structure provided its location on the property is in conformance with present setback regulations; and

- The construction of a new accessory structure.

The following unit size and occupancy requirements are also stipulated.

- The maximum size of a second living unit, not including any covered parking, shall be 800 square feet. However, a second living unit of greater than the maximum size may be considered only within a residential or accessory structure which existed prior to March 1, 1995;

- No more than two persons shall reside in a second living unit;

- Either the principal living unit or the second living unit shall be the principal residence of at least 50 percent of record owners of the property;

- The affordability and occupant income limitations shall apply to either the principal living unit or the second living unit regardless of which unit is the principal residence of the property owner. If the property owner resides in the second living unit, then the primary residence can be rented at market rate, but shall have no effect on the affordability requirement for the second living unit for future occupancies;

- If rented or leased, second living units with a size of greater than 640 square feet shall be affordable to a person or persons of very low-income levels, and the income level of the person(s) renting the second living unit shall not be greater than the limits for a very low-income household as determined by the City based on state and federal guidelines;

- If rented or leased, second living units with a size of not more than 640 square feet shall be affordable to a person or persons of lower-income levels, and the income level of the resident(s) of the second living unit shall not be greater than the limits for a lower-income household as determined by the City based on state and federal guidelines; and

- The resident income limits in subsection E and F of this section shall not apply if the second living unit is rented or leased to an immediate family member. However, the affordability requirements of subsections E and F of this section shall remain applicable. *(Please refer to the Los Altos Zoning Ordinance for the income limits listed in subsections E and F).*

The City estimates that there are approximately 1,000 parcels between 13,000 and 15,000 square feet in area in the R1-10 zone. In addition, there are an estimated 1,280 parcels over 15,000 square feet in area in the R1-10 zone (**Table B-47**).

Table B-47

Estimated Parcel Sizes R1-10 Zoning Only City of Los Altos

Parcel Size	Estimated # of Parcels	Percentage of Total
R1-10 Parcels under 10,000 sq. ft.	1,483	16.44%
10,000–11,000 sq. ft.	3,238	35.91%
11,001–12,000 sq. ft.	1,224	13.57%
12,001–13,000 sq. ft.	797	8.84%
13,001–14,000 sq. ft.	642	7.12%
14,001–15,000 sq. ft.	354	3.93%
Subtotal: R1-10 Parcels 10,000 to 15,000 sq. ft.	6,247	69.27%
Estimated R1-10 Parcels over 15,001 sq. ft.	1,280	14.19%
Estimated Total of R1-10 Zoned Parcels	9,018	100%

Source: City of Los Altos, February 2009

Conversion to Community Housing

The purpose of these regulations (see Chapter 14.26) is to maintain an adequate supply of rental housing in the City and provide a variety of choices of tenure, type, price, and location of housing and to ensure that converted housing achieves high quality appearance and safety. The purpose is also to reduce and avoid the displacement of long-term residents, particularly senior citizens, who may be required to move from the community due to the lack of replacement rental housing.

The regulations declare that when the number of vacant apartment units being offered for rent or lease in the City is equal to or less than 5 percent of the total number of such dwelling units offered for and under rental or lease agreement in the City, a rental housing shortage exists which is inconsistent with the purpose of Chapter 14.26 and with the declared goals and objectives of the City relating to the Housing Element of its General Plan.

Under these conditions, the conversion or redevelopment of existing apartment buildings into community housing, such as condominiums, planned developments, community apartment projects, and stock cooperatives, diminishes the supply of rental housing, displaces residents, and tends to require them to move outside the City when a housing shortage exists.

Therefore, unless there is a vacancy surplus as of the most recent determination, no application for the approval of a tentative map for the conversion or redevelopment of an existing apartment building into a community housing project subject to the provisions of Chapter 14.26 shall be

filed. When there is a vacancy surplus as of the most recent determination, an application for the approval of a tentative map for the conversion or redevelopment of an existing apartment building into a community housing project may be filed with the Planning Department if the number of lots, parcels, units, or rights of exclusive occupancy proposed does not exceed the vacancy surplus by more than 40 percent.

Emergency Shelters

California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person."

In effect since January 1, 2008, Senate Bill (SB) 2 (Cedillo, 2007) requires Los Altos to allow emergency shelters without any discretionary action in at least one zone that is appropriate for permanent emergency shelters (i.e., with commercial uses compatible with residential or light industrial zones in transition), regardless of its demonstrated need. The goal of SB 2 is to ensure that local governments are sharing the responsibility of providing opportunities for the development of emergency shelters. To that end, the legislation also requires that the City demonstrate site capacity in the zone identified to be appropriate for the development of emergency shelters. Within the identified zone, only objective development and management standards may be applied, given they are designed to encourage and facilitate the development of or conversion to an emergency shelter. Those standards may include:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone;
- The size and location of exterior and interior on-site waiting and client intake areas;
- The provision of on-site management;
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 30 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

The City amended the zoning code concurrently with the adoption of this Housing Element to allow emergency shelters by right in the Commercial Thoroughfare (CT) district. The CT district has several advantages as a location for an emergency shelter: 1) higher density housing is allowed as a permitted land use; 2) it contains retail establishments to serve the needs of homeless families and individuals, including grocery, pharmacy and clothing stores; and 3) the district is also served by public transit with quick access to the regional Bus transfer station in Mountain View on Showers Drive. Other critical services such as mental health care facilities, job placement services, the local food bank and social services are located in nearby Mountain View.

The CT district is well suited for the development of emergency shelters with its full access to public transit and underdeveloped parcels that allow higher density housing opportunities. The CT District has almost 14 acres of underdeveloped parcels that will accommodate residential housing such as emergency shelters. Three key opportunity sites (from 2.58 acres to 3.8 aces) with existing structures that are well under the permitted building intensity make up the approximately 11 acres of development potential that could accommodate an emergency shelter.

Transitional and Supportive Housing

Transitional housing is defined by Government Code Section 65582(h) as buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. It may be designated for an individual or family transitioning to permanent housing. This housing can take many structural forms such as group housing and multifamily units and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is defined by Government Code Section 65582(f) as housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population is defined by Government Code Section 65582 (g) as persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. Services linked to supportive housing are usually focused on retaining housing, living and working in the community, and/or health improvement.

SB 2 requires that transitional and supportive housing types be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. Both transitional and supportive housing types must be explicitly permitted in the municipal code. Compliant with SB 2, residential care homes for six or fewer persons are allowed by right in all residential zones. In addition, to comply with SB 2, the City has developed a Housing Element program to recognize the statutory requirements for transitional and supportive housing and allow these uses in the same way other residential uses are allowed in all zones in the City that allow residential uses.

Housing for Persons with Disabilities

Compliance with provisions of the federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Official in Los Altos. ADA access is enforced through building permit entitlement and is required for all commercial development, new construction of multi-family apartments with three or more units in any one building, and new construction of congregate housing or shelters.

The Engineering Division monitors ADA compliance with all work within the public right-of-way. The Engineering Division routinely reviews sidewalks, curbs and all development improvement plans for ADA compliance on public property. The Building Division monitors the State Title-24 accessibility requirements with all plan checks and permits. Such reviews include but are not limited to parking spaces, walkways, building access and restrooms. The Building Division coordinates with the Planning Division to expedite the review for ministerial permits such as door widening, ramps, etc.

The City makes reasonable accommodations for persons with disabilities and once adopted this Housing Element will provide a formalized process for making these statutory accommodations. **Policy 5.2** outlines the reasonable accommodation procedures to provide relief to Code regulations and permitting procedures that have a discriminatory effect on housing for individuals with disabilities. The adopted policy includes procedures for requesting accommodation, timeline for processing and appeals, criteria for determining whether a requested accommodation is reasonable, and approval processes.

In the past, many jurisdictions in the state have attempted to define a family by blood or marriage. These limitations on the definition of a family are now illegal under the law. The City's ordinance does not define the term "family," and deliberately defaults to State and Federal laws regarding the legal and enforceable definition of family.

No Spacing or concentration requirements are present in the City's zoning code for any type of housing apart from day care facilities in homes, which meet State law. (Large family daycare is subject to a use permit and a separation requirement of 1,500 feet as measured along a street or 500 feet as measured from any property line.)

Extremely Low-Income Households

Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

Extremely low-income households typically comprise persons with special housing needs including but not limited to persons experiencing homelessness or near-homelessness, persons with substance abuse problems, and farmworkers. The Zoning Ordinance was amended concurrently with this Housing Element to allow SROs as a conditional use in the CT district.

Employee Housing

While there are no agricultural operations in Los Altos, the community relies on employees in the service and recreation industries to support the local economy. Agricultural and service industry workers face various housing issues due to their typically lower incomes and the sometimes seasonal nature of their work.

Program 2.1.3 is proposed to address compliance with the Employee Housing Act.

ENERGY CONSERVATION OPPORTUNITIES

Development of California's Energy Standards

The State of California pioneered the development of energy conservation legislation, mainly as a result of the 1973 energy crisis. In 1974, the legislature adopted the Warren-Alquist State Energy Resources and Development Act, which established the Energy Resources Conservation and Development Commission (California Energy Commission). The Energy Commission was delegated the authority to adopt standards and regulations encouraging energy conservation in new buildings and rehabilitation of existing buildings. The state building requirements that address energy conservation are included in Title 24 of the State Building Code. The State of California presently requires local governments to recognize and address energy conservation measures in the preparation of housing elements. Title 20 of the California Administrative Code, Section 1406 gives local governments the authority to adopt more stringent standards and provides for documentation on energy savings and cost effectiveness.

Energy Conservation Programs

Local utility companies, in conjunction with state and federally funded initiatives, offer a number of programs to promote energy-efficient homes. Listed below are some of the programs that are currently active.

1. **California Energy Star® New Homes Program** – This PG&E administered incentive program is available to builders of single-family homes that are at least 15 percent more efficient than required by Title 24. A second tier of participation is available to builders of single-family homes that exceed Title 24 by 35 percent, demonstrate a 40 percent reduction in cooling load, and include solar generation as an option for buyers. For homes built in Climate Zone 4, Los Alto's designated microclimate, the current incentive amount equals $400 per unit. Additionally, both tiers require that all appliances provided by the builder must be Energy Star qualified. PG&E will help prospective buyers locate homes that meet the Energy Star specifications.

2. **California Multi-Family New Homes (CMFNH) –** The CMFNH program sponsored by PG&E and administered by the Heschong Mahone Group, Inc. (HMG) facilitates and encourages energy-efficient design in multifamily housing through design assistance, cash incentives, and Energy Star marketing benefits.

3. **Energy Efficiency for Multi-Family Properties –** PG&E offers rebates to multifamily property owners and managers of existing residential dwellings that contain two or more units when they implement specified measures to increase energy efficiency. The program encourages the installation of qualifying energy-efficient products in individual tenant units and in the common areas of residential apartment buildings, mobile home parks, and condominium complexes.

4. **New Solar Homes Partnership** – The New Solar Homes Partnership (NSHP) provides financial incentives and other support for installing eligible solar photovoltaic (PV) systems on new residential buildings that receive electricity from qualifying utility companies. The California Energy Commission implements the New Solar Homes Partnership in coordination with the California Public Utilities Commission (CPUC) as part of the overall California Solar Initiative.

Residential Energy Efficiency and Green Building Standards

Title 24 of the California Code of Regulations is a statewide standard applied by local agencies through building permits. It includes requirements for the structural, plumbing, electrical, and mechanical systems of buildings and for fire and life safety, energy conservation, green design, and accessibility in and around buildings. Part 6 (the California Energy Code) and Part 11 (the California Green Building Standards Code) include prescriptive and performance-based standards to reduce electricity and natural gas use in every new building constructed in California. The standards for residential buildings incorporate different requirements for low-rise buildings (three or fewer stories) and high-rise buildings (four or more stories). Any building, building addition, or alteration that increases the heated or cooled floor area of a building must comply with the State Energy Conservation Standards Because energy use depends partly upon weather conditions, which vary considerably throughout the state, the Energy Commission has created 16 different "climate zones." Each climate zone represents a distinct microclimate in the state. The energy conservation requirements are tailored for each climate zone. The City of Los Altos is located in Climate Zone 4.

Compliance Methods

There are two compliance methods available to builders and designers of residential structures. The prescriptive method involves selection of prescribed compliance features from a list of alternative component packages. Each climate zone has four packages to choose from and each offers a different combination of energy conservation requirements. Parameters of the building, such as the insulation R-values of the walls and ceilings, percentage of glazing, the solar heat gain coefficient of the glazing, thermal mass area, and heating and cooling equipment efficiencies, are required to meet specific minimums for each package. The computer performance method requires the use of an Energy Commission-approved computer program. The computer program actually models the energy performance of the structure two ways.

The energy budget is calculated for the structure through the use of a selected set of standard parameters set forth by the Energy Commission. The structure is then modeled with the parameters proposed by the designer. The predicted energy budget of the proposed design may not exceed the calculated energy budget of the structure modeled with the standard parameters of the Energy Commission. This method involves the most effort to demonstrate compliance; however, it does offer the greatest flexibility for design. When using the computer performance method, additional compliance credit can be obtained for improvements in the quality of design, installation of heating and cooling ducts, and construction of less-leaky building envelopes. The compliance credit options require installer diagnostic testing and certification, as well as independent diagnostic testing and field verification by a certified Home Energy Rater.

Mandatory Energy Conservation Requirements

There are also mandatory energy conservation requirements that must be met by all new residential structures and by additions and alterations to existing structures. A condensed summary of these is listed on the mandatory measures checklist, or MF-1 form, submitted at the time of plan review.

State Building Code Standards

The California Energy Commission (CEC) was created in 1974 by the Warren-Alquist State Energy Resources Conservation and Development Act (Public Resources Code 25000 et seq.). Among the requirements of the new law was a directive for the CEC to adopt energy conservation standards for new construction. The first residential energy conservation standards were developed in the late 1970s (Title 24, Part 6 of the California Code of Regulations) and have been periodically revised and refined since that time.

The City's Municipal Code prohibits wood burning fireplaces in new construction.

Land Use Planning for Energy Conservation and Climate Change

With the passage of legislation such as the California Global Warming Solutions Act of 2006 (AB32) and the Sustainable Communities Act of 2008 (SB 375) it has become standard industry practice for local governments to address climate change, resource conservation, and reduction in greenhouse gas emissions through stand-alone documents or as integral parts of long range planning documents.

In 2013, the City prepared and adopted the Los Altos Climate Action Plan (CAP) to comprehensively reduce local sources of greenhouse gas emissions. Many of the CAP measures and actions have the added benefit of reducing household transportation and utility costs, thus increasing housing affordability, by promoting programs and incentives to improve energy efficiency or promote alternative modes of travel. For example, the City's zoning code currently promotes high density housing near downtown and along our Commercial Thoroughfare District. The CT District runs along a transit corridor and is within one mile of the local CalTrain station. This type of land use planning helps to reduce vehicle trips and decrease the carbon footprint of a community.

CalFIRST Grant Program

Los Altos has adopted resolutions supporting the CalFIRST Grant Program. By doing this, Los Altos residents will be eligible for the program. Santa Clara County is one of only 14 counties in the state qualified for this program so it is a unique opportunity. The program allows residents to finance any energy improvements to their homes—e.g., solar panels, water efficient landscapes—on their property tax assessment. This allows the financing to be extended over 20 years and also allows a home to be sold with that assessment assigned to the new owner

Although the CalFIRST program experienced legal challenges and has been suspended, other similar financing structures are available to the City. Program 7.1.2 directs the City to consider enrolling in one of these programs.

APPENDIX C: 2013–2014 CITY DEPARTMENTS' FEE SCHEDULES

Table C-1

Community Development Department Fee Schedule 2014–2015

Account	Description	Fees
4378	Preliminary DRC Project Review	$275.00
4377	Design Review – Second Living Unit	$550.00
4375	Design Review – Single Family Administrative (<500 s.f.)	$825.00
4376	Design Review – Single Family Architecture and Site Review Committee	$1,650.00
4383	Design Review - Commercial/Multiple Family Administrative (≤500 s.f.)	$825.00
4383	Design Review – Commercial/Multiple Family Planning Commission/City Council (<500 s.f.)	$4,950.00
4388	General Plan/Map Amendment	$4,950.00
4388	Zoning Ordinance/Map Amendment	$4,950.00
4384	Planned Unit Development	$4,950.00
4385	Zoning Use Compliance	$1000.00
4386	Variance Review – Accessory Structure	$550.00
4386	Variance Review – Single Family Main Structure	$1,650.00
4386	Variance Review – Commercial/Multiple Family Main Structure	$4,950.00
4380	Application Extension – Single-Family	$275.00
4380	Application Extension – Commercial/Multiple Family	$550.00
4380	Application Modification – Single Family	$550.00

Account	Description	Fees
4380	Application Modification – Commercial/Multiple Family	$1,650.00
4388	Single Story Overlay Rezoning	$4,500.00
4389	Sign Design Review – Modification of Existing Sign or New Sign Per a Sign Program	$140.00
4389	Sign Design Review – New Sign Not Per a Sign Program	$275.00
4392	Appeal – Within Notification Boundary	$550.00
4392	Appeal – Outside Notification Boundary	$1,650.00
4393	Environmental Initial Study	$1,650.00 + Time/Material
4393	Environmental Impact Report	$4,950.00 + Time/Material
4395	Certificate of Compliance	$550.00 + Time/Material
4397	Reversion to Acreage	$1,650.00 + Time/Material
4397	Lot Line Adjustment	$1,650.00 + Time/Material
4398	Tentative Subdivision Map Review	$4,950.00
4398	Tentative Subdivision Map Extension	$1,650.00
4400	Conditional Use Permit – Business Use Only Planning/Transportation Commission	$1,650.00
4400	Conditional Use Permit – Business Use Only Planning/Transportation Commission/City Council	$2,750.00
4400	Conditional Use Permit – New Construction (<500 s.f.) Planning/Transportation Commission/City Council	$4,950.00
4404	Public Sidewalk Display Permit	$50.00
4408	Annexation	$200.00 Deposit per parcel with a $1,000.00 minimum and fully allocated staff rates
4403	Tree Removal	$50.00
4715	Document Reproduction	$0.25 Per Page
4715	Reproduction Services	$2 for DVD $10 for Audiotape

Account	Description	Fees
4715	Maps and Documents – Zoning Map Zoning Ordinance General Plan Specific Plans	 $5 $15 $15 $5
4338	Research Fees	Time/Material

Source: City of Los Altos, 2014

Table C-2

Building Department Fee Schedule 2014–15

Total Valuation	Fee
$1.00 – $3,000.00	$75.00
$3,001.00 – $25,000.00	$75.00 for the first $3,000.00 plus $15.45 for each additional $1,000.00 or fraction thereof, to and including $25,000.00
$25,001 – $50,000.00	$414.90 for the $25,000.00 plus $11.15 for each additional $1,000.00 or fraction thereof, to and including $50,000.00
$50,001.00 – $100,000.00	$693.50 for the first $50,000.00 plus $7.75for each additional $1,000.00 or fraction thereof, to and including $100,000.00
$100,001.00 – $500,000.00	$1,081.15for the first $50,000.00 plus $6.20 for each additional $1,000.00 or fraction thereof, to and including $500,000.00
$500,001.00 – $1,000,000.00	$3,561.15 for the first $500,000.00 plus $5.25 for each additional $1,000.00 or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$6,186.15 for the first $1,000,000.00 plus $3.50 for each additional $1,000.00 or fraction thereof
Electrical, Fire, Mechanical, & Plumbing Permits	
Valuation of Electrical Work	**Fee**
$1.00 – $3,000.00	$75.00
$3,001.00 – $25,000.00	$75.00 for the first $3,000.00 plus $21.00 for each additional $1,000.00 or fraction thereof, to and including $25,000.00
$25,001.00 – $50,000.00	$537.00 for the first $25,000.00 plus $15.25 for each additional $1,000.00 or fraction thereof, to and including $50,000.00
$50,001.00 – $100,000.00	$918.25 got the first $50,000.00 plus $10.00 for each additional $1,000.00 or fraction thereof, to and including $50,000.00
$100,001.00 and up	1.5% of the valuation

Plan Check Fees	
Type of Plan Check	**Fee**
S-1 Building Plan Check	65% of Total Building Permit Fee
S-11 Fire Marshall Plan Check	20% of Total Building Permit Fee (if applicable)
S-1J Energy Plan Check (Title 24)	25% of Total Building Permit Fee
Additional Fees	
Solar/Photovoltaic Permit	$500.00
Demolition Permit – Residential	$275.00
Demolition Permit – Commercial	$550.00
S-261 Street Address Change	$550.00
S-104 Blueprint for a Clean Bay	$10.00
S-106 Property Research – Residential	$25.00 per Property
S-106 Property Research – Commercial	$50.00 (minimum) per Property
Construction Tax – Residential	$0.41 per Square Foot
Construction Tax – Commercial	$0.68 per Square Foot
Strong Motion Instrumentation & Seismic Hazard Mapping Fees – SMIP	Residential – Minimum Fee is $0.50 for Any Valuation up to $5,000.000 Valuation Amount x 0.0001 = Fee Amount
Strong Motion Instrumentation & Seismic Hazard Mapping Fees – SMIP	Commercial – Minimum Fee is $0.50 for Any Valuation up to $2,381.00 Valuation Amount x 0.0001 = Fee Amount
Re-inspection Fee	$75.00
Duplicate Permit Fee	$50
California Green Building Fund	Assessed at the rate of $4 per #100, in valuation, with appropriate fractions thereof, but not less than $1 per every $25,000 in valuation.
School Impact Fees	Residential – $2.24 per square foot Commercial – $.36 per square foot

Source: City of Los Altos, 2014

Table C-3

Engineering Fee Schedule 2013-14

Description	Fee
Subdivision Map Check	$1,120.00 Per Map Plus Actual Outside Costs
Street Trees	$304
Subdivision Improvement Inspection	$300 (+ Time & Materials)
Sanitary Sewer Connection Fee – Connection Charges	$95 each
Storm Drainage Fee	In accordance with Chapter 13.28
Deposit for improvements not to be constructed at this time	For developments when improvements are being constructed in the right-of-way, fees are based upon the development requirements at the Council level.
Park In-Lieu Fee	Single Family Residential Unit – $56,500 Multiple Family Residential Unit – $35,500
Traffic Impact Fee	Refer to Chapter 3.48
Deposit for time/material fees	$2,000 deposit (reimbursable) may ask for more depending on the number of submittals and the change by the surveyor.

Source: City of Los Altos, 2014

APPENDIX D: PROGRAM MATRIX

REVIEW OF PREVIOUS HOUSING ELEMENT

Program		Accomplishment	Continue/Modify/Delete
PRESERVATION – CONSERVATION - REHABILITATION			
Program 1.1.1 – Implement Voluntary Code Inspection Program. Continue the voluntary code inspection program encompassing code compliance, rehabilitation, energy conservation, and minimum fire safety standards.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** On-going	The City has conducted numerous voluntary inspections resulting in additional housing stock being brought up to code, including the compliance of several illegal garage conversions.	Continue
Program 1.1.2 – Help Secure Funding for Housing Assistance Programs. The City will continue to assist in the provision of housing assistance in Los Altos for low-income households with other public agencies and private non-profit organizations that offer rental assistance, home repairs, and first-time homebuyer assistance. To minimize overlap or duplication of services, Los Altos will undertake the following actions: The City will support County and non-profit housing rehabilitation programs by providing program information to interested individuals through handouts available at City Hall, the Los Altos Senior Center, and the Los Altos Library, and the Woodland Branch Library; The City will contact previous rehabilitation applicants when new funding becomes available	**Responsible Body:** Community Development Department, City Council **Funding Source:** CDBG Funds; other funds, as identified and secured **Timeframe:** Ongoing	Due to funding and staffing constraints, the City has not implemented a housing rehabilitation or first-time homebuyer program. CDBG funding received from Santa Clara County has been used previously for improving ADA accessibility in residential neighborhoods.	Continue

Program		Accomplishment	Continue/Modify/Delete
and post a legal notice in the newspaper when housing rehabilitation funds become available. The City Council will continue to contribute CDBG funds to housing programs each year as it sets budget priorities and receives requests from non-profit and other service organizations.			
Program 1.2.1 – Support Rezoning from Office to Medium-Density Multifamily The City shall support case-by-case review of property owner initiated rezoning from Office to Medium-Density Multifamily in the Fremont-Giffin Office District.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	During the 2009-14 housing element cycle, the City was not approached by any property owners in this district requesting rezones.	Continue
Program 1.3.1 – Enforce Neighborhood Residential Buffering. Minimum standards will be enforced for buffers between commercial uses and public/quasi-public uses, and residential properties. Enforcement will occur through the development permit review process as provided in the Zoning Ordinance. Buffering will include a combination of landscaping, minimum setback, or yard requirements, and stepped-back building heights.	**Responsible Body:** Community Development Department, Planning Commission **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The minimum standards have been applied and enforced on all residential projects in residential border areas.	Continue
Program 1.3.2 – Restrict Commercial Uses in Residential Neighborhoods The City will continue to restrict commercial uses in residential neighborhoods.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	Non-conforming commercial uses continue to be monitored. A use permit was granted to an existing non-conforming use to convert from a liquor store to a candy store.	Continue

Program		Accomplishment	Continue/Modify/Delete
Program 1.4.1 – Implement Zoning and Design Standards. Continue to implement residential zoning, development standards and design review to ensure compatibility of housing with neighborhood character, minimum open yard space, and streets that are safe.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City has applied all residential zoning, development and design review standards through the planning and permitting process.	Continue
Program 1.4.2 - Evaluate Design Review Process. Regularly review and adjust, if appropriate, criteria, objectives, and procedures for design review of residential construction to be compatible in terms of bulk and mass, lot coverage, and proportion with houses in the immediate vicinity. This program will set criteria under which development must be reviewed by the City staff, Architectural and Site Control Committee, or the Planning Commission.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	In 2012, the City created a Design Review Commission for two-story residential design and single-family variance applications and created a Planning and Transportation Commission without a design subcommittee to strengthen and streamline the multiple-family and commercial design review process.	Modify The program will be updated to reflect changes in City Commissions: Architectural and Site Control Committee to Design Review Commission and Planning Commission to Planning and Transportation Commission
Program 1.4.3 – Facilitate Alternate Modes of Transportation in Residential Neighborhoods Continue to implement zoning and development standards to facilitate walk-able neighborhoods and the safe use of alternate modes of transportation such as bicycles.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	Los Altos initiated the development of a pedestrian master plan to identify and implement the necessary zoning and development standards necessary to facilitate walkable neighborhoods. Los Altos adopted an update to the Bicycle Transportation Master Plan to support the safe use of alternative modes of transportation. The City is also considering adopting bicycle parking standards.	Continue
Program 1.4.4 - Accommodate the needs of	**Responsible Body:**	The City continues to implement this	Continue

Program		Accomplishment	Continue/Modify/Delete
children through design review and land use regulations, including open space, parks and recreation facilities, pathways, play yards, etc.	Community Development Department **Funding Source:** Park Land Dedication Fees **Timeframe:** Ongoing **Status:** Continue	program through the planning and permitting process.	
Program 1.5.1 - Review compatibility of land divisions as part of the permit review and approval process.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City continues to implement this program through the planning and permitting process.	Continue
NEW CONSTRUCTION			
Program 2.1.1 - Encourage diversity of housing. Require diversity in the size of units for projects in mixed-use or multifamily zones to accommodate the varied housing needs of families, couples and individuals.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The City continues to implement this program through the planning and permitting process.	Modify This program will be modified to include a requirement that affordable housing units proposed within projects reflect the mix of community housing needs.
Program 2.1.2 – Implement multifamily district development standards. Continue to implement the multifamily district	**Responsible Body:** Community Development	The City continues to implement this program through the project review process.	Continue

Program		Accomplishment	Continue/Modify/Delete
development standards to ensure that the maximum densities established can be achieved and that the maximum number of units is required to be built. (See Table 38 in Appendix B for a Summary of Multifamily Zoning Requirements)	Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The 4750 El Camino Real project is a recent example of meeting or exceeding maximum density standards. In the 2009 Housing Element projected 146 units could be built, while 205 units were actually accommodated within the site.	
Program 2.2.1 - Provide Development Incentives for Mixed-Use Projects in Commercial Districts Continue to implement the affordable housing mixed-use policies developed for El Camino Real, and expand the application of these policies to other commercial districts in the City, including CN (Commercial Neighborhood), CS (Commercial Service), CD (Commercial Downtown), and CRS (Commercial Retail Service). Development incentives will be included for these districts that will encourage the development of affordable housing in these identified commercial areas.	**Responsible Body:** Community Development Department, Planning Commission, City Council **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City created a new zoning district CD/R-3 to provide more flexibility in providing residential housing in the downtown core. In the planning period, 3 projects have been implemented with development incentives: Projects provided 10% of the housing units to affordable incomes and received height, setback or parking incentives. 100 First Street (height and set back incentives 397 First Street project (set back) 86 Third Street (parking)	Modify This program will be modified to add the CD/R-3 zones.
Program 2.3.1 - Implement Density Bonuses Continue to implement density bonuses and other incentives as provided by State law and City zoning ordinance.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The 4750 El Camino Project received a density bonus of 28% resulting in 205 units (density of 43 du/ac) in exchange for providing 21 affordable units.	Continue

Program		Accomplishment	Continue/Modify/Delete
SPECIAL NEEDS HOUSING			
Program 3.1.1 - Support efforts to fund homeless services. The City will consider pursuing funding from available sources for homeless services. The City will also assist community groups that provide homeless services and assist such groups in applying for funding from other agencies. The City will consider applying for grants where appropriate or will encourage/partner with local and regional nonprofit organizations that wish to apply for such grants.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Time Frame:** Ongoing **Status:** New	No groups have contacted the City for resource assistance and the City has not pursued additional funding from other agencies	Continue
Program 3.1.2 - Continue to participate in local and regional forums for homelessness, supportive and transitional housing. Continue to participate in regional efforts as coordinated with other adjacent cities to address homeless and emergency and transitional housing issues and potential solutions.	**Responsible Body:** Community Development Department, City Council, Community Services Agency **Funding Source:** General Fund, CDBG funds **Timeframe:** Ongoing **Status:** Continue	The City has participated in biannual homeless counts through Santa Clara County.	Continue

Program		Accomplishment	Continue/Modify/Delete
Program 3.2.1 - Amend the City's zoning ordinance to accommodate emergency shelters. The City will amend the City's Zoning Ordinance to allow emergency shelters as a permitted use by right in the Commercial Thoroughfare (CT) district without a conditional use permit or other discretionary review and only subject to the development requirements in this zone. This district is well suited for the development of emergency shelters with its full access to public transit and underdeveloped parcels that allow higher density housing opportunities. The public transit opportunities include the CalTrain, the VTA Bus, and the VTA transit hub on Showers Drive in Mountain View. The CT District has almost 11 acres of underdeveloped parcels that will accommodate residential housing such as emergency shelters. Four key opportunity sites make up the approximately 11 acres of development potential that could generate as much as 378 housing units not including density bonuses for affordable housing. The City will also evaluate adopting standards consistent with Government Code Section 65583(a) (4) that addresses operational and design criteria that may include: • Lighting • On-site management • Maximum number of beds or persons to be served nightly by the facility • Off-street parking based on demonstrated need • Professional security during hours that the emergency shelter is in operation Supportive services provided on-site a level commensurate with the number of beds.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Time Frame:** May 2011 **Status:** New	The City's Zoning Ordinance will be updated concurrently with the adoption of the 2015 Housing Element to accommodate emergency shelters.	Delete

Program		Accomplishment	Continue/Modify/Delete
Program 3.2.2 - Amend the City's zoning ordinance to comply with statutory requirements for transitional and supportive housing. The City will amend the Zoning Ordinance to explicitly allow both supportive and transitional housing types in all residential zones. The Zoning Ordinance update will also include specific definitions of transitional and supportive housing as defined in Section 50675.2 in the Health and Safety Code sections 50675.2 and 50675.14. Transitional and supportive housing will be allowed as a permitted use, subject only to the same restrictions on residential uses contained in the same types of structure.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Time Frame:** May 2011 **Status:** New	The City created a program to recognize the state requirement to allow supportive and transitional housing as permitted uses in all residential districts.	Delete
Program 3.2.3 - Amend the City's zoning ordinance to comply with statutory requirements for single-room occupancy (SRO) residences. AB 2634 requires Cities to identify zoning to encourage and facilitate supportive housing single-room occupancy units. The City will amend the Zoning Ordinance to define single-room occupancy units (SROs) and will be allowed with a conditional use permit in appropriately defined districts in the City.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Time Frame:** Before May 2011 **Status:** New	The City's Zoning Ordinance will be updated concurrently with the adoption of the 2015 Housing Element to comply with statutory requirements for single-room occupancy residences.	Modify The City will amend this program to continue encourage and allow SROs within appropriately defined districts.
AFFORDABILITY			
Program 4.1.1 – Monitor condominium conversion. The City will continue to implement the Condominium Conversion Ordinance to protect against the conversion or demolition of rental units. It shall require buildings in multifamily	**Responsible Body:** Community Development Department **Funding Source:** Permit	The City conducts vacancy rate surveys when Census figures are published, and as needed, when condominium conversion applications are submitted.	Continue

Program		Accomplishment	Continue/Modify/Delete
zoning districts initially built as rental units which have not been converted to condominiums to be reconstructed as rental units unless there is greater than a 5 percent vacancy rate.	fees **Timeframe:** Ongoing **Status:** Continue		
Program 4.1.2: Conserve small houses in areas of small lot sizes. The City will continue to conserve the stock of small houses in areas of small lot sizes.	**Responsible Body:** Community Development Department **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City continues to implement this program through the planning and permitting process.	Continue
Program 4.2.1 - Facilitate new construction of second dwelling units. The Zoning Ordinance allows for a detached second dwelling unit to be permitted on a lot or parcel within a single-family residential district that has a minimum of the greater of 150 percent of the lot area required in the residential zoning district in which the second living unit is propose to be located, or 15,000 square feet of lot area. A lesser lot size is required if a second unit is attached to the main residence. Findings for approval include that a public benefit will result because the proposed second living unit will be maintained as affordable for very-low and low-income households. The City will continue to implement the following actions annually: • Continue to implement second dwelling unit regulations to provide increased opportunities for the development of affordable second units.	**Responsible Body:** Community Development Department **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City continues to implement this program through the planning and permitting process. The City also encourages project applicants on large lots proposing accessory structures to comply with second dwelling unit standards. From 2009-14, 11 second dwelling units have been built during the planning period.	Modify This program will be modified to incorporate specific design standards for second dwelling units.

Program		Accomplishment	Continue/Modify/Delete
• Promote awareness of regulations which allow the construction of new second units consistent with City regulations through public information at the Community Development Department public counter, inclusion in the City's newsletter, Communiqué, press releases, City cable television channel, and utility bill inserts. • Continue to require a verification and quantification procedure regarding rent and occupancy as a condition of the permit.			
Program 4.3.1 - Assist in the development of affordable housing. If necessary for the development of affordable housing projects, and when requested by the project sponsor, the City of Los Altos will consider assisting in securing funding for low- and moderate-income housing developments through one or more of the following actions: • Appropriating a portion of the City's annual CDBG allocation for projects that serve the Los Altos community. • Provide funding to participate in a multi-jurisdictional housing finance program (such as a Mortgage Revenue Bond or Mortgage Credit Certification Program). • Applying for state and federal funding on behalf of a non-profit, under a specific program to construct affordable housing.	**Responsible Body:** Community Development Department, City Council **Funding Source:** CDBG funds, State or Federal grant funds **Timeframe:** Ongoing **Status:** Continue	No CDBG funds have been utilized on projects with affordable units during the planning period. Affordable housing units continue to be developed without this assistance through the City's inclusionary housing ordinance, where all projects over 10 units are required, and projects between 5 and 9 units may be required to provide 10% of total units at affordable levels.	Continue
Program 4.3.2 - Implement an affordable housing ordinance that defines the number of required below-market-rate (BMR) units by development size and type, and require on	**Responsible Body:** Community Development Department	The City amended the Multi-family Affordable Housing Ordinance to include a direct requirement for projects of 10 or more units, and discretionary for 5-9 units.	Modify This program will be modified to reflect the City's current

Program		Accomplishment	Continue/Modify/Delete
larger projects (greater than 10 market rate units) that the BMR units generally reflect the size and number of bedrooms of the market-rate units. The City will amend the Multi-family Affordable Housing Ordinance (Chapter 14 Section 28) to include a series of unit thresholds at which affordable housing units will be required. The ordinance will establish the following thresholds and requirements: • 1-4 units may all be at market rate • 5-9 units must demonstrate that affordable housing will create an undue financial burden for the project; otherwise affordable units must be accommodated at the same percentages as 10 or more units. • 10 or more units must provide affordable units as follows: – For rental units – 15% low; 10% very low – For owner units – 10% moderate	**Funding Source:** Permit Fees **Timeframe:** Implemented April 2010 **Status:** Modify	Recent projects include: - 100 First Street - 4750 El Camino Real 397 First Street 86 Third Street	ordinance language.
Program 4.3.3 - Identify incentives to encourage production of housing for residents with extremely low incomes. The City will review its affordable housing ordinance and other available development incentives to determine what measures can be taken to encourage the development of housing for people with extremely low- incomes. The City will consider additional incentives and incorporate these incentives into the ordinance to encourage additional opportunities for the development of housing for extremely low-	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** The City will consider additional incentives and incorporate these incentives into the	Due to staffing and funding resources, the City has not provided incentives during the planning period.	Modify This program will be modified and combined with program 3.2.3 to address the needs of extremely low income households.

Program		Accomplishment	Continue/Modify/Delete
income households.	ordinance by May 2011. **Status:** New		
Program 4.3.4 – Amend the zoning code to reduce parking requirements for certain housing types and affordable housing units. For affordable housing units and small housing units including senior housing, studios and SROs, the City will amend its zoning code to require just one parking space per unit. In addition, the program will comply with Section 65915 P.1 of the California State Government Code. The City will monitor the underground parking requirement to ensure this requirement is not a constraint to the production of housing or a constraint to meeting maximum densities.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** May 2011 **Status:** New	Reduced parking has been offered as an incentive to affordable housing projects and encourages projects to provide appropriate parking levels based on the unit type and size. Recent projects include: - 100 First Street - 4750 El Camino Real 397 First Street 86 Third Street	Modify This program will be modified to amend the zoning ordinance in compliance with Section 65915 P.1 of the California State Government Code.
Program 4.3.5 – The City will continue to encourage maximum densities. To will continue to ensure that the City is meeting maximum densities in the zones that allow for multi-family housing. The City will monitor the lot coverage requirement and the height requirements. Most recently the City removed the "stories requirement" from the commercial and multiple-family districts to allow more flexibility in development and facilitate greater potential densities. The City will also monitor the underground parking requirements as stated in Program 4.3.4 to ensure that they do not cause a significant constraint to meeting the maximum densities required by all the City's multiple-family zoning districts.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Annually **Status:** New	The City has removed the maximum number of stories requirements to provide more flexibility and facilitate greater development densities that are appropriately scaled. With recent changes in height and density requirements, the City has processed and permitted 2 projects within the CD/R3 zone at or above maximum densities (up to 50 du/ac).	Modify This program will be modified to reflect recent changes in the City's zoning ordinance to encourage maximum densities.

Program		Accomplishment	Continue/Modify/Delete
HOUSING NON-DISCRIMINATION			
Program 5.1.1 - Assist residents with housing discrimination and landlord-tenant complaints. Continue to provide a service to refer individuals to organizations or agencies who handle complaints about discrimination, landlord-tenant relations, etc. Complaints regarding discrimination will be referred to the Mid-Peninsula Citizens for Fair Housing, Santa Clara County, and other appropriate fair housing agencies. Complaints regarding landlord-tenant problems will be referred to the Los Altos Mediation Program, the County of Santa Clara Office of Consumer Affairs or other appropriate local agencies.	**Responsible Body:** Community Development Department **Funding Source:** General Fund, CDBG funds **Timeframe:** Ongoing **Status:** Continue	The City continues to refer complaints to the Mid-Peninsula Citizens for Fair Housing, Santa Clara County, and others as received and appropriate.	Continue
Program 5.1.2 – Implement a Reasonable Accommodation process for people with disabilities To comply with fair housing laws, the City will analyze existing land use controls, building codes, and permit and processing procedures to determine constraints they impose on the development, maintenance, and improvement of housing for persons with disabilities. Based on these findings, the City will adopt reasonable accommodation procedures to provide relief to Code regulations and permitting procedures that have a discriminatory effect on housing for individuals with disabilities. The adopted policy shall include procedures for requesting accommodation, timeline for processing and appeals, criteria for determining whether a	**Responsible Agency:** Community Development Department **Financing Source:** General Fund **Time Frame:** December 2009. **Status:** New	The 2015-2023 Housing Element provide a policy for reasonable accommodation requests in compliance with State Housing Law.	Delete

Program		Accomplishment	Continue/Modify/Delete
requested accommodation is reasonable, and approval processes.			
SENIOR HOUSING			
Program 6.1.1 - Discourage senior-only housing from converting to other uses. The City shall discourage projects developed as senior-only projects from converting to other uses.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The City did not receive any requests to convert senior-only projects to other uses.	Continue
Program 6.1.2 - Assist seniors to maintain and rehabilitate their homes. The City shall seek, maintain, and publicize a list of resources or service providers to help seniors maintain and/or rehabilitate their homes.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The City and the Senior Commission have developed and published a list of resources to support seniors in maintaining their home.	Continue
Program 6.1.3 - Encourage conforming and contextual senior housing near transportation and services. The City shall assure that senior housing conforms and harmonizes with surrounding neighborhoods and shall encourage that it be located near transportation and services.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The Terraces at Los Altos project is the only senior housing project application submitted during the planning period and is within ½ mile of El Camino Real to support senior transportation services.	Continue
Program 6.2.1 - Provide Senior Housing Density Bonuses and Development Incentives Provide density bonus increases in the Cuesta-Lassen multifamily district of up to 38 dwelling units per acre for projects which are senior-only. Provide expanded development incentives for senior-only projects in this district. Consider	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees	The Terraces at Los Altos received height incentives as a senior only project.	Modify

Program		Accomplishment	Continue/Modify/Delete
increased densities and development incentives for senior and affordable housing projects in all multifamily districts.	**Timeframe:** Ongoing **Status:** Continue		
Program 6.2.2 - Designate and encourage senior housing on specific well-suited sites. The City shall allow senior housing on designated sites according to the provisions of the City's PUD/SC ordinance and the underlying regulations.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	All SC sites were developed during the planning period. The City will identify and consider additional parcels well-suited for senior housing.	Modify This program will be modified to remove the SC zone from the language.
Program 6.2.3 - Mixed-use development, including developments that contain senior and institutional housing, will be encouraged in public and quasi-public land use areas that are zoned PCF.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	950 San Antonio was developed in the prior planning period, including 6 affordable rental units in the PCF zone.	Continue
Program 6.2.4 - Senior housing with extended care facilities will be allowed in multifamily and mixed-use zoning districts. This type of housing is currently allowed as a conditional use in the PCF district. The City will continue to explore opportunities to promote senior housing with extended care facilities in other multifamily and mixed-use districts.	**Responsible Body:** Community Development Department **Funding:** Permit Fees **Timeframe:** Ongoing **Status:** Continue	The City has implemented this program through the Terraces at Los Altos project.	Continue

Program		Accomplishment	Continue/Modify/Delete
ENERGY EFFICIENCY			
Program 7.1.1 - Promote energy and water conservation through education and financial incentives. The City shall continue to promote residential energy conservation through consumer information on financial assistance and rebates for energy efficient home improvements published by governmental agencies, non-profit organizations, and utility companies. In addition, Los Altos has adopted resolutions supporting the CalFIRST Grant Program. By doing this, Los Altos residents will be eligible for the program. Only 14 counties in the state qualified for this program. The program allows residents to finance any energy improvements to their homes - e.g. solar panels, water efficient landscapes, etc - on their property tax assessment. This allows the financing to be extended over 20 years and also allows a home to be sold with that assessment assigned to the new owner. The program will be administered by Santa Clara County and will be available by the end of summer. The County will be hiring an administrator and will do outreach and advertising. The City will make information available at the public counter of the Community Development Department, at the Los Altos Senior Center, through the public libraries, and through the Spotlight and Communiqué newsletters. The information will also be available on the City's	**Responsible Body:** Community Development Department and Santa Clara County **Funding Source:** General Fund, CDBG funds **Timeframe:** Ongoing, information regarding the various programs will be available on the web site by October 2010. **Status:** Continue	The City continues to encourage energy efficiency in new development projects through enforcement of the CALGreen code standards and encourages energy efficiency in existing residences through the promotion and distribution of available programs.	Modify This program will be modified to highlight current energy efficiency opportunities available at the local or regional level and current City newsletter/distribution practices.

Program		Accomplishment	Continue/Modify/Delete
website and a link to energy programs will be placed on the City's Energy Commission's web site.			
Program 7.1.2 - Promote the use of solar energy. This program focuses on promoting solar energy as a means to increase energy efficiency and promote green energy alternatives. As part of this program, the City will leverage and promote other state and commercial initiatives to encourage solar energy, such as grants, tax credits and rebates, as they are implemented. (No design review of solar panels is allowed by law. Setbacks, height restrictions, etc. are already covered by the zoning ordinance.)	**Responsible Body:** Community Development Department **Funding Source:** General Fund, other funds as identified **Timeframe:** Ongoing **Status:** Continue	Solar incentive programs such as the California Solar Initiative, in combination with the City's streamlined permit review process have resulted in more than 425 homes and businesses in Los Altos installing photovoltaic systems to offset energy consumption.	Continue
Program 7.2.1 - Implement Energy Efficient Regulations The City shall continue to implement building code and zoning standards that promote energy efficiency in residential design, layout, construction, and landscaping. The City enforces energy efficiency standards of Title 24 of the California Code of Regulations (State Building Code Standards), which uses zoning requirements for lot size, building separation, yards, setbacks, landscaping, and design review to promote energy conservation in new development. Chapter 12.66 of the Los Altos Municipal Code also contains the City's Green Building Regulations, which requires that all single-family housing construction must be GreenPoint Rated through Build It GREEN; and for commercial, mixed-use, and multi-family projects energy efficiency standards established by Title 24 must	**Responsible Body:** Community Development Department **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	The City continues to encourage energy efficiency in new development projects through enforcement of the CALGreen code standards to ensure new buildings are designed with the cost-effective energy efficiency measures in mind.	Modify

Program		Accomplishment	Continue/Modify/Delete
be exceeded by 15%.			
Program 7.2.2 – Monitor and Implement Thresholds and Statutory Requirements of Climate Change Legislation. The City shall monitor the implementation measures of the Global Warming Solutions Act of 2006 (AB 32) and SB 375, which requires planning organizations to promote sustainable communities as part of their regional transportation plans. The City will implement the measures as guidance for thresholds and compliance methods are released by the State.	**Responsible Body:** Community Development Department **Funding Source:** Permit fees **Timeframe:** Ongoing **Status:** Continue	Los Altos adopted a Climate Action Plan in 2013 to address local sources of greenhouse gas emissions consistent with AB 32, SB 375 and guidance from the Bay Area Air Quality Management District.	Continue
STATUTORY COMPLIANCE AND REPORTING			
Program 8.1.1 - Develop annual housing status report. Provide an annual status report to the City Council and State HCD on the status of the General Plan Housing Programs and their implementation as required by State law.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Annually **Status:** Continue	The City continues to implement Housing Element programs as required by State law.	Continue
Program 8.1.2 - Participate in the regional housing needs determination. The City will actively participate in the ABAG Regional Housing Needs Determination. The City will meet with ABAG staff to provide land use, housing, employment, and other information related to the RHNA formula to ensure that the allocation accurately represents the City's fair share of the region's housing needs.	**Responsible Body:** Community Development Department **Funding Source:** Permit Fees **Timeframe:** Ongoing, as requested **Status:** Continue	The City participated in the RHNA process with ABAG during the 2014-2022 planning cycle.	Continue

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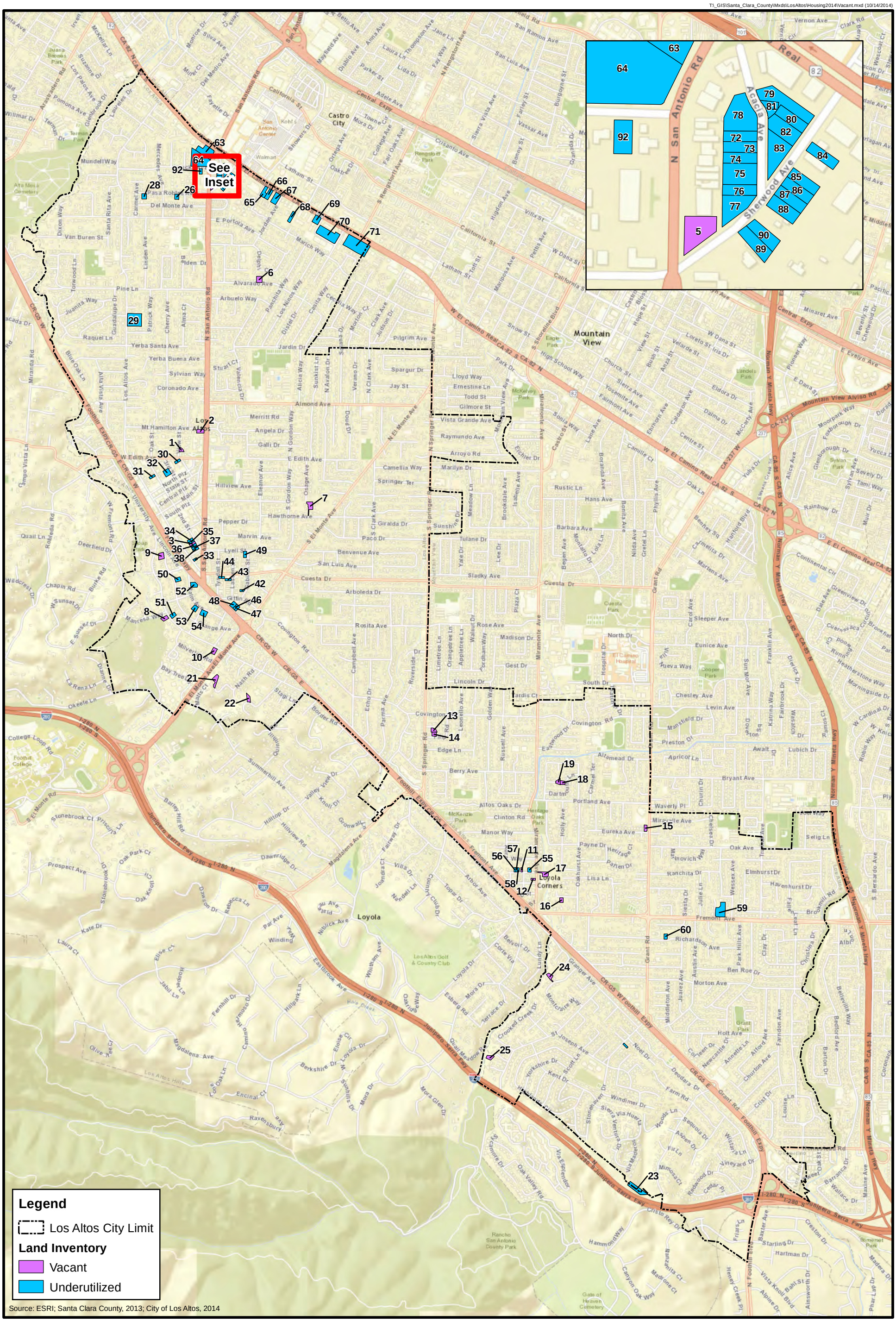

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Appendix E
Map of Vacant and Underutilized Parcels

PMC