



# EAST PALO ALTO CITY COUNCIL REGULAR SESSION AGENDA

Tuesday, April 1, 2025, 6:30 PM  
EPA Government Center  
2415 University Avenue, First Floor  
East Palo Alto, CA 94303

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## NOTICE

This meeting will be held virtually and in-person at the Council Chambers located on 2415 University Ave, First Floor East Palo Alto, CA 94303. The virtual portion of this City Council meeting will be conducted in accordance with City of East Palo Alto Resolution adopted pursuant to Assembly Bill 361.

The public may participate in the City Council Meeting via Zoom Meeting or by attending in-person in the Council Chambers at 2415 University Ave, First Floor East Palo Alto, CA 94303. Community members may provide comments by emailing [cityclerk@cityofepa.org](mailto:cityclerk@cityofepa.org), submitting a speaker card at the meeting, or using the **RAISE HAND** feature when the Mayor or City Clerk call for public comment. Emailed comments should include the specific agenda item on which you are commenting.

Please click this URL to join

<https://us06web.zoom.us/j/86387010553>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or  
+ 1 346 248 7799 or  
+ 1 253 215 8782 or  
+ 1 312 626 6799 or  
+ 1 929 205 6099 or  
+ 1 301 715 8592

Webinar ID: 863 8701 0553

International numbers available: <https://zoom.us/j/86387010553>

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## REQUESTS TO APPEAR REMOTELY

Pursuant to Government Code Section 54953, members of the body may appear remotely for the following reasons:

1. **Teleconference Exception (Gov't Code § 54953(b)):** None.
2. **Just Cause (Gov't Code § 54953(j)(2)(D)):** None.
3. **Emergency Circumstances (Gov't Code § 54953(f)(A)(ii) (Approval Required))**

Councilmember Webster Lincoln.

- o General description (a physical or family medical emergency that prevents a member from attending the meeting in person, Gov't Code § 54953(j)(1))
- o Affirmation (18 year or older participants)
- o Admonitions: (a) video and audio must remain on; (b) disruption causes cease of council action.

### 1. CALL TO ORDER AND ROLL CALL

### 2. APPROVAL OF THE AGENDA

### 3. APPROVAL OF CONSENT CALENDAR

#### 3.1 City Council Meeting Minutes

##### Recommendation:

Adopt March 18, 2025, City Council Meeting Minutes.

### 4. CLOSED SESSION

#### 3.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Pursuant to Government Code Section 54956.8):

**REAL PROPERTY:** 2535 Pulgas Avenue, East Palo Alto CA;

**AGENCY NEGOTIATORS:** Melvin E. Gaines, City Manager, John D. Lê, City Attorney;

**UNDER NEGOTIATION:** price and terms.

#### 3.2 CONFERENCE WITH LEGAL COUNSEL—LITIGATION (Government Code Section 54956.9(d)(4)): (One potential matter.)

### 5. PUBLIC COMMENT

### 6. INFORMATIONAL REPORTS

### 7. SPECIAL PRESENTATIONS

### 8. PUBLIC HEARINGS

9. **POLICY AND ACTION 9.1**

**Measure O & L: Anti-Displacement Services and Transition to Measure JJ**

**Recommendation:** Receive an informational report from staff concerning Measure O & L: Anti-Displacement Services and receive an overview on existing City efforts for the Council’s consideration of Measure JJ funding.

9.2 **University and Bay at Four Corners Preliminary Review: Mixed-Use Project**

**Recommendation:** Review the Preliminary Application 24-004 for 1675 Bay road “University and Bay at Four Corners – Mixed Use Residential Project” proposed by Four Corners EPA Property Owner, LLC and provide feedback to the applicant and City staff.

9.3 **University and Bay at Four Corners Preliminary Review: Townhomes Project**

**Recommendation:** Review the Preliminary Application (PRE) 24- 003 for the University and Bay at Four Corners Townhomes project proposed by Four Corners EPA Property Owner, LLC, and provide feedback to the applicant and City staff.

10. **COUNCIL REPORTS**

11. **ADJOURNMENT**

**Upcoming meetings:**

Regular Meeting	April 15, 2025	6:30 PM
Study Session	April 22, 2025	6:00 PM
Regular Meeting	May 6, 2025	6:30 PM

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This AGENDA is posted in accordance with Government Code Section 54954.2(a)

***This Notice of Availability of Public Records: All public records relating to an open session item which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to the majority of the City Council will be available for public inspection at the City Clerk's Office, 2415 University Avenue, East Palo Alto, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the East Palo Alto website [www.cityofepa.org](http://www.cityofepa.org) subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (650) 853-3100.***

*The City Council meeting packet may be reviewed by the public in the Library or the City Clerk's Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk's Office, 2ND Floor, City Hall, 2415 University Avenue, East Palo Alto, California 94303 during normal business hours. Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.*

*East Palo Alto City Council Chambers is ADA compliant. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office at (650) 853-3127 no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.*

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#### **DECLARATION OF POSTING**

This Notice is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website. Under penalty of perjury, this Agenda was posted to the public at least 72 hours prior to the meeting.

POSTED: March 21, 2025  
AMENDED: March 28, 2025

ATTEST:

***James Colin***

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City Clerk



# **EAST PALO ALTO CITY COUNCIL STAFF REPORT**

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**DATE:** April 1, 2025  
**TO:** Honorable Mayor and Members of the City Council  
**VIA:** Melvin E. Gaines, City Manager  
**BY:** James Colin, City Clerk  
**SUBJECT:** City Council Meeting Minutes

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## **Recommendation**

Adopt March 18, 2025, City Council Meeting Minutes.

## **Attachments**

1. March 18, 2025, City Council Meeting Minutes.



# EAST PALO ALTO CITY COUNCIL REGULAR SESSION AGENDA

Tuesday, March 18, 2025, 6:30 PM  
EPA Government Center  
2415 University Avenue, First Floor  
East Palo Alto, CA 94303

## 1. CALL TO ORDER AND ROLL CALL

The City Council meeting was called to order by Mayor Barragan at 6:35 PM.

Attendee Name	Title	Status	Arrived
Martha Barragan	Mayor	Present	
Mark Dinan	Vice Mayor	Present	
Carlos Romero	Councilmember	Late/Remote	9:22 PM
Ruben Abrica	Councilmember	Absent	
Webster Lincoln	Councilmember	Present	

## 2. APPROVAL OF THE AGENDA

Vice Mayor Dinan requested that item 16.1 be discussed directly after public comment.

A motion to approve the agenda was made by Vice Mayor Dinan, seconded by Councilmember Lincoln, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

## 3. APPROVAL OF CONSENT CALENDAR

Councilmember Lincoln pulled item 3.2 for discussion.

City Clerk, James Colin, pulled items 3.9 and 3.10.

A motion to approve the consent calendar except items 3.2, 3.9 and 3.10 was made by Mayor Barragan, seconded by Vice Mayor Dinan, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

- 3.1 César Chavez Proclamation**
- 3.2 2024 Annual Housing Element and General Plan Annual Progress Reports**

Councilmember Lincoln and Vice Mayor Dinan asked clarifying questions regarding item 3.2

The following speakers provided public comments:

- Gail Wilkerson-Dixon
- Grace Popple
- Mario Pulido

A motion to approve item 3.2 was made by Mayor Barragan, seconded by Vice Mayor Dinan, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

- 3.3 Award the O'Connor Pump Station Improvements Phase I Project (SD-06A) to Harris & Associates, Inc.**
- 3.4 Update on Security Provider for Community Services Facilities & Events**
- 3.5 Award of the University Avenue Grand Corridor Project design (ST-29)**
- 3.6 Monthly Cash Treasury Report for January 2025**
- 3.7 East Bayshore Road Pedestrian and Cyclist Safety Enhancements Project (ST-28) Plans, Specifications & Estimate Approval**
- 3.8 Development Code Text Amendment (ZTA24-001) to amend various Chapters and Sections of Title 18 (Development Code) of the East Palo Alto Municipal Code**
- 3.9 City Manager Employment Agreement**

City Clerk, James Colin, read the following into the record, "Item No. 3.9 is to authorize amendments to the employment of agreement City Manager Melvin Gaines, as follows: extending the agreement's term until January 30, 2029, and increasing total annual salary to \$317,312.00."

A motion to approve item 3.9 was made by Vice Mayor Dinan, seconded by Mayor Barragan, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

### **3.10 City Attorney Employment Agreement**

City Clerk, James Colin, read the following into the record, "Item No. 3.9 is to authorize amendments to the employment agreement of City Attorney John Lê, as follows: extending the agreement's term until January 9, 2029, increasing total annual salary to \$300,030.00, offering a fringe benefit mirroring a provision in the City Manager's contract, and other amendments as noted in the staff report and agreement."

A motion to approve item 3.10 was made by Vice Mayor Dinan, seconded by Mayor Barragan, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

### **3.11 City Council Meeting Minutes**

### 3.12 FY 2024-25 Midyear Personnel Staffing Proposal

#### 4. CLOSED SESSION

#### 5. PUBLIC COMMENT

The following speakers provided public comments:

- Teresa Fernandez
- Tupe Finau

#### 6. INFORMATIONAL REPORTS

##### 6.1 Automated License Plate Reader Implementation Update

Police Chief, Jeff Liu provided a presentation on the Automated License Plate Reader Implementation Update.

City Council received the update.

#### 7. SPECIAL PRESENTATIONS

##### 7.1 Library Annual Report Presentation

Kelly Reinaker, Interim SMC East Palo Alto Library Manager, provided an update on the Annual Library Report.

#### 8. ADJOURN CITY COUNCIL REGULAR MEETING TO THE EAST PALO ALTO SANITARY DISTRICT BOARD MEETING

#### 9. APPROVAL OF THE EPASD BOARD MEETING AGENDA

A motion to approve the agenda was made by President Pro Tem Barragan, seconded by Board member Lincoln, and passed unanimously. Board members Abrica and Romero were absent for this vote.

#### 10. APPROVAL OF EPASD BOARD MEETING CONSENT CALENDAR

A motion to approve the agenda was made by President Pro Tem Barragan, seconded by Board member Lincoln, and passed unanimously. Board members Abrica and Romero were absent for this vote.

##### 10.1 Cash Disbursement Report for January 2025

#### 11. EPASD BOARD MEETING CLOSED SESSION

#### 12. EPASD BOARD MEETING PUBLIC COMMENT

**13. EPASD BOARD MEETING POLICY AND ACTION**

**13.1 Accept Annual Financial Reports for EPASD for Fiscal Year 2023-24**

Finance Director, Tomo Oku, and external auditor, David Farnsworth provided a report on the Annual Financial Reports for EPASD for Fiscal Year 2023-24 and answered questions posed by the Board.

The following speakers provided public comments:

- Grace Popple
- Gail Wilkerson
- Henrietta Burroughs
- Donna Rutherford

A motion to approve the item 13.1 was made by Board member Romero, seconded by President Pro Tem Barragan, and passed unanimously. Board member Abrica was absent for this vote.

**13.2 Accept the Notice of Completion and authorize the release of retention payment to Ranger Pipelines for the Sanitary Sewer Replacement Project at Beech**

Humza Javed, District Engineer, provided a presentation on the Notice of Completion and authorize the release of retention payment to Ranger Pipelines for the Sanitary Sewer Replacement Project at Beech

Grace Popple provided a public comment.

A motion to approve item 13.2 was made by President Pro Tem Barragan, seconded by Board member Romero, and passed unanimously. Board member Abrica was absent for this vote.

**13.3 Signature Authority**

John D. Lê, District Counsel, provided a presentation on item 13.3.

Grace Popple provided a public comment.

A motion to approve item 13.3 was made by President Pro Tem Barragan, seconded by Board member Romero, and passed unanimously. Board member Abrica was absent for this vote.

**13.4 Purchasing Ordinance, Policies and Procedures for EPASD**

John D. Lê, District Counsel, provided a presentation on item 13.4.

A motion to approve item 13.4 was made by President Pro Tem Barragan, seconded by Board President Dinan, and passed unanimously. Board member Abrica was absent for this vote.

**14. EPASD BOARD REPORTS**

Board member Lincoln announced the passing of Allen McIntyre Senior who was a former EPASD Director.

Board President Dinan requested that the EPASD Advisory Commission be engaged in more items related to the EPASD in the future.

**15. ADJOURN EAST PALO ALTO SANITARY DISTRICT BOARD MEETING AND RECONVENE CITY COUNCIL REGULAR MEETING**

**16. PUBLIC HEARINGS**

**16.1 Residential Permit Parking Program Ordinance (RPP) First Reading**

Michelle Hunt, Consultant, and Batool Zaro, Senior Engineer, provided a presentation on the Residential Permit Parking Program Ordinance (RPP) First Reading.

The following speakers provided public comments:

- Christopher Kao
- Jack Biederman
- Gail Wilkerson-Dixon
- Richard Ansig
- Cheryl Arnold
- Court Skinner
- Mario Pulido
- Isabel Lopez Ysmael
- Dixie- Lee

A motion to approve item 16.1 was made by Vice Mayor Dinan, seconded by Councilmember Lincoln, and passed unanimously. Councilmembers Abrica and Romero were absent for this vote.

**17. POLICY AND ACTION**

**17.1 2025 TOT Grants Program Notice of Funding Availability Release**

Maurice Baker, Community Services Manager, provided a presentation on the 2025 TOT Grants Program Notice of Funding Availability Release.

A motion to approve item 17.1 was made by Vice Mayor Dinan, seconded by Mayor Barragan, and passed unanimously. Councilmember Abrica was absent for this vote.

**18. COUNCIL REPORTS**

Councilmember Lincoln shared that he attended the EPA Churrobots' recent robotics competition and proudly reported that the team took home a win. He also announced that there will be an event celebrating Women's History Month and would be honoring the life and legacy of June Fleming, former Palo Alto City Manager, on March 20.

Mayor Barragan and Vice Mayor Dinan echoed the celebration of the Churrobots' win.

Vice Mayor Dinan also announced that he started a program for affordable housing advocacy put on by the Housing Leadership Council of San Mateo.

Mayor Barragan announced the Rotary Club's Youth Speech contest.

**19. ADJOURNMENT**

The meeting was adjourned at 10:45 PM



# **EAST PALO ALTO CITY COUNCIL STAFF REPORT**

**DATE:** April 1, 2025

**TO:** Honorable Mayor and Members of the City Council

**VIA:** Melvin E. Gaines, City Manager

**BY:** Natasha Raiburn, Rent Stabilization Program Administrator  
Tim Davis, Director, Housing Consulting Services, HEART of SMC  
Amy Chen, Community Development Director

**SUBJECT:** Measure O & L: Anti-Displacement Services and Transition to Measure JJ

## **Recommendation**

Receive an informational report from staff concerning Measure O & L: Anti-Displacement Services and receive an overview on existing City efforts for the Council’s consideration of Measure JJ funding.

## **Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

- Promote Housing, Economic, and Workforce Development

## **Background**

On November 8, 2016, East Palo Alto voters approved Measure O, the Residential Rental Business License Tax. This general tax established a locally-controlled funding source to address community priorities including affordable housing, reducing displacement, and homelessness prevention. Measure O imposed a 1.5% tax on the gross receipts of property owners leasing five or more residential rental units in East Palo Alto.

On October 16, 2018<sup>1</sup>, the City Council approved the City’s five-year Affordable Housing Strategy (Strategy). A key item included in the Strategy was to issue a Request for Proposals (RFP) to identify organizations capable of using Measure O general funds to provide anti-

<sup>1</sup> October 16, 2018 City Council Meeting (item 9B):  
<https://eastpaloalto.igmp2.com/Citizens/FileOpen.aspx?Type=1&ID=1476&Inline=True>



## POLICY AND ACTION 9.1

displacement services for renters

On July 5, 2022<sup>2</sup>, staff proposed funding community-based anti-displacement services, and the City Council allocated \$310,000 for these efforts. On August 1, 2022, the City issued an RFP seeking services to address legal support, tenant outreach, tenant empowerment & leadership development, case management, and direct rental and financial assistance.

The City received proposals from Community Legal Services in East Palo Alto (CLSEPA), Youth United for Community Action (YUCA), and Nuestra Casa. Their proposals covered legal services (including eviction defense), and tenant advocacy and education. None of the respondents proposed administering a rent relief program, despite the City's request for Direct Rental and Financial Services. As a result, the City Council only appropriated \$280,000 of the \$310,000, leaving \$30,000 unencumbered.

On November 1, 2022<sup>3</sup>, the City Council approved agreements totaling \$280,000 with CLSEPA, YUCA, and Nuestra Casa to provide eviction defense and other legal support, tenant advocacy, and education.

To address the unfulfilled rent relief need, the City Council allocated an additional \$70,000 from the General Fund on June 20, 2023<sup>4</sup>, combining it with the remaining \$30,000 from the 2022 Anti-Displacement budget. This created a \$100,000 fund for direct rental assistance. On July 17, 2023, the City issued an RFP, inviting respondents to develop and administer a rent relief program that could include:

- Rent or utility payments,
- First month and last month's rent, security deposits
- Short-term rental subsidies,
- Homelessness prevention subsidies,
- Moving or relocation assistance,
- Furniture assistance for new move-ins, and
- Shadow debt payment.

On August 7, 2023, the City received proposals from CLSEPA and Samaritan House. After evaluating the proposals, the City recommended awarding the Contract to Samaritan House, and the City Council approved the contract on September 5, 2023.<sup>5</sup> Samaritan House proposed distributing rental assistance to 30-45 households with each award ranging from \$1,900 to

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<sup>2</sup> July 5, 2022 City Council Meeting (item 9.1):

[https://eastpaloalto.igq2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1815&MediaPosition=8605.321&ID=2328&CssClass=](https://eastpaloalto.igq2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1815&MediaPosition=8605.321&ID=2328&CssClass=)

<sup>3</sup> November 1, 2022 City Council Meeting (item 9.1):

[https://eastpaloalto.igq2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1823&MediaPosition=10048.235&ID=2459&CssClass=](https://eastpaloalto.igq2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1823&MediaPosition=10048.235&ID=2459&CssClass=)

<sup>4</sup> June 20, 2023 City Council Meeting (item 11.1):

[https://eastpaloalto.igq2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1990&MediaPosition=12272.995&ID=2708&CssClass=](https://eastpaloalto.igq2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1990&MediaPosition=12272.995&ID=2708&CssClass=)

<sup>5</sup> September 5, 2023 City Council Meeting (item 3.2):

[https://eastpaloalto.igq2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1997&MediaPosition=444.161&ID=2759&CssClass=](https://eastpaloalto.igq2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1997&MediaPosition=444.161&ID=2759&CssClass=)



## POLICY AND ACTION 9.1

\$3,000. The program restricted assistance to one-time requests, allowing more households to benefit. They proposed to distribute a minimum of \$88,000 in direct rental assistance and not to exceed \$12,000 for overhead costs.

The contract with Samaritan House ended on January 31, 2025, and the contracts with CLSEPA, Nuestra Casa, and YUCA will end on March 31, 2025. Nonetheless, all contracted deliverables have been completed, with only final reports pending.

### Modifications to Measure O

Subsequent measures have updated the Residential Rental Business License Tax:

- Measure L, passed by voters November 8, 2022, increased the rental business license tax rate to 2.5% of gross receipts and expanded its application to owners leasing one to four rental units.
- Measure JJ, passed by voters November 5, 2024, voters passed Measure JJ, which further revised the tax by restricting its use. Funds must be allocated as follows:
  - At least 30% for tenant rental assistance.
  - Up to 20% for administrative expenses.
  - Remaining funds may support affordable homeownership, affordable housing preservation, tenant rental assistance, or protect residents of the City of East Palo Alto from displacement or homelessness.

Measure	Applicability	Tax Details	Fund Restrictions
Measure O (2016)	Property owners with five + residential rental units.	1.5%	General Fund
Measure L (2022)	Property owners with 1+ residential rental units.	2.5%	General Fund
Measure JJ (2024)	Property owners with 1+ residential rental units.	2.5%	Restricted (as shown above)



# POLICY AND ACTION 9.1

## Measure O/L/JJ Funding

Actual and projected income from the Residential Rental Business License Tax are as follows:

Fiscal Year	Measure	Income
2022-2023	O	\$628,311
2023-2024	L	\$1,551,663
2024-2025*	L	\$1,672,539
2025-2026*	JJ	\$1,705,990.

\*Projected figures provided by the City's business license administrator, HdL

This report provides updates on the Measure O Anti-Displacement efforts and outlines existing City efforts the Council could consider funding with Measure JJ.

### Analysis

The Measure O Anti-displacement contracts were funded from the Rent Stabilization Fund, the General Fund Reserve, and Measure O/L generated receipts in the General Fund. For FY 2022/2023 and FY 2023/2024, the Measure O/L funded contracts totaled \$599,984.

Agency	Service Provided	Funding
Community Legal Services in East Palo Alto (CLSEPA)	Legal Services	\$300,000
Nuestra Casa	Case Management, Education, and Outreach	\$96,788
Youth United for Community Action (YUCA)	Education and Outreach	\$103,196
Samaritan House	Rental Assistance	\$100,000
TOTAL		\$599,984

Based on quarterly reports from each agency, all deliverables from each respective scope of work have been completed. Final closeout reports are the only outstanding contract requirement. The goals and outcomes of each agreement are outlined below.

Service	Agency	Program Goal	Completed (thru 12/31/2024)
Assist Residents with Legal Representation and/or Legal Advice in Unlawful Detainer (Eviction) cases, RPA rent stabilization process, and other issues that threaten the stability of rental housing	CLSEPA/ Nuestra Casa	Assist 220 households	Assisted 348 households



## POLICY AND ACTION 9.1

Service	Agency	Program Goal	Completed (thru 12/31/2024)
Residents who receive eviction prevention services remain in their current home.	CLSEPA/ Nuestra Casa	At least 70% of clients	80% of clients
Provide legal workshops	CLSEPA/ Nuestra Casa	12 workshops	18 workshops provided
Legal workshop attendance	CLSEPA/ Nuestra Casa	250 attendees	249 attendees
Case management services	Nuestra Casa	420 cases	267 cases
Create a housing resource guide	Nuestra Casa	1 guide	1 guide
Distribute housing resource guide	Nuestra Casa	1,500 copies	5,500 copies
Host Facebook Live workshops	Nuestra Casa	2 workshops	2 workshops
Facebook Live viewership	Nuestra Casa	200 viewers	200 + viewers
Rent relief application assistance	Nuestra Casa	30 applications	37 applications
Empower families to be housing advocates	Nuestra Casa	10-15 advocates	14 advocates
Tenant rights workshops	YUCA	8 workshops	9 workshops
Hold tenant advisory meetings	YUCA	22 meetings	29 meetings
Tenant education	YUCA	200 residents	593 residents
Design tenants know-your-rights pamphlets	YUCA	1 pamphlet	1 pamphlet
Provide emergency rent, security deposit, and utility assistance	Samaritan House	\$88,000 in financial assistance distributed to 30-45 households	\$91,241 distributed to 49 households*

\* Completed through 1/31/2025

During a March 3, 2025, meeting with City staff, the contracted agencies highlighted several urgent issues:

- *Eviction risks remain high.* In the 12 months ending November 2024, landlords filed 177 unlawful detainers (evictions) in East Palo Alto (the 94303 zip code). With 6,226 renter households in this zip code, 2.8% of renters faced possible eviction - nearly double the county-wide rate of 1.5%. Only Daly City's 94015 had more filings (306), with a 3.8% eviction rate. The 94303 zip code accounted for 11% of all eviction filings in San Mateo County during this period. Thanks to CLSEPA's legal assistance, over 70% of tenants who received help remained housed.
- *Demand for rental assistance remains high.* Samaritan House relies on multiple funding



## POLICY AND ACTION 9.1

sources to assist families throughout San Mateo County. Funding from the City of East Palo Alto has helped them keep more East Palo Alto residents in their homes. However, even with these funds, Samaritan House often cannot fully cover tenants' requests and can only provide partial assistance.

- *Education and outreach efforts must continue.* YUCA and Nuestra Casa emphasized the importance of ongoing tenant education and outreach programs. These initiatives empower tenants, connect them to resources, and help them apply for newly constructed affordable housing units.

The agencies also identified several challenges and emerging needs:

- The future of funding from other sources is bleak.
  - Possible reductions in federal funding for a range of programs will place more strain on families, increasing the risk of displacement.
  - One-time federal ARPA funds have been expended.
  - Other funding sources, such as Measure K, are not certain.
- Rising staff costs put pressure on service providers. Increasing wages and operational expenses make it harder to maintain service levels.
- Fears are rising that landlords will use threats of a call to ICE to increase their leverage over tenants, in terms of rents, housing standards, and evictions. As a result, agencies are integrating more information about immigration rights into their education and outreach efforts.
- An increase in multi-family property sales raises tenant concerns. The recent uptick in multi-family rental property sales, particularly involving Woodland Park Communities (WPC) properties, has created a greater need for tenant outreach, education, and organizing.

### Next Steps and Considerations for Measure JJ Fund Allocation

Staff plans to conclude the Measure O Anti-displacement contracts and await Council direction on future Measure JJ fund allocation. The Council may provide guidance during the April 22 Council Priority Setting Study Session or other upcoming budget meetings. Based on Measure JJ's restrictions, projected FY 2026 revenue of \$1.7 million could be allocated as follows:

Category	Percent of Funds	Funding
Rental Assistance	30% (min.)	\$510,000
Program Administration	20% (max.)	\$340,000
Remaining Funds	50%	\$850,000



## POLICY AND ACTION 9.1

Two existing City policy documents could inform the Council’s allocation of Measure JJ Funds:

1. The 2024-2028 Affordable Housing Strategy (Adopted February 6, 2024<sup>6</sup>). This plan reaffirms the City’s commitment to rental relief and anti-displacement programs.
2. The 2023-2031 Housing Element (Adopted March 19, 2024<sup>7</sup>), Certified by HCD on April 29, 2024. The Housing Element included a number of anti-displacement policies and programs including but not limited to a homebuyer support program (Policy 2.1), home repair program (Policy 4.7), foreclosure prevention (Policy 4.9), rental assistance (Policies 4.11 and 4.12), anti-eviction services (Policy 5.7), landlord/tenant mediation services (Policy 5.8), and housing preservation (Policy 9.4).

The goals set out in the 2024-2028 Affordable Housing Strategy support and implement parallel policies and programs to those in the 2023-2031 Housing Element. Below is an overview of key programs and their expected impact with goals and costs over five years:

<b>Housing Programs and Sources (Affordable Housing Strategy)</b>				
<b>Program</b>	<b>Housing Element Policy/Program</b>	<b>5 Year Funding Amount</b>	<b>Expected Outcomes</b>	<b>Other Funding Sources</b>
Rental Assistance	-Policy 4.11: Fund direct emergency financial assistance or rent relief  -Policy 4.12: Assist with first/last month’s rent and security deposits	\$500,000	Assist 150 households with rental support	None
Tenant Stability Programs	-Program 5.7: Fund legal services, financial assistance, case management, and tenant advocacy.	\$1,400,000	Annual grants to nonprofits for legal services, tenant outreach, and case management	None
Major Home Repairs	-Program 4.7: Establish and fund a home repair program.	\$800,000	Repair 3 single family and 13 multi-family units	Measure HH Housing Funds, County CDBG funds
Minor Home	-Program 4.7: Establish	\$25,000	Assist 5	County CDBG

<sup>6</sup> February 6, 2024 City Council Meeting (item 9.4): <https://d3n9y02raazwpg.cloudfront.net/cityofepa/816f1e6a-9eb7-11ee-a93d-0050569183fa-39972565-ea93-428b-b9ca-2046ed62e07d-1706747421.pdf>

<sup>7</sup> March 19, 2024 City Council Meeting (item 8.1): <https://d3n9y02raazwpg.cloudfront.net/cityofepa/16abdc1d-c609-11ee-8fe8-0050569183fa-3408cd31-ecd7-4429-9d91-65986d552499-1710432004.pdf>



## POLICY AND ACTION 9.1

Housing Programs and Sources (Affordable Housing Strategy)				
Program	Housing Element Policy/Program	5 Year Funding Amount	Expected Outcomes	Other Funding Sources
Repairs	and fund a home repair program.		homeowners with minor home repairs.	funds
Foreclosure Prevention	-Policy 4.9: Evaluate establishing a foreclosure prevention and/or mortgage assistance program	\$114,000	Provide financial assistance to 3 homeowners	Low Mod Successor Agency Funds
Homebuyer Financial Assistance	-Policy 2.1: Develop a City led homebuyer support program	\$474,742	Assist 8 homebuyers	Housing Assistance Fund
Housing Preservation	-Policy 2.3: Support tenant or community purchase of properties. -Policy 4.3: Develop a preservation strategy -Policy 4.6: Create and fund a City housing rehab program for preservation	\$2,157,000	Assist purchase and income restriction of 2 single family homes and 1 multi-family home	Transient Occupancy Taxes
Affordable Housing Development	-Policy 1.4: Financial support for special needs housing -Policy 1.6: Financial support for affordable housing	\$14,596,706	Build 80 to 120 affordable housing units, depending on land costs	Inclusionary Housing In-Lieu Fees, Low Mod Successor Agency Funds, Measure HH Housing Funds. Transient Occupancy Taxes

Staff recommends that the City Council use the 2024-2028 Affordable Housing Strategy and 2023-2031 Housing Element as guides to determine which projects receive Measure JJ funds. The Council may provide such guidance during the April 22 Council Priority Setting Study Session or other upcoming budget meetings.

### **Fiscal Impact**

There is no fiscal impact associated with this report.



## **POLICY AND ACTION 9.1**

### **Public Notice**

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

### **Environmental**

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

### **Government Code § 84308**

**Applicability of Levine Act:** No, as the proposed action does not involve an entitlement.

**Analysis of Levine Act Compliance:** Not applicable.

### **Attachments**

1. Attachment - Resolution No. 64-2024
2. Attachment – Affordable Housing Strategy

**RESOLUTION NO. 64-2024**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF EAST PALO ALTO**

**CALLING AND ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF  
THE CITY OF EAST PALO ALTO AN INITIATIVE MEASURE  
TO AMEND THE MUNICIPAL CODE TO REQUIRE THAT FUNDS GENERATED BY  
THE 2.5% TAX ON GROSS RECEIPTS FROM RENTING CERTAIN TYPES OF  
RESIDENTIAL UNITS BE USED SOLELY FOR TENANT RENTAL ASSISTANCE,  
ADMINISTRATIVE EXPENSES, AND OTHER SPECIFIED HOUSING PURPOSES**

WHEREAS, on April 22, 2024, proponents submitted to the City a notice of intent to circulate a petition regarding a potential initiative measure to amend the East Palo Alto Municipal Code to require that funds generated by the 2.5% tax on gross receipts from renting certain types of residential units be used solely for tenant rental assistance, administrative expenses, and other specified housing purposes; and

WHEREAS, proponents circulated the petition, and having completed all necessary steps to place an initiative measure on the ballot and having gathered the required minimum of signatures of registered voters, on May 13, 2024, the San Mateo Registrar of Voters certified the petition as sufficient; and

WHEREAS, as its duly noticed regular meeting held on June 18, 2024, the City Council determined to submit the proposed initiative measure to the voters of the City pursuant to Elections Code Section 9215; and

WHEREAS, in accordance with Elections Code Section 10002 and 10403, the San Mateo County Board of Supervisors is requested to consolidate the City of East Palo Alto General Municipal Election with the Statewide General Election to be held November 5, 2024; and

WHEREAS, the City of East Palo Alto hereby requests that the San Mateo County Board of Supervisors permit the San Mateo County Registrar of Voters to perform services in connection with the consolidated election at the request of the City Clerk. These services are to include all necessary services related to official ballot creation, sample ballot and voter information pamphlet preparation, vote-by-mail, polling places, poll workers, voter registration, voting machines, canvass operations, and any and all other services necessary for the conduct of the consolidated election; and

WHEREAS, the City Council desires to submit this initiative measure to be placed on the ballot at the consolidated General Municipal Election.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
EAST PALO ALTO THAT:**

SECTION 1. Pursuant to Elections Code Section 10403, the City Council hereby calls an election to be consolidated with the General Municipal Election and the Statewide General Election on November 5, 2024, for the purpose of submitting the initiative measure to a vote of the qualified voters of the City of East Palo Alto, and hereby requests the San Mateo County Board of Supervisors to consolidate this election with the Statewide General Election on November 5, 2024. The consolidated General Municipal Election shall be held and conducted in the manner prescribed by Elections Code Section 10418.

SECTION 2. The City Council pursuant to its right and authority does order to be submitted to the voters at the General Municipal Election the following question:

<p>To fund tenant rental assistance and other specified housing purposes such as affordable homeownership, affordable housing preservation, protecting residents from displacement or homelessness, and administrative expenses, shall the initiative measure requiring funds raised by the existing 2.5% tax on gross receipts (that cannot be passed on to tenants) when renting certain types of residential units, until repealed by the voters, which raises approximately \$1.45 million annually, be adopted?</p>	YES
	NO

SECTION 3. The full text of the proposed measure submitted to the voters is attached as Exhibit A to this Resolution, which is incorporated herein by this reference. To be effective, a majority of the City Council must vote to place the measure on the ballot and a majority of the voters voting on the measure must vote in the affirmative.

SECTION 4. The City Council hereby requests the San Mateo County Registrar of Voters to provide all services necessary to conduct the General Municipal Election and to canvass the results of the General Municipal Election. The City will reimburse San Mateo County for the actual cost incurred in conducting the election when the work is completed and upon receipt of a bill stating the amount due as determined by the elections official.

SECTION 5. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. Notice of the time and place of holding the election is given and the City Clerk is authorized and directed to give further or additional notice of the election as required by law. The hours during which the polling places shall be open shall be the hours established for the Consolidated General Municipal Election.

SECTION 7. The City Clerk is hereby directed to do all things required by law to effectuate the Consolidated General Municipal Election and to present the measure

submitted herein to the electorate, including but not limited to required publications, postings, notices, and filings.

SECTION 8. Pursuant to Elections Code Section 9280, the City Council hereby directs the City Clerk to transmit a copy of this resolution to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure to the existing law and the operation of the measure, and transmit the impartial analysis to the City Clerk within 15 days of the adoption of this Resolution.

SECTION 9. Arguments for and against, not to exceed 300 words in length, may be filed consistent with Election Code Section 9282 requirements. The City Council, or any members of the City Council authorized by the City Council, may file a direct argument for the measure. The City Council declines, pursuant to the provisions of Section 9285 of the Elections Code, to permit rebuttal arguments.

SECTION 10. The measure, impartial analysis, any arguments for and against, filed under the authority of the Elections Code shall be available for public examination in the City Clerk's office pursuant to Elections Code Section 9295 for 10 calendar days, a period that shall begin immediately following the last filing deadline for the submission of such materials.

SECTION 11. The City Clerk is hereby directed to file a certified copy of this Resolution with the San Mateo County Board of Supervisors and the San Mateo County Registrar of Voters.

**ADOPTED this 2<sup>nd</sup> day of July 2024, by the following vote:**

**AYES:        ABRICA, BARRAGAN, LOPEZ, ROMERO**

**NOES:**

**ABSENT:    GAUTHIER**

**ABSTAIN:**

\_\_\_\_\_  
Antonio D. Lopez, Mayor

**ATTEST:**

\_\_\_\_\_  
James Colin, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
John D. Le, City Attorney

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO AMENDING SUBSECTION 5.08.125.G. OF THE EAST PALO ALTO MUNICIPAL CODE AND ADDING SUBSECTION 5.08.125.H. TO THE EAST PALO ALTO MUNICIPAL CODE TO REQUIRE THAT FUNDS GENERATED BY THE GROSS RECEIPTS TAX BE USED SOLELY FOR TENANT RENTAL ASSISTANCE AND OTHER SPECIFIED HOUSING PURPOSES**

THE PEOPLE OF THE CITY OF EAST PALO ALTO ORDAIN AS FOLLOWS:

Section 1. Findings and declarations.

The People of East Palo Alto find and declare as follows:

- a. The current code provision imposes a 2.5% tax on gross receipts from the rental of residential units, with certain exceptions.
- b. Currently, the City Council may use the funds generated by the tax for any purpose deemed necessary and appropriate for the benefit of City residents.
- c. The current ordinance requires the City Council to periodically review housing policy, housing programs, and related issues to determine how and to what extent the City should establish and fund such programs.
- d. The proposed revision, if approved by a majority of the voters, amends the East Palo Alto Municipal Code by requiring the funds generated by the tax be used solely for specified purposes, especially tenant rental assistance.
- e. The proposed revision also amends the East Palo Alto Municipal Code to specifically limit the amount that may be spent on reasonably incurred costs, such as staff and administrative overhead.
- f. Further, the revision provides that remaining revenue may be used in ways that support affordable homeownership, preserves affordable housing and protects residents from displacement and homelessness.
- g. By specifically directing how the funds raised are to be spent, this measure benefits the community because the cost of housing has continued to be a decisive factor in whether or not many individuals and families can reside in the City of East Palo Alto due to the high cost of living in the Bay Area.

Section 2. Subsection 5.08.125.G. of the East Palo Alto Municipal Code is amended to read as follows:

5.08.125 Rental of residential real property.

- G. The proceeds of the tax imposed by this section shall be used solely for the purposes set forth herein:
1. A minimum of 30% of the tax revenues collected shall be used exclusively for tenant rental assistance.
  2. A maximum of 20% of the tax revenues collected shall be used for reasonably incurred costs to the City of East Palo Alto for staff overhead to administer the tax; and
  3. The remaining revenue may, at the discretion of the City Council, be used in any way that supports affordable homeownership, preserves affordable housing, furthers tenant rental assistance, or protects residents of the City of East Palo Alto from displacement or homelessness.

Section 3. A new subsection 5.08.125.H. is added to the East Palo Alto Municipal Code to read as follows:

- H. Periodically, council shall review housing policy, housing programs, and related issues to determine how and to what extent the city should establish and fund such programs, if any, to increase the supply of affordable housing and protect residents from displacement and homelessness, including the provision of rental assistance, in light of the city's budget cycle and other relevant funding cycles.

Section 4. Conflicting Measures.

This measure is intended to be comprehensive and fully address and occupy the field of the taxation of receipts from the rental of dwelling units, and real property and buildings in general and the use of such revenues. It is the intent of the people of the City of East Palo Alto that in the event this measure and any other measure relating to taxation of receipts from the rental of dwelling units, or real property and buildings in general or the use of such revenues, appear on the same ballot, the provisions of the other measure shall be deemed in their entirety to be in conflict with this measure. If this measure receives a greater number of affirmative votes than any conflicting measure or measures, this measure shall prevail in its entirety, and all provisions of such other measure or measures shall be null and void in their entirety. If this measure is approved by the voters but does not receive a greater number of affirmative votes than any other measure(s) appearing on the same ballot relating to taxation of receipts from the rental of dwelling units, or real property and buildings in general or the use of such revenues, then this measure shall take effect to the extent not in conflict with any other measure(s).

Section 5. Severability.

If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People of the City of East Palo Alto hereby declare that they would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.



# CITY OF EAST PALO ALTO AFFORDABLE HOUSING STRATEGY

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# EAST PALO ALTO AFFORDABLE HOUSING STRATEGY

## SUMMARY OF GOALS

**Goal 1: Create More Housing That Is Affordable to East Palo Alto Residents.**

**Goal 2: Create Homeownership Opportunities for East Palo Alto Residents and Stability for Existing Homeowners.**

**Goal 3: Preserve Existing Affordable and Rent Stabilized Housing.**

**Goal 4: Prevent Displacement of East Palo Alto Residents.**

**Goal 5.1: Apply Environmental Justice Principles in Planning for New Housing Development.**

**Goal 5.2: Expand and Establish Programs to Promote Fair Housing Practices for East Palo Alto Residents.**

**Goal 6: Promote Safe and Healthy Housing in East Palo Alto.**

**Goal 7: Create More Housing Opportunities for Special Needs Households, Including Large Households, People at Risk of or Experiencing Homelessness, and Individuals with Disabilities.**

**Goal 8: Improve Transparency and Communication Between the City and the Public on Housing Issues.**

**Goal 9: Build City Capacity for Long-term Housing Planning and Implementation of a Range of Housing Programs and Initiatives.**

**Goal 10: Amend Zoning and Other Development Regulations to Facilitate the Construction of Affordable and Special Needs Housing.**

# INTRODUCTION

## Purpose of the Strategy

Through the *2019-2023 City of East Palo Alto Affordable Housing Strategy*, the City of East Palo Alto (the City) established a series of goals and actions to increase the availability of affordable housing to meet the needs of East Palo Alto residents. The *2024-2028 City of East Palo Alto Affordable Housing Strategy* (the Strategy) builds on these past efforts, what we heard from the community during Housing Element meetings held in 2021 and 2022, and the commitments made in the *2023-2031 Housing Element*.



The Strategy outlines the City of East Palo Alto’s commitment to the creation of new, deed-restricted affordable housing while also funding efforts to help East Palo Alto residents stay in their homes through programs that support renters through rent stabilization and rent supports, and homeowners through home repair programs.

In addition to the specific goals and policies articulated in the Strategy, this document also describes the recommended actions that will make it possible for staff to implement the Plan.

## Background on Affordable Housing in East Palo Alto

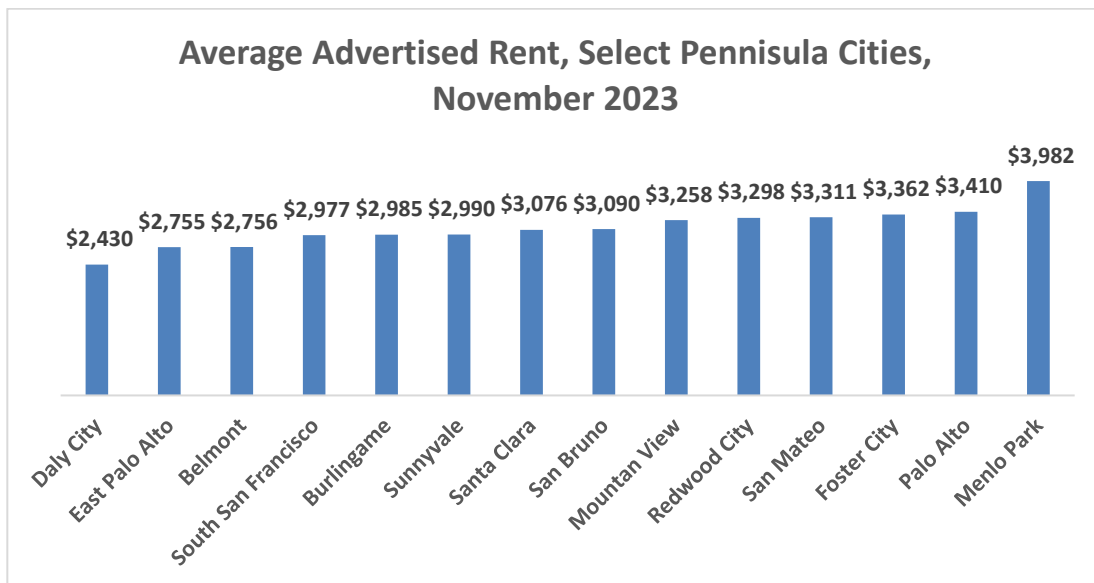
The City’s substantial affordable housing needs result largely from two factors: 1) the high cost of housing, and 2) low incomes of East Palo Alto renter households. To better understand this need it is important to know the city’s history and the ways in which East Palo Alto has changed substantially over time. The entire Peninsula was the home of Ohlone Native Americans, whose lands were taken first by Spanish ranchers and then by U.S. settlers moving west. Prior to World War II, many Japanese flower growers and farmers had made what became East Palo Alto their home, but most were incarcerated in concentration camps for the duration of World War II. Few returned to the area after the war, and East Palo Alto’s farms were turned into housing developments in the post-World War II suburbanization of the Peninsula. In the mid-1950’s, East Palo Alto changed again, as realtors used “blockbusting” -- a scheme where real estate agents and speculators convinced White families their neighborhoods were turning into slums and property values would drop; bought their homes less than their worth; and rented or sold them at inflated prices to Blacks/African Americans who faced property deed restrictions, anti-Black federal lending policies, land covenants, and discrimination in other Peninsula communities. As a result, East Palo Alto became the home to the largest Black/African American community on the Peninsula, segregated from the wealthier towns in the region.<sup>1</sup>

<sup>1</sup> Change, Julianna (2020). “A Tale of Two Cities: How racism in housing deeds, redlining and gentrification led to the stark divide

East Palo Alto was incorporated as a city in 1983, and soon thereafter passed rent stabilization protections including a Just Cause Eviction Ordinance. East Palo Alto remains the only San Mateo County jurisdiction with these protections for renters, though San Mateo County does provide some protections for mobile home residents.

Over time, East Palo Alto has continued to change, and because of its proximity to major high tech employers, faces significant pressures on housing costs, leading to both gentrification and displacement. There has been a precipitous decline in the Black/African American population, from 61 percent of the population in 1980, to 13 percent in 2022.<sup>2</sup> East Palo Alto remains a diverse community, however; as of 2022 61 percent of East Palo Alto residents are Hispanic or Latino, 13 percent are Black or African American, 12 percent are White, six percent are Asian, five percent are Native Hawaiian or other Pacific Islander (mostly Tongan), three percent are of two or more races (non-Hispanic/Latino), and one percent are American Indian and Alaska Native or of some other race.<sup>3</sup>

While rents are lower in East Palo Alto than in San Mateo County as a whole, the median gross rent (rent and utilities paid by the tenant) is \$2,142 in East Palo Alto, compared to \$2,805 for San Mateo County. These 2022 rents, as measured by the American Community Survey, are based on all renters, including long-term renters with rent stabilization protections. Average advertised rents for new tenancies are higher than the median gross rents for existing tenants. Rent Café reported that the average advertised rent for East Palo Alto in November 2023 was \$2,755, among the lowest of Peninsula area communities with data available. Even though rents are lower in East Palo Alto, a household would need an income of \$110,200 to afford the average advertised rent, significantly higher than the median household income of East Palo Alto renters of \$69,683.<sup>4</sup>



Source: Rent Café, November 2023 data, [www.rentcafe.com](http://www.rentcafe.com). Data is not available for communities with a small number of rentals.

between Palo Alto and East Palo Alto. *The Oracle*. Accessed 9/13/2023 at [The Oracle | A Tale of Two Cities: How racism in housing deeds, redlining and gentrification led to the stark divide between Palo Alto and East Palo Alto \(gunnoracle.com\)](https://www.gunnoracle.com).

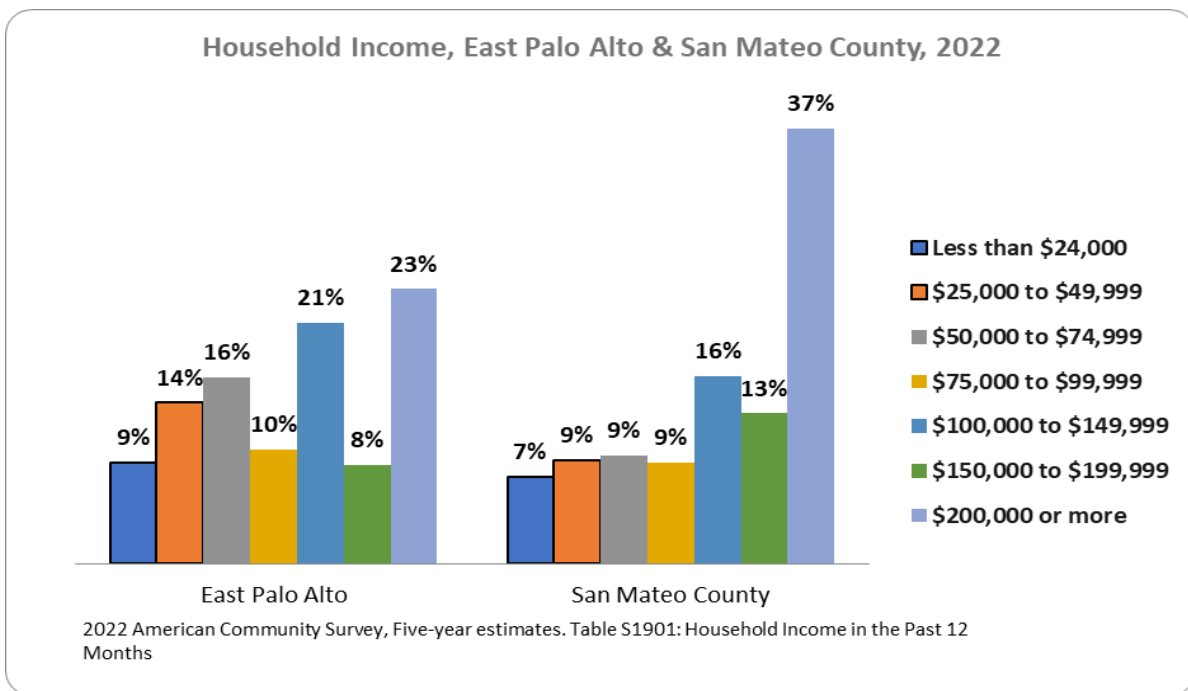
<sup>2</sup> Source: <http://www.bayareacensus.ca.gov/cities/EastPaloAlto70.htm> and the 2022 American Community Survey, five-year estimates, Table DP05

<sup>3</sup> US Census Bureau, Census 2020.

<sup>4</sup> US. Census Bureau, 2022 American Community Survey, 5-year estimates, Table B25119

Home values are also lower in East Palo Alto, as the 2022 median value of all homes was \$1,087,200 in East Palo Alto, compared to \$1,441,300 for San Mateo County.<sup>5</sup> Homeownership is out of reach for East Palo Alto renter households—The median household income for renters is \$69,683, and given today’s high interest rates, the median renter household can only afford to purchase a home priced at \$185,000.<sup>6</sup>

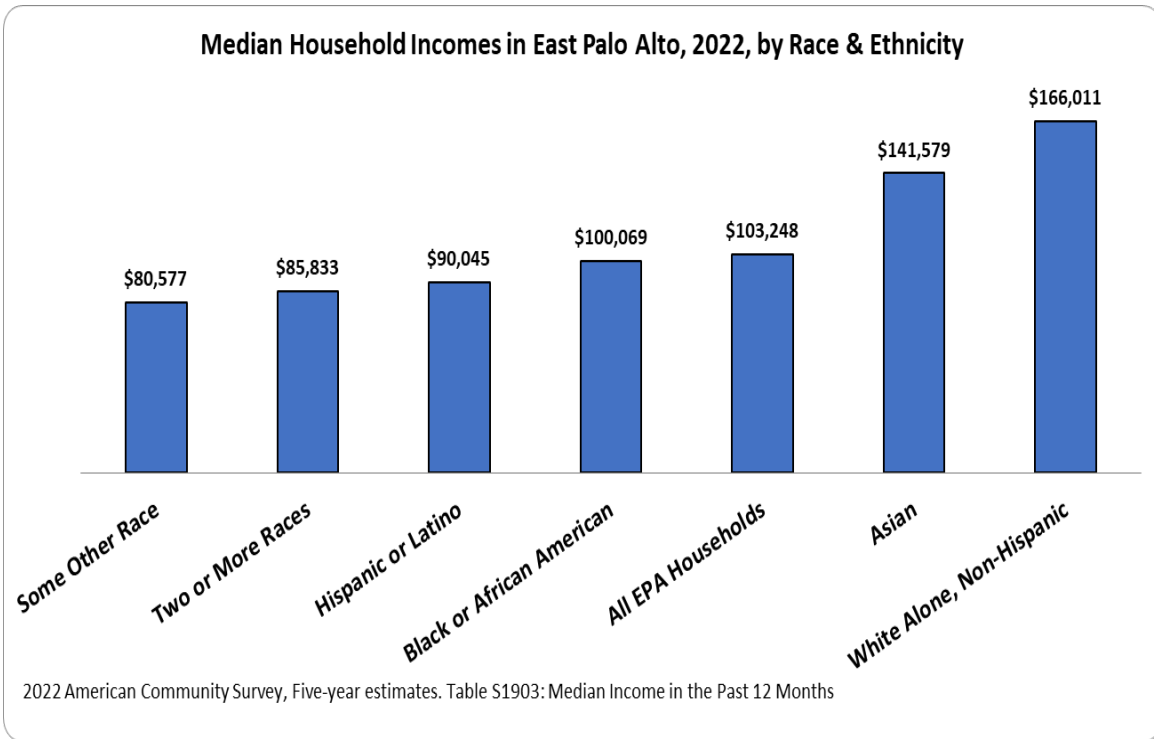
While housing costs are lower in East Palo Alto than many other communities in the region, incomes are also lower. The median household income in East Palo in 2022 was \$103,248, compared to \$145,388 for San Mateo County. While 37 percent of San Mateo County households have incomes greater than \$200,000, the same is true for only 23 percent of East Palo Alto households. In addition, 39 percent of East Palo Alto households have incomes of less than \$75,000, compared to only 25 percent of San Mateo County households.



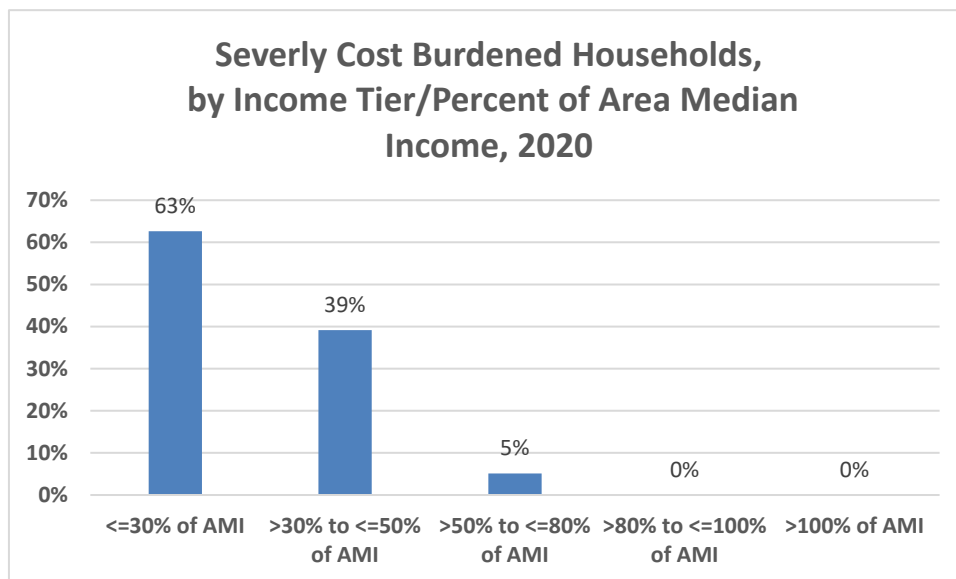
There are significant racial and ethnic disparities in income in East Palo Alto. While the median household income in 2022 for all households was \$103,248, it was \$90,045 for Hispanic or Latino households, \$100,069 for Black or African American households, but \$141,579 for Asian households and \$166,011 for White non-Hispanic/Latino households.

<sup>5</sup> Source: US Census Bureau, 2022 American Community Survey, 5-year estimates, Table DP04. Gross rent includes rent paid and utilities paid directly by the renter.

<sup>6</sup> Calculation based on 5% downpayment, 6.17% interest rate (Freddie Mac Mortgage Interest Rate Survey, 2 year rolling average 1/18/2024), PMI Rate of 1.1% (Freddie Mac), Property Tax Rate of 1.0907% (San Mateo County Assessor’s Office), homeowner property insurance rate of 0.49% (Bank Rate average CA insurance rate), and a housing debt ratio of 28%.

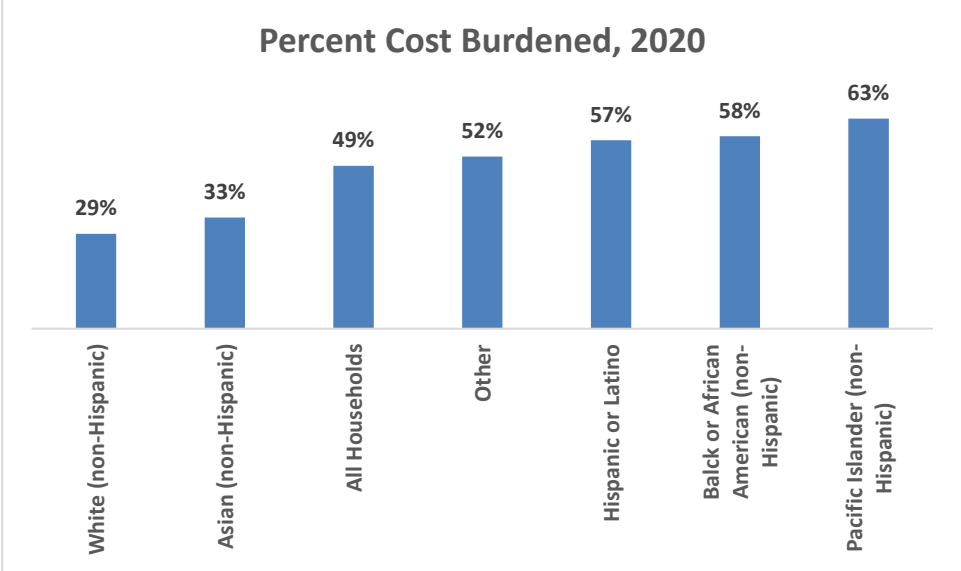


Given the combination of high housing costs and lower incomes, a high percentage of East Palo Alto residents are housing cost burdened (paying more than 30 percent of their income to housing costs), and therefore at risk of displacement and homelessness. Of all households, 49 percent are cost burdened, with 43 percent of homeowners and 54 percent of renters being cost burdened. A household is considered severely cost burdened if they pay more than 50 percent of their income towards housing. In East Palo Alto, 25 percent of all households are severely cost burdened, with 20 percent of homeowners and 29 percent of renters were severely cost burdened. Almost all severely housing cost burdened households have incomes of less than 50 percent of Area Median Income (\$93,200 for a family of three).



Source: US Census Bureau and HUD, 2020 American Community Survey, 5-year estimates, CHAS data.

The racial and ethnic disparities in income play a role in who is more likely to be cost burdened, as 58 percent of Black/African American and 63 percent of Hispanic/Latino households are cost burdened, the same is true of 29 percent of White households and 33 percent of Asian households, revealing that housing is an issue of both income *and* race and ethnicity.



Source: US Census Bureau and HUD, 2020 American Community Survey, 5-year estimates, CHAS data.

## Guiding Principles

When drafting the first Strategy, Staff identified the need to articulate the values that will guide the development of the City’s goals and implementation of the recommended actions. These guiding principles have remained the same through this iteration of the Strategy:

<p><b>Empathy</b></p>	<p>Every resident of East Palo Alto deserves access to decent, safe, and sanitary housing. Although East Palo Alto does not have the financial resources or developable land to build housing for every resident, our efforts to explore all potential options must be driven by a belief that all residents have the same rights to housing and a compassionate concern for their needs.</p>
<p><b>Anti-displacement</b></p>	<p>Anti-displacement/gentrification is a major concern for East Palo Alto’s residents and the City Council. The Strategy outlines several strategies and objectives that can help assure that current residents of East Palo Alto can stay in their communities.</p>
<p><b>Opportunity + Investment</b></p>	<p>East Palo Alto has limited financial resources to invest in many of the community development and public infrastructure activities that other jurisdictions routinely fund. The development of new rental affordable housing may serve as a catalyst for the City to secure both Federal and State funding to improve the public infrastructure surrounding an affordable development.</p>
<p><b>Equitable, Integrated, and Diverse Communities</b></p>	<p>The Strategy outlines several actions that would lead to a more integrated and diverse community.</p>
<p><b>Transparency</b></p>	<p>As the Strategy is implemented, it is imperative that the public, affordable housing developers, local non-profit organizations, and other stakeholders are kept apprised of the City’s progress and available resources. The City is committed to:</p> <ul style="list-style-type: none"> <li>■ Providing the City Council and community with periodic updates on the Strategy’s progress and will devote a page on the City’s website that will report results in real time.</li> <li>■ Being transparent with both revenues and expenditures spent so that the community can track the progress and effectiveness of the City’s affordable housing resources and development partners are aware of resources that can help them to propose and complete affordable housing developments.</li> </ul>

## Structure of the Strategy

### REVIEW OF THE 2019-2023 GOALS AND ACTIONS

The goals and actions from the 2019-2023 Affordable Housing Strategy are reviewed, providing background on recent City efforts, which inform the 2024-2028 strategy.

### GOALS AND ACTIONS

The Strategy describes an ambitious set of goals that may enable the City of East Palo Alto to increase the supply of housing that is affordable to residents and improve the critical systems that make more housing available. Each goal is explained and further defined through several specific recommended actions that will lead to achieving the intended outcome.

### PROGRAMMATIC SOURCES AND USES FOR HOUSING

The Strategy is based on an understanding of current opportunities in both developing affordable housing and maximizing those opportunities to meet the current need. The section outlines how funds currently available to the City of East Palo Alto can leverage federal, state, and other funding to create affordable housing. This section also outlines efforts the City of East Palo Alto is undertaking to fund programs that will help East Palo Alto residents (both renters and homeowners) stay in their communities.

### WORKPLAN

The recommended actions comprise an actionable work plan that will advance the City of East Palo Alto's affordable housing goals over a projected 5-year period. The East Palo Alto Affordable Housing Strategy Work Plan Schedule is attached to the Strategy, providing a snapshot of when these goals will be completed.

## REVIEW OF THE 2019 TO 2023 GOALS AND ACTIONS

The 2019-2023 *City of East Palo Alto Affordable Housing Strategy* set out a series of goals to address the affordable housing needs for East Palo Alto residents. Below are the outcomes of the major goals.

- **Adopt a Housing Strategy:** The City adopted the 2019-2023 housing strategy in late 2018, and the City is committed to revising the strategy for 2024-2028.
- **Create New Deed Restricted Affordable Housing Units:** The goal was that 500 new deed restricted affordable housing units would have been completed, started construction, or been approved during the life of the plan. From 2019 to 2022, the City approved 251 units, meeting 50 percent of the goal. Successes include the Colibri Commons project, which will bring 135 deed restricted housing units to a City-owned site at 965 Weeks Street, and Certificates of Occupancy were issued for 185 rehabilitated (94 units) and new deed restricted units (91 units) at Light Tree Apartments on East Bayshore Road.
- **Establish a Local Preference for Affordable Housing:** To facilitate East Palo Alto's anti-displacement efforts, East Palo Alto created a local preference in 2020 for those who live in East Palo Alto for its affordable housing lotteries.
- **Preserve Existing Affordable Units:** The goal was to preserve and extend deed- restrictions on 200 units of existing affordable housing. The City took steps to preserve 238 units, and no units of affordable housing were lost between 2019 and 2023. Preservation efforts include the extension of affordability terms for 75 units at the Courtyard at Bay Road, a \$7 million infusion of cash to renovate the 32 units at Nugent Square, the renovation of 37 units at Bay Oaks, and the rebuilding and renovation of 94 units at Light Tree, totaling 201 preserved affordable units among these three apartment complexes.
- **Increase Housing Opportunities for Unhoused Individuals and Families:** The City had a goal of creating 80 housing opportunities for those who have experienced homelessness. This goal was to be met through the creation of 17 safe parking spots for those living in RVs at the RV Safe Parking Program. East Palo Alto met this goal by spending \$1.4 million over five years to establish and maintain the RV Safe Parking program at 1798 Bay Road that helped 116 individuals over the life of the program. The RV Safe Parking program was hosted on the city-owned site and concluded the program on October 31, 2023. In addition, eight units at Colibri Commons and nine units at Light Tree (No Place Like Home) are being set aside for the formerly unhoused.
- **Re-Establish the City's Inclusionary Housing Ordinance:** On November 19, 2019, the City Council adopted Ordinance No. 425, the Inclusionary Housing Ordinance, adding Chapter 18.37 to the City of East Palo Alto Development Code. The Ordinance applies to all new residential development. The updated code can be found in the [City of East Palo Alto Municipal Code](#). This new ordinance provides direction and transparency for affordable housing developers and requires payment of in lieu fees

from projects with fewer than five units. For projects with five or more units, 20 percent of the units must be deed restricted. Payout and off-site options are also available, at 25 percent of required units. The program serves an economically diverse set of households, with maximum incomes ranging from as low as 35 percent of Area Median Income for a portion of the rental units, to 100 percent of Area Median Income for a portion of the ownership units. The City has established a web page with [details and guidance](#) on the policy.

- **Create Additional Accessory Dwelling Units (ADUs):** The City had a goal of approving 50 ADUs between 2019 and 2023. The City exceeded this goal as 112 ADUs received building permits and/or received a Certificate of occupancy in East Palo Alto from 2019-2022. In addition, the City secured a CalHome grant to launch a [new program](#) that provides up to a \$100,000 low interest loan for income eligible owners to create a deed restricted ADU on their property.
- **Support Housing Rehabilitations or Solar/Electric Vehicle Installations for Single Family Owner-Occupied Homes:** The City committed to using Housing Rehabilitation Programs and partnerships to assist 50 homeowners with home rehabilitations and/or installations of solar energy systems & EV charging stations. While 22 households were assisted in 2019, the county's home repair program was discontinued in 2020.
- **Add Capacity for Stewardship + Monitoring of the City's Affordable Housing Assets:** In 2019, the City contracted out the monitoring of its Below Mark Rate (BMR) homeownership units to EPACANDO. In addition to the monitoring of units, those interested in purchasing a BMR unit at resale can sign up to be notified when a unit becomes available. For more info, see <https://epacando.org/bmr-home-ownership/>.
- **Transparency + Reporting:** To demonstrate responsible stewardship and a commitment to developing the City's potential housing resources, the City committed to a series of reporting actions that would lead to transparency and regular coordination with decision-makers, partners, and the community. The City created reports in 2019 to track the efforts toward fulfilling the last affordable housing strategy. While those reports did not continue during and after the COVID-19 pandemic, the City continued to complete State required Annual Performance Reports on housing production and efforts to meet the goals of the last Housing Element. The City also began a revision of the City's website in 2020 with improvements to the Planning webpage that include updated fact sheets, forms, and, in 2021, the revised Inclusionary Housing Guidelines.
- **Increase City's Voice in Housing Advocacy Efforts:** The City of East Palo Alto committed to playing a larger role in policy/advocacy to expand and preserve affordable housing in East Palo Alto, and to provide constructive solutions for the larger regional problem. Actions taken from 2019 to 2023 include multiple comment letters to the California Department of Housing and Community Development (HCD) on major housing grant programs and to the California Debt Limit Allocation Committee (CDLAC) regarding tax-exempt bond allocations. The City also committed funding toward increasing tenant groups' voices through the Measure O/Measure L Anti-Displacement Services contract.

## GOALS AND ACTIONS

This affordable housing strategy lays out a series of efforts the City of East Palo Alto will take over the next five years to address the housing needs of East Palo Alto residents. The City will incentivize and create deed restricted, affordable housing, preserve existing affordable housing, and maintain or create programs and policies that reduce the displacement of East Palo Alto homeowners and renters. In doing so, the City is committed to also addressing a range of fair housing concerns including racial disparities in homeownership, the housing needs of special needs populations, and the ongoing displacement of Black, Indigenous, and People of Color (BIPOC) households.

The goals and actions outlined here closely align with the goals set out in the 2023-2031 Housing Element, though this strategy focuses on affordable housing and the needs of low- and moderate-income households, not goals related solely to overall housing production, and narrows the focus on what is achievable over the next five years, not the eight years outlined in the Housing Element.

### GOAL 1 | Create More Housing that is Affordable to East Palo Alto Residents

To fulfill the five-year affordable housing requirements of the Housing Element, over 260 deed-restricted, affordable housing units will need to be approved, start construction, or be completed in East Palo Alto during the 6th cycle Housing Element to meet the City's RHNA. East Palo Alto should be able to meet or surpass this goal. There are already 148 inclusionary housing units in the pipeline, and the City of East Palo Alto has the capacity to fund up to 122 units in 100% affordable housing developments (see Resources section). While achievable, success will depend on the City of East Palo Alto reducing government barriers to construction, providing funding and city owned land, and working closely with affordable housing developers.

#### **Implement measures to reduce overall processing times for residential development applications while maintaining robust community outreach and engagement.**

By simplifying the development approval process affordable housing can be created more quickly and at lower cost.

- Policy 1.0: Track and review planning approval and building permit processes for residential projects. Establish actions for streamlining, clarifying, and simplifying the approval and permit processes, including the design review process. Seek input from developers and other stakeholders to identify ways to improve and streamline development review. Target: Strive for the following planning application processing timelines by the end of the Housing Element period:
  - Ministerial/By-Right: 1-3 months from a complete application;
  - Discretionary - Planning Commission approval authority: 4-6 months from a complete application, not including projects appealed to City Council; and
  - Discretionary - City Council approval authority: 6-9 months from a complete application, not including projects with extenuating conditions (e.g., projects with an environmental

impact report, development agreement, or tenant relocation plan, or during periods of reduced staffing).

- Policy 1.1: Develop objective development and design standards that will be consistent with adopted findings of approval for all single-family and multi-family developments that simplify, clarify, and improve approval certainty and reduce the time for permit processing. Establish a time schedule for expedited ministerial or administrative approval of projects that comply with objective design standards, zoning standards, and development regulations. Ensure compliance with SB35, SB330, Housing Accountability Act, and other applicable state laws for qualifying projects.
- Policy 1.2: Implement existing processing guidelines for projects that qualify for by-right, ministerial, or administrative approval and CEQA exemption under SB 25, SB 330, the Housing Accountability Act, and other applicable state laws.
- Policy 1.3: Program: Review and adjust building permit review and approval procedures as needed to comply with the streamlining requirements in State law AB 2234.
- Policy 1.4: Develop standards to prioritize, incentivize, and expedite processing of residential projects that commit housing units for special needs populations such as the developmentally disabled, single-female head of households, at-risk youths, large family households, extremely low-income households, and unhoused individuals.

### Incentivize Affordable Housing Development

In addition to making affordable housing development easier through simplifying processes. East Palo Alto can take additional steps to incentivize affordable housing development.

- Policy 1.5: Pursuant to Government Code 65583.2 (h) and (i), sites that require rezoning to meet the RHNA for lower-income households and sites carried over from the 2015-2023 Housing Element to accommodate the needs of lower-income households shall be rezoned within the statutory deadline prescribed in Government Code 65583.2 (c). The rezoning shall commit to 20% lower-income units, minimum densities, and objective development standards, and complying projects shall not require discretionary approval. One site is carried over from the 2014-2022 Housing Element – a 0.65-acre parcel at 851 Weeks with an existing zoning of 22-40 units/acres and a pending application for a 79unit SB 35 project. If a project contains at least 20% lower-income units and complies with objective development standards, discretionary approval shall not be required. Target: Approve 851 Weeks as SB35 project or designate site for by-right approval for a qualifying project by Spring 2024.
- Policy 1.6: Seek and support financial resources from state, regional, and county housing programs, tax credits, and other sources that provide funding assistance for affordable housing projects to cover design and development costs and off-site public facility and infrastructure improvements. Target: Annually survey Notices of Funding Availability (NOFAs) and work with developers to apply

for funds for affordable housing projects and supporting public improvements. Prioritize assistance for projects in lower-resource areas as defined by AFFH analysis (including, but not limited to, westside of State Highway 101 and south of Bay Road west of University Avenue,)

**Encourage smaller smaller-scale housing that is relatively more affordable, including duplexes/triplexes and accessory dwelling units (ADUs), and incentivize the creation of deed restricted units within these properties.**

By reducing the barriers to the creation of smaller properties, East Palo Alto will make it easier for the creation of both deed-restricted affordable housing, as well as housing that is naturally more affordable than occupying a full single-family home.

- Policy 1.7: Develop a “next-phase” streamlining effort for ADUs and JADUs, SB 9 projects, and any future small-development ministerial approval process that builds on lessons learned from the ADU Streamlining collaboration with EPACANDO and City Systems (See also Program 10.5 pertaining to ADU zoning amendments that are necessary to comply with current state laws and for numerical/geographical targets).
- Policy 1.8: Study feasibility and desirability of waiving or reducing fees or delaying payment of permit fees and development impact fees for ADUs and small projects, e.g., two or fewer units.
- Program 1.9: Develop outreach materials targeting smaller developers aimed at informing future applicants and improving the quality of Planning and Building applications received.
- Program 1.10: Implement a preapproved and modular ADU designs program or participate in proposed 21 Elements clearinghouse to facilitate streamlined review and reduce design costs of ADUs.
- Program 1.11: Develop proposals for relaxing or allowing flexible zoning standards (e.g., building setbacks and height, open space, parking, and density) to facilitate the development of 5 SB 9 and small infill housing projects to increase housing opportunities and housing types throughout the community. Target: Assist property owners to approve eight (8) SB9 units during the 6th cycle Housing Element Period; focus on opportunities sites in lower-density residential neighborhoods (e.g., under-utilized lots over 10,000 square feet in size.)
- Program 1.12: Develop an expedited legalization process for unpermitted second units. Identify zoning amendments to reduce the impediment to building ADUs, such as setback and open space standards. Identify potential funding sources to assist.
- Policy 1.13: Support and participate in a potential county-wide initiative to create a resource center to effectively educate homeowners, provide resources, and promote the construction of ADUs.

- Policy 1.14: Seek available public and private sources of rehabilitation/repair funding and strengthen partnership with organizations (such as Habitat for Humanity, Rebuilding Together, and others) to produce ADUs. Seek assistance for correcting code compliance issues to legalize or upgrade existing ADUs. Target: Annually research available funds and partnerships and implement incentives with the goal of approving at least 72 new or legalized ADUs in single-family zoning districts between 2024 and 2028.

**Develop long-term, sustainable funding sources that are flexible and may be used for affordable housing production and preservation and to prevent displacement and homelessness.**

East Palo Alto can increase the availability of affordable housing through strategic investments in new and existing affordable housing projects, while also assisting residents with other programs, such as rental relief. To implement this goal, the City will strive to commit 50 percent of Measure HH funds to the creation and preservation of affordable housing.

- Policy 1.15: Implement the 2022 approval of Measure L which increased and expanded the City’s existing Gross Receipts Tax on rental residential properties for affordable housing and support programs.
- Program 1.16: Complete passage of this five-year strategic affordable housing plan to implement the 6th Cycle Housing Element goals, policies, and programs, and sets priorities for allocation of the City’s affordable housing revenue sources for a finite period (1 year to 5 years). Establish priorities to implement fair housing policies and programs in low resource neighborhoods per the AFFH analysis. Target: Adopt the AHS with numerical goals and place-based funding priorities to implement the goals, policies, and programs in the Housing Element.
- Policy 1.17: The Planning, Public Works, and Housing Departments will collaboratively pursue state grant funds wherever possible to support affordable housing projects and programs to address homelessness in the City. Target: Annually research available funds for affordable housing projects and homelessness programs. Prioritize funds to assist lower-resource areas and the unhoused population.

**Take reasonable measures to reduce the cost of development for fully affordable housing developments.**

In addition to reducing zoning barriers to the construction and seeking funding for affordable housing, East Palo Alto can take steps that reduce the cost of developing affordable housing.

- Policy 1.18: Use the opportunity of the Ravenswood Business District (RBD) Specific Plan Update or initiate a city-wide study on the feasibility and desirability of fee waivers or reductions or deferred

fee payments for fully affordable housing projects; additionally, consider providing City financial assistance to cover these fees.

- Policy 1.20:<sup>7</sup> Incorporate parking reductions into the City’s Transportation Demand Management Program to comply with state law AB2097 that eliminates parking minimums within one-half mile of major transit stops for affordable housing projects.

### **Encourage housing on sites zoned for mixed use in the Ravenswood/4 Corners Specific Plan Area.**

Through the planning process for the Ravenswood/4 Corners area, additional affordability can be incentivized.

- Policy 1.21: For sites within the RBD Specific Plan Area, study feasibility and effectiveness of an RBD-specific density bonus, relaxed zoning controls, minimum densities (particularly for mixed-use sites), streamlined subdivision approvals, and by-right or ministerial approvals. Incorporate provisions into the Specific Plan Update and Development Code in summer 2024. (See also related Program 10.8)

### **Develop Affordable Housing on Public Property**

The cost of land and limited space for affordable housing is a challenge most cities face. By providing public land, East Palo Alto could create more opportunities for deed restricted, affordable housing to be developed.

- Program 1.23:<sup>8</sup> Work with County of San Mateo to complete land swap and determine feasibility of the County developing affordable housing at 2277 University. Comply with the Surplus Lands Act. (This project is not included in Sites Inventory but could potentially be constructed during Housing Element 6th Cycle). Target: Support the County in redeveloping the property for at least ten (10) housing units, or whatever is found feasible, encouraging the County to develop permanent supportive housing.
- Program 1.24: Work with the Ravenswood City School District to facilitate the development of the district-owned parcel at 2120-2160 Euclid Avenue as affordable housing. Comply with the Surplus Lands Act. Target: There is a pending application to develop 430 units of affordable housing for lower income households on the site.

### **Incentivize “missing middle” housing, or smaller-scale housing that is affordable to households at 80-120% of Area Median Income.**

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<sup>7</sup> Policy 1.19 was omitted from the 2023-2031 Housing Element. As such, to maintain numbering consistency with the Housing Element, there is no policy 1.19 in this document, either.

<sup>8</sup>Policy 1.22 was omitted from the 2023-2030 Housing Element. As such, to maintain numbering consistency with the Housing Element, there is no policy 1.22 in this document, as well.

Policy 1.25: Revise City zoning and subdivision standards to increase compatibility with SB 9 (e.g., flexible zoning standards for setbacks, open space, height, and density) and make process improvements to encourage application of SB 9 on appropriately zoned parcels. Conduct informational outreach to property owners whose properties are prime candidates for SB 9 projects, including advising them of the ministerial approval process. Target: Assist property owners to approve eight (8) SB9 units during the 6th cycle Housing Element Period with focus on opportunities sites in lower-density residential neighborhoods (e.g., under-utilized lots over 10,000 square feet in size.)

### **Monitor progress on Housing Element Policies, Programs, and Sites Inventory.**

By monitoring the progress of the 2023-2031 Housing Element goals, East Palo Alto will be able to revise policies and programs to address challenges that may arise when creating affordable housing.

Policy 1.26: Annually review overall progress and effectiveness in meeting RHNA and evaluate progress in meeting Housing Element policies and programs; include information in the Annual Progress Report to HCD. Track the production of inclusionary housing units, ADUs, SB 9 units, and housing for special needs populations. If the City is not making sufficient progress in meeting its Housing Element goals and its RHNA for lower-income units by 2027 (i.e., 130 lower-income units under construction or completed by 2027), consider alternative land use strategies within six months. Possible actions include amending policies and programs, defining new actions, or identifying alternative housing sites, including rezoning if necessary, and strategies to facilitate a variety of housing choices, such as encouraging missing middle zoning (small-scale multi-unit projects), adaptive reuse, and additional ADUs and/or JADUs.

## **GOAL 2 | Promote and Preserve Homeownership**

Homeownership provides stability for families and a means to build wealth. The City supports efforts to increase homeownership, especially for low- and moderate-income households, which could include deeper subsidies, shared equity models of homeownership, and sweat equity initiatives.

### **Promote financial literacy as a means of encouraging homeownership and support first-time homebuyers.**

- Policy 2.1: In partnership with non-profit partners the City will develop a homebuyer support program or programs tailored to the needs of lower and moderate-income households in East Palo Alto, prioritizing outreach to neighborhoods with a proportionally higher percentage of rental households, such as the westside of Highway 101. Target: Propose a homebuyer support program with a goal of assisting a minimum of eight (8) residents during the 6th cycle Housing Element period.
- Policy 2.2: With the assistance of the City's grant coordinator, seek and apply for funds from state, federal, and other sources to create and finance a homebuyer support program.

### **Create pathways to affordable homeownership opportunities.**

- Policy 2.3: One pathway to homeownership is through tenant purchase of their buildings, such as on their own or through a community land trust or housing trust fund. The City hopes to create a program that will facilitate a minimum of two single family and one multi-family tenant purchases between 2024 and 2028.

### **Advocate for homebuyer and homeownership programs at the county, regional, and state levels.**

- Policy 2.4: East Palo Alto will continue to work with its partners to advocate homebuyer and homeownership programs, including exploring shared and sweat equity models, at the Federal, State, County, and regional levels.

## **GOAL 3 | Preserve Existing Affordable and Rent Stabilized Housing**

To assure housing stability for existing residents, it is important to preserve housing that is affordable to East Palo Alto residents. These affordable units are community assets that cannot be replaced easily.

### **Ensure that the City's deed-restricted affordable housing and Below Market-Rate (BMR) portfolio remains well-maintained and monitored.**

- Program 3.1: Continue working with the BMR Administrator on the existing BMR Program contract and draft Request for Proposals (RFP) for next phase of BMR Program management, including additional rental and for-sale inclusionary housing units, and evaluating, as needed, the Local Preference Guidelines. Target: Maintain 53 existing BMR units and add at least eight (8) new BMR ownership or rental units during the 6th cycle Housing Element period.

### **Improve data on the affordability of the City's rental housing stock outside of the Rent Stabilized portfolio.**

- Program 3.2: With the allocated City Council funding, implement the rent registry program.

### **Leverage County initiatives and affordable housing resources to increase public awareness of affordable housing opportunities in East Palo Alto.**

- Program 3.3: Work with the County of San Mateo and landlords to list all affordable housing projects and inclusionary units on Doorway, a new regional platform for searching and applying for affordable housing and finding affordable housing resources and conduct proactive outreach to East Palo Alto residents.

### **Protect and preserve the City's supply of rent-stabilized affordable housing units.**

- Policy 3.4: Continue to support the function of the Rent Stabilization Board to enforce the City’s Rent Stabilization Ordinance to protect tenants from unreasonable rent increases, to protect tenants from unlawful evictions, to address health, safety, and code enforcement issues, and to allow landlords sufficient rental income for maintenance and operating expenses and capital improvements. Target: The City plans to assist the approximately 2,500 registered units under the Rent Stabilization Ordinance.

### **Monitor Changes in State Law Related to Rent Stabilization**

- Policy 3.5: The City will monitor any changes to state law related to rent stabilization and if possible, update the Rent Stabilization Ordinance to provide greater protections.

## **GOAL 4 | Prevent Displacement of East Palo Alto Residents**

Given high rents and sales prices, it is crucial that the City take action to help East Palo Alto residents stay in their communities.

### **Connect the creation of new jobs in the City from commercial development to the creation of new housing at the appropriate affordability levels.**

New jobs create the need for additional housing, at a range of price levels and affordability. City policies can assure that these new jobs help to support housing affordable to both new and existing residents.

- Policy 4.1: As part of the Ravenswood Business District (RBD) Specific Plan update, develop a requirement to build new housing at specified levels of affordability based on a numerical linkage to office/R&D square footage in the RBD. Target: This plan should allow for the creation of between 1,350 and 1,600 new housing units, of which 220 should be approved/entitled between 2024 and 2028.
- Program 4.2: Participate in countywide nexus study led by 21 Elements to update the existing Commercial Linkage Fee.

### **Promote the preservation of existing housing stock and rehabilitation of housing that is at-risk due to age, structural deficiencies, etc.**

- Policy 4.3: Develop a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of affordable housing in East Palo Alto. Prioritize assistance to lower-resource neighborhoods identified in the AFFH analysis (including, but not limited to, westside of State Highway 101, south of Bay Road/west of University Avenue, and multi-family housing on southside of Bay Road and east of University

Avenue.) Target: Identify properties and reach out to organizations to achieve the minimum targets in Policy 4.6 during the 6th cycle Housing Element period.

- Policy 4.4: Identify and maintain a list of at-risk units and substandard buildings throughout the City. Ensure property owners comply with the State Preservation Notice Law. Actively engage with property owners to reach agreements to preserve at-risk units and properly maintain their properties. Target: Through these efforts, the City hopes to preserve or conserve the affordability of at least thirteen (13) substandard or at-risk units; set a goal to improve a minimum of thirteen (13) substandard or at-risk units between 2024 and 2028.
- Policy 4.5: Study improvements to the City’s process for addressing health, safety, and code violations on residential properties, including, but not limited to, unpermitted second units.
- Program 4.6: Develop a City housing rehabilitation program for City Council consideration that covers both single-family homes and multi-family apartments to preserve affordable housing opportunities, encourage proper maintenance and repairs, promote renovation, and increase energy conservation. The City will prioritize neighborhoods with a concentration of units in need of rehabilitation (as outlined in the Housing Element, including, but not limited to, westside of State Highway 101, south of Bay Road west of University Avenue, and multi-family housing on southside of Bay Road east of University Avenue). Target: Propose a program with a goal of renovating a minimum of four single-family and 13 multi-family homes between 2024 and 2028.

#### **Support housing stability of existing lower-income homeowners and enable the community’s seniors to age in place.**

- Program 4.7: Research establishing and funding a City home repair program to assist low-income homeowners with major repairs and rehabilitation to address acute safety and livability issues. The program would also assist seniors to “age-in-place” and install necessary accessibility improvements. Develop a public outreach plan and inform homeowners of financial assistance available from other agencies such as energy conservation and electrification incentives. Assistance will be targeted to lower-resource neighborhoods outlined in the AFFH analysis (including, but not limited to, westside of State Highway 101 and south of Bay Road west of University). The City has a goal of assisting five to ten low-income homeowners between 2024 and 2028.
- Policy 4.8: Continue to implement public accessibility improvements in accordance with the City’s ADA Compliance Plan and allow for reasonable accommodations through Municipal Code Chapter – Reasonable Accommodations and Development Code Chapter 18.98 – Reasonable Accommodations as needed to comply with all applicable state laws.
- Policy 4.9: Study models of foreclosure prevention in similarly sized cities, whether through local

investment or leveraging outside funding and evaluate establishing a mortgage assistance program for low-income households, with the goal of assisting at least three (3) homeowners between 2024 and 2028.

#### **Promote community/cooperative ownership of land and housing in East Palo Alto.**

- Program 4.10: Evaluate opportunities to support and/or leverage local community land trusts (CLTs) to create community ownership of new or preserved affordable housing, e.g., through scattered-site ADUs, small inclusionary projects, sweat equity projects (such as Habitat for Humanity or Rebuilding Together, and others), or preservation projects. The City's goal is to participate in at least one annual workshop to provide outreach and education to CLTs and similar organizations to create affordable rental and ownership housing with identification of possible opportunity sites.

#### **Prevent displacement due to high housing cost burden and barriers to housing, such as rental deposits.**

- Policy 4.11: Continue to appropriate funds and consider increasing funds for direct emergency financial assistance or rent relief to be administered by a qualified organization identified through a Request for Proposals (RFP) process. Conduct proactive public outreach, particularly to lower-income households and neighborhoods where a high housing cost burden has been documented in the fair housing assessment. The City has a goal of providing direct emergency financial assistance or rent relief to 30 households per year, subject to funding availability. To support this effort, the City will seek out a permanent source of funds for rental assistance.
- Program 4.12: Develop a proposal for City Council consideration for a direct financial assistance program for lower-income tenants that cannot pay their first and last month's rent, security deposit, or other move-in expenses.

#### **Implement an effective and fair housing compliant Local Preference Policy.**

- Policy 4.13: Complete and enforce guidelines on the City's existing Local Preference Policy for inclusionary housing for-sale and rental units. Periodically evaluate the guidelines and adjust as needed.

#### **Provide access to living wage jobs to allow residents to afford to remain to live in East Palo Alto.**

- Program 4.14: East Palo Alto residents passed Measure HH in 2018, which created a parcel tax on large office developments. Funds from Measure HH can be used to implement a Workforce Development Program to provide job training, apprenticeships, and job placement services to residents through partnerships with community-based non-profit organizations and private companies. Programs shall include proactive outreach to East Palo Alto residents, and service

agreements shall define performance goals and metrics and required deliverables. The City's goal is to assist at least eighty (80) East Palo Alto residents through the Pilot Workforce Development Program during 2024-2025 and evaluate continuing and expanding the program beyond 2025.

## **GOAL 5.1 | Apply Environmental Principles in Planning for New Housing Development**

East Palo Alto faces simultaneous challenges of rising sea levels and potential shortages in clean, drinkable water. These challenges directly affect the ability to build new affordable housing and protect existing housing and residents.

### **Adopt policies and programs to address environmental justice issues in the community.**

- Program 5.1: Update the Environmental Justice Element (Health and Equity) in the City's General Plan to include a comprehensive set of policies and programs and an implementation plan to address environmental justice issues and public outreach, engagement, and transparency; scope of work to include a robust community engagement process is integrated into the preparation of the Housing Element.

### **Address water and sewer system constraints to housing production, to the extent they are within the City's control, through targeted capital and governance improvements.**

- Program 5.2: Establish and implement a plan to address the San Mateo County Local Agency Formation Commission (SMCLAFCo) Municipal Service Review and to resolve the delays to housing development caused by issues with the East Palo Alto Sanitary District.
- Program 5.3: Implement the Water System Master Plan adopted in 2022 and complete the first-phase capital improvements in the plan. Update the Urban Water Management Plan to conform with the Master Plan and ensure adequate water service to parcels identified as developable in the Housing Element Sites Inventory (adequate water supply but water infrastructure upgrades may be needed for certain locations).
- Policy 5.4: Work with water and sewer service providers to adopt a policy that prioritizes water and sewer capacity allocations to affordable housing projects and low-income households in accordance with state law (SB1097).

### **Minimize new housing in highest-risk areas prone to flooding/sea level rise or due to environmental contamination.**

- Program 5.5: Leverage community partnerships to utilize and maintain data and maps wherever possible to monitor areas subject to flooding and identify sites for future development and to comply with Government Code 65302.

- Program 5.6: Develop an environmental “overlay” map with the most up-to-date data to avoid housing in at- risk areas or with prescribed mitigation measures.

**Prioritize flood control, infrastructure, and transportation improvements in lower-resource areas.**

- Policy 5.10:<sup>9</sup> Pursue funding and prioritize neighborhoods of concentrated need for future investment, which may include but is not limited to rehabilitation, safe routes to schools, parks, transit, and active transportation. Evaluate the distribution of infrastructure and transportation investment by higher versus lower need areas when updating the Capital Improvement Program (CIP). Assess the needs in lower-resource areas and implement actions to ensure an equitable distribution of investment. Target: Ensure that the CIP and economic redevelopment plans reflect the needs of lower-resource areas as identified in the AFFH analysis (including, but not limited to, westside of Highway 101 and south of Bay Road west of University Avenue).
- Policy 5.11: Support local and regional flood control and infrastructure projects that benefit existing and future residents. Prioritize improvement projects that benefit high need and lower-resource areas as identified in AFFH analysis. Target: Support the San Francisquito Creek Joint Powers Authority (SFCJPA) in completing the following flood control projects to benefit residents on the westside of the State Highway 101: Reach 2 project – channel improvements as well as top of bank improvements to enhance the creek and increase flow/capacity; Pope Chaucer Bridge Project improvement project in Menlo Park to replace the bridge to enhance flow and capacity; and Newell Bridge Replacement Project – replace bridge to enhance flow and capacity under the bridge.
- Policy 5.12: Work with the City’s clean energy provider, Peninsula Clean Energy, to seek funding sources for clean energy and environmental justice and equity.

**GOAL 5.2 | Expand and establish programs to promote fair housing practices for East Palo Alto residents.**

East Palo Alto is a mixed-income, multi-racial community with many households that have few affordable options elsewhere in the Bay Area. Programs and policies identified as part of the City’s plan to Affirmatively Further Fair Housing (AFFH) can improve the housing choices and stability for East Palo Alto residents.

- Program 5.7: Implement fair housing and anti-eviction programs using Measure O/Measure L and other qualifying local revenue sources to fund community-based organizations to provide legal services, financial assistance, case management, referrals, proactive community outreach (social media, workshops, flyers), resource information, and a staff a citizen advocacy committee. Contracts with organizations will specify quantified deliverables for each of these areas. Target:

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<sup>9</sup> Policies 5:10 and 5:11 are grouped with Goal 5.1 for clarity.

See the performance metrics for this program in Section 6.4, Implementation Plan.

- Policy 5.8: Continue to support agencies such as Project Sentinel, Community Legal Services in East Palo Alto, and Legal Aid at Work that provide consultation and landlord/tenant mediation services for residents.
- Policy 5.9: Prioritize providing fair housing and support services to special needs populations such as extremely low-income households, persons with disabilities, female heads of households, large family households, seniors, at-risk youths, and households at-risk of homelessness. Target proactive public outreach to lower resource neighborhoods such as western and northern areas in East Palo Alto or projects where there is a higher presence of special needs populations based on the fair housing analysis. The City has a goal of providing fair housing and support services for a minimum of 20 special needs individuals or households between 2024 and 2028.

## **GOAL 6 | Promote Safe and Healthy Housing in East Palo Alto**

A range of policies and programs can improve the health and well-being of lower-income East Palo Alto residents, whether in deed-restricted, rent stabilized, or market-rate housing.

### **Strengthen monitoring and enforcement of habitability issues.5.12**

- Policy 6.1A: Annually review the City’s habitability complaints and the Rent Stabilization Ordinance’s rules and regulations and forward any recommended changes or updates for enforcing habitability issues to the City’s Rent Stabilization Board.
- Program 6.1B: Continue to use code enforcement to support housing preservation and neighborhood quality and identify housing maintenance issues. Refer property owners with compliance needs to the City’s programs for financial assistance on code corrections, emergency repairs, and rehabilitation. Between 2024 and 2028, the City, through code enforcement efforts, is setting a goal to correct code violations and make necessary repairs and improvements for a minimum of 13 housing units.

### **Incorporate amenities into multifamily housing that support households with children.**

- Policy 6.2: Determine the most effective means of incentivizing or requiring childcare facilities in new affordable housing developments and commercial developments.

### **Improve energy conservation and reduce the carbon footprint of residential buildings.**

- Program 6.3: Implement the East Palo Alto Reach Codes, which became effective in January 2021 (amended March 2023) and apply to all new construction and substantial rehabilitations and additions; continue to explore expanding building electrification requirements while considering the impact on project feasibility, environmental justice, and equity. Support incentive programs for

retrofitting existing buildings and seek funding sources for equitable clean energy solutions.

#### **Improve earthquake readiness and resilience.**

- Program 6.4: Complete and implement the recently updated Multi-Generational Local Hazard Mitigation Plan.
- Program 6.5: Update the City’s Safety Element to address earthquakes, flooding, and other natural and manmade hazards; consider policies such as studying the inventory of the soft story housing stock and establishing a seismic retrofit program to address these buildings; establishing a program for remediation of lead-based paint in older residential buildings; and incorporating targeted outreach to vulnerable and special needs populations to ensure their needs are well-addressed.

#### **Ensure implementation and enforcement of flood protection and prevention measures.**

- Policy 6.6: Continue to disseminate information through onsite resources and workshops to homeowners, property owners, and developers on FEMA, state, and local regulations on floodplain construction and management practices.
- Program 6.7: Continue to participate in FEMA’s Community Rating System Program to ensure that new housing development complies with floodplain construction standards with submission of required certifications.

## **GOAL 7 | Create More Housing Opportunities for Special Needs Households, including Large Households, People at Risk of or Experiencing Homelessness, and Individuals with Disabilities**

East Palo Alto is committed to providing housing for our residents who are most in need of affordable housing.

#### **Incorporate special housing needs into City-supported future affordable housing developments.**

- Policy 7.1: For affordable housing projects located near high-quality transit and on City-owned land, with City subsidy, or where otherwise legally defensible, require developers of affordable housing to demonstrate how they will serve people with disabilities in the development.

#### **Provide housing solutions and support services for unhoused residents in East Palo Alto.**

- Program 7.2: Finalize the Master Temporary Use Permit (MTUP) process for the temporary housing program rollout that includes City coverage of permit fees to provide housing for individuals experiencing homelessness in the community. The City has a goal of assisting a minimum of five (5) RVs through the MTUP program between 2024 and 2028.

- Program 7.3: Evaluate lessons learned and options for longer-term, holistic solutions to RVs parked in public rights of way after the conclusion of the RV Safe Parking Program.
- Program 7.4: Research all available public funding sources to address homelessness and consider City investment of funds for homeless outreach, case management and supportive housing to supplement the countywide system. Seek funds to assist at least 38 unhoused individuals between 2024 and 2028.
- Policy 7.5: Pursue expansion of support programs for unhoused residents by establishing partnerships with other public agencies, private corporations and foundations, and non-profit service providers. The City has a goal of pursuing programs and partnerships providing support services for a minimum of 38 unhoused households or individuals between 2024 and 2028.
- Policy 7.6: Continue to support the low barrier navigation center and emergency shelter operated by WeHope, a community-based non-profit organization, which provides an interim shelter and supportive services for unhoused individuals. Accommodate the special needs of at-risk youths, households with children, and persons with disabilities. The City has a goal of making available a minimum of 100 beds each night for unhoused and at-risk individuals between 2024 and 2028.

**Reduce overcrowding and unsafe housing conditions related to housing affordability in East Palo Alto.**

- Policy 7.7: Develop options for incentivizing deeply affordable housing units that serve larger household sizes, such as allowing additional density or other relaxed or flexible zoning regulations. The City has a goal of producing a minimum of five larger affordable housing units between 2024 and 2028.
- Policy 7.8: Continue to require residential projects to include Extremely Low-Income housing units through the City’s Inclusionary Housing Program and encourage production of deed-restricted ADUs serving Extremely Low and Very Low-Income households as an Inclusionary Housing Alternative Compliance option instead of paying in-lieu fees for fractional units. The City has a goal of producing a minimum of 43 extremely low and very low-income deed restricted units (including ADUs) between 2024 and 2028.

**GOAL 8 | Improve Transparency and Communication between the City and the Public on Housing Issues and Housing Availability**

It is important that East Palo Alto residents are aware of how the City uses its resources to address housing affordability and stability, and that residents are aware of affordable housing units and programs that could stabilize and improve their lives.

**Make the City website, social media, and newsletter a reliable source of housing information and make parallel efforts to reach residents through mailers, in-person, and virtual meetings.**

- Program 8.1: Improve and maintain the Housing website as a primary means of communicating the City’s efforts around housing. Expand proactive measures to inform homeowners, landlords, and tenants about available local and County housing resources and supportive services.
- Policy 8.2: Create a budget for mailers and non-digital outreach on Housing workplan items at the start of each fiscal year.

**Incorporate language accessibility/language justice into City materials and meetings.**

- Policy 8.3: Provide translation of materials and interpretation of City Council, Planning Commission, Rent Stabilization, and other City meetings in alignment with City’s Language Policy.

**GOAL 9 | Build City Capacity for Long-term Housing Planning and Implementation of a Range of Housing Programs and Initiatives**

The successful implementation of this affordable housing strategy depends on having the appropriate level of staffing, either internally or through contracts and cooperation with other partners.

**Maintain sufficient Housing Division staff to implement this Affordable Housing Strategy.**

- Policy 9.1: Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in this Affordable Housing Strategy in a timely manner.

**Seek efficiency improvements and collaborative staffing and resource opportunities to simultaneously implement these Affordable Housing Strategy programs and other Housing Division responsibilities.**

- Program 9.2: Along with other San Mateo County communities, access the services of the HEART of San Mateo County’s new Housing Consulting Services program, so as to access additional housing expertise and staffing.

**Work in close collaboration with the Planning Division to more efficiently achieve both divisions’ goals and workplan items.**

- Program 9.3: Collaboratively update the City’s Development Code to align Planning and Housing objectives, with an emphasis of resolving inconsistencies and ensuring consistency with the City’s General Plan.

**Seek financing sources for affordable housing construction and preservation.**

- Policy 9.4: As Notices of Funding Availability (NOFA) are issued (typically annually), proactively work with the City’s grant coordinator to selectively apply for regional, state, and federal grants to

finance qualifying affordable housing projects and to fund East Palo Alto housing programs, such as housing rehabilitation and first-time homebuyers' program.

### **Monitor the Housing Element Implementation Plan**

- Policy 9.5: Review the Housing Element's Sites Inventory annually to assess progress in achieving the City's RHNA affordable housing allocation and as needed, identify additional sites or adjusting development policies, programs, and priorities.

### **Monitor the Inclusionary Housing Ordinance**

- Program 9.6: Evaluate the effectiveness of the Inclusionary Housing Ordinance (IHO) in producing affordable units and the financial impact of the inclusionary requirements and Alternative Compliance Options on residential development. Evaluate the effect of changing economic, development, and financing conditions and the cumulative financial impact of development impact fees and exactions. Following completion of the evaluation, amend the IHO to reduce constraints within six months if necessary. Continue to assess the financial impact of the IHO on individual projects and implement further measures to reduce the barriers to housing production and achieve the City's RHNA if needed. Additionally, include the IHO requirements in the financial feasibility analysis of impact fees on residential development; these analyses are scheduled every five years for consistency with the Mitigation Fee Act (next analysis to be completed in 2024; subsequent analysis in 2029/2030).

## **Goal 10 | Amend Zoning and Other Development Regulations to Facilitate the Construction of Affordable Housing**

The City of East Palo Alto will undertake changes in zoning and other development regulations that will ease the development of housing, with a particular focus on those efforts which will make it easier to create affordable and special needs housing.

### **Require replacement housing to be provided for applicable housing developments.**

- Policy 10.1: For applicable development projects that will be removing residential units, require a replacement housing program for lower-income households in accordance with State requirements (Government Code 65583.2(g)).

### **Update zoning and development standards as needed for Emergency Shelters.**

- Program 10.2: Evaluate current sites, development standards, and approval process and amend the Development Code to comply with Assembly Bill 2339 and other applicable state laws. AB 2339 adds specificity on how jurisdictions plan for emergency shelters and ensure sufficient capacity for low-income housing in their housing elements. This law requires that the identified zones for emergency shelter meet at least one of the following: (1) vacant and zoned for residential use; (2)

vacant and zoned for nonresidential use if the local government can demonstrate how the sites are located near amenities and services that serve people experiencing homelessness; or (3) nonvacant if the site is suitable for use as a shelter in the current planning period. Amend the Development Code to address zoning requirements, update the definition of emergency shelters, ensure sufficient capacity for emergency shelters in zones with proximity to transportation and homelessness services, establish objective development standards, and comply with all other requirements of AB 2339.

#### **Update zoning as needed for by-right Permanent Supportive Housing.**

- Program 10.3: Update zoning to so that Permanent Supportive Housing would be allowed by-right in residential and mixed-use zoning districts, as required by the State (Government Code 65651).

#### **Update zoning as needed for Housing for Farmworkers.**

- Program 10.4: Update zoning and the definition of a “housekeeping unit” to comply with the state Employee Housing Act and adopt a “barrier-free” definition that does not subject persons with disabilities to special regulations.

#### **Update zoning as needed for Accessory Dwelling Units (ADU)**

- Program 10.5: Amend the ADU ordinance to comply with State law, pending formal comment from HCD. Further actions include programs and policies to facilitate construction of ADUs (refer to Policies/Programs 1.7 to 1.14 for specifics). Consider additional measures to remove zoning impediments such as relaxing side and rear yard setback and open space standards and facilitating conversion of unpermitted accessory structures to ADUs. The City has a goal of approving at least 72 ADUs between 2024 and 2028.

#### **Update zoning as needed for residential care facilities and group homes (7+).**

- Program 10.6: Update zoning regulations for residential care facilities and group homes (7+) to comply with state law and to reduce barriers for establishing facilities for special needs populations such as persons with disabilities, including revising existing spacing constraints.

#### **Update other zoning ordinance regulations to comply with latest state law and reduce impediments for residential development.**

- Program 10.7: Review zoning ordinance regulations for compliance with the current state laws and reduce development impediments or provide incentives such as standards pertaining to parking, open space, density bonuses, and objective design standards. Implement Policies/Programs 1.1 to 1.6, 1.18, 1.20, 1.21 and 1.25 for a comprehensive multi-pronged approach to reduce regulatory constraints, improve development processing, create incentives for housing development, and reduce, mitigate, and not constrain housing supply, cost, and ability to achieve maximum densities.

#### **Adopt updates to the Ravenswood Business District/4 Corners Specific Plan to include residential uses at**

### **designated locations.**

- Program 10.8: Adopt an update to RBD Specific Plan to allow residential and mixed-use development at designated locations in the plan area and address provisions as noted in other Housing Element and Affordable Housing Strategy policies/programs. Concurrently, rezone parcels for residential and mixed-use development. Additionally, establish by-right approval, minimum residential densities, objective design standards, minimum residential requirements for mixed use zoning, reduce parking set flexible open space standards for affordable housing, create a transportation demand management (TDM) program, streamline subdivision approvals, and undertake other re-zoning efforts to reduce development constraints and create incentives for developments catering to special needs populations. Further, the City will resolve inconsistencies between the General Plan and current Specific Plan, (See related Policy 1.21). The City's goal is to zone sites and define minimum densities and objective design standards to accommodate 1,350 to 1,600 housing units within the Specific Plan area.

### **Facilitate single-room occupancy (SRO) and transitional supportive housing.**

- Program 10.9: Develop procedures and review zoning regulations with the objective of encouraging and facilitating the development of SRO projects and transitional supportive housing at suitable locations. The City's goal is to streamline zoning regulations as needed, identify potential funding, and reach out to developers (e.g., through a request for proposals or qualifications) to construct an SRO or supportive housing project on a suitable site in the City with convenient transit service.

### **Ensure General Plan and zoning consistency.**

- Policy 10.10: During the 6th cycle Housing Element, ensure that the General Plan land use designation and zoning are consistent for all properties included in the City's RHNA Sites Inventory.

## PROGRAMMATIC RESOURCES AND USES

This section will explore the resources available for the development of affordable housing more generally, followed by more detail on the sources and uses of funds that East Palo Alto has to support affordable housing development as well to address the need for affordable housing.

The City and affordable housing owners and developers can use a wide range of resources to build and preserve affordable housing. However, almost every affordable housing project must cobble together funds from multiple sources. This section outlines those sources, which include federal, state, regional, and local sources of funds.

### Federal Resources

The main source of funding for affordable housing in the United States is the **Low-Income Housing Tax Credit (LIHTC)** program, which raises equity by selling tax credits to investors. These funds can be used for the acquisition, rehabilitation, or new construction of affordable housing. These credits are managed by the California Tax Credit Allocation Committee.

The U.S. Department of Housing and Urban Development (HUD) makes funds available directly to affordable housing developments for seniors through the **Section 202 program**. HUD also provides fund to local communities to address housing, homelessness, and a range of community development needs through three programs:

- **Community Development Block Grants (CDBG)** fund the creation and preservation of affordable housing, as well as programs that meet the needs of low- and moderate-income households and communities, ranging from home repair programs to job training, to public infrastructure.
- The **HOME Investment Partnership Program (HOME)** funds housing programs serving households with incomes less than 60% of Area Median Income, and can be used for housing acquisition, construction, or rehabilitation, as well as for tenant rental assistance and homebuyer assistance.
- The **Emergency Solutions Grants Program (ESG)** funds services that address homelessness.
- The **Housing Opportunities for Persons with AIDS (HOPWA)** program funds tenant rental subsidies and other programs intended to keep persons with HIV/AIDS stably housed.

East Palo Alto does not receive CDBG, HOME, or ESG funds directly from HUD. The County of San Mateo receives annual allocations of these funds, which may be used in East Palo Alto and other San Mateo County communities that do not receive a direct allocation. For Federal Fiscal Year 2023, the County of San Mateo received \$2,449,879 in CDBG funds, \$1,497,141 in HOME funds, and \$228,547 in ESG funds. The City and County of San Francisco receives an allocation of HOPWA funds each year (\$7,410,761 in FFY2023), which also may be used in San Mateo County.

In addition, East Palo Alto residents can get assistance in paying their rent through HUD voucher programs including the Housing Choice Voucher (Section 8) program, and the Veterans Affairs Supportive Housing (VASH) program. Locally, these programs are administered by the Housing Authority of the County of San Mateo.

## State Resources

The State of California funds a range of affordable housing programs. While many programs fund services and affordable housing developments directly through funding rounds, East Palo Alto may be eligible to apply for some funds directly. These programs are starred (\*). Programs include:

Program	Description
Affordable Housing & Sustainable Communities Program (AHSC)*	Funds land use, housing, transportation, and preservation projects that support infill development and reduced greenhouse gas emissions.
CalHome*	Grants to local public agencies and nonprofits to assist first-time homebuyers become or remain homeowners through deferred-payment loans. Funds can also be used for ADU/JADU assistance (i.e., construction, repair, reconstruction, or rehabilitation)
CalHFA Permanent Loan Programs	Provides long term financing for the construction or acquisition and rehabilitation of affordable housing developments.
Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program*	Department of Toxic Substances Control program that provides low-interest loans to investigate, cleanup, and redevelop abandoned and underutilized urban properties.
California Emergency Solutions and Housing (CESH)	Grants for activities to assist persons experiencing or at-risk of homelessness.
California Self-Help Housing Program*	Grants for sponsor organizations that provide technical assistance for low- and moderate-income families to build their homes with their own labor.
Emergency Housing Assistance Program (EHAP)*	Funds for emergency shelter, transitional housing, and related services for the homeless and those at risk of losing their housing.
Golden State Acquisition Fund (GSAF)*	Golden State Acquisition Fund (GSAF)
Homekey*	Grants to acquire and rehabilitate a variety of housing types (e.g., hotels, motels, vacant apartment buildings) to serve people experiencing homelessness or who are also at risk of serious illness from COVID-19.
Homeless Emergency Aid Program (HEAP)	\$500 million block grant program designed to provide direct assistance to large cities, counties, and Continuums of Care (CoCs) to address the homelessness crisis.
Homeless, Housing Assistance and Prevention (HHAP) Program	Provides grants to large local jurisdictions and to CoCs to support regional coordination and expand or develop local capacity to address immediate homelessness challenges.
Housing for a Healthy California (HHC)	Funding for supportive housing opportunities intended to create supportive housing for individuals who are recipients of or eligible for health provided through Medi-Cal.

Housing Navigators Program	\$5 million in funding to counties for the support of housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to young adults in the foster care system.
Housing-Related Parks Program*	Funds the creation of new park and recreation facilities or improvement of existing park and recreation facilities that are associated with rental and ownership projects that are affordable to very low- and low-income households.
Infill Infrastructure Grant Program (IIG)	Grant funding for infrastructure improvements for new infill housing in residential and/or mixed-use projects.
Local Early Action Planning (LEAP) Grants*	Assists cities and counties to plan for housing through providing one-time, non-competitive planning grants.
Local Housing Trust Fund Program (LHTF)	Provides loans for the acquisition, predevelopment expenses and development of affordable rental housing projects, transitional housing projects, emergency shelters and homeownership projects, including down payment assistance to qualified first-time homebuyers, and for rehabilitation of homes owned by income-eligible homeowners.
Mobile-home Park Rehabilitation and Resident Ownership Program (MPRROP)*	Low-interest loans for the preservation of affordable mobile-home parks.
Multi-Family Housing Program (MHP)	Low-interest, long-term deferred-payment permanent loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.
No Place Like Home	Invests in the development of permanent supportive housing for persons who need mental health services and are experiencing homelessness or chronic homelessness, or at risk of chronic homelessness.
Permanent Local Housing Allocation Program (PLHA)*	Grants (competitive for non-entitlement jurisdictions) available to cities to develop new multifamily affordable rental housing, to substantially rehab and deed restricted existing rental housing, or to assist persons at risk of homelessness through rental assistance, rapid rehousing, or transitional rental housing.
Predevelopment Loan Program (PDLP)*	Short-term loans to cities and non-profit developers for the continued preservation, construction, rehabilitation, or conversion of assisted housing primarily for low-income households.
Regional Early Action Planning (REAP) Grants	Grant funding intended to help COGs and other regional entities collaborate on projects that have a broader regional impact on housing.
SB 2 Planning Grants Program*	One-time funding and technical assistance to help local governments adopt and implement plans and process improvements that streamline housing approvals and accelerate housing production.

Supportive Housing Multi-Family Housing Program (SHMHP)	Low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.
Transformative Climate Communities (TCC) Program*	Competitive grants for planning and implementation of community-led development and infrastructure projects that achieve major environmental, health, and economic benefits in the state's most disadvantaged communities.
Transit Oriented Development Housing Program (TOD)	Low-interest loans and grants for rental housing that includes affordable units near transit.
Transitional Housing Program (THP)	Funding to counties for child welfare services agencies to help young adults aged 18 to 25 find and maintain housing, with priority given to those previously in the foster care or probation systems.
Veterans Housing and Homelessness Prevention Program (VHHP)	Long-term loans for development or preservation of rental housing for very low- and low-income veterans and their families.
Workforce Housing Program*	Government bonds issued to cities to acquire and convert market-rate apartments to housing affordable to moderate-/middle-income households, generally households earning 80% to 120% of AMI.

## Regional Resources

While we cannot predict how much, if any funding will become available from the following sources, there a range of other local sources that can be used in East Palo Alto, including:

- **The Bay Area Preservation Pilot (BAPP)** is a Metropolitan Transportation Commission (MTC) program that provides loans for the preservation of existing, unsubsidized, affordable multi-family properties near high-frequency transit service.
- **The Bay Area Transit-Oriented Affordable Housing Fund (TOAH)** is funded by the Great Community Collaborative. TOAH provides pre-development and acquisition financing for affordable housing projects located in transit rich “priority development areas.”
- **The Enterprise Equitable Path Forward Fund** is a five-year, \$3.5 billion nationwide initiative to counter racial inequities rooted in housing, and focuses on supporting Black, Indigenous, and People of Color and housing providers who create and preserve affordable homes.
- **The Housing for Health Fund (HFHF)** is a collaboration among Enterprise Community Partners, Kaiser Permanente, and JP Morgan Chase, and provides \$85 million to promote health and the preservation of affordable housing.
- **The Silicon Valley Community Foundation (SVCF) Special Revenue Fund** helps to encourage the development of affordable housing through a \$2 million allocation to East Palo Alto to purchase certain water rights, and \$500,000, for an affordable housing manager position over a minimum period of five years.
- **The Partnership for the Bay’s Future Bay’s Future Fund (BFF) and Community Housing Fund (CHF)** is a \$500 million initiative to bridge funding gaps throughout the region’s rental housing market and address critical housing needs. The funds are managed by LISC and originated by the San Francisco Foundation, Bay Area LISC, the Corporation for Supportive Housing (CSH), Capital Impact Partners, and other public-private partners.

In addition to these resources, there are efforts to substantially increase the funds available for affordable housing programs and development in the Bay Area. In 2019, the Bay Area Housing Finance Agency (BAHFA) was created by the California legislature. BAHFA is placing a \$10 or \$20 billion regional housing bond on the November 2024 ballot.

## Efforts Funded by the City of East Palo Alto

In both the Housing Element and in this Housing Strategy, the City has set numeric goals and has committed to a range of housing programs, including, but not limited to, the development of new affordable housing units. These efforts can be organized by programmatic area and the types of families and individuals served, including:

- Developing Affordable Housing
- Addressing Homelessness
- Supporting Housing Quality and Stability
- Encouraging Homeownership

## Developing Affordable Housing

East Palo Alto has three methods of creating deed restricted, affordable housing:

- The City’s Inclusionary Housing Ordinance;
- The City’s Commercial Linkage Policy; and
- Funding of 100% affordable housing developments.

The **Inclusionary Housing Ordinance** requires the inclusion of Below Market Rate (“BMR”) units within new market rate developments. Under the Inclusionary Housing Ordinance, 20 percent of units must be deed restricted. The maximum income for these BMR units varies by tenure type but ranges from as low as 35% of Area Median Income for a portion of the rental units, up to 120% of Area Median Income for a portion of the ownership units. There are options for the creation of off-site units or the paying of a fee in lieu of providing the units. These fees can then be used for 100% affordable housing developments. There are currently 24 BMR units in entitled or approved projects.

The City of East Palo Alto has a **Commercial Linkage Policy** that requires that new office, medical, and research and development projects fund or create deed restricted housing. While most developers are likely to pay a fee, which is used to fund 100% affordable housing developments, a developer can choose to directly fund the creation of units, however, the Landing proposal for lab uses on Bay Road and Weeks Street has proposed the creation of 95 deed restricted units as part of the project.

The City can also directly **fund the development of 100% affordable housing projects**. These funding sources have different funding requirements and restrictions that the City must adhere to and enforce. Most funds must be used on capital expenses, or the administrative costs associated with delivering affordable housing. These sources include:

- **Inclusionary Housing In-Lieu Fees:** The City collects these funds when a developer pays a fee in lieu of providing deed restricted units on-site. In November 2019, the City Council adopted Ordinance No. 425, the Inclusionary Housing Ordinance, adding Chapter 18.37 to the City of East Palo Alto Development Code replacing the previous housing in-lieu fee ordinance. To date, developers have agreed to place their units on-site, and therefore the City has not collected any fees associated with the new ordinance. The City has \$6,813,682 in funds available as of June 30, 2023. All these funds would be used for affordable housing development.<sup>10</sup>
- **Low- and Moderate-Income Successor Agency Funds:** These funds are related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and must be used to provide housing for those with low- and moderate-incomes. As of June 30, 2023, the City has \$683,775 of these funds available, of which \$114,000 are proposed to be used for foreclosure prevention,

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<sup>10</sup> The current fund balance of \$6,813,682 in inclusionary housing in-lieu fee fund consists primarily in-lieu fees and settlement funds from developers in exchange for releases from obligations under Owner Participation Agreements to build affordable units.

and the remaining \$569,775 for housing development.

- **Measure HH Housing Funds:** Measure HH was approved by East Palo Alto voters at the November 2018 election and generates ongoing resources from large commercial buildings to be spent on affordable housing and job training programs. Measure HH raises approximately \$1.6 million annually of which a minimum of 35 percent of funds must be used for the capital costs of affordable housing. In addition, a percentage of Measure HH funds are set aside for workforce development, funding the Measure HH Pilot Workforce Development Program. While not a housing program, improving a household's economic conditions will also improve their housing outcomes. As of June 30, 2023, there is \$4,352,127 in Measure HH Housing Funds available, and over the next four years, a minimum of approximately \$2.3 million in additional funds is projected to become available, for a total of \$6.7 million in funds, all of which would be used for affordable housing development. The City will strive to make 50 percent of Measure HH funds available for housing development, creating even more affordable housing.
- **Transient Occupancy Tax (TOT) Housing Funds:** Each transient (hotel, motel, or short-term occupant) is subject to and must pay a tax in the amount of twelve percent (12%) of the rent charged by the operator. Ten percent of TOT revenues collected is dedicated and used exclusively for affordable housing development, acquisition and/or rehabilitation. An attempt to increase the fee from 12 percent to 14 percent failed at the 2020 ballot. As of June 30, 2023, the City holds \$2,369,951 in TOT Housing funds. Over the next four years, approximately \$1.1 million in additional funds is projected to be available, for a total of \$3.5 million in potential funds. Of these, up to \$3 million will be used for the purchase and/or rehab of housing affordable to low- and moderate-income households, and the remaining \$500,000 would be available for affordable housing development.
- **Commercial Linkage Fees:** The City Council initiated a commercial linkage fee in 2016, and formally and permanently adopted the program in 2020. Currently, the fee is set at \$13.19 per square foot for office, research & development, and medical office uses. There is no fee for retail, restaurants, services, or hotels. Fees are periodically updated based on changes in the program and associated costs. As of June 30, 2023, the City has not collected any fees associated with Commercial Linkage. While the City may not have any commercial linkage fees to fund affordable housing developments at present, it may be a viable funding source in the future.

Altogether, East Palo Alto will have approximately \$14.6 million available for developing 100% affordable housing projects. To understand this proposed cost, it is important to understand the overall costs of affordable housing development and how these developments are financed. It now costs upwards of \$1 million *per unit* to build a new, 100% affordable housing development in San Mateo County. The unit cost includes pro-rated land cost at average fair market value, along with development and construction costs. These developments all rely on a range of federal, state,

regional, and local funding sources, as well as debt financing. As such, a local city’s contribution to these developments represents only a percentage of the overall cost.

In October 2023, the City of East Palo Alto funded the Colibri Commons (965 Weeks Street) project, which has a financing structure that is typical of such projects. In addition to the land, East Palo Alto provided \$12,500,000 in affordable housing funds, and fee waivers worth another \$3,330,452, for a total of over \$15.8 million in local funding. Given that the development had 135 deed restricted units, the City’s contribution was \$116,400 per unit, or 11% of the total costs. Therefore, it is expected that East Palo Alto’s contribution to building affordable housing would range from \$120,000 per unit on public land, and \$180,000 on private land.<sup>11</sup> Given this per unit cost, the City’s \$14.6 million in funding can support the creation of anywhere from 81 units on privately owned land to 122 units on publicly owned parcels.

Possible Funds Available for Affordable Housing Development					
Source of Funds	Current Funds Available	Probable Additional Funding*	Other Housing Programs	Total Funding Available for Development	Programs Funded
Inclusionary Housing In-Lieu Fees	\$6,813,682	None Anticipated	\$0	\$6,813,682	Housing Development
Low Mod Successor Agency	\$683,775	\$0	-\$114,000	\$569,775	Housing Development; Foreclosure Prevention
Measure HH*	\$4,352,127	\$2,348,171 <sup>12</sup>	\$0	\$6,700,298	Housing Development
Transient Occupancy Tax	\$2,369,951	\$1,100,000	-\$2,957,000	\$512,951	Housing Development, Purchase and Rehab of Existing Housing
<b>Total</b>	<b>\$14,219,535</b>	<b>\$3,448,171</b>	<b>-\$3,071,000</b>	<b>\$14,596,706</b>	

\*Additional funding is based on four additional years of minimum income.

### Addressing Homelessness

To support the unhoused, East Palo Alto has committed to the following efforts that require the use of City resources:

- The City is waiving permit fees for non-profits applying for Master Temporary Use Permits. The Master TUP for Temporary Housing is a streamlined process that consists of a single application containing all applicable site standards and conditions for different types of temporary housing,

<sup>11</sup> At the time of writing, 760 Weeks Street was on the market for \$2,500,000, which could accommodate approximately 42 units, for a cost per unit of \$60,000.

<sup>12</sup> Given that expected revenue for 2023/2024 for Measure HH funds was \$1,677,265, and that at least 35% would be for housing, approximately \$587,043 per year would be available. Over four years, it would total over 2.3 million in additional resources.

including safe overnight parking, on a variety of properties. Applicants can apply for a single property or for a multi-site program, such as a rotating shelter, for up to 12 months at a time. The goal is to assist five RV owners between 2024 and 2028. While waiving fees is not a financial outlay for the City, it does represent a \$30,000 reduction in fee income to the City.

- The City has a goal of assisting 38 unhoused individuals. There are a range of programs that can help the City meet this goal. from the creation of permanent supportive housing to workforce development programs. The City expects to access external funds, such as the State’s Homekey program, to support this goal.
- WeHOPE’s emergency shelter is an important resource for East Palo Alto’s unhoused residents. East Palo Alto will work with WeHOPE to secure external funding, such as San Mateo County Measure K funds, to assure that this shelter continues to be available.

### **Supporting Housing Quality and Stability**

The City of East Palo Alto is committed to helping families, both renters and owners, stay in their homes, and ensuring that the quality of those homes are maintained and improved.

For renters, East Palo Alto’s rent stabilization ordinance is an important tool in stabilizing tenants, but additional programs are needed to stabilize East Palo Alto Renters that require City financial support.

- The City has a goal of supporting 30 households a year (for a total of 150 households between 2024 and 2028) with rental assistance. For year one, the City has committed \$100,000 in operating funds for the program, which will be operated by the Samaritan House. Each household would receive one-time assistance of approximately \$1,900 to \$3,000.
- The City is providing \$280,000 a year for two years (a total of \$560,000) for tenant stability programs including tenants’ rights and fair housing outreach and education, case management services, and legal aid. Rent Stabilization program fees pay for \$116,000 of the annual costs, with the remaining \$164,000 coming from the City’s General Fund Reserves. Services are provided by [Community Legal Services in East Palo Alto](#) (CLSEPA), [Nuestra Casa](#), and [Youth United for Community Action](#) (YUCA).

Home repair programs will assist both homeowners and renters to stay in their homes, while also increasing the quality of housing. The City has set a goal of providing major repairs for three single-family homes and 13 units in multi-family homes (for a total of 16 units) between 2024 and 2028. The City is allocating up to \$50,000 per unit in TOT Housing Funds, for a total program cost of \$800,000. The City will also seek San Mateo County managed federal CDBG funds to offset or match the City’s investment. If awarded, the City will help low-income homeowners, through referrals to existing home repair programs funded with San Mateo County CDBG funds. This program will enhance the ability to identify opportunities for physical rehabilitation and thus preserve affordable housing units.

The City also has set a goal of assisting three homeowners facing potential displacement due to foreclosure. The cost of such an effort could cost approximately \$114,000 in Low Mod Successor Agency

funds, to include counseling services and mortgage assistance. Some homeowners may be able to access the Federal Homeowner Assistance Fund, allowing East Palo Alto to assist additional homeowners.

Workforce development programs also address household stability by improving individuals' and families' financial stability. The City of East Palo Alto has committed \$775,215 in Measure HH funds for an 18 month [pilot program](#). If successful, Measure HH funds are a recurring source of income that could continue to fund the program through the remainder of this strategy.

### **Encouraging Homeownership**

Homeownership is the primary way that moderate- and middle-income families build wealth,<sup>13</sup> and the long-term gap in homeownership rates between White, non-Hispanic/Latino households and Black/African American and Hispanic/Latino households has contributed to racial wealth gaps.<sup>14</sup> Given the high sales prices in East Palo Alto and San Mateo County, it has gotten very difficult for East Palo Alto residents to buy their first home, and the City is hoping to encourage homeownership through homebuyer financial assistance and support for tenant purchases of their homes.

- Homebuyer Financial Assistance: The Housing Assistance Fund was created specifically to provide financial assistance for first-time homebuyers. Currently there are \$474,742 in these funds available, and the City has committed to helping eight (8) households purchase a home between 2024 and 2028. While City staff are still developing this program, the funds available could support downpayment assistance of up to \$50,000 per household.
- Tenant and Non-Profit Purchase of Rental Properties: The City is committed to assisting tenants and/or non-profits purchase their home to secure long-term stability. The City's goal is to assist with the purchase of two single-family homes and one four-to-six-unit multi-family home. Total program costs are expected to be approximately \$2,157,000, funded by City TOT fund Housing funds.

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<sup>13</sup> Schuetz, Jenny (December 9, 2020). "Rethinking Homeownership Incentives to Improve Household Financial Security and Shrink the Racial Wealth Gap." The Brookings Institution. Accessed 12/15/2023 at <https://www.brookings.edu/articles/rethinking-homeownership-incentives-to-improve-household-financial-security-and-shrink-the-racial-wealth-gap/>

<sup>14</sup> According to 2018-2022 American Community Survey Estimates for San Mateo County, 66% of White, non-Hispanic/Latino households were homeowners, compared to 63% for Asian households 58% for Black/African American households, and 42% for Hispanic/Latino households.

Summary: Housing Program Costs and Sources			
Program	Amount	Source of Funds	Proposed Outcomes
Master Temporary Use Permits	\$30,000	Fee waivers	Assist 5 RVs with Master TUP waivers
Rental Assistance	\$500,000	Operating Funds	Assist 150 households
Tenant Stability Programs	\$1,400,000	Measure O/L Funds	Annual grants to non-profits for legal services, tenant outreach, and case management.
Major Home Repairs	\$800,000	Measure HH Housing Funds, County CDBG Funds	Repair 3 single family and 13 multi-family units
Minor Home Repairs	\$25,000	County CDBG Funds	Assist 5 homeowners
Foreclosure Prevention	\$114,000	Low Mod Successor Agency Funds	Assist 3 homeowners
Workforce Development	\$775,215	Measure HH Workforce Development Funds	Assist 80 individuals
Homebuyer Financial Assistance	\$474,742	Housing Assistance Fund	Assist 8 homebuyers
Tenant & Non-Profit Property Purchases	\$2,157,000	Transient Occupancy Taxes	Assist purchase of 2 single family homes and 1 multi-family home
Affordable Housing Development	\$14,596,706	Inclusionary Housing In-Lieu Fees, Low Mod Successor Agency Funds, Measure HH Housing Funds. Transient Occupancy Taxes	Build 80 to 120 affordable housing units, depending on land costs

# WORKPLAN

The City of East Palo Alto is committed to fulfilling the goals of this affordable housing strategy between 2024 to 2028. Some will be addressed in the next two years, and some will take longer to implement, or are ongoing efforts.

Policy/ Program Number	Affordable Housing Strategy Action	Timelines			
		2024	2025	2026 or later	ongoing
<b>Goal 1: Create More Housing that is Affordable to East Palo Alto Residents.</b>					
	<b>Incentivize affordable housing development.</b>				
1.0	Policy 1.0: Track and review planning approval and building permit processes for residential projects. Establish actions for streamlining, clarifying, and simplifying the approval and permit processes, including the design review process. Seek input from developers and other stakeholders to identify ways to improve and streamline development review.	x		x	
1.1	Develop objective development and design standards that will be consistent with adopted findings of approval for all single-family and multi-family developments that simplify, clarify, and improve approval certainty and reduce the time for permit processing. Establish a time schedule for expedited ministerial or administrative approval of projects that comply with objective design standards, zoning standards, and development regulations. Ensure compliance with SB35, SB330, Housing Accountability Act, and other applicable state laws for qualifying projects.	x	x		
1.2	Implement existing processing guidelines and checklists for projects that qualify for by-right, ministerial, or administrative approval and CEQA exemption under SB 35, SB330, Housing Accountability Act, and other applicable state laws.				x
1.3	Review and adjust building permit review and approval procedures as needed to comply with the streamlining requirements of State law AB 2234.			2027	
1.4	Develop standards to prioritize, incentivize, and expedite processing of residential projects that commit housing units for special needs populations such as the developmentally disabled, single-female head of households, at-risk youths, large family households, extremely low-income households, and unhoused individuals.	x	x		x
1.5	Pursuant to Government Code 65583.2 (h) and (i), sites that require rezoning to meet the RHNA for lower-income households and sites carried over from the 2015-2023 Housing Element to	x			

	accommodate the needs of lower-income households shall be rezoned within the statutory deadline prescribed in Government Code 65583.2 (c). The rezoning shall commit to 20% lower-income units, minimum densities, and objective development standards, and complying projects shall not require discretionary approval. One site is carried over from the 2014-2022 Housing Element – a 0.65-acre parcel at 851 Weeks with an existing zoning of 22-40 units/acres and a pending application for a 79-unit SB 35 project. If a project contains at least 20% lower-income units and complies with objective development standards, discretionary approval shall not be required.				
1.6	Seek and support financial resources from state, regional, and county housing programs, tax credits, and other sources that provide funding assistance for affordable housing projects to cover design and development costs and off-site public facility and infrastructure improvements.				x
	<b>Encourage smaller-scale housing that is relatively more affordable, including duplexes/triplexes and accessory dwelling units (ADUs).</b>				
1.7	Develop a “next-phase” streamlining effort for ADUs and JADUs, SB 9 projects, and any future small development, ministerial approval process that builds on lessons learned from the ADU Streamlining collaboration with EPACANDO and City Systems. (See Program 10.5 pertaining to ADU zoning amendments that are necessary to comply with current state laws and for numerical geographical targets.)	x			
1.8	Study feasibility and desirability of waiving or reducing fees or delaying payment of permit fees and development impact fees for ADUs and small projects, e.g., two or fewer units.	x			
1.9	Develop outreach materials targeting smaller developers aimed at informing future applicants and improving the quality of Planning and Building applications received.	x			
1.10	Implement a preapproved and modular ADU designs program or participate in proposed 21 Elements clearinghouse to facilitate streamlined review and reduce design costs of ADUs.		x		
1.11	Develop proposals for relaxing or allowing flexible zoning standards (e.g., building setbacks and height, open space, parking, and density) to facilitate the development of 5 SB 9 and small infill housing projects to increase housing opportunities and housing types throughout the community.		x		
1.12	Develop an expedited legalization process for unpermitted second units. Identify zoning amendments to reduce the impediment to building ADUs, such as setback and open space standards.	x			
1.13	Support and participate in a potential county-wide initiative to create a resource center to effectively educate homeowners, provide resources, and promote the construction of ADUs.	x			

1.14	Research all available public and private sources of rehabilitation/repair funding and strengthen partnership with organizations in this area, such as Habitat for Humanity.				x
	<b>Develop long-term, sustainable funding sources that are flexible and may be used for affordable housing production and preservation and to prevent displacement and homelessness.</b>				
1.15	Implement the 2022 approval of Measure L which increased and expanded the City’s existing Gross Receipts Tax on rental residential properties for affordable housing and support programs.	x			
1.16	Update the City’s five-year Affordable Housing Strategy (AHS) to implement the 6th cycle Housing Element goals, policies, and programs and to sets priorities for allocation of the City’s affordable housing revenue sources for a finite period (1 year to 5 years). Establish priorities to implement fair housing policies and programs in low resource neighborhoods per the AFFH analysis.	x			
1.17	The Planning and Housing Departments will collaboratively pursue state grant funds wherever possible to support affordable housing projects and programs and to address homelessness in the City. Target: Annually research available funds for affordable housing projects and homelessness programs. Prioritize funds to assist lower-resource areas and the unhoused population.	x			x
	<b>Take reasonable measures to reduce the cost of development for fully affordable housing developments.</b>				
1.18	Use the opportunity of the Ravenswood Business District (RBD) Specific Plan Update or initiate a city-wide study on the feasibility and desirability of fee waivers or reductions or deferred fee payments for fully affordable housing projects; additionally, consider providing City financial assistance to cover these fees.		x		
1.20	Incorporate parking reductions into the City’s Transportation Demand Management Program including compliance with AB2097 and related state laws that eliminates parking minimums within one-half mile major transit stops and radius and parking maximums for affordable housing projects.		x		
	<b>Encourage housing on sites zoned for mixed use in the Ravenswood/4 Corners Specific Plan Area.</b>				
1.21	For sites within the RBD Specific Plan Area, study feasibility and effectiveness of an RBD-specific density bonus, relaxed zoning controls, minimum densities (particularly for mixed-use sites), streamlined subdivision approvals, and by-right or ministerial approvals. Incorporate provisions into the Specific Plan Update and Development Code in summer 2024. (See also related Program 10.8)	x			
	<b>Develop affordable housing on public property</b>				
1.23	Work with County of San Mateo to complete land swap and	x	x	x	

	determine feasibility of the County developing affordable housing, encouraging permanent supportive housing development, at 2277 University. Comply with Surplus Lands Act. (This project is not included in Sites Inventory but could potentially be constructed during Housing Element 6th Cycle.)				
1.24	Work with Ravenswood City School District to facilitate the development of the district-owned parcel at 2120-2160 Euclid Avenue as affordable public school employee housing. Comply with the Surplus Lands Act.	x	x	x	
	<b>Objective: Incentivize “missing middle” housing, or smaller-scale housing that is affordable to households at 80-120% of Area Median Income.</b>				
1.25	Revise City zoning and subdivision standards to increase compatibility with SB 9 (e.g., flexible zoning standards for setbacks, open space, heights, and density) and make process improvements to encourage application of SB 9 on appropriately zoned parcels. Conduct informational outreach to property owners whose properties are prime candidates for SB 9 projects, including informing them of the by-right or ministerial approval process.		x		
	<b>Monitor progress on housing element policies, programs, and sites inventory.</b>				
1.26	Annually review overall progress and effectiveness in meeting RHNA and evaluate progress in meeting Housing Element policies and programs; include information in Annual Progress Report to HCD. Track the production of inclusionary housing units, ADUs, SB 9 units, and housing for special needs populations. If the City is not making sufficient progress in meeting its Housing Element goals and its RHNA for affordable units by 2027 (i.e., at least 130 lower-income units under construction or completed by 2027), consider alternative land use strategies within six months. Possible actions include amending policies and programs, defining new actions, or identifying alternative housing sites, including rezoning if necessary, and strategies to facilitate a variety of housing choices, such as encouraging missing middle zoning (small-scale multi-unit projects), adaptive reuse, and additional ADUs and/or JADUs.	x	x	x	x
<b>Goal 2: Create Homeownership Opportunities for East Palo Alto Residents and Stability for Existing Homeowners.</b>					
	<b>Promote financial literacy as a means of encouraging homeownership and support first-time homebuyers.</b>				
2.1	In partnership with non-profit partners the City will develop a homebuyer support program or programs tailored to the needs of lower and moderate-income households in East Palo Alto. Prioritize outreach to neighborhoods with a proportionally higher percentage of rental households such as the westside of State Highway 101.	x	x		

2.2	With the assistance of the City’s grant coordinator, seek and apply for funds from state, federal, and other sources to create and finance this program.			x	
	<b>Create pathways to affordable homeownership opportunities.</b>				
2.3	One pathway to homeownership is through tenant purchase of their buildings either on their own or through a community land trust. The City hopes to create a program that will facilitate a minimum of two single family and one multi-family tenant purchases between 2024 and 2028.	x			
	<b>Advocate for homebuyer and homeownership programs at the county, regional, and state levels.</b>				
2.4	Advocate for the homebuyer and homeownership programs, including shared and sweat equity models, at the Federal, State, County, and regional levels.				x
<b>Goal 3: Preserve Existing Affordable and Rent Stabilized Housing</b>					
	<b>Ensure that the City’s deed-restricted affordable housing and Below Market-Rate (BMR) portfolio remain well-maintained and monitored.</b>				
3.1	Continue working with the BMR Administrator on the existing BMR Program contract and draft a Request for Proposals (RFP) for the next phase of BMR Program management, and evaluating, as needed, the Local Preference guideline, to maintain the 53 existing BMR units and add 8 rental or for-sale inclusionary housing units.	x			x
	<b>Improve data on affordability of the City’s rental housing stock outside of the rent stabilized portfolio.</b>				
3.2	With the allocated City Council funding, implement the rent registry program.	x			
	<b>Leverage County initiatives and affordable housing resources to increase public awareness of affordable housing opportunities in East Palo Alto.</b>				
3.3	Work with the County of San Mateo and landlords to list all affordable housing projects and inclusionary units on Doorway, a new regional platform for searching and applying for affordable housing and finding affordable housing resources and conduct proactive outreach to East Palo Alto residents.				x
	<b>Protect and preserve the City’s supply of rent-stabilized affordable housing units.</b>				
3.4	Continue to support the function of the Rent Stabilization Board (RSB) to enforce the City’s Rent Stabilization Ordinance to protect tenants from unreasonable rent increase, to protect tenants from unlawful evictions, and to allow landlords sufficient rental income for maintenance and operating expenses and capital improvements.				x

	<b>Monitor Changes in State Law Related to Rent Stabilization</b>				
3.5	The City will monitor any changes to state law related to rent stabilization and if possible, update the Rent Stabilization Ordinance to provide greater protections.				x
	<b>Goal 4: Prevent Displacement of East Palo Alto Residents.</b>				
	<b>Connect the creation of new jobs in the City from commercial development to the creation of new housing at the appropriate affordability levels.</b>				
4.1	As part of the Ravenswood Business District/4 Corners (RBD) Specific Plan update, develop a requirement to build new housing at specified levels of affordability based on a numerical linkage to office/R&D square footage in Ravenswood Business District (RBD).	x			
4.2	Participate in countywide nexus study led by 21 Elements to update the existing Commercial Linkage Fee.	x			
	<b>Promote the preservation of existing housing stock and rehabilitation of housing that is at-risk due to age, structural deficiencies, etc.</b>				
4.3	Develop a preservation strategy that addresses funding sources, identification of properties, and partnerships that can lead to preservation of affordable housing in East Palo Alto. Prioritize assistance to lower resource neighborhoods identified in the AFFH analysis (including, but not limited to, westside of State Highway 101, south of Bay Road west of University Avenue, and multi-family housing on southside of Bay Road east of University Avenue.)	x			
4.4	Identify and maintain a list of at-risk units and substandard buildings throughout the City. Ensure property owners comply with the State Preservation Notice Law. Actively engage with property owners to reach agreements to preserve at-risk units and properly maintain their properties. Through these efforts, the City hopes to improve 13 substandard or at-risk units between 2024 and 2028.	x			x
4.5	Study improvements to the City's process for addressing code violations on residential properties, including, but not limited to, unpermitted second units.		x		
4.6	Create and fund a City housing rehabilitation program for City Council consideration that covers both single-family homes and multi-family apartments to preserve affordable housing opportunities, encourage proper maintenance and repairs, promote renovation, and increase energy conservation. Prioritize neighborhoods with a concentration of units in need of rehabilitation per Housing Element, Section 2.12.2.D (including, but not limited to, westside of State Highway 101, south of Bay Road west of University Avenue, and multi-family housing on southside of Bay Road east of University Avenue).		x	x	

	<b>Support housing stability of existing lower-income homeowners and enable the community's seniors to age in place.</b>				
4.7	Research establishing and funding a City home repairs program to assist low-income homeowners with major repairs and rehabilitation to address acute safety and livability issues. Develop a public outreach plan and also inform homeowners of financial assistance available from other agencies such as energy conservation and electrification incentives. Prioritize assistance to seniors and lower-resource neighborhoods identified in AFFH analysis (including, but not limited to, westside of State Highway 101 and south of Bay Road west of University Avenue). The City has a goal of assisting a five to ten low-income homeowners between 2024 and 2028.	x	x		
4.8	Continue to implement public accessibility improvements in accordance with the City's ADA Compliance Plan and amend Municipal Code Chapter 14.10 – Reasonable Accommodations and Development Code Chapter 18.98 – Reasonable Accommodations as needed to comply with applicable state laws.				x
4.9	Study models of foreclosure prevention at the local level in similarly sized cities, whether through local investment or leveraging outside funding; evaluate establishing a mortgage assistance program for low-income households.	x	x		
	<b>Promote community/cooperative ownership of land and housing in East Palo Alto.</b>				
4.10	Evaluate opportunities to support and/or leverage local community land trusts (CLTs) to create community ownership of new or preserved affordable housing, e.g., through scattered-site ADUs, small inclusionary projects, sweat equity projects (such as Habitat for Humanity or Rebuilding Together, and others), or preservation projects.	x	x		
	<b>Prevent displacement due to high housing cost burden and barriers to housing, such as rental deposits.</b>				
4.11	Continue to appropriate funds and consider increasing funds for direct emergency financial assistance or rent relief to be administered by a qualified organization identified through a Request for Proposals (RFP) process. Conduct proactive public outreach, particularly to lower-income households and neighborhoods where a high housing cost burden has been documented in the fair housing assessment. To support this effort, the City will seek out a permanent source of funds for rental assistance.	x			
4.12	Develop a proposal for City Council consideration for a direct financial assistance program for first and last month's rent/security deposit assistance.		x		
	<b>Implement an effective and fair housing compliant Local Preference Policy.</b>				

4.13	Complete and enforce guidelines on City’s existing Local Preference Policy.	x			
	<b>Provide access to living wage jobs to allow residents to afford to remain to live in East Palo Alto.</b>				
4.14	Through Measure HH, a parcel tax on large office developments approved by East Palo Alto residents in 2018, implement a Pilot Workforce Development Program to provide job training, apprenticeships, and job placement services to residents through partnerships with community-based non-profit organizations and private companies. Programs shall include proactive outreach to East Palo Alto residents, and service agreements shall define performance goals and metrics and required deliverables.	x			
<b>Goal 5.1: Apply Environmental Justice Principles in Planning for New Housing Development.</b>					
	<b>Adopt policies and programs to address environmental justice issues in the community.</b>				
5.1	Update the Environmental Justice Element (Health and Equity) in the City’s General Plan to include a comprehensive set of policies and programs and an implementation plan to address environmental justice issues and public outreach, engagement, and transparency; scope of work to include a robust community engagement process is integrated into the preparation of this Element.	x			
	<b>Address water and sewer system constraints to housing production, to the extent they are within the City’s control, through targeted capital and governance improvements.</b>				
5.2	Establish and implement a plan to address the San Mateo County Local Agency Formation Commission (SMCLAFCo) Municipal Service Review and to resolve the delays to housing development caused by issues with the East Palo Alto Sanitary District.	x			
5.3	Implement the Water System Master Plan adopted in 2022 and complete the first-phase capital improvements in the plan. Update the Urban Water Management Plan to conform with the Master Plan and ensure adequate water service to parcels identified as developable in the Housing Element Sites Inventory (adequate water supply but water infrastructure upgrades may be needed for certain locations.)	x	x		
5.4	Work with water and sewer service providers to adopt a policy that prioritizes water and sewer capacity allocations to affordable housing projects and low-income households in accordance with state law (SB1097).	x			
	<b>Minimize new housing in highest-risk areas prone to flooding/sea level rise or due to environmental contamination.</b>				
5.5	Leverage community partnerships to utilize and maintain data and maps wherever possible to monitor areas subject to flooding and identify sites for future development and to comply with Government Code 65302.				x

5.6	Develop environmental “overlay” map with most up-to-date data to avoid housing in at-risk areas or with prescribed mitigation measures.	x			
	<b>Prioritize flood control, infrastructure, and transportation improvements in lower-resource areas.</b>				
5.10	Pursue funding and prioritize neighborhoods of concentrated need for future investment, which may include but is not limited to rehabilitation, safe routes to schools, parks, transit, and active transportation. Evaluate the distribution of infrastructure and transportation investment by higher versus lower need areas when updating the Capital Improvement Program (CIP). Assess the needs in lower-resource areas and implement actions to ensure an equitable distribution of investment.		x	x	
5.11	Support local and regional flood control and infrastructure projects that benefit existing and future residents. Prioritize improvement projects that benefit high need and lower-resource areas as identified in AFFH analysis.	x	x	x	
5.12	Work with the City’s clean energy provider, Peninsula Clean Energy, to seek funding sources for clean energy and environmental justice and equity.				x
<b>Goal 5.2: Expand and establish programs to promote fair housing practices for East Palo Alto residents.</b>					
5.7	Implement fair housing and anti-eviction programs using Measure O and other qualifying local revenue sources to fund community-based organizations to provide legal services, financial assistance, case management, referrals, proactive community outreach (social media, workshops, flyers), resource information, and a staff a citizen advocacy committee. The City Council has allocated over \$200,000 toward anti-displacement and fair housing programs.	x			
5.8	Continue to support agencies such as Project Sentinel, Community Legal Services in East Palo Alto, and Legal Aid at Work that provide consultation and landlord/tenant mediation services for residents.				x
5.9	Prioritize providing fair housing and support services to special needs populations such as extremely low-income households, persons with disabilities, female heads of households, large family households, seniors, at-risk youths, and households at-risk of homelessness. Target proactive public outreach to lower resource neighborhoods such as western and northern areas in East Palo Alto or projects where there is a higher presence of special needs populations based on the fair housing analysis. The City has a goal of providing fair housing and support services for a minimum of 20 special needs individuals or households between 2024 and 2028.				x
<b>Goal 6: Promote Safe and Healthy Housing in East Palo Alto.</b>					
	<b>Strengthen monitoring and enforcement of habitability issues.</b>				
6.1A	Annually review the City’s habitability complaints and the Rent				x

	Stabilization Ordinance’s rules and regulations and forward any recommended changes or updates for enforcing habitability issues to the City’s Rent Stabilization Board.				
6.1B	Continue to use code enforcement to support housing preservation and neighborhood quality and identify housing maintenance issues. Refer property owners with compliance needs to the City’s programs for rehabilitation assistance.				x
	<b>Incorporate amenities into multifamily housing that support households with children.</b>				
6.2	Determine the most effective means of incentivizing or requiring childcare facilities in new affordable housing developments and commercial developments.	x			
	<b>Improve energy conservation and reduce the carbon footprint of residential buildings.</b>				
6.3	Implement the East Palo Alto Reach Codes, which became effective in January 2021 and apply to all new construction and substantial rehabilitations and additions; continue to explore expanding building electrification requirements and support incentive programs for retrofitting existing buildings	x			
	<b>Improve earthquake readiness and resilience.</b>				
6.4	Complete and implement the recently updated Multi-Generational Local Hazard Mitigation Plan.				x
6.5	Update the City’s Safety Element to address earthquakes, flooding, and other natural and manmade hazards; consider policies such as studying the inventory of the soft-story housing stock and establishing a seismic retrofit program to address these buildings; establishing a program for remediation of lead-based paint in older residential buildings; and incorporating targeted outreach to vulnerable and special needs populations to ensure their needs are well-addressed.	x			
	<b>Ensure implementation and enforcement of flood protection and prevention measures.</b>				
6.6	Continue to disseminate information through onsite resources and workshops to homeowners, property owners, and developers on FEMA, state, and local regulations on floodplain construction and management practices.				x
6.7	Continue to participate in FEMA’s Community Rating System Program to ensure that new housing development complies with floodplain construction standards with submission of required certifications.				x
<b>Goal 7: Create More Housing Opportunities for Special Needs Households, Including Large Households, People at Risk of or Experiencing Homelessness, and Individuals with Disabilities.</b>					
	<b>Incorporate special housing needs into City-supported future</b>				

	<b>affordable housing developments.</b>				
7.1	For affordable housing projects located near high-quality transit, on City-owned land, with City subsidy, or where otherwise legally defensible, require developers of affordable housing to demonstrate how they will serve people with disabilities in the development.	x	x		
	<b>Provide housing solutions and support services for unhoused residents in East Palo Alto.</b>				
7.2	Finalize the Master Temporary Use Permit (MTUP) process for the temporary housing program rollout that includes City coverage of permit fees to provide housing for individuals experiencing homelessness in the community.	x			
7.3	Evaluate lessons learned and options for longer-term, holistic solutions to RVs parked in public right of way with the conclusion of the RV Safe Parking Program.	x			x
7.4	Research all available public funding sources to address homelessness and consider City investment of funds for homeless outreach, case management and supportive housing to supplement the countywide system.				x
7.5	Pursue expansion of support programs for unhoused residents by establishing partnerships with other public agencies, private corporations and foundations, and non-profit service providers.	x			x
7.6	Continue to support the low barrier navigation center and emergency shelter operated by WeHope, a community-based non-profit organization, which provides an interim shelter and supportive services for unhoused individuals. Accommodate the special needs of at-risk youths, households with children, and persons with disabilities.				x
	<b>Reduce overcrowding and unsafe housing conditions related to housing affordability in East Palo Alto.</b>				
7.7	Develop options for incentivizing deeply affordable housing units that serve larger household sizes, such as allowing additional density or other relaxed or flexible zoning regulations.	x			
7.8	Continue to require residential projects to include Extremely Low-Income housing units through the City's Inclusionary Housing Program and encourage production of deed-restricted ADUs serving Extremely Low and Very Low-Income households as an Inclusionary Housing Alternative Compliance option instead of paying in-lieu fees for fractional units.	x			
<b>Goal 8: Improve Transparency and Communication between the City and the Public on Housing Issues.</b>					
	<b>Make the City website, social media, and newsletter a reliable source of housing information and make parallel efforts to reach residents through mailers and in-person meetings.</b>				
8.1	Improve and maintain the Housing website as a primary means of communicating the City's efforts around housing. Expand				x

	proactive measures to inform homeowners, landlords, and tenants about available local and County housing resources and supportive services.				
8.2	Create a budget for mailers and non-digital outreach on Housing workplan items at the start of each fiscal year.				x
	<b>Incorporate language accessibility/language justice into City materials and meetings.</b>				
8.3	Provide translation of materials and interpretation of City Council, Planning Commission, Rent Stabilization, and other City meetings in alignment with City’s Language Policy.	x			
<b>Goal 9: Build City Capacity for Long-term Housing Planning and Implementation of a Range of Housing Programs and Initiatives.</b>					
	<b>Maintain sufficient Housing Division staff to implement this Affordable Housing Strategy.</b>				
9.1	Regularly assess the level of staffing or contract assistance to ensure that sufficient staffing is committed to implementing the policies and programs in this Affordable Housing Strategy in a timely manner.				x
	<b>Seek efficiencies and collaborative staffing and resource opportunities to simultaneously implement this Affordable Housing Strategy programs and other Housing Division responsibilities.</b>				
9.2	Along with other San Mateo County communities, access the services of the HEART of San Mateo County’s new Housing Consulting Services program, so as to access additional housing expertise and staffing.	x			
	<b>Work in close collaboration with the Planning Division to more efficiently achieve both divisions’ goals and workplan items.</b>				
9.3	Collaboratively update the City’s Development Code to align Planning and Housing objectives, with an emphasis of resolving inconsistencies and ensuring consistency with the City’s General Plan.	x	x		
	<b>Seek financing sources for affordable housing construction and preservation.</b>				
9.4	As Notices of Funding Availability (NOFA) are issued (typically annually), proactively work with the City’s grant coordinator to selectively apply for regional, state, and federal grants to finance qualifying affordable housing projects and to fund East Palo Alto housing programs, such as housing rehabilitation program and first-time homebuyers’ program				x
	<b>Monitor the Housing Element Implementation Plan</b>				
9.5	Review the Housing Element’s Sites Inventory annually to assess progress in achieving the City’s RHNA affordable housing allocation and as needed, identify additional sites or adjusting development policies, programs, and priorities.				x

	<b>Monitor the Inclusionary Housing Ordinance</b>				
9.6	Evaluate the effectiveness of the Inclusionary Housing Ordinance (IHO) in producing affordable units and the financial impact of the inclusionary requirements and Alternative Compliance Options on residential development. Evaluate the effect of changing economic, development, and financing conditions and the cumulative financial impact of development impact fees and exactions. Following completion of the evaluation, amend the IHO to reduce constraints within six months if necessary. Continue to assess the financial impact of the IHO on individual projects and implement further measures to reduce the barriers to housing production and achieve the City’s RHNA if needed.	x	x		x
<b>Goal 10: Amend Zoning and Other Development Regulations to Facilitate the Construction of Affordable and Special Needs Housing</b>					
	<b>Require replacement housing to be provided for applicable housing developments.</b>				
10.1	For applicable development projects that will be removing residential units, a replacement housing program for lower-income households in accordance with State requirements (Government Code 65583.2(g)).				x
	<b>Update zoning and development standards as needed for Emergency Shelters.</b>				
10.2	Emergency Shelters - Evaluate current sites, development standards, and approval process and amend the Development Code to comply with Assembly Bill 2339 and other applicable state laws. Amend the Development Code to address zoning requirements, update the definition of emergency shelters, ensure sufficient capacity for emergency shelters in zones with proximity to transportation and homelessness services, establish objective development standards, and comply with all other requirements of AB 2339.	x			
	<b>Update zoning as needed for by-right Permanent Supportive Housing.</b>				
10.3	Update zoning to so that Permanent Supportive Housing would be allowed by-right in residential and mixed-use zoning districts, as required by the State (Government Code 65651).	x			
	<b>Update zoning as needed for Housing for Farmworkers.</b>				
10.4	Update zoning and the definition of a “housekeeping unit” to comply with the state Employee Housing Act and adopt a “barrier-free” definition that does not subject persons with disabilities to special regulations.	x			
	<b>Update zoning as needed for Accessory Dwelling Units (ADU)</b>				
10.5	Amend the ADU ordinance to comply with State law, pending formal comment from HCD. Further actions include programs and policies to facilitate construction of ADUs (refer to	x			

	Policies/Programs 1.7 to 1.14 for specifics). Consider additional measures to remove zoning impediments such as relaxing side and rear yard setback and open space standards and facilitating conversion of unpermitted accessory structures to ADUs. The City has a goal of approving at least 72 ADUs between 2024 and 2028.				
	<b>Update zoning as needed for residential care facilities and group homes (7+).</b>				
10.6	Update zoning regulations for residential care facilities and group homes (7+) to comply with state law and to reduce barriers for establishing facilities for special needs populations such as persons with disabilities, including revising existing spacing constraints.	x			
	<b>Update other zoning ordinance regulations to comply with latest state law and reduce impediments for residential development.</b>				
10.7	Review zoning ordinance regulations for compliance with the current state laws and reduce development impediments or provide incentives such as standards pertaining to parking, open space, density bonuses, and objective design standards. Implement Policies/Programs 1.1 to 1.6, 1.18, 1.20, 1.21 and 1.25 for a comprehensive multi-pronged approach to reduce regulatory constraints, improve development processing, create incentives for housing development, and reduce, mitigate, and not constrain housing supply, cost, and ability to achieve maximum densities.	x	x	x	
	<b>Adopt updates to the Ravenswood Business District/4 Corners Specific Plan to include residential uses at designated locations.</b>				
10.8	Adopt an update to RBD Specific Plan to allow residential and mixed-use development at designated locations in the plan area and address provisions as noted in other Housing Element and Affordable Housing Strategy policies/programs. Concurrently, rezone parcels for residential and mixed-use development. Additionally, establish by-right approval, minimum residential densities, objective design standards, minimum residential requirements for mixed use zoning, reduce parking set flexible open space standards for affordable housing, create a transportation demand management (TDM) program, streamline subdivision approvals, and undertake other re-zoning efforts to reduce development constraints and create incentives for developments catering to special needs populations. Further, the City will resolve inconsistencies between the General Plan and current Specific Plan, (See related Policy 1.21). The City's goal is to zone sites and define minimum densities and objective design standards to accommodate 1,350 to 1,600 housing units within the Specific Plan area.	x			
	<b>Facilitate single-room occupancy (SRO) and transitional supportive housing.</b>				
10.9	Develop procedures and review zoning regulations with the objective of encouraging and facilitating the development of SRO		x		

	projects and transitional supportive housing at suitable locations. The City's goal is to streamline zoning regulations as needed, identify potential funding, and reach out to developers (e.g., through a request for proposals or qualifications) to construct an SRO or supportive housing project on a suitable site in the City with convenient transit service.				
	<b>Maintain General Plan and zoning consistency.</b>				
10.10	During the 6th cycle Housing Element, ensure that the General Plan land use designation and zoning are consistent for all properties included in the City's RHNA Sites Inventory.				x



# EAST PALO ALTO CITY COUNCIL STAFF REPORT

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**DATE:** April 1, 2025  
**TO:** Honorable Mayor and Members of the City Council  
**VIA:** Melvin E. Gaines, City Manager  
**BY:** Chris Dacumos, Contract Senior Planner  
Elena Lee, Planning Manager  
Amy Chen, Community and Economic Development Director  
**SUBJECT:** University and Bay at Four Corners Preliminary Review: Mixed-Use Project

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## **Recommendation**

Review the Preliminary Application 24-004 for 1675 Bay Road “University and Bay at Four Corners – Mixed Use Residential Project” proposed by Four Corners EPA Property Owner, LLC and provide feedback to the applicant and City staff.

## **Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority: Promote Housing, Economic and Workforce Development

## **Background**

Located at 1675 Bay Road within the Ravenswood Business District/4 Corners Specific Plan (RBD) area, the project includes a mixed-use building and a separate residential building, with a total of 200 residential units with ground floor retail and community spaces. Sand Hill Property Company (“Sand Hill”) serves as the applicant for the property owner, Four Corners EPA Property Owner, LLC.

Sand Hill submitted a Preliminary Application (PRE) 24-004 on December 2, 2024 to initiate the preliminary review process, gather community feedback for the University and Bay at Four Corners Townhomes Residential Project, and vest rights under Government Code Section 65589.5(o)(1). The information provided by the applicant for the preliminary application is conceptual in nature. A formal application, including an affordable housing compliance plan, would need to be provided in order to advance the project and provide enough information to City staff to determine whether the project is in conformance and complies with City codes,

## POLICY AND ACTION ITEM 9.2

guidelines and regulations.

As noted above, the application seeks to utilize Senate Bill (SB) 330 provisions to facilitate housing production, including provisions that subject a housing development project only to the ordinances, policies, and standards adopted and effective when a preliminary application including all the required information was submitted (referred to as vesting the project). The applicant also intends to use the State Density Bonus Law to allow for development incentives and waivers.

Project details are provided in Table 1, and additional project information can be found in the Preliminary Application (Attachment 1).

Table 1. Project Description	
Project Element	Description
Property Owner(s)	Four Corners EPA Property Owner, LLC; Sand Hill (Applicant)
Location	1675 Bay Road (Figure 1)
Assessor's Parcel #	063-111-250
Size	1.978 (proposed after subdivision [Figure 2])
General Plan Land Use Designations	Mixed Use High
Zoning	4 Corners
Existing Use	Undeveloped
Surrounding Zoning	North: Single-Family Residential Zone (R-LD) South: 4 Corners: Mixed Use East: R-LD West: 4 Corners: Mixed Use
Flood Zone	Flood Zone X, area outside the 500-year flood plain

**Figure 1: Existing Parcel**



**Figure 2: Proposed Project Area**



## POLICY AND ACTION ITEM 9.2

**Table 1. Project Description**

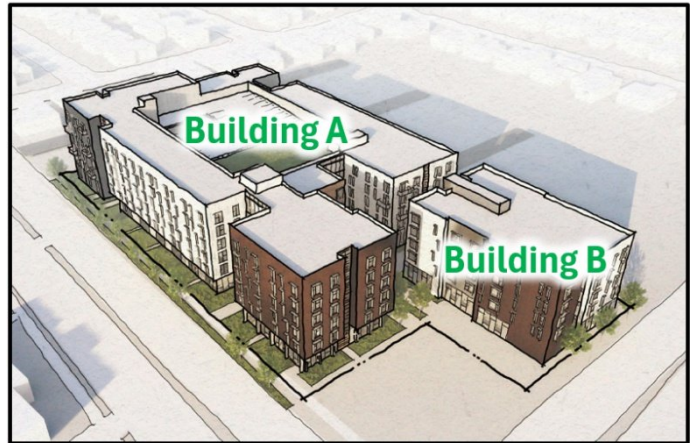
<b>CEQA Status</b>	The project is in the preliminary stages and has not submitted a formal application. It is therefore not considered a project and thus is exempt from CEQA guidelines.
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The project consists of two buildings, (shown in Figure 3) with Building A along University Avenue and Building B on Bay Road. Building B is where the applicant is proposing to provide all of the required inclusionary housing / below market rate (BMR) units for this project. As a result of concentrating the inclusionary units in Building B, the applicant may be required to request approval from the City Council because this would be considered an alternative compliance. Outside of the location for Building B, most of the same exterior and interior design elements would be consistent across both buildings. The Inclusionary requirements are further discussed below.

### Residential Building A:

- 174,507-square foot (sf) building
- Height: 77' to the stair/elevator tower and six stories
- Units: 160 market-rate residential units
- Configuration: Residential units wrap around a central above-ground parking garage
- Unit mix: Studios, one-bedroom, and two-bedroom apartments
- Parking: Central garage provides 238 spaces for both buildings and retail uses

**Figure 3: Proposed Buildings**



### Mixed Use Building B (BMR building):

- 43,813 sf mixed use building
- Height: 66' to the stair/elevator tower and five stories
- Units<sup>1</sup>: 40 affordable housing units distributed across income levels:
  - 10 units at extremely low income level
  - 20 units at very low income level
  - 10 units at low income level
- Unit mix: Studios, junior one-bedroom, one-bedroom, and two-bedroom apartments
- The project includes approximately 2,400 square feet of ground-floor retail space.

### Project History

<sup>1</sup> Definitions for “extremely low income,” “very low income” and “low income” households are cited in the East Palo Alto Municipal Code Chapter 18.37 – Inclusionary Housing, and in the Inclusionary Housing Guidelines.

## POLICY AND ACTION ITEM 9.2

On July 31, 2020 the applicant submitted a preliminary application for the 6.1-acre site that included 550,000 sf of research and development, 50,000 sf of small business and community spaces, and 260 residential units, including inclusionary units. The formal application was submitted on November 19, 2020. Exploring other opportunities for the site and considering the community's desire for more housing and less intense uses as illustrated through the RBD Specific Plan Update process, the applicant has put forward two separate housing projects: this project (PRE 24-004) and the townhouse project (PRE 24-003) in lieu of the original larger application.

### **Applicant Initiated Community Meetings**

The applicant conducted outreach to discuss the proposed project and included Spanish translation. The applicant held a community meeting on February 27, 2025 at the Lewis & Joan Platt East Palo Alto Family YMCA with approximately 30 community members in attendance. Invitations to a community meeting on this mixed use and the townhouse projects were mailed to addresses within a 600-foot radius of the project. The applicant also maintains a project website: [www.universityandbay.com](http://www.universityandbay.com).

### **Planning Commission**

The preliminary review of the project is scheduled to be discussed by the Planning Commission on March 24, 2025<sup>2</sup>. A summary of their discussion will be provided at the April 1 City Council hearing as the meeting will be held subsequent to the publication of this staff report.

### **Analysis**

In addition to fulfilling the City's Preliminary-Application process, the applicant submitted the preliminary application to elect the use of Senate Bill (SB 330)<sup>3</sup> mechanisms to expedite the City entitlement process and facilitate the development of housing. As will be further discussed below, one of the components of SB 330 is to allow applicants to submit a preliminary application to be able to use the residential zoning standards to what they were in place on the date the preliminary application was submitted. Given that requirement, the analysis provided in the Planning Commission staff report on General Plan consistency, zoning conformance, the site plan, architecture and parking reviews the project under the 2013 Ravenswood Business District Specific Plan, in addition to the General Plan.

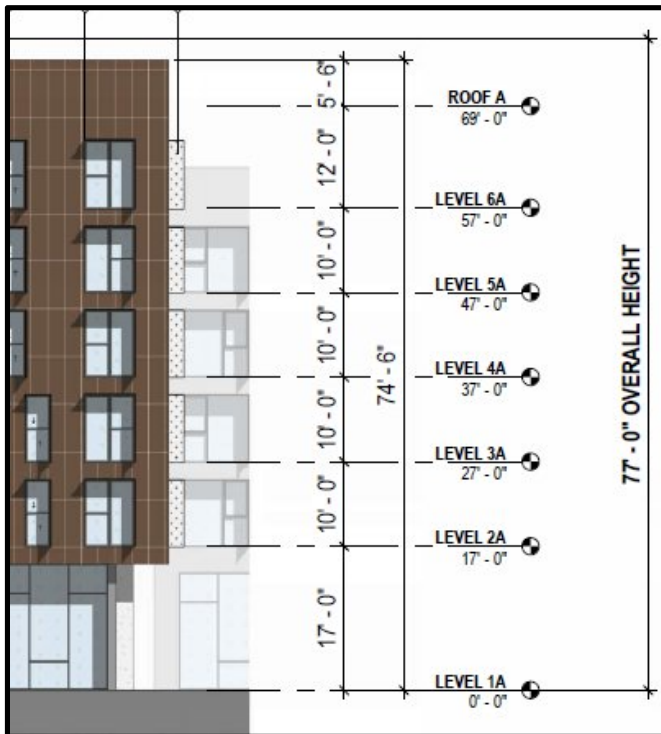
Information regarding the project's details, General Plan Consistency, Zoning Conformance, Site Plan, Architecture, and Parking will be provided to the Planning Commission on March 24. The proposed elevations are provided here as Figures 4 and 5. The proposed site plan is shown on page 5 of the Plans (Attachment 1).

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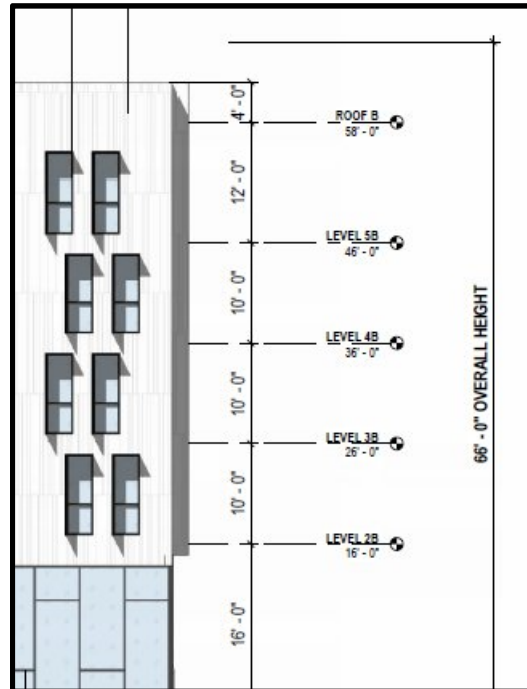
<sup>2</sup> March 24, 2025 Planning Commission Staff Report: <https://www.cityofepa.org/citycouncil/page/agenda-and-minutes>

<sup>3</sup> SB 330 /8– Housing Crisis Act: <https://www.cityofepa.org/planning/page/sb-330-8%E2%80%93housing-crisis-act>

**Figure 4: Building A Proposed Elevations Along University Avenue**



**Figure 5: Building B Proposed Elevations Along Bay Road**



**Inclusionary Housing Ordinance**

All requirements of the Inclusionary Housing Ordinance (IHO) need to be met for this project. For this project to meet the 20% baseline requirement, the project also must meet all IHO requirements including, but not limited to, concurrent construction of inclusionary units and market rate units, even distribution of inclusionary units throughout the project site, and like finishes and access to amenities. More details regarding the IHO can be found online<sup>4</sup>. If the applicant should continue with providing affordable housing in a separate building, the inclusionary housing requirement would be 25% due to providing an alternative compliance.

During the formal application process, an affordable housing compliance plan would need to be submitted to Housing staff for the housing proposal to be considered and determined if it meets the IHO requirements. If the applicant is proposing an alternative compliance option, including not meeting all the requirements of the IHO such as concentrating the affordable units in one building or on one side of the project site, this project and the affordable housing compliance plan would need to be brought forward to the City Council for consideration before the project can move forward with entitlement hearings.

**Fiscal Impact**

<sup>4</sup> Inclusionary Housing Ordinance webpage: <https://www.cityofepa.org/housing/page/inclusionary-housing>

## **POLICY AND ACTION ITEM 9.2**

No fiscal impact is anticipated for this action. If the project is formally submitted, per EPAMC Chapter 18.32.030.A.1.c., the City may require a fiscal impact report to be prepared by a City selected consultant to analyze how the project would affect the City's finances directly and indirectly.

### **Public Notice**

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

### **Environmental**

The project is in the preliminary stages and has not submitted a formal application and is therefore not considered a project and thus is exempt from CEQA guidelines.

### **Government Code § 84308**

**Applicability of Levine Act: NO.**

**Analysis of Levine Act Compliance:** Not applicable because this is a preliminary review application and not a request for entitlement.

### **Attachments**

1. Project Plans

DEC -2 REC'D

RECEIVED

# FOUR CORNERS MIXED-USE

## SB330 PRELIMINARY APPLICATION

### OWNER/APPLICANT

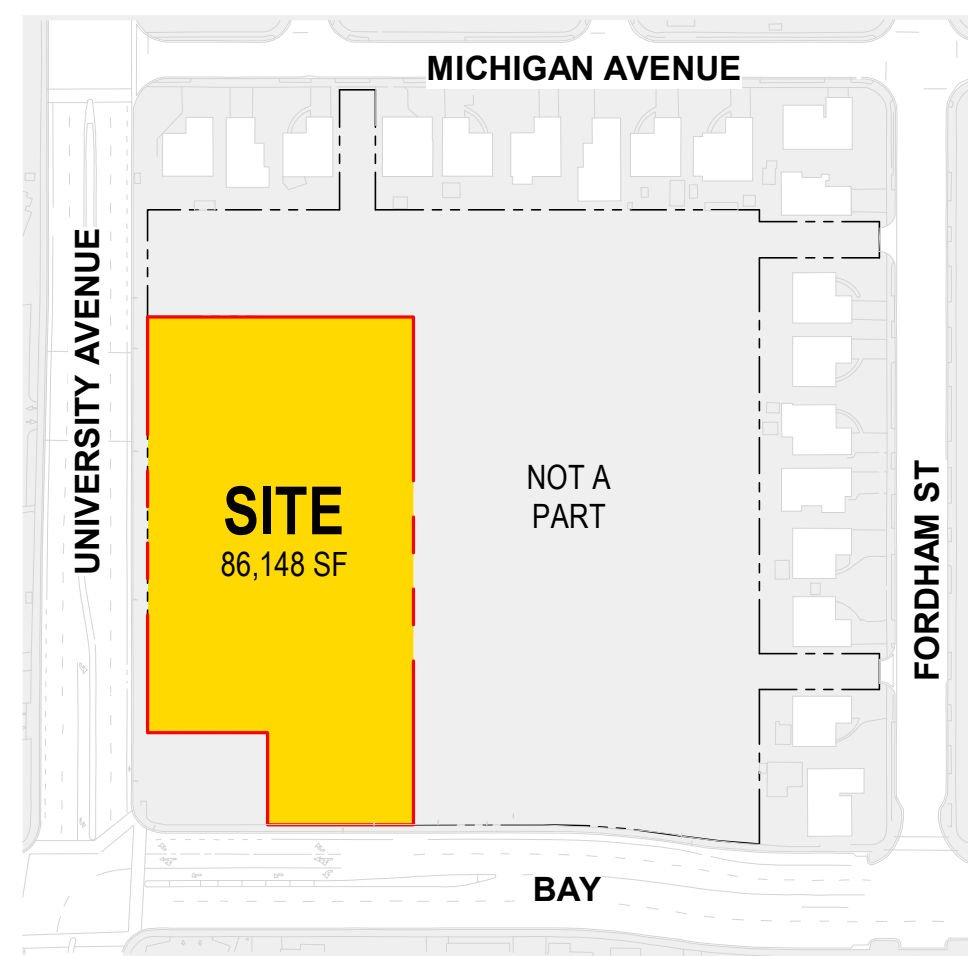
SAND HILL PROPERTY COMPANY  
2600 EL CAMINO REAL, SUITE 410  
PALO ALTO, CALIFORNIA, 94306  
ATTN: MICHAEL KRAMER  
mkramer@shpco.com

### ARCHITECT

DAVID BAKER ARCHITECTS  
461 2ND ST, LOFT C-127  
SAN FRANCISCO, CALIFORNIA, 94107  
ATTN: DANIEL SIMONS, FAIA  
danielsimons@dbarchitect.com

### PROJECT DESCRIPTION

THE FOUR CORNERS MIXED-USE PROJECT IS LOCATED AT 1675 BAY ROAD, EAST PALO ALTO, ON THE WESTERN EDGE OF THE PROPERTY. THE PROJECT FRONTS ONTO UNIVERSITY AVE & BAY ROAD, WITH THE MAJORITY OF FRONTAGE ALONG UNIVERSITY. THE PROJECT CONSISTS OF TWO RESIDENTIAL BUILDINGS AND A WRAP-GARAGE STRUCTURE: A 5-TO-6 STORY RESIDENTIAL BUILDING OF 160 MARKET RATE UNITS AND A 5-STORY 40-UNIT AFFORDABLE RESIDENTIAL BUILDING. THE PROJECT FEATURES LANDSCAPED SETBACKS, A COURTYARD, AND ACTIVE GROUND FLOOR USES SUCH AS APPROXIMATELY 2,400 SF OF RETAIL AND RESIDENTIAL COMMON AREAS. THE GARAGE STRUCTURE IS FULLY WRAPPED BY RESIDENTIAL USES AND CONTAINS APPROXIMATELY 238 SPACES.



### PROJECT INFORMATION

PROJECT NAME: FOUR CORNERS MIXED-USE  
ADDRESS: 1675 BAY ROAD, EAST PALO ALTO, CA 94303  
APN #063111250  
LOT AREA: 86,148 SF (1.978 ACRES)

CURRENT GENERAL PLAN DESIGNATION: MIXED USE HIGH (MUH)  
CURRENT ZONING DESIGNATION: 4 CORNERS ZONE  
OTHER REGULATIONS: RAVENSWOOD / FOUR CORNERS TOD SPECIFIC PLAN (2013)  
CURRENT USES: VACANT  
PROPOSED USES: RESIDENTIAL, GENERAL RETAIL

### SHEET INDEX

G000	TITLE SHEET
G100	PROJECT DATA
G200	PROJECT DATA
REF1	EXISTING CONDITIONS
A001	SITE PLAN
A200A	BUILDING A ELEVATIONS - NORTH, SOUTH
A201A	BUILDING A ELEVATIONS - EAST, WEST
A202B	BUILDING B ELEVATIONS
A203	MATERIALS

# DEVELOPMENT SUMMARY

## GROSS FLOOR AREA

USE TYPE	GROSS FLOOR AREA
AFFORDABLE	
CIRCULATION	6,042 SF
RESIDENTIAL	26,178 SF
RESIDENTIAL COMMON	3,329 SF
RETAIL	2,417 SF
SERVICE	2,608 SF
VERTICAL CIRCULATION	3,238 SF
AFFORDABLE	43,813 SF
GARAGE	
PARKING	106,098 SF
VERTICAL CIRCULATION	3,205 SF
GARAGE	109,303 SF
MARKET RATE	
CIRCULATION	28,566 SF
RESIDENTIAL	119,582 SF
RESIDENTIAL COMMON	19,172 SF
SERVICE	2,441 SF
VERTICAL CIRCULATION	4,745 SF
MARKET RATE	174,507 SF
TOTAL	327,622 SF

## GROSS FLOOR AREA BY LEVEL

LEVEL	GROSS FLOOR AREA
AFFORDABLE	
LEVEL 1	8,505 SF
LEVEL 2	8,827 SF
LEVEL 3	8,827 SF
LEVEL 4	8,827 SF
LEVEL 5	8,827 SF
AFFORDABLE	43,813 SF
GARAGE	
LEVEL 1	20,148 SF
LEVEL 2	20,148 SF
LEVEL 3	20,148 SF
LEVEL 4	20,148 SF
LEVEL 5	20,148 SF
LEVEL 6	8,564 SF
GARAGE	109,303 SF
MARKET RATE	
LEVEL 1	29,117 SF
LEVEL 2	30,699 SF
LEVEL 3	30,699 SF
LEVEL 4	30,699 SF
LEVEL 5	30,699 SF
LEVEL 6	22,594 SF
MARKET RATE	174,507 SF
TOTAL	327,622 SF

## UNIT COUNT AND PARKING REQUIREMENT

UNIT TYPE	COUNT	%	PARKING REQ
AFFORDABLE			
1BR	12	30%	12
2BR	12	30%	18
3BR	4	10%	8
ST	12	30%	12
AFFORDABLE	40	100%	50
MARKET RATE			
1BR	65	41%	65
2BR	44	28%	66
JR 1BR	35	22%	35
STUDIO	16	10%	16
MARKET RATE	160	100%	182
TOTAL	200		232

## RETAIL PARKING REQUIREMENT

USE TYPE	GFA	PARKING REQ.
RETAIL	2,417 SF	6

**TOTAL PARKING REQ. 238**

## HARDSCAPE AREA

AREA TYPE	AREA	%
HARDSCAPE AND BUILDING	73,657 SF	86%
LANDSCAPE	12,488 SF	14%
TOTAL	86,145 SF	

## PARKING - PROVIDED TOTAL

PARKING TYPE	COUNT	%
COMPACT	83	35%
STANDARD	155	65%
TOTAL	238	100%

## EVCS / ADA BREAKDOWN

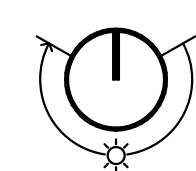
PARKING TYPE	COUNT
ADA	5
EVCS	20
EVCS ADA	4

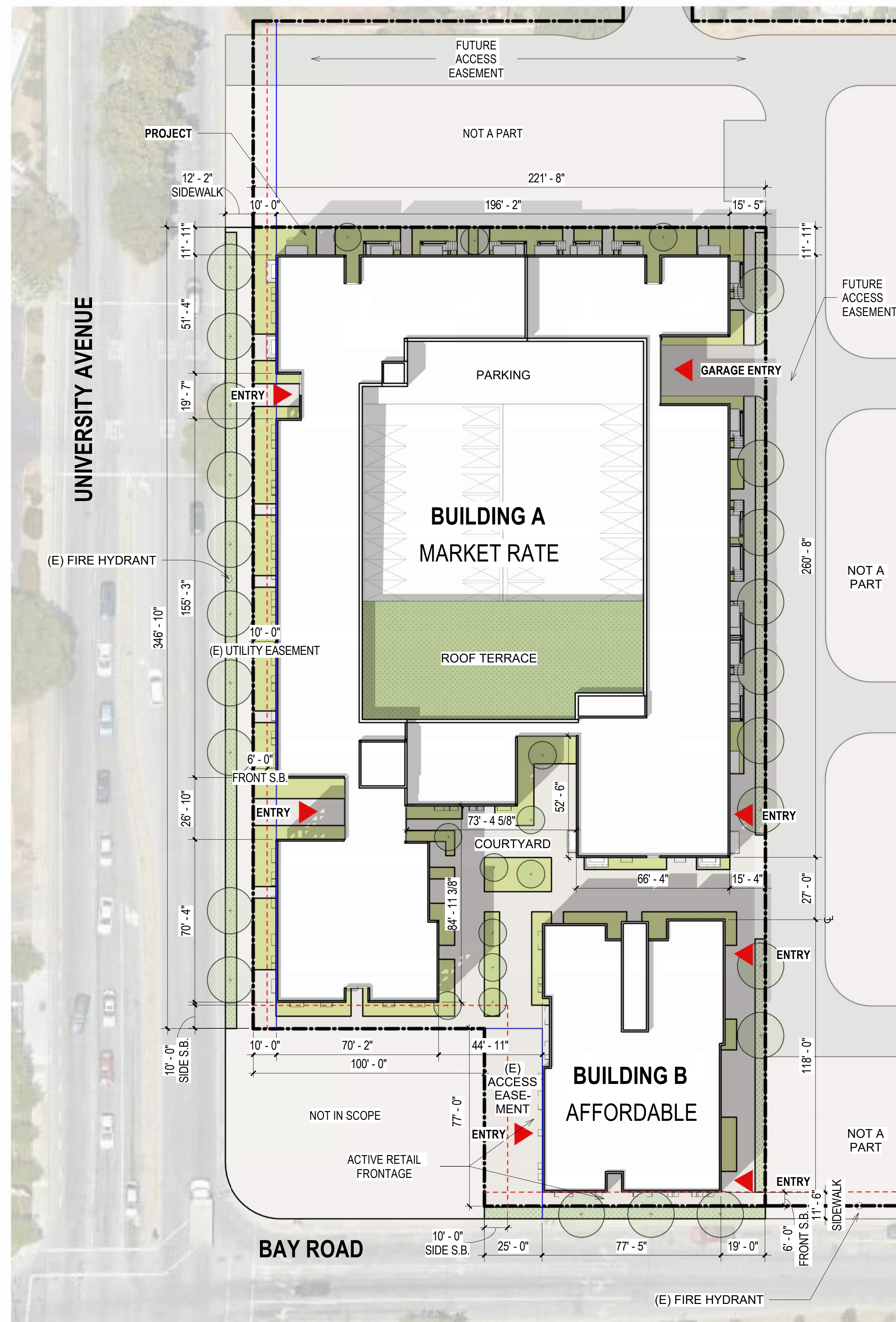
## PARKING - PROVIDED PER USE

USE	COUNT
AFFORDABLE	50
MARKET RATE	182
RETAIL	6
TOTAL	238

# ZONING SUMMARY

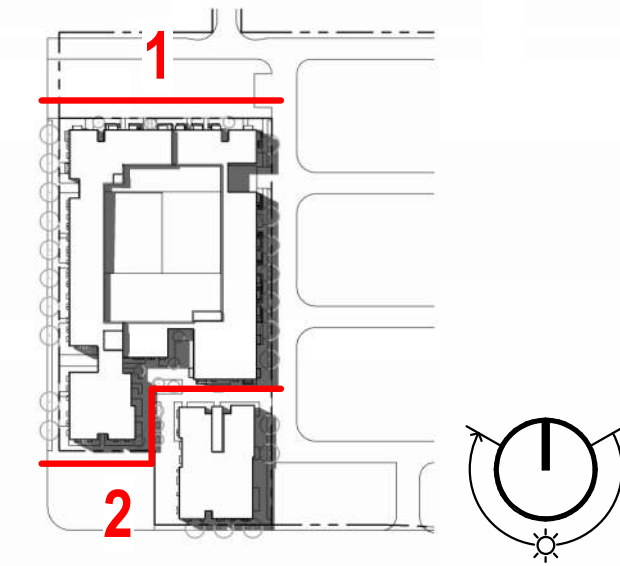
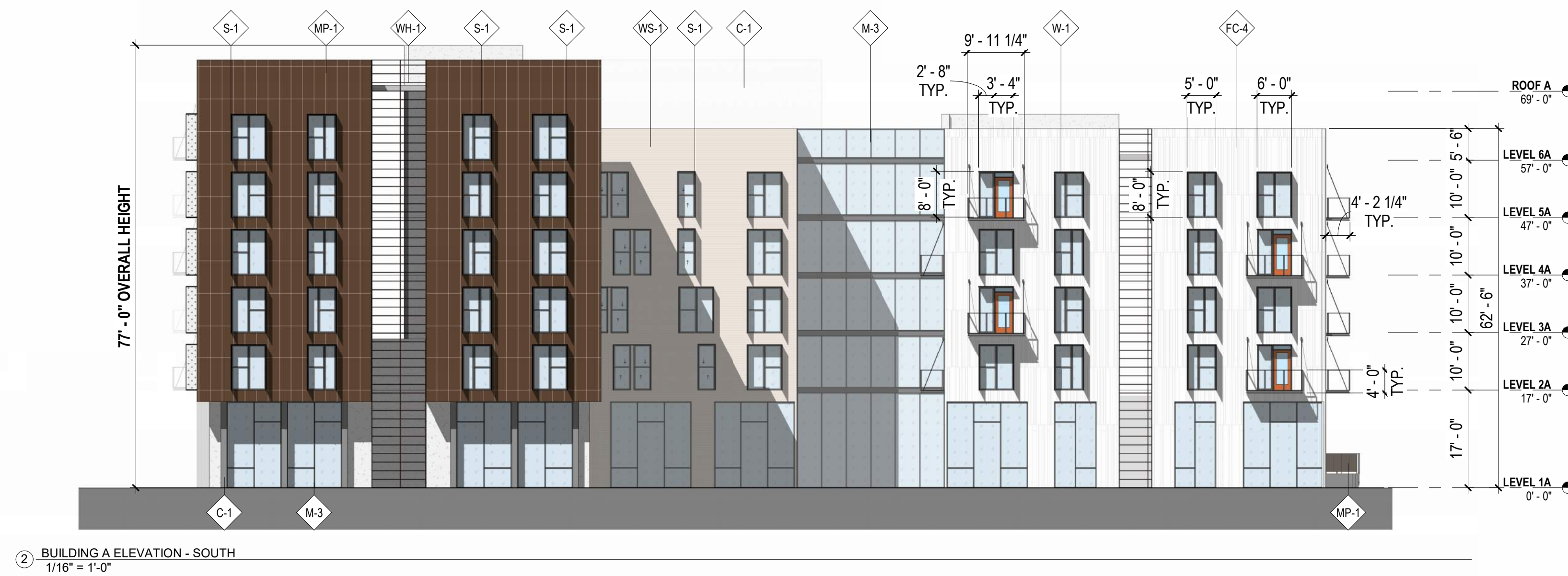
CONTROL	REQUIREMENT	REFERENCE	PROPOSED	NOTES
PERMITTED USES	MULTI-FAMILY HOUSING ON UPPER FLOORS ONLY; AT LEAST 35% OF THE GROUND FLOOR SPACE OF EACH STRUCTURE SHALL BE RETAIL SPACE	TABLE 6-1 OF SPECIFIC PLAN & GENERAL PLAN	UNITS ONLY ON GROUND FLOORS FACING LOT INTERIOR; 28% OF AFFORDABLE BUILDING GROUND FLOOR IS RETAIL	WAIVER
PERMITTED USES	REQUIRES GROUND FLOOR USE ALONG ALL FRONTAGES AT LEAST 40' DEEP	TABLE 6-1 OF SPECIFIC PLAN	PARKING FACILITY WRAPPED BY GROUND FLOOR USES 36' DEEP	WAIVER
HEIGHT	6 STORIES MAX + ADDITIONAL 15 FT FOR EQUIPMENT	2013 SPECIFIC PLAN	MARKET RATE: 6 STORIES MAX + 10 FT FOR EQUIPMENT AFFORDABLE: 5 STORIES MAX + 10 FT FOR EQUIPMENT	COMPLIES
SETBACKS	FRONT: 6 FT, SIDE: NONE, EXTERIOR SIDE: 10 FT REAR YARD: 30 FT	2013 SPECIFIC PLAN	<u>MARKET RATE</u> : FRONT: 10 FT, SIDE: 12 FT, EXTERIOR SIDE: 10 FT, REAR YARD: 15 FT. <u>AFFORDABLE</u> : FRONT: 6 FT, SIDE: 17 FT, EXTERIOR SIDE: 25 FT, REAR: 10 FT	WAIVER
STREETWALL ALONG UNIVERSITY & BAY	AT LEAST 65% OF A BUILDING SHALL BE BUILT TO WITHIN 16 FEET OF THE PROPERTY LINE.	2013 SPECIFIC PLAN	<u>MARKET RATE</u> : 85% BUILT W/IN 16 FT OF PL ON UNIVERSITY. <u>AFFORDABLE</u> : 100% BUILT W/IN 16 FT OF PL ON BAY	COMPLIES
RESIDENTIAL DENSITY	86 DU/ACRE	GENERAL PLAN	200 DWELLING UNITS / 1.98 AC = 101 DU/ACRE	COMPLIES UNDER DENSITY BONUS
FAR - NON-RESIDENTIAL	MAX FAR 1.5 FOR NON-RESIDENTIAL USES AND COMMERCIAL COMPONENTS IN MIXED USE PROJECTS	2013 SPECIFIC PLAN	GENERAL RETAIL = .03 FAR	COMPLIES
GROUND FLOOR HEIGHT	MIN 16 FT	2013 SPECIFIC PLAN	<u>MARKET RATE</u> : 17 FT <u>AFFORDABLE</u> : 16 FT	COMPLIES
OFF-STREET PARKING	RESIDENTIAL: 1 PER DU (1BR), .5 ADDITIONAL SPACES FOR EACH ADDITIONAL BEDROOM	2013 SPECIFIC PLAN	<u>MARKET RATE</u> : 182 SPACES REQUIRED; 182 PROVIDED <u>AFFORDABLE</u> : 50 SPACES REQUIRED; 50 PROVIDED	COMPLIES
OFF-STREET PARKING	ALL OTHER NON-RESIDENTIAL USES: 1 PER 400 SF FLOOR AREA	2013 SPECIFIC PLAN	<u>GENERAL RETAIL</u> : 6 SPACES REQUIRED; 6 PROVIDED	COMPLIES
BICYCLE PARKING	RESIDENTIAL: 1 CLASS I PER 3 UNITS + 1 CLASS II PER 15 UNITS. RETAIL: 1 CLASS I PER 30 EMPLOYEES + 1 CLASS II PER 6,000 SF RETAIL, 1 PER 6,000 SF OFFICE.	2013 SPECIFIC PLAN	<u>MARKET RATE</u> : 54 CLASS I, 11 CLASS II PROVIDED <u>AFFORDABLE</u> : 14 CLASS I, 3 CLASS II PROVIDED <u>GENERAL RETAIL</u> : 1 CLASS I, 1 CLASS II PROVIDED	COMPLIES
SIDEWALK WIDTH	10 FT MIN (6 FT WALK, 4 FT PLANTING ZONE)	2013 SPECIFIC PLAN	UNIVERSITY: 12 FT SIDEWALK; BAY: 11 FT SIDEWALK (INCLUDING 6 FT SETBACK)	COMPLIES
ENTRIES	ONE PEDESTRIAN ACCESS POINT PER 300 LINEAR FEET OF STREET FRONTAGE SHALL BE PROVIDED FROM THE STREET TO PARKING LOTS LOCATED IN THE REAR OF BUILDINGS. A MAXIMUM OF TWO CURB CUTS PER STREET FRONTAGE MAY BE PROVIDED.	2013 SPECIFIC PLAN	<u>UNIVERSITY AVE FRONTAGE</u> : 347' TWO ACCESS POINTS PROVIDED, NO CURB CUTS PROVIDED <u>BAY ROAD FRONTAGE</u> : 121' ONE ACCESS POINT PROVIDED, NO CURB CUTS PROVIDED	COMPLIES





**EXTERIOR MATERIALS AND SYSTEMS**

- C-1** TEXTURED CONCRETE
- CP-4** RANDOM BATTON SIDING, DARK
- FC-4** RANDOM BATTON SIDING, LIGHT
- M-3** ALUMINUM STOREFRONT
- MP-1** CORTEN
- S-1** SUNSHADES, COLOR TBD
- SM-1** METAL STANDING SEAM
- SS2** STEEL RAILINGS, COLOR TBD
- W-1** ALUMINUM CLAD WINDOWS, COLOR TBD
- WS-1** WOOD SIDING ACCENTS
- WH-1** STEEL AND WOOD SLAT SCREENS AT STAIR ENCLOSURES



③ KEY PLAN  
1" = 200'-0"

**EXTERIOR MATERIALS AND SYSTEMS**

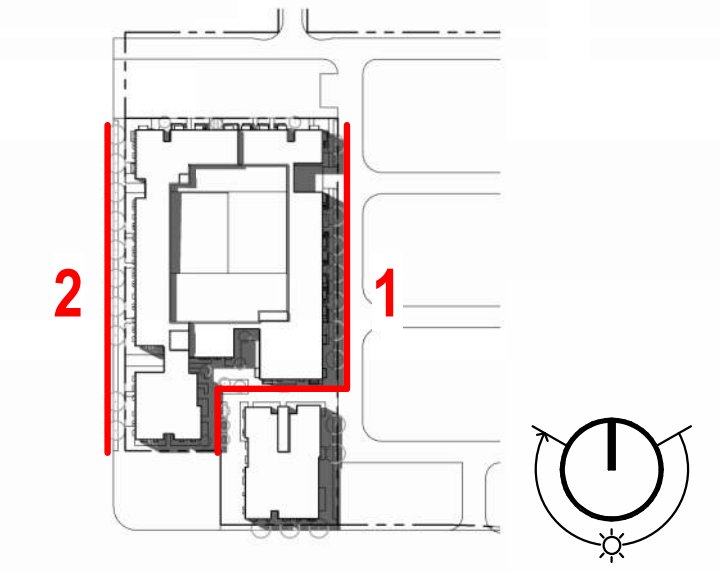
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- W-1 ALUMINUM CLAD WINDOWS, COLOR TBD
- WS-1 WOOD SIDING ACCENTS
- WH-1 STEEL AND WOOD SLAT SCREENS AT STAIR ENCLOSURES



1 BUILDING A ELEVATION - EAST  
1/16" = 1'-0"



2 BUILDING A ELEVATION - WEST  
1/16" = 1'-0"



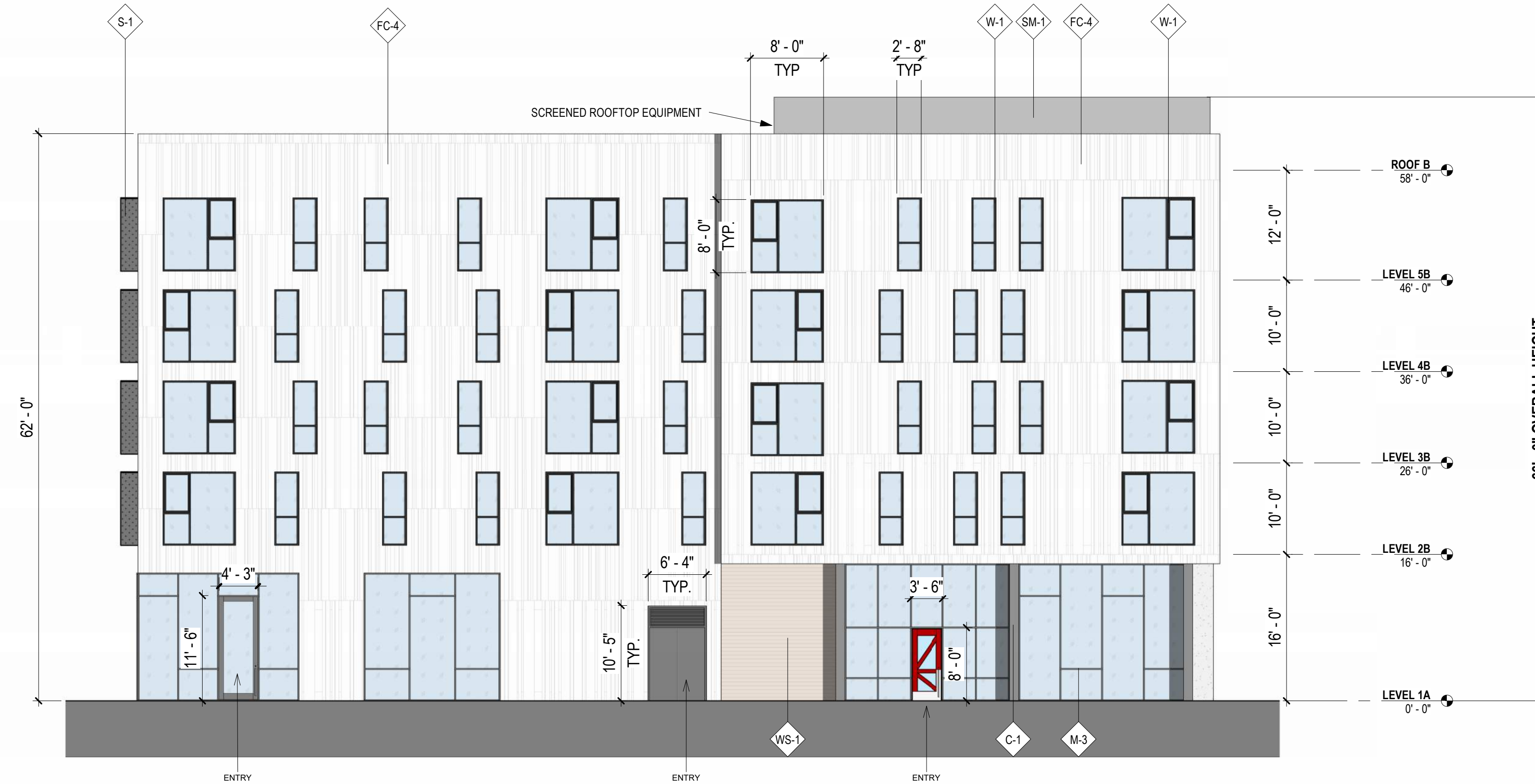
3 KEY PLAN  
1" = 200'-0"

**EXTERIOR MATERIALS AND SYSTEMS**

- C-1 TEXTURED CONCRETE
- CP-4 RANDOM BATTON SIDING, DARK
- FC-4 RANDOM BATTON SIDING, LIGHT
- M-3 ALUMINUM STOREFRONT
- MP-1 CORTEN
- S-1 SUNSHADES, COLOR TBD
- SM-1 METAL STANDING SEAM
- SS2 STEEL RAILINGS, COLOR TBD
- W-1 ALUMINUM CLAD WINDOWS, COLOR TBD
- WS-1 WOOD SIDING ACCENTS
- WH-1 STEEL AND WOOD SLAT SCREENS AT STAIR ENCLOSURES



① BUILDING B ELEVATION - NORTH  
1" = 10'-0"



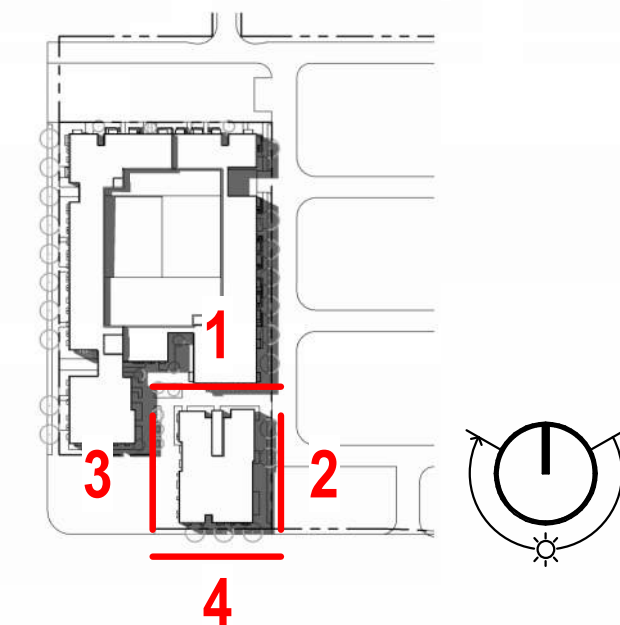
② BUILDING B ELEVATION - EAST  
1" = 10'-0"



③ BUILDING B ELEVATION - WEST  
1" = 10'-0"



④ BUILDING B ELEVATION - SOUTH  
1" = 10'-0"



⑤ KEY PLAN  
1" = 200'-0"



DARK RANDOM BATTON SIDING



LIGHT RANDOM BATTON SIDING, SUNSHADES



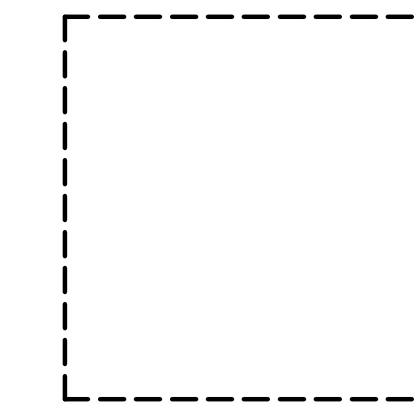
CORTEN

**COLOR PALETTE**

CP-4 DARK RBS: DARK COLOR



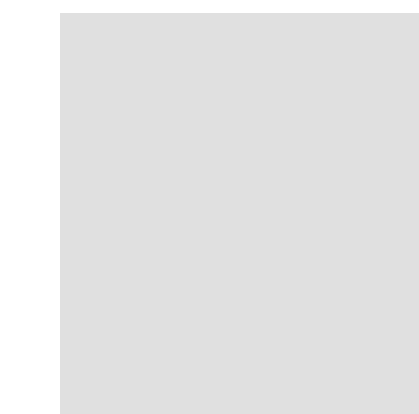
FC-4 LIGHT RBS: LIGHT COLOR



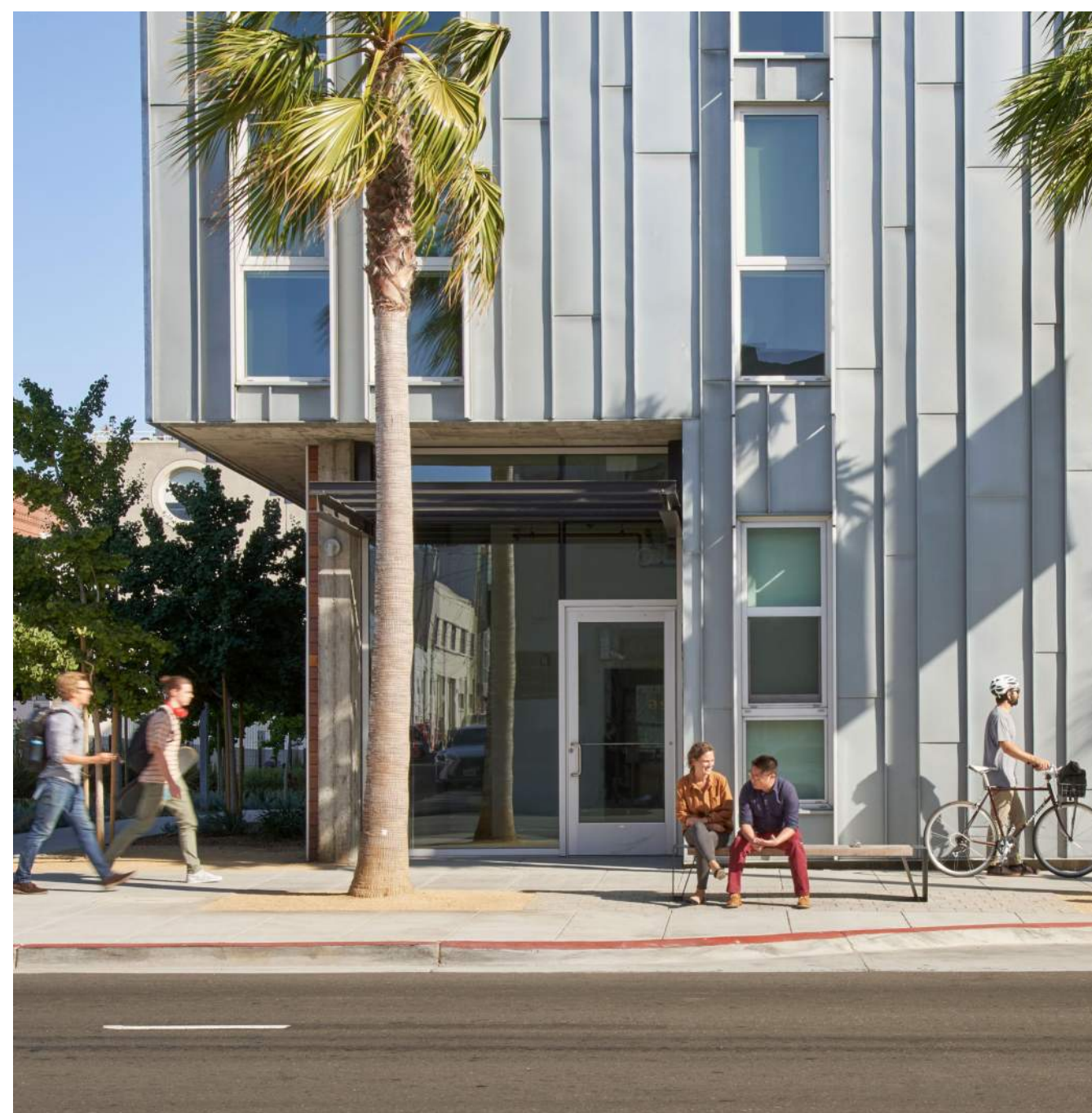
MP-1 CORTEN: BROWN



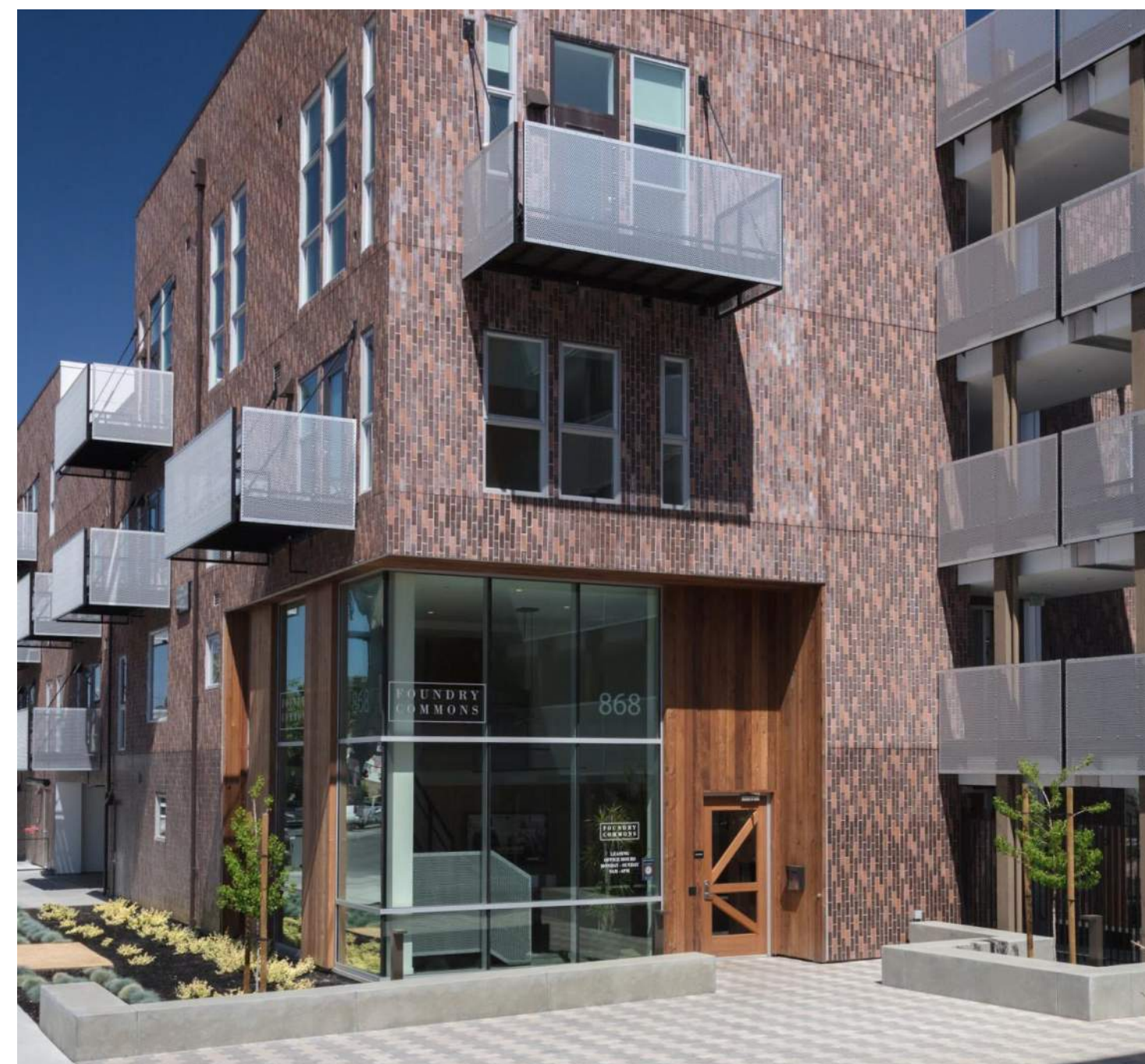
SM-1 STANDING SEAM: LIGHT GRAY



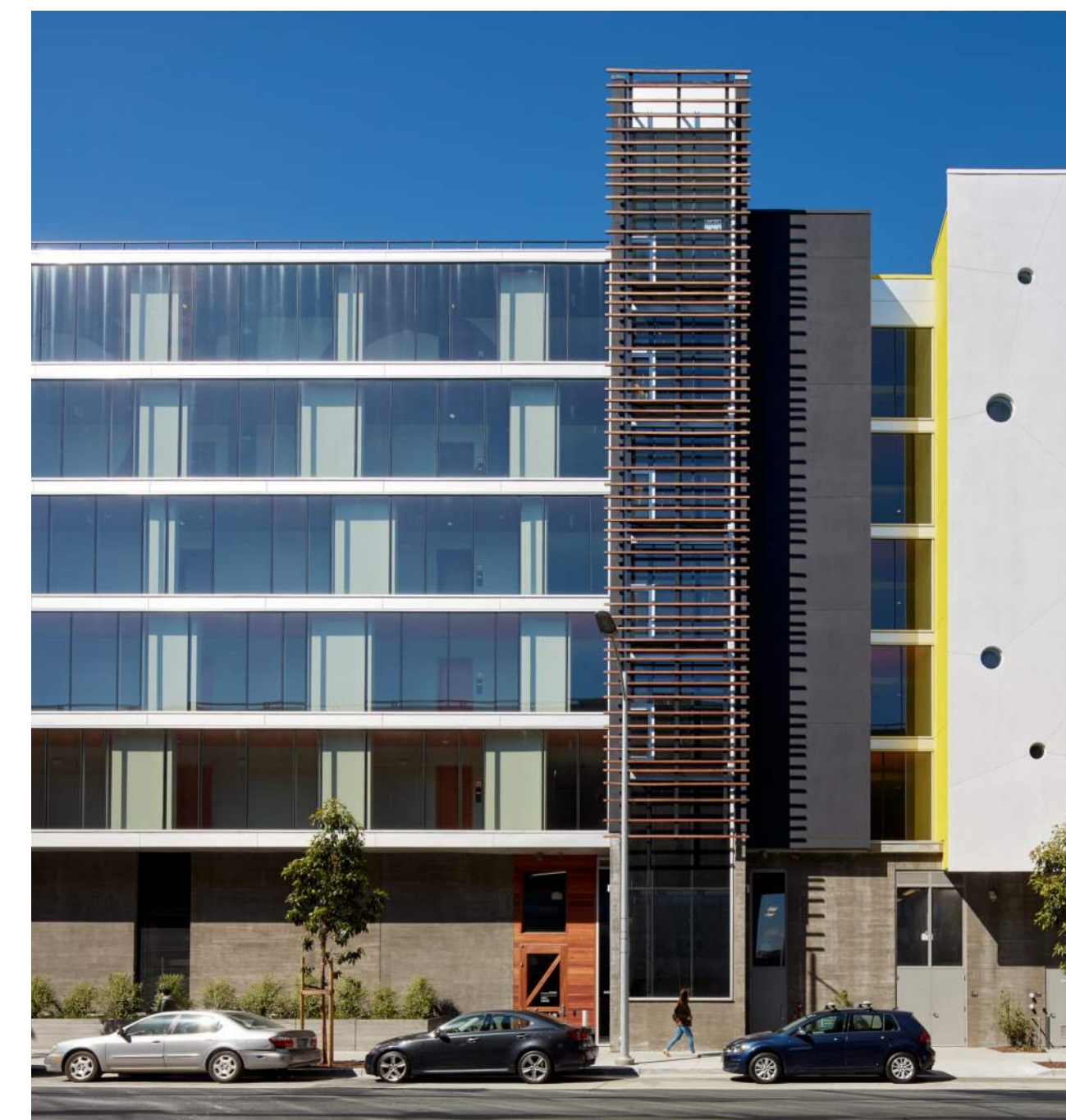
WS-1 WOOD ACCENT = WARM COLOR



METAL STANDING SEAM



STOREFRONT, HUNG BALCONIES



GLAZED WALKWAYS, WOOD SLAT SCREEN, TEXTURED CONCRETE



# **EAST PALO ALTO CITY COUNCIL STAFF REPORT**

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**DATE:** April 1, 2025  
**TO:** Honorable Mayor and Members of the City Council  
**VIA:** Melvin E. Gaines, City Manager  
**BY:** Chris Dacumos, Contract Senior Planner  
Elena Lee, Planning Manager  
Amy Chen, Community and Economic Development Director  
**SUBJECT:** University and Bay at Four Corners Preliminary Review: Townhomes Project

---

## **Recommendation**

Review the Preliminary Application (PRE) 24-003 for the “University and Bay at Four Corners” townhomes project proposed by Four Corners EPA Property Owner, LLC, and provide feedback to the applicant and City staff.

## **Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority: Promote Housing, Economic and Workforce Development

## **Background**

Located at 1675 Bay Road within the Ravenswood Business District/4 Corners Specific Plan (RBD) area, the project includes 95 townhome-style condominium units, including several common open areas and guest parking spaces. Sand Hill Property Company (“Sand Hill”) serves as the applicant for the property owner, Four Corners EPA Property Owner, LLC.

Sand Hill submitted a Preliminary Application (PRE) 24-003 on November 22, 2024, to initiate the preliminary review process, gather community feedback for the University and Bay at Four Corners Townhomes Residential Project, and vest rights under Government Code Section 65589.5(o)(1). The information provided by the applicant for the preliminary application is conceptual in nature. A formal application, including an affordable housing compliance plan, would need to be provided to advance the project and provide enough information to City staff

## POLICY AND ACTION ITEM 9.3

to determine whether the project is in conformance and complies with City codes, guidelines and regulations.

As noted above, the application seeks to utilize Senate Bill (SB) 330 provisions to facilitate housing production, including provisions that subject a housing development project only to the ordinances, policies, and standards adopted and effective when a preliminary application including all the required information was submitted (referred to as vesting the project). The applicant also intends to use the State Density Bonus Law to allow for development incentives and waivers.

Project details are provided in Table 1, and additional project information can be found in the Planning Commission Staff Report (Attachment 2).

<b>Table 1. Project Description</b>	
<b>Project Element</b>	<b>Description</b>
<b>Property Owner(s)</b>	Four Corners EPA Property Owner, LLC; Sand Hill (Applicant)
<b>Location</b>	1675 Bay Road
<b>Assessor's Parcel #</b>	063-111-250
<b>Size</b>	4.084 acres (proposed after subdivision [Figure 2])
<b>General Plan Land Use Designations</b>	Mixed Use High
<b>Zoning</b>	4 Corners Gateway
<b>Existing Use</b>	Undeveloped
<b>Surrounding Zoning</b>	North: Existing residential development South: Bay Road West: University Avenue East: Existing residential development
<b>Flood Zone</b>	Flood Zone X, area outside the 500-year flood plain
<b>CEQA Status</b>	The project is in the preliminary stages and has not submitted a formal application. It is therefore not considered a project and thus is exempt from CEQA guidelines.

**Figure 1: Existing Parcel**



**Figure 1: Proposed Project Area**



The Preliminary Application for the Four Corners Townhomes Project consists of 95 townhome units across 15 buildings. Units would consist of 2 to 4 bedrooms with a range of 1,200 to 1,900 sf. The applicant has stated that this project will commit 20% of the 95 townhomes for sale ranging from moderate at 120% area median income (AMI) to median at 80% AMI.<sup>1</sup> All requirements of the Inclusionary Housing Ordinance (IHO) will need to be met for this project to be considered meeting the 20% baseline requirement including, but not limited to, concurrent construction of inclusionary units and market rate units, even distribution of inclusionary units throughout the project site, and like finishes and access to amenities. More details regarding the IHO can be found online<sup>2</sup>. The applicant is proposing that this project would provide 76 Market Rate, 10 Median Income, and 9 Moderate Income units. An affordable housing compliance plan will need to be submitted to Housing staff in order for the housing proposal to be considered and determined if it meets the IHO requirements. If the applicant is proposing an alternative compliance option, including not meeting all the

**Figure 3: Project Rendering**



<sup>1</sup> Definitions for “median income” and “moderate income” households are cited in the East Palo Alto Municipal Code Chapter 18.37 – Inclusionary Housing, and in the Inclusionary Housing Guidelines.

<sup>2</sup> Inclusionary Housing Ordinance webpage: <https://www.cityofepa.org/housing/page/inclusionary-housing>

## POLICY AND ACTION ITEM 9.3

requirements of the IHO such as concentrating the affordable units in one building or on one side of the project site, this project and the affordable housing compliance plan will need to be brought forward to the City Council for consideration before the project can move forward with entitlement hearings.

The project area has four points of vehicular access: University Avenue, Michigan Avenue, and two points of entry along Fordham Street, parallel to existing residential development.

### Project History

The applicant originally submitted a development application in 2020 to create a mixed use “downtown” neighborhood with employment and residential uses. The original project submittal incorporated feedback from several community meetings and public hearings with the Planning Commission. As noted above, the City’s Specific Plan Update was approved in December 2024. Under the Specific Plan Update, the original project proposal was not consistent with the goals for the updated 4 Corners/Bay Road Corridor (specifically a focus on lower building heights, lower density, and more residential uses). Exploring other opportunities for the site and considering the community’s desire for more housing and less intense uses as illustrated through the RBD Specific Plan Update process, the applicant has put forward two separate housing projects: this project (PRE 24-003) and a mixed-use project (PRE 24-004) in lieu of the original larger application.

### Applicant Initiated Community Meetings

The applicant conducted outreach to discuss the proposed project and included Spanish translation. The applicant held a community meeting on February 27, 2025 at the Lewis & Joan Platt East Palo Alto Family YMCA with approximately 30 community members in attendance. Invitations to a community meeting on this mixed use and the townhouse projects were mailed to addresses within a 600-foot radius of the project. The applicant also maintains a project website: [www.universityandbay.com](http://www.universityandbay.com).

### Planning Commission

The preliminary review project was also discussed by the Planning Commission on March 24, 2025<sup>3</sup>. A summary of their discussion will be provided at the April 1 City Council hearing as the meeting will be held

Figure 4: Proposed Site Plan



<sup>3</sup> March 24, 2025 Planning Commission Staff Report: <https://www.cityofepa.org/citycouncil/page/agenda-and-minutes>

subsequent to the publication of this staff report.

**Analysis**

In addition to fulfilling the City’s Preliminary-Application process, the applicant submitted the preliminary application to elect the use of Senate Bill (SB 330)<sup>4</sup>, also known as the Housing Crisis Act (HCA), mechanisms to expedite the City entitlement process and facilitate the development of housing. As will be further discussed below, one of the components of SB 330 is to allow applicants to submit a preliminary application to be able to use the residential zoning standards to what they were in place on the date the preliminary application was submitted. Given that requirement, the analysis below reviews the project under the 2013 Ravenswood Business District Specific Plan, in addition to the General Plan.

**Figure 5: Proposed Maximum Elevation**



Information regarding the project’s details, General Plan Consistency, Zoning Conformance, Site Plan, Architecture, and Parking will be provided to the Planning Commission on March 24. The proposed elevations are provided here as Figures 4 and 5. The proposed site plan is shown on page 5 of the Plans (Attachment 1).

**Inclusionary Housing Ordinance**

All requirements of the Inclusionary Housing Ordinance (IHO) would still need to be met for this project. In order for this project to meet the 20% baseline requirement, the project also must meet all IHO requirements including, but not limited to, concurrent construction of inclusionary units and market rate units, even distribution of inclusionary units throughout the project site, and like finishes and access to amenities. More details regarding the IHO can be found online<sup>5</sup>.

During the formal application process, an affordable housing compliance plan would need to be submitted to Housing staff for the housing proposal to be considered and determined if it meets the IHO requirements. If the applicant is proposing an alternative compliance option, including not meeting all the requirements of the IHO such as concentrating the affordable units in one building or on one side of the project site, this project and the affordable housing compliance plan would need to be brought forward to the City Council for consideration before the project can move forward with entitlement hearings.

<sup>4</sup> SB 330 /8– Housing Crisis Act: <https://www.cityofepa.org/planning/page/sb-330-8%E2%80%93housing-crisis-act>

<sup>5</sup> Inclusionary Housing Ordinance webpage: <https://www.cityofepa.org/housing/page/inclusionary-housing>

## **POLICY AND ACTION ITEM 9.3**

### **Fiscal Impact**

No fiscal impact is anticipated for this action. If the project is formally submitted, per EPAMC Chapter 18.32.030.A.1.c., the City may require a fiscal impact report to be prepared by a City selected consultant to analyze how the project would affect the City's finances directly and indirectly.

### **Public Notice**

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

### **Environmental**

The project is in the preliminary stages and has not submitted a formal application and is therefore not considered a project and thus is exempt from CEQA guidelines.

### **Government Code § 84308**

**Applicability of Levine Act:** No, because this is a preliminary review application and not a request for entitlement .

**Analysis of Levine Act Compliance:** Not applicable.

### **Attachments**

1. Project Plans

# FOUR CORNERS / BAY ROAD TOWNHOMES

## SB330 PRELIMINARY APPLICATION

### 1675 BAY ROAD - EAST PALO ALTO, CA

City Of East Palo Alto  
Community Development Department  
NOV 22 2024  
RECEIVED

#### SHEET INDEX

A.1	TITLE SHEET
A.2	PROJECT DATA
A.3	EXISTING CONDITIONS
A.4	SITE PLAN
A.5	6-PLEX ELEVATIONS
A.6	11-PLEX ELEVATIONS
A.7	12-PLEX ELEVATIONS
A.8	12-PLEX ELEVATIONS
A.9	COLORS & MATERIALS



#### PROJECT TEAM INFO

##### OWNER / APPLICANT

##### SAND HILL PROPERTY COMPANY

2600 El Camino Real  
Suite 410  
Palo Alto, CA 94306  
Contact: Michael Kramer  
mkramer@shpco.com

##### ARCHITECT

##### DAHLIN

5865 Owens Drive  
Pleasanton, CA 94588  
Tel: 925.251.7200  
Contact : Justin Doull  
Justin.Doull@dahlingroup.com

#### LOCATION MAP (NTS)



#### PROJECT DESCRIPTION

The project is located at 1675 Bay Road, East Palo Alto, CA 94303, within the Ravenswood/Four Corners Transit-Oriented Development (TOD) Specific Plan area, as designated by the zoning ordinance. The property fronts onto University Avenue in the west and Bay Road to the south, with existing single family residential development along the north and east of the property. Spanning a lot area of 4.084 acres (177,905 square feet), the General Plan Land Use designation for the site is Mixed Use High (MUH).

The Four Corners / Bay Road Townhomes project proposes 95 townhome units of between 1200 and 1900 SF of net living area, including several common open areas and guest parking spaces.

TITLE SHEET

#### FOUR CORNERS / BAY ROAD TOWNHOMES

1675 BAY ROAD, EAST PALO ALTO, CA



JOB NO. 638.005  
DATE 11/22/2024

A.1

## SITE AND ZONING SUMMARY

Site Information				
<b>Project Name:</b>	Four Corners Townhomes	<b>Current General Plan Designation:</b>	Mixed Use High	
<b>Address:</b>	1675 Bay Road, East Palo Alto, CA 94303	<b>Current Zoning Designation:</b>	4 Corners zone	
<b>APN:</b>	063-11-125	<b>Other Regulations:</b>	Ravenswood / Four Corners TOD Specific Plan	
<b>Lot Area:</b>	4.084 acre 177,905 sf			
Site Calculations				
	Requirement	Proposed	Notes	
Density	86 du/ac max. density per General Plan	23.3 du/ac		
Total Units	351 du max.	95 du		
FAR	1.5 for non-residential & commercial components in mixed-use projects (None for residential)	1.13		
Building Coverage	None	66120 sf 37.2%		
Hardscape Coverage	None	61142 sf 34.4%		
Setbacks				
Principal Structures				
Front	6' Dedicated to landscaping or sidewalk	19'		
Side	None	5'-8"		
Exterior Side Setback	10'	10'-6"		
Rear	30'	32'		
Max. Setback along Bay Road	At least 65% of a building shall be built to within 16 feet of the P.L.	19'		Waiver
Open Area				
Common Open Space	None	20,860 sf		
Height				
Max. Building Height	Six stories above grade, plus an additional 15 feet for equipment and elevator penthouses	Three stories above grade; 38'-10 1/2" max.		
Min. Ground Floor Height	16' floor to floor	9' floor to floor		Waiver
Parking				
Vehicular	1BD units - 1 space per du 0.5 spaces for each additional bedroom	188 spaces	201 spaces	190 spaces provided in private garages 11 surface spaces provided
Bicycle	1 Class I per 3 du + 1 Class II per 15 du	32 Class I, 7 Class II	95 Class I, 8 Class II	Class I provided in private garages, Class II provided in common open space
Other Requirements				
Ground Floor Uses	Active ground floor uses must be located in mixed-use buildings; at least 35% of ground floor space shall be retail	Ground Floor Residential provided		Waiver
Parking Access	One pedestrian access point per 300 linear feet of street frontage shall be provided from the street to parking lots located in the rear of buildings. A maximum of two curb cuts per street frontage may be provided.	University Avenue frontage: 89.24' One pedestrian access point provided Bay Road frontage: 304.47' Two pedestrian access points provided		

## DEVELOPMENT SUMMARY

Net Square Footage							
Unit	Description	Configuration	Net Living	Count	Unit Mix	Total Net Living	
Unit A	Carriage Unit A (corner unit)	2 bd / 2.5 ba	1,316	12	13%	15,792	
Unit B	Carriage Unit B (bridge unit)	3 bd / 2.5 ba	1,635	12	13%	19,620	
Unit C	15' Tandem	3 bd / 3 ba	1,220	28	29%	34,160	
Unit D	Interlock Tandem	2 bd / 2.5 ba	1,279	12	13%	15,348	
Unit E	Interlock Side-by-side	3 bd + den / 3.5 ba	1,691	12	13%	20,292	
Unit F	Standard Side-by-side	4 bd / 3.5 ba	1,901	19	20%	36,119	
<b>Total:</b>				<b>95 Units</b>		<b>141,331 net sf</b>	
Gross Square Footage							
Unit	Description	Configuration	First Floor	Garage	Second Floor	Third Floor	Gross Unit (incl. garage)
Unit A	Carriage Unit A (corner unit)	2 bd / 2.5 ba	138	513	681	611	1,943
Unit B	Carriage Unit B (bridge unit)	3 bd / 2.5 ba	118	479	819	831	2,247
Unit C	15' Tandem	3 bd / 3 ba	100	500	660	610	1,870
Unit D	Interlock Tandem	2 bd / 2.5 ba	107	537	676	637	1,957
Unit E	Interlock Side-by-side	3 bd + den / 3.5 ba	273	497	802	777	2,349
Unit F	Standard Side-by-side	4 bd / 3.5 ba	348	476	841	859	2,524
Gross Square Footage by Building							
Building	Description	Configuration	Gross Building (incl. garage)		Count	Total Gross Building	
<b>Building A</b>	<b>11-plex (BLDG 1)</b>	<b>F-C-C-C-C-C-C-C-C-F-F</b>	<b>21,878</b>		<b>1</b>	<b>21,878</b>	
			First Floor	7,048			
			Second Floor	7,622			
			Third Floor	7,208			
<b>Building B</b>	<b>12-plex (BLDG 2-7)</b>	<b>F-C-D-E-A-B-B-A-E-D-C-F</b>	<b>25,780</b>		<b>6</b>	<b>154,680</b>	
			First Floor	8,172			
			Second Floor	8,958			
			Third Floor	8,650			
<b>Building C</b>	<b>6-plex (BLDG 8,9)</b>	<b>F-C-C-C-C-F</b>	<b>12,528</b>		<b>2</b>	<b>25,056</b>	
			First Floor	4,048			
			Second Floor	4,322			
			Third Floor	4,158			
<b>Total:</b>					<b>9 Buildings</b>	<b>201,614 gross sf</b> <b>177,905 site area (sf)</b> <b>1.13 FAR</b>	

## PROJECT DATA

### FOUR CORNERS / BAY ROAD TOWNHOMES

1675 BAY ROAD, EAST PALO ALTO, CA



DAHLLIN

JOB NO. 638.005  
DATE 11/22/2024

A.2



PROJECT AREA

EXISTING CONDITIONS

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
 1675 BAY ROAD, EAST PALO ALTO, CA

0 40 80 120 FEET 

 SAND HILL PROPERTY COMPANY

 DAHLIN

JOB NO. 638.005  
 DATE 11/22/2024

A.3



PROJECT AREA

SITE PLAN

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
 1675 BAY ROAD, EAST PALO ALTO, CA

0 40 80 120 FEET   
 SAND HILL PROPERTY COMPANY

**DAHLIN**

JOB NO. 638.005  
 DATE 11/22/2024

A.4



**FRONT ELEVATION** 1/8" = 1'-0"



**RIGHT ELEVATION** 1/8" = 1'-0"



**REAR ELEVATION** 1/8" = 1'-0"



**LEFT ELEVATION** 1/8" = 1'-0"

**6-PLEX ELEVATIONS**

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
1675 BAY ROAD, EAST PALO ALTO, CA

0 8 16 24 FEET



JOB NO. 638.005  
DATE 11/22/2024

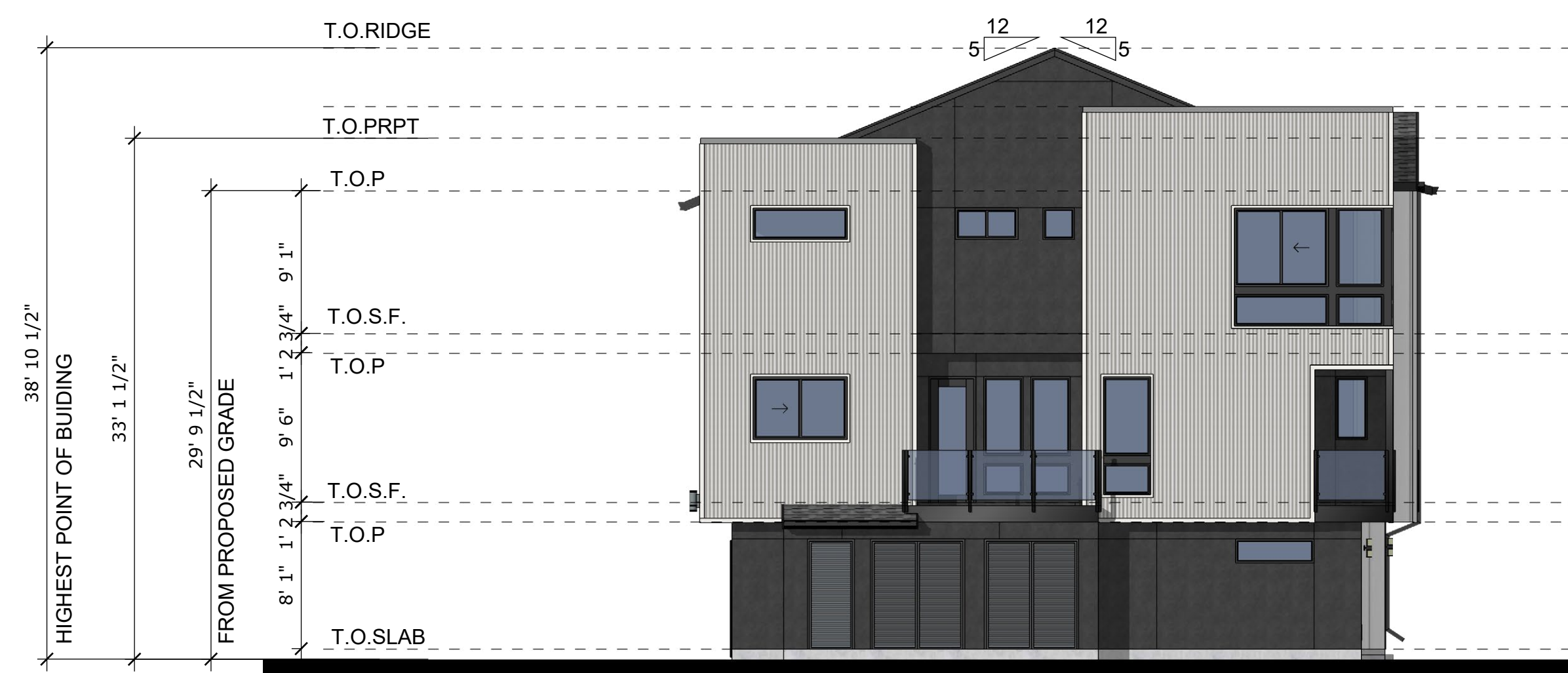
**A.5**



**FRONT ELEVATION** 1/8" = 1'-0"



**RIGHT ELEVATION** 1/8" = 1'-0"



**LEFT ELEVATION** 1/8" = 1'-0"



**REAR ELEVATION** 1/8" = 1'-0"

**11-PLEX ELEVATIONS**

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
1675 BAY ROAD, EAST PALO ALTO, CA

0 8 16 24 FEET



JOB NO. 638.005  
DATE 11/22/2024

A.6



**FRONT ELEVATION** 1/8" = 1'-0"



**RIGHT ELEVATION** 1/8" = 1'-0"



**REAR ELEVATION** 1/8" = 1'-0"

**12-PLEX ELEVATIONS**

**FOUR CORNERS / BAY ROAD TOWNHOMES**

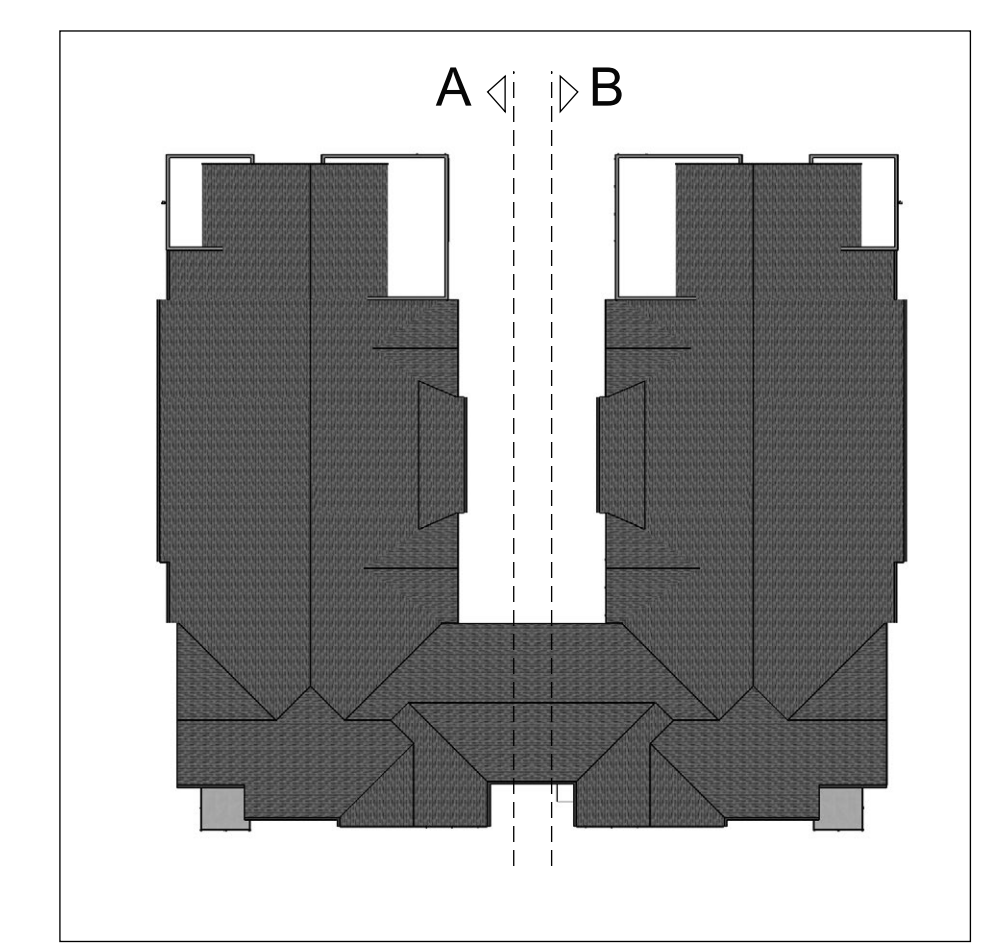
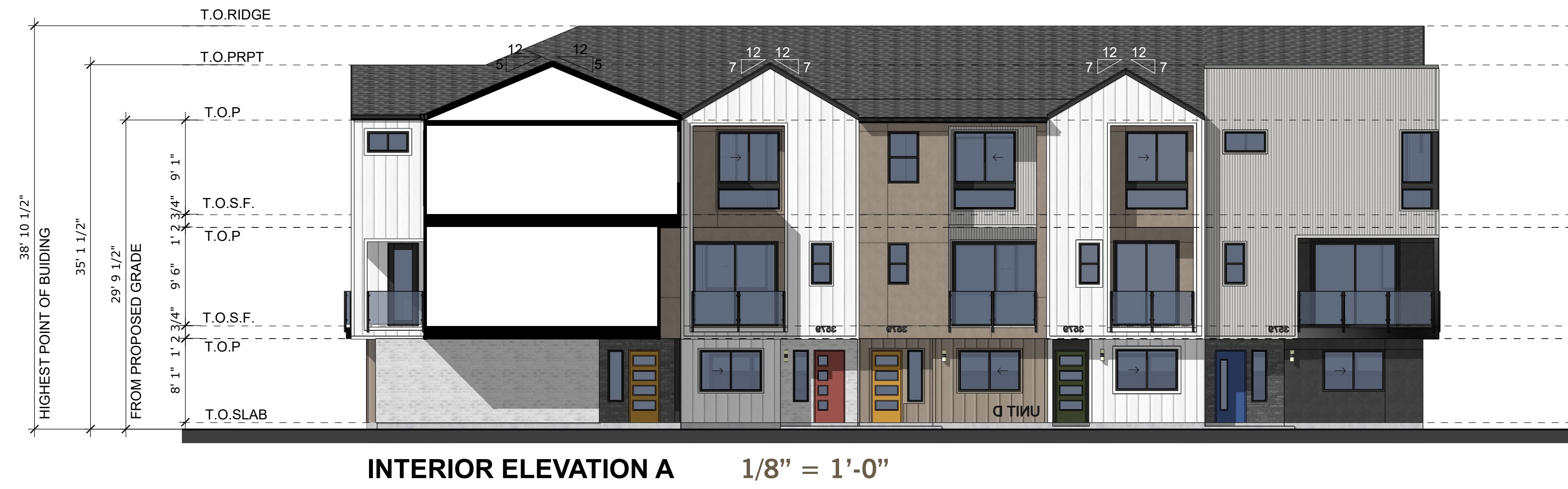
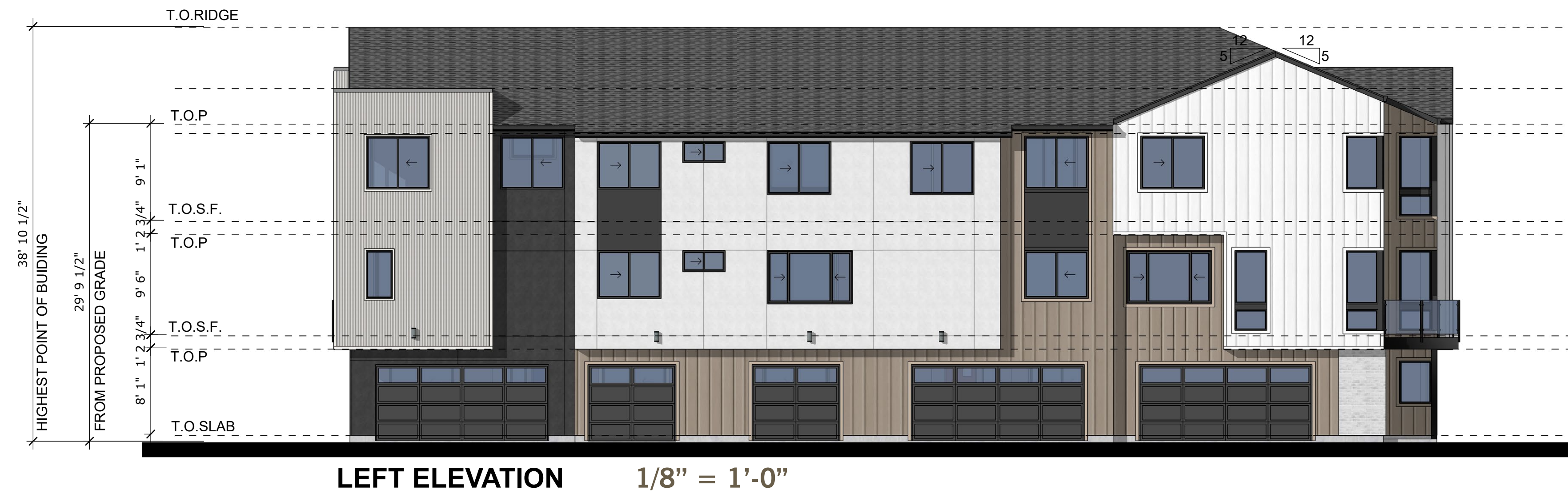
1675 BAY ROAD, EAST PALO ALTO, CA

0 8 16 24 FEET



JOB NO. 638.005  
DATE 11/22/2024

A.7



**12-PLEX ELEVATIONS**

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
 1675 BAY ROAD, EAST PALO ALTO, CA

0 8 16 24 FEET





**SP** SAND HILL PROPERTY COMPANY

**DAHLIN**

JOB NO. 638.005  
 DATE 11/22/2024

**A.8**



1		2		3		4	
	<b>BLUE BLOOD</b> ENTRY DOOR SW 6966		<b>HEARTFELT</b> ENTRY DOOR SW 6586		<b>DERBYSHIRE</b> ENTRY DOOR SW 6741		<b>IRON ORE</b> GARAGE DOOR & WINDOW / DOOR TRIM SW 7069

<p><b>A ROOF MATERIAL 1</b> ASPHALT SHINGLE GRAY</p> 	<p><b>B BOARD &amp; BATT SIDING</b> WHITE SNOW SW 9541</p> 	<p><b>C BOARD &amp; BATT SIDING</b> URBAN JUNGLE SW 9117</p> 	<p><b>D STUCCO</b> URBAN JUNGLE SW 9117</p> 	<p><b>E STUCCO</b> CHARCOAL SW 3063</p> 	<p><b>F STUCCO</b> WHITE SNOW SW 9541</p> 	<p><b>G ADHERED BRICK VENEER</b> LIGHT GRAY</p> 	<p><b>H CORRUGATED METAL</b> SMOOTH FINISH</p> 
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**COLORS & MATERIALS**

**FOUR CORNERS / BAY ROAD TOWNHOMES**  
1675 BAY ROAD, EAST PALO ALTO, CA



JOB NO. 638.005  
DATE 11/22/2024

A.9