

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

From: (Public Agency): City of San Mateo Community Development Department
330 West 20th Avenue
San Mateo, CA 94403

County Clerk
County of: San Mateo
555 County Center, 1st Fl
Redwood City, CA 94063

(Address) FILED ENDORSED
IN THE OFFICE OF THE
COUNTY CLERK RECORDER
SAN MATEO COUNTY CALIF

Project Title: Housing Element Update

MAY 21 2024

Project Applicant: City of San Mateo

MARK CHURCH, County Clerk
By Sheila Arkoncel
Deputy Clerk

Project Location - Specific:
Citywide

Project Location - City: San Mateo Project Location - County: San Mateo

Description of Nature, Purpose and Beneficiaries of Project:

The City of San Mateo is preparing an update to its existing Housing Element, a State-mandated policy document that is a component of the San Mateo General Plan. The overall purpose of the Housing Element Update is to identify current and projected housing needs; show locations where housing can be built; and set goals, policies, and programs to meet the community's housing needs. The foundation of the Housing Element is the Regional Housing Needs Allocation (RHNA), which is 7,015 units. The City has identified sufficient sites with adequate development capacity to build up to 10,286 new housing units with existing land use regulations and zoning designations. No amendments to land use regulations or zoning are included as part of the Housing Element.

Name of Public Agency Approving Project: City of San Mateo Community Development Department

Name of Person or Agency Carrying Out Project: City of San Mateo Community Development Department

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
Declared Emergency (Sec. 21080(b)(3); 15269(a));
Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
[X] Categorical Exemption. State type and section number: Section 15061(b)(3) - Common Sense Exemption
Statutory Exemptions. State code number:

Reasons why project is exempt:

See attached.

Lead Agency
Contact Person: Zachary Dahl Area Code/Telephone/Extension: (650) 522-7207

If filed by applicant:

- 1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Zachary Dahl Date: 5/21/24 Title: Director

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR:

Housing Element Update CEQA Exemption Technical Memorandum

City of San Mateo

Prepared for:

City of San Mateo

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1. Introduction

1.1 PURPOSE

This Technical Memorandum serves as an evaluation of the City of San Mateo 2023-2031 (6th cycle) Housing Element (proposed project) for California Environmental Quality Act (CEQA) compliance. This Technical Memorandum was prepared to present: 1) the findings resulting from the CEQA compliance review, as described below; and 2) the recommendations concerning the appropriate CEQA compliance documentation.

1.2 STATUTORY AUTHORITY AND REQUIREMENTS

Once it is determined that an activity is a project subject to CEQA, it is then determined whether the project is exempt from CEQA. State CEQA Guidelines (“Guidelines”) Section 15061(b) outlines the ways in which a project may be exempt as follows:

A project is exempt from CEQA if:

- 1) The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).
- 2) The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Guidelines Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Guidelines Section 15300.2.
- 3) The activity is covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- 4) The project will be rejected or disapproved by a public agency. (See Guidelines Section 15270(b)).
- 5) The project is exempt pursuant to the provisions of Article 12.5 of Chapter 3.

The proposed project would be exempt as a “common sense” exemption under Guidelines Section 15061(b)(3) because implementation of the 2023-2031 Housing Element would not have the potential to cause a significant effect on the environment, as further discussed below in Section 3, *Findings Concerning CEQA Exemption*.

2. Project Description

2.1 REGIONAL LOCATION

San Mateo is in the northern portion of San Mateo County. It is bordered by the San Francisco Bay and City of Foster City to the east, the City of Burlingame and Town of Hillsborough to the north, the City of Belmont to the south, and the Town of Hillsborough and unincorporated San Mateo County to the west. San Mateo is roughly 10 miles south of San Francisco and 25 miles northwest of downtown San Jose. State Route 82 (El Camino Real), State Route 92, Highway 101, and Caltrain provide regional transportation connections.

2.2 PROPOSED PROJECT

2.2.1 Project Background

The City of San Mateo has prepared a comprehensive update to its existing Housing Element. The updated 2023-2031 Housing Element was originally adopted in January 2023, with an updated version scheduled for adoption in April/May of 2024 following the State Department of Housing and Community Development (HCD) review letter that found the City's updated Housing Element to be in substantial compliance with State Law. This Housing Element will guide the City's housing development during the 6th Housing Cycle, from January 2023 through January 2031.

The 6th Cycle Housing Element is a State-mandated eight-year policy document that is a component of the San Mateo General Plan. The overall purpose of the Housing Element Update is to identify current and projected housing needs, show locations where housing can be built, and set goals, policies, and programs to meet the community's housing needs. The foundation of the Housing Element is the Regional Housing Needs Allocation (RHNA), which begins with a determination of housing need issued by the California Housing and Community Development Department (HCD) and allocated by the Association of Bay Area Governments (ABAG). A jurisdiction is required to demonstrate whether it has sufficient capacity to achieve its RHNA. However, identification of a site's capacity does not guarantee that construction will occur on that site, as the actual construction of units would occur as a result of a development application from a private or non-profit developer. The RHNA for San Mateo for this Housing Element Update is 7,015 units, including 1,777 Very Low income units, 1,023 Low income units, 1,175 Moderate income units, and 3,040 Above Moderate income units.

2.2.2 Proposed Sites and Zoning

State law requires that the 2023-2031 Housing Element identify adequate sites for housing by including an inventory of land suitable for residential development, including vacant sites and non-vacant sites having potential for redevelopment, with an analysis of the development capacity that can realistically be achieved

Project Description

for each site. The purpose of the Sites Inventory is to evaluate whether there are sufficient sites with appropriate zoning density to meet the RHNA. It is based on the City's current land use designations and zoning requirements. The City of San Mateo's Sites Inventory for future housing identifies housing sites spread throughout the city that could be developed with up to 10,274 new housing units, exceeding the RHNA assigned to the City. Figure 2-1, *Housing Sites Inventory*, shows a map of where each site is located within the city and the housing opportunity areas. The development capacity of each of the identified housing sites is based on existing land use and zoning densities currently in place. No redesignations or rezoning are necessary, and no redesignation or rezoning would occur as part of the adoption of the City's 2023-2031 Housing Element. Most of the identified sites are currently developed, although not to the maximum extent allowed under current land use and zoning designations. Based on market trends observed in the city, property owner and developer interests, and the characteristics of new development approved since 2019, the City has developed a sites inventory that includes properties most likely to be redeveloped to provide new housing over the next eight years. A significant number of these sites are located in high resource areas to meet Affirmatively Furthering Fair Housing (AFFH) requirements and avoid adding to any Racially/Ethnically Concentrated Areas of Poverty (RECAP).

2.2.3 Proposed Housing Plan

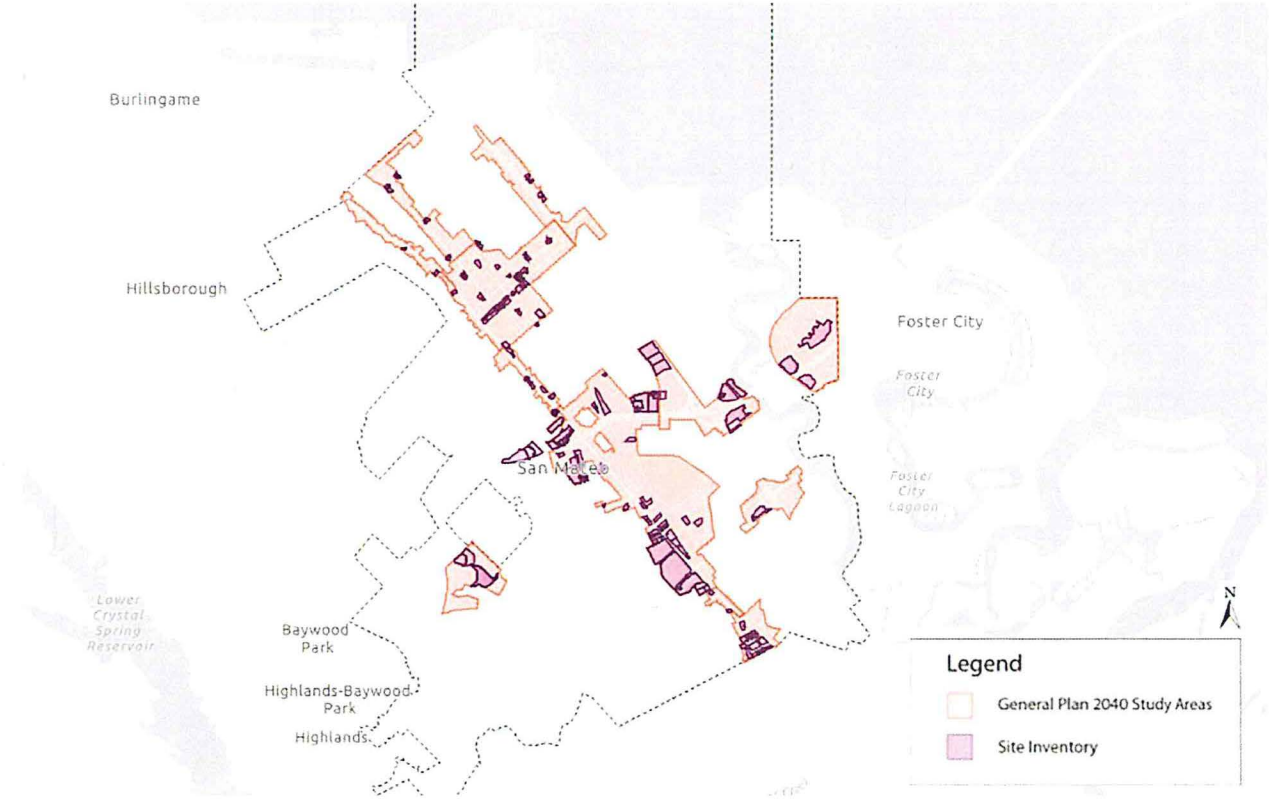
The City has identified five goals to guide the 2023-2031 Housing Element's policies and programs. Goals H1 through H3 address the region's housing needs through a combination of production, preservation, and protection. Goal H4 promotes community engagement and public outreach to support social resilience and awareness of housing resources and opportunities, and Goal H5 is to affirmatively further fair housing.

Goal H1 is to facilitate and support the production of new housing at all income levels, but especially affordable housing. The City will employ two approaches to support this goal: being directly involved in housing production and encouraging and streamlining housing developments. Policies proposed under this goal encourage utilization of public funds and properties to build more units, partnerships to support increased production of accessory dwelling units (ADUs), usage of local ordinances to require developers to create affordable units that serve a variety of populations and provision of incentives for affordable unit development, adoption of objective design standards, identifying residential uses as permitted in all commercial (C) and Executive Office (E) districts, updates to site standards in the Zoning Code, consideration of setting minimum densities for mixed-use projects with a housing component and housing projects in proximity to transit, development of programs to support production of "missing middle"¹ housing, and streamlined application review and processing timelines for affordable development projects. Those policies under Goal H1 that have the potential to affect land use regulations related to housing production are discussed in further detail and analyzed below in Section 3.2, *Analysis in Support of Findings*.

¹ "Missing middle" housing refers to multi-family housing in walkable neighborhoods built at a scale compatible with single-family homes.

Project Description

Figure 2-1 Housing Sites Inventory



Project Description

Goal H2 is to preserve existing housing that is affordable to lower- and middle-income residents. This goal can be achieved most directly through policies encouraging the use of public funds to acquire existing affordable housing units and/or requiring developers to replace any lost units. Alternatively, the City can indirectly achieve this goal by improving the quality of life for the current residents through policies incentivizing upgrades through rehabilitation, accessibility modifications, or energy efficiency changes. Enhancements to low-income neighborhoods can also be achieved through capital improvements and resiliency projects that protect against threats posed by climate change.

Goal H3 is to protect current residents and prevent displacement. Commercial linkage fees, relocation fees, documentation requirements for landlords, and right to return policies are proposed under this goal to help balance the scales against market forces that lead to displacement, while extending and expanding tenant protections. Policies under this goal also address homelessness and increasing shelter capacity that can protect housing insecure individuals and families from having to leave San Mateo entirely, allowing service providers an opportunity to intervene and lead clients to housing stability. Other policies relate to affirmative marketing, prioritizing special needs tenants in below market rate units, monitoring trends in evictions and rents, and undertaking several actions to affirmatively further fair housing.

Goal H4 is to promote social resilience through public education and outreach. Policies under this goal work include increasing community outreach and availability of resources in multiple languages, supporting the development of a countywide affordable rental waitlist, expanded community education and outreach, and enabling affirmative housing.

Goal H5 is the Fair Housing Action Plan, meant to implement the overarching goals of AFFH. Action areas under this goal include enhancing housing mobility strategies, encouraging new housing choices and affordability in high resource areas, improving place-based strategies to encourage community conservation and revitalization (including preservation of existing affordable housing), and protecting existing residents from displacement. Many of the policies and programs that support AFFH also support the other goals of the Housing Element Update discussed above, which further highlights how fair housing is interwoven with achieving the City's larger housing production, preservation, protection, and promotion goals.

3. Findings Concerning CEQA Exemption

3.1 GUIDELINES SECTION 15061 (B) (3): COMMON SENSE EXEMPTION

The proposed project is exempt as a “common sense” exemption under Guidelines Section 15061(b)(3) because the project involves policies, programs, and actions to meet the City’s RHNA and AFFH goals. As described above, the 2023-2031 Housing Element creates a roadmap on how to achieve its RHNA and AFFH goals through identification of suitable sites for development and identifying programs and actions that could remove constraints and promote affordable housing development. Because the City does not have to rezone any sites or make any physical improvements to adopt the Housing Element, it can be seen with certainty that there is no possibility that the 2023-2031 Housing Element would have a significant effect on the environment. Thus, the 2023-2031 Housing Element is exempt from CEQA under the common-sense exemption.

3.2 ANALYSIS IN SUPPORT OF FINDINGS

The 2023-2031 Housing Element is strictly a policy document that does not provide entitlements to any specific development projects and would not result in any direct or indirect physical changes to the environment. As discussed in Section 2.2.2, *Proposed Sites and Zoning*, the Housing Sites Inventory utilizes existing land use and zoning densities and does not require redesignation or rezoning to meet the City’s RHNA plus a buffer. The 2023-2031 Housing Element does not propose any changes to the City’s General Plan 2040 land use map and would not modify any General Plan land use designations. Future implementation actions would include amendments to zoning and other regulations to facilitate housing development consistent with State housing law. These future amendments are discussed in detail below.

Policies, programs, and actions included in the 2023-2031 Housing Element encourage housing production and outline steps for the future implementation of certain actions. As discussed in Section 2.2.3, *Proposed Housing Plan*, Goal H1 of the proposed Housing Element Update is to produce new housing at all income levels, with a focus on affordable housing. Policy H1.5 encourages family housing by prioritizing family-sized units in City projects and requiring new housing development to include a minimum percentage of family-sized affordable and market rate units. Policy H1.7 includes amending the Zoning Code to remove constraints to housing development, reduce parking requirements, make residential uses permitted in Commercial (C) and Executive Office (E) districts that are not within the Residential Overlay (/R), and allowing for housing as a permitted use on quasi-public sites. Policy H1.8 is to adopt Objective Design Standards for multi-family residential projects and mixed-use projects with a residential component to

Findings Concerning CEQA Exemption

expedite the production of housing, which was completed in 2023. Policy H1.9 creates minimum residential density requirements to ensure mixed-use development will contain an appropriate amount of housing in commercial/office developments. Policy H1.12 encourages development of missing middle housing by supporting small infill residential construction (4-10 units) through policy updates and code amendments. These policies encourage and promote housing production under existing land use regulations but do not increase the amount of allowable development allowed in the city when compared to existing land use and zoning regulations.

The policies described above—and their corresponding implementing programs and actions—under Goal H1 would encourage housing projects in the City and could be considered potentially growth inducing. However, none of these policies involve any land use or zoning changes that could increase the amount of housing allowed in the city or otherwise create physical impacts on the environment. These policies are structured to incentivize housing development within the framework of existing density and buildout provisions envisioned in the City’s General Plan 2030 and recently adopted General Plan 2040, amend the Zoning Code to modify/eliminate site standards and requirements that are identified as a constraint or barrier to new housing development, and through changes to the ministerial or discretionary review process depending on the type of projects proposed by developers.

Furthermore, the 2023-2031 Housing Element would not increase water demand in comparison to growth projections already reflected in relevant urban water supply planning documents. The City of San Mateo receives its water supply from California Water Service (CalWater) and Estero Municipal Improvement District (EMID). Urban water management plans (UWMPs) are prepared by urban water suppliers and are updated every five years to support the supplier’s long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Because the 2023-2031 Housing Element would retain existing land use and zoning designations, it would not increase water demand projections for San Mateo. Furthermore, it is reasonable to assume that 2025 UWMPs will be prepared in the future based on the City’s forthcoming 2040 growth projections from the City’s recently adopted General Plan 2040, which is separate from the 2023-2031 Housing Element adoption and was adopted by the City Council on March 18, 2024.

The 2023-2031 Housing Element does not include specific amendments to any land use regulations at this time, but rather provides a timeline for future amendments. Subsequent amendments to the City’s land use or zoning regulations would be subject to separate CEQA review at the time those amendments are prepared, if required. No redesignations or rezoning are necessary to create housing capacity, and no redesignation or rezoning would occur as part of the adoption of the proposed Housing Element Update. Therefore, it can be seen with certainty that the City of San Mateo 2023-2031 Housing Element would not have a significant effect on the environment and is therefore exempt from CEQA review.