



DATE: March 20, 2023

TO: Mayor and Members of the City Council

VIA: Stefan Chatwin, City Manager
Marlene Subhashini, Assistant City Manager

FROM: Sofia Mangalam, Community Development Director
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DEPARTMENT: Community Development

SUBJECT: GENERAL PLAN AND HOUSING ELEMENT ANNUAL
PROGRESS REPORT FOR 2022

RECOMMENDATION

It is recommended that the City Council, by minute order, receive and accept the General Plan Annual Progress Report (APR) and Housing Element APR for 2022.

EXECUTIVE SUMMARY

California Government Code 65400 requires each jurisdiction to prepare an annual report on the status of the General Plan and provide information regarding the implementation of the General Plan for their city or county, including the Housing Element. The APR includes information for decision makers to assess how the General Plan was implemented during the 12-month reporting period. On February 16, 2023, the Planning Commission received the General Plan APR and recommended City Council acceptance by Resolution No. P-01-23. Following Council's acceptance of the APR, the report will be filed with the Governor's Office of Planning and Research (OPR) and California Department of Housing and Community Development (HCD) before April 1, 2023.

BACKGROUND

[California Government Code 65400](#) requires that after the legislative body (City Council) has adopted all or part of a General Plan, the planning agency (Planning Commission)

shall review an annual report on the status of the [General Plan](#) progress and its implementation and provide the report to the legislative body. The APR is then forwarded to OPR and HCD by April 1 of each year. The Government Code also includes specific requirements for information about the status of [Housing Element](#) programs and progress in meeting its share of the Regional Housing Need Allocations (RHNA) issued by the Association of Bay Area Governments (ABAG).

On February 16, 2023, Staff presented the General Plan and Housing Element APR for 2022 to the Planning Commission. Overall, the Commission was satisfied with the report and voted 5-0-0-0 recommending City Council acceptance of the General Plan APR for 2022. See Planning Commission Resolution No. P-01-23 (Attachment 1).

ANALYSIS

All cities in California are required to prepare and adopt a General Plan. The General Plan identifies policies and programs addressing the development and redevelopment of land, preservation of parks and open spaces, provision of housing for current and future residents, conservation of natural resources, improvement of the circulation and transportation system, control of noise and protection of life and property from hazards.

The purpose of the APR is to provide local legislative bodies (Planning Commission and City Council) and the public with information regarding the implementation of the General Plan for their city or county, including Housing Element. APRs also inform the public of the progress in meeting the community's goals. The APR should provide enough information for decision makers to assess how the General Plan was implemented during the 12-month reporting period. More specifically, APRs should explain how land use decisions relate to adopted goals, policies, and implementation measures of the General Plan.

As discussed above, the APR is due to HCD by April 1 of each year. This year's APR evaluates the status of the implementation programs and housing production for the time period between January 1, 2022 and December 31, 2022.

The attached Table (see Attachment 2) comprises the General Plan APR and provides a brief summary of the status of the General Plan and the implementation programs contained in each General Plan Element. The status of the Housing Element implementation is part of the General Plan Annual Report reported in the table format required by HCD.

Highlights of accomplishments in the implementation of General Plan programs in 2022 are included below with the corresponding references to the General Plan Element Implementation Program:

- **Housing Element**
 - **Future Housing Element Updates** – In May of 2022, the City released its draft Housing Element and received comments back from HCD on October

3, 2022. The letter recommended revisions needed to comply with the State Housing Element Law and the City continues to work on finalizing the 2023-2031 Housing Element Update. The new Housing Element is expected to be adopted in mid-2023 following the completion of the Environmental Impact Report (EIR). (H-A-1-c)

- **Pilgrim/Triton Workforce Housing** – On July 28, 2022, a total of 22 units received a Temporary Certificate of Occupancy. On August 10, 2022 the City purchased 22 Workforce Housing Units in order to address the needs of first responders, public employees, and teachers in the very low, low, and moderate-income households in order to make it possible for public servants to live near where they work. The waiting list for available units is now closed and as of December 31, 2022, 12 of the 22 units are occupied and staff is working to fill the remaining vacant units.
- **Post BMR Expiration Rent Agreement** – In 2020, the City worked with Essex Properties on an agreement to set aside approximately \$800,000 in rental assistance for the tenants at Foster's Landing to extend the affordability of the units for another year and prevent homelessness. This was made possible by a 50/50 split between Essex and the City to cover the difference between the tenant paid rent and market rate rent for the below-market rate tenants at Foster's Landing affected by the expiration of the affordable housing covenants. City Council approved the Post BMR Expiration Rent Agreement on September 18, 2020 and in 2021, the City, in partnership with Essex Properties, provided approximately \$454,626.94 in rental subsidies. In 2022, the City staff worked with Housing Industry Foundation (HIF) to provide ten (10) tenants with Emergency Subsidy while they explored relocation options. As of December 31, 2022, a total of nine (9) tenants remain on-site and in the program. The City plans to continue implementing the program for the years 2023 - 2024. (H-C-5-b City Rental Housing Assistance Program).
- **Cooperation with Other Agencies** – On January 14, 2021, the City submitted an application for the San Mateo County Grant of Permanent Local Housing Allocation (PLHA) Funds. The \$643,636 grant will be used to assist low-income tenants facing displacement and finding housing based on their specific needs and financial circumstances. The City was awarded the grant to provide the BMR residents of Foster's Landing with relocation and case management services and rental assistance. On September 1, 2021, the City and the County of San Mateo Department of Housing executed an Agreement to provide funds for the City's Emergency Relocation Assistance and Rent Subsidies Program. In 2022, City staff worked with HIF to provide ten (10) tenants with Emergency Subsidy while they explored relocation options. As of December 31, 2022, a total of nine (9) tenants remain on site and in the program. The City plans to continue implementing the program for the years 2023 - 2024. (H-A-3 and H-C-5-a Rental Housing Assistance)
- **Private Development of Affordable Housing** – Inclusionary Requirement – On March 7, 2022, City Council approved an ordinance to add a new

Chapter 17.90, Below Market Rate Inclusionary Housing Program to establish objective standards for inclusionary housing; an ordinance to add Chapter 17.92, Affordable Housing Overlay Combining District; an ordinance to amend certain zoning maps to zone certain properties within the AHO Combining District, and; an ordinance to adopt a BMR Housing in-lieu fee. Inclusionary units were included in all new housing developments in the RHNA 5 cycle, including the various phases of Pilgrim Triton and the Alma Point Senior Apartments in Foster Square.

- **Community Outreach** – In 2022, the City launched a number of community outreach initiatives. (H-A-3-a Community Outreach). For the Housing Element update, the City engaged in extensive community outreach, including the following:
 - Community engagement website: In February 2022, the City launched an updated community engagement website, including a combination of tools from Bang The Table and MapSocial, to provide opportunities for community engagement and feedback on the Housing Element Update.
 - A Housing Preferences and Priorities survey was promoted by the City and available on the City's website from February 23, 2022, until March 28, 2022.
 - Numerous Joint City Council and Planning Commission Study Sessions were held, including March 2, 2022, April 21, 2022, May 17, 2022 and November 15, 2022, on Housing Element Update.
- **Housing Unit Production** – The City issued building permits for four (4) ADUs (Accessory Dwelling Units) and one (1) single family residence in 2022. As of June 30, 2022, 832 new housing units were completed, including 89 very low-income (60% of RHNA), 50 low-income (57% of RHNA), 14 moderate (18% of RHNA) and 679 above-moderate units. (H-A-1-a Annual Tracking of Housing Activity & H-A-1-b Construction of New Units)

- **Land Use & Circulation Element**

In 2022, the City launched a number of initiatives to address land use & circulation including:

- **System Monitoring** – In April 2022, the construction of the permanent implementation of the TRPP (Dynamic Signage for Traffic Relief Pilot Program -CIP 301-694) was completed. (LUC-F-1-a Intelligent Transportation Systems)
- **Periodic Monitoring of Land Uses Throughout the City** – In 2022, the Planning Commission approved a restaurant/retail pavilion at 1065 East Hillsdale Blvd. Furthermore, in 2022, three Use Permits (UP2021-0015 for Century Plaza, UP2021-0023 for 388 Vintage Park Drive, and UP2021-0036 for Parkside Towers) were approved for Research & Development (R&D) uses. Parkside Towers and Century Plaza projects are potential future conversions with the flexibility to maintain office space. The project at 388 Vintage Park Drive is for the removal of retail to allow for R&D use.

Planning Commission recommended approval to City Council of the Gilead Master Campus program for the reallocation of 250,000 square feet of office to lab space within their campus. (LUC-C-12-a)

- **Green Building Guidelines and Incentives** – On October 3, 2022 the City Council adopted Resolution 2022-119 and approved an agreement with Integrated Design 360 to provide outreach to public and stakeholders to develop Reach Codes. The City of Foster City also continues to offer residents who install solar photovoltaic technology (solar PV) a \$ 1,000 rebate on qualifying systems. In 2022, nine (9) households qualified and received this rebate incentive. From 2016 through 2022, a total of 89 rebate applications were completed and granted. (LUC-H-1-a)
 - **Climate Action Plan** – In 2022, the City hired consultants to conduct “whole community” outreach in support of an update to the Climate Action Plan. The City also reinstated a ten-member Citizens Sustainability Advisory Committee to support the climate action planning process and long-term implementation. (LUC-H-2-a)
 - **Parks Facilities Plan** – The City Council approved a contract with Group 4 Architecture to help lead the effort to rebuild the Foster City Recreation Center. A Planning Commissioner was selected for the Joint Parks and Recreation/Planning Commission Committee and full design discussion will begin the first quarter of 2023. (LUC-L-5-a).
 - **Wastewater Systems Improvement** – Foster City is working with the City of San Mateo to construct improvements at the jointly owned wastewater treatment plant (WWTP). Startup and commissioning of new treatment facilities are targeted to be completed by fall 2023, followed by the retrofit of existing facilities and commissioning of the integrated WWTP by fall 2024. (LUC-L-13-a).
- **Parks and Open Space Element**
 - **Special Events** – In 2022, Summer Days returned for a three-day festival featuring carnival rides, music, food trucks, and a car show. (PC-y).
 - **Parks Facilities Plan and Improve Facilities** – On November 21, 2022, marking a major step forward for a key project, the City Council unanimously approved an agreement with Group 4 Architecture to help lead the effort to rebuild the Foster City Recreation Center. Under terms of the consultant agreement, Group 4 will oversee efforts such as project management, community outreach, conceptual design refinement, design development documents, use permit and construction documents, furniture and equipment selection, signage design, bidding and construction support, and record documents. (LUC-L-5-a & PC-d).
- **Conservation Element**
 - **Lagoon Water Quality** – In 2021, additional water quality testing was conducted to test bacteria levels in the lagoon and the records were made available in 2022. (C-f).

- **Local Hazard Mitigation Plan & Safety Element**

- **Local Hazard Mitigation Plan (LHMP) Update** – The City Council adopted an updated LHMP on December 13, 2021. The information in the LHMP will provide a basis for updates to the Safety Element due in 2023 with the Housing Element Update 2023-31.
- **Levee Protection Planning and Improvements** – The City continues to make progress on the Levee project. Construction is ongoing and is anticipated to be completed in January 2024. The Levee Project is designed to be resilient to the year 2050-2080. (S-A-2-a).
- **Crime Prevention/Education** – In 2022, the Police Department continued to provide a variety of crime prevention programs to educate and involve the community. (S-D-4-a).
 - **Social Media** - In 2022, social media was used to provide crime alerts, crime prevention tips, traffic information and safety tips to the FC community. Residential and Commercial Crime Prevention Through Environmental Design (CPTED) surveys were conducted.
 - **Coffee with a Cop** forum was held on May 19, 2022.
 - **National Night Out** was celebrated August 2, 2022 to build relationships with the Foster City community.
 - **Open House** was held on October 1, 2022. Scheduled tours of the communication center, booths setup to allow people to try on SWAT gear, and officers allowing members of the public to sit in patrol vehicles or on motorcycles were provided at the Open House in order to promote transparency and provide information to the public regarding different functions of the Police Department.
 - In 2022, Drake, the Service Dog, attended 64 events where he provided a comforting and calming presence to people in need, greeted citizens, and strengthened bonds, relationships, and trust.

Regional Housing Needs Allocation (RHNA) Progress

Legislation, such as [Senate Bill 35](#) (SB 35), [Assembly Bill 73](#) (AB 73), and [Senate Bill 570](#) (SB 570) adopted in 2017, has provided penalties and incentives related to making progress toward meeting RHNA for the 2015-2023 Planning Period. HCD released a report on June 18, 2022 the [SB 35 Statewide Determination Summary](#), showing that Foster City was one of 38 jurisdictions in the state that have met their prorated RHNA numbers for the latest reporting period and latest APR (2021).¹

The SB 35 Summary report also states that all other cities and counties are not on track to meet their housing needs. Those jurisdictions will now lose the ability to reject certain types of development projects under SB 35. Cities and counties are subject to SB 35 streamlining when they fall behind on submitting APRs and/or in meeting less than the prorated portion of their RHNA. A total of 263 jurisdictions are subject to the streamlined ministerial approval process for proposed developments with at least 10% affordability and another 238 jurisdictions are subject to this process when proposed developments

¹ https://www.hcd.ca.gov/sites/default/files/2022-06/sb35_statewidedeterminationsummary.pdf

have at least 50% affordability. The progress is prorated and recalculated each year until the mid-point of the Housing Element Reporting Period, and then recalculated again at the end of the Period. The first half of the Reporting Period for SB35 for ABAG ended with the 2018 report. The review process will start again with the next Housing Element Cycle that will cover 2023-2031.

Assembly Bill (AB) 1743 Compliance:

AB 1743 requires local planning agencies to include in their APR whether housing development applications are subject to a ministerial or discretionary approval process. Therefore, the following reporting only pertains to development applications that result in **new** units and not applications that are remodeling of existing homes or additions to existing homes.

In 2022, three (3) housing development applications were received that would result in new units. One of the three (3) projects required discretionary action for a proposed 420 units and the other two (2) were ministerial (ADUs). Additionally, there were three (3) building permits that were applied for in 2021 but finalized and approved in 2022. More detailed information pertaining to Building permit issuance is available in Table A2 of Attachment 3.

AB 2094 Compliance:

AB 2094 requires local planning agencies to include in their APR its progress toward meeting its share of regional housing needs for extremely low-income households. It also requires reporting associated with the Affordable Housing and High Roads Jobs Act of 2022 (AB 2011), including: (1) the location of the project; (2) the status of the project; (3) total number of units of the project; (4) number of units in the project that are rental housing; (5) number of units in the project that are for-sale housing; and (6) household income category of the units. It also requires data from all approved projects to receive a density bonus from a local agency.

A summary of housing development permits issued showing progress toward meeting the RHNA is shown below. Table 1, Planning Period Permits Issued by Affordability for RHNA 2015-2023 reports on how many permits were issued each year. Table 2, Units Completed as of June 30, 2022 for RHNA 2015-2023 reports RHNA progress of all permits completed (built and occupied) by affordability in all cycles pertaining to the 2015-2023 Housing Element. The difference in the numbers provided in the two tables below (about 70 units) is a result of units that have been approved but not yet occupied until 2023. Furthermore, the City did not receive any density bonus for any housing development in 2022.

See attached Table A2 of Attachment 3 for more detailed information.

Table 1. Planning Period Permits Issued by Affordability for RHNA 2015-2023

Income Level	RHNA	Year 1 2014-15	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Year 6 2020	Year 7 2021	Year 8 2022	Total Units to Date
Very Low	148	83		1		2	4	3	3	96
Low	87	49					2		1	52
Moderate	76	14					0			14
Above Moderate	119	563	74			20	28	42	13	740
Total	430	709	74	1	0	22	34	45	17	902

Table 2. Units Completed as of June 30, 2022 for RHNA 2015-2023

Income Level	RHNA	Units Completed as of 6/30/2022	% RHNA Met
Very Low	148	89	60%
Low	87	50	57%
Moderate	76	14	18%
Above Moderate	119	679	571%
Total	430	832	193%

Housing Element Program Implementation

The Housing Element includes several programs to ensure that adequate housing sites are available during the 2015-2023 planning period to make it possible to produce the number and type of housing units in the RHNA. Please refer to Table D in Attachment 3 for Housing Element - Program Implementation Status. These programs were part of the package that was the basis for certification of the Housing Element by HCD. One of the key programs is the application of an Affordable Housing Overlay (AHO) Combining District (H-D-2-b Affordable Housing Overlay Combining District, H-D-2-c Rezoning with Affordable Housing Overlay District, H-D-2-d Design Criteria for Affordable Housing Overlay District) on several existing apartment developments. This would enable sites currently zoned and used for apartments to choose an alternative inclusionary (below

market rate) requirement to provide units at lower income levels in exchange for a reduced overall inclusionary percentage.

The Housing Element requires cities to update their Housing Element to be consistent with State requirements (H-A-1c Future Housing Element Updates). In 2022, the City Council and Planning Commission held multiple joint special meetings on Housing and Housing Element 2023-2031 (GP2020-0002). Additionally, in 2022, the draft Housing Element was released for public review from May 4, 2022 through June 3, 2022. A revised Draft Housing Element was submitted HCD on July 5, 2022 for a 90-day review period. The City received a comment letter from HCD on October 3, 2022 has addressed the comments as applicable. On December 1, 2022, Planning Commission held a Regular Public Meeting and adopted multiple resolutions recommending that City Council approve the text amendments and map amendments related to the Housing Element. City staff worked on the revised Draft Housing Element update in response to HCD review/comment letter and posted a revised document for public review on February 7, 2023. The Housing Element Update 2023-2031 is expected to be adopted in mid-2023 following the completion of the EIR.

CEQA

CEQA Guidelines Section 15061(b)(3), Review of Exemption, Activity covered by common sense exemption that action would not result in potential for causing a significant effect on the environment.

FISCAL IMPACT

There is no fiscal impact associated with approving the General Plan and Housing Element APR.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Smart Planning, Development, and the Local Economy

ATTACHMENTS:

Attachment 1 – Planning Commission Resolution No. P-01-23

Attachment 2 – Table of General Plan Programs - General Plan Annual Report for 2022

Attachment 3 – Tables A2, B, D, & H of APR Reporting