



State of Housing in East Palo Alto 2002 Housing Element - Status Report

Goal/Action Steps	Accomplishments: January to June 2002	Plans for July 2002 - Dec. 2003
Increasing the Availability of Housing		
<i>Program/Goal 1.0: Build a sufficient number and variety of housing units needed to meet the State's mandate to replace affordable units/bedrooms demolished due to Redevelopment Agency action and to address the City's Regional Housing Needs Determination.</i>		
Work collaboratively with the development community and stakeholders to facilitate housing development to meet the City's needs.	<ul style="list-style-type: none"> ✓ 7 EPA tenants became first time homebuyers and 12 low-income residents accessed affordable rental housing. ✓ HCD staff met with Wellington Corp., BRIDGE Housing, Mercy Charities, Eden Housing, Peninsula Habitat for Humanity. ✓ Spoke with Conroe Ventures LLC and University Palms regarding possible new affordable housing projects. ✓ Talked with two developers about potential manufactured housing: EPA CAN DO (12 units) & Sterling Properties (7 units). 	Discussions with developers will continue on an ongoing basis.
Make loans and grants to developers using \$1,000,000 recently awarded to the City by CHFA.	<ul style="list-style-type: none"> ✓ Discussions in progress toward the development of four future projects. 	All CHFA funds will be encumbered by September 2003. Future plans include: <ul style="list-style-type: none"> • A single-family home for special needs. • Pulgas Panhandle development.
Provide additional support for securing land acquisition and predevelopment financing.	<ul style="list-style-type: none"> ✓ The City recently signed a settlement that will create a \$7 million loan fund for future land acquisition. ✓ HCD staff have submitted five applications for a total of \$3.94 million in affordable housing acquisition and development funds of which \$200,000 was awarded. ✓ EPA CAN DO was awarded \$5.98 million in 9% tax credits for Nugent Square. 	<ul style="list-style-type: none"> • Continue to work with various developers to submit applications for funding. • HCD will re-apply to CHFA in September 2002 and to CDBG and HOME during the next round.
Support BRIDGE Housing's efforts to raise funds for the East Palo Alto land-banking fund.	BRIDGE's land-banking effort has been abandoned due to the loss of funding from the Packard Foundation.	HCD staff will work with the County and other funding sources to increase land acquisition funds.
<i>Program/Goal 2.0: Secure below market rate funding to build more affordable housing.</i>		
Pursue new funding streams for affordable housing.	<ul style="list-style-type: none"> ✓ Council approved inclusion of November ballot measure to dedicate 10% of hotel tax revenue (estimated to be \$200,000 per year) for affordable housing purposes. 	HCD staff will continue to pursue new funding sources.
Promote smart growth concepts such as compact development, transit-oriented development, jobs-housing balance, mixed	<ul style="list-style-type: none"> ✓ A study of Commercial Impact Fees is underway. ✓ Have required Transportation Demand Management (TDM) system for big projects. 	<ul style="list-style-type: none"> • HCD staff will seek council direction on establishing a jobs-housing balance ordinance. • Study/Adoption of

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use and high-density development.		University Avenue standards will be undertaken in 2003.
<i>Program/Goal 3.0: Facilitate the development of affordable housing to fulfill the replacement housing obligations and Regional Housing Need Determination, especially in redevelopment project areas.</i>		
Require residential developers to provide affordable housing as a component of development.	<ul style="list-style-type: none"> ✓ Six different residential projects, containing a total of 46 Below Market Rate (BMR) units (average affordability of 57% of area median income), received approval from Planning and are currently proceeding through entitlement process. 	<ul style="list-style-type: none"> • Develop rules and regulations for BMR ordinance. • Execute Regulatory Agreement on 12 newly constructed BMR rental units (Fall 2002). • Establish up to date Central Wait List.
Provide regulatory and financial incentives to encourage new development of affordable housing.	<ul style="list-style-type: none"> ✓ Working with Peninsula Interfaith Action (PIA) to instigate a measurement of credit worthiness based on rent payment history. ✓ The City waived \$35,000 in fees for Nugent Square Development. ✓ The City waived fees for 15 rehabilitation projects coordinated by Rebuilding Together. 	<ul style="list-style-type: none"> • Review the feasibility of having Stanford University conduct a study regarding the use of rent pmt histories. • One East Palo Alto has set aside \$15,000 for a credit repair program, target date 2003. • Future fee waivers will be reviewed and granted as appropriate.
Provide accurate and timely information to the public and to decision makers to facilitate informed decisions about housing development.	<p>HCD staff:</p> <ul style="list-style-type: none"> ✓ Launched a redesigned EPA website ✓ Initiated new marketing materials for the Ravenswood Redevelopment Area. ✓ Published recent issue of <i>Common Ground</i> (May 2002). First quarter issue was skipped due to vacancies in staff positions. 	<p>Additional public information materials in the pipeline:</p> <ul style="list-style-type: none"> • Housing Element and residential opportunity sites to be posted on the website. • Future issues of <i>Common Ground</i> (Sept. and Dec 2002) • Brochure on Housing Programs (Fall 2002).
<i>Program/Goal 4.0: Fully implement the City's adopted policies, including the General Plan and all ordinances.</i>		
Ensure adequate residential sites, zoned at appropriate densities, are available for development to provide a range of housing types and prices.	<ul style="list-style-type: none"> ✓ HCD Staff continues to systematically review local zoning ordinances for consistency with the general plan, to decrease costs and reduce the time required to process applications. 	<p>In 2003, HCD staff will work with the federal Environmental Protection Agency (EPA) to determine appropriate cost effective ways to remediate toxic substances from formerly agricultural land.</p>

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Facilitate the development and passage of updated zoning ordinance and map to support residential development.	<p>The following progress has been made towards re-zoning goals:</p> <ul style="list-style-type: none"> ✓ An initial draft for re-zoning of the Ravenswood Industrial Area/Four Corners is underway. ✓ Staff is working directly with the City Council and Planning Commission to determine appropriate land uses, prior to re-zoning. ✓ Established thresholds of significance for potential loss of housing units. 	<p>Future actions:</p> <ul style="list-style-type: none"> • Rezoning of the Ravenswood area will be completed by May 2003. • The Weeks Neighborhood will be evaluated for rezoning based on community input, with emphasis on large lot preservation and limiting expansion of institutional uses.
<i>Program/Goal 5.0: Address the housing needs of households with members who are elderly, physically disabled, HIV positive or are living with AIDS, homeless, at-risk youth leaving the foster care system, small and large families, and female-headed households.</i>		
Encourage development of housing units and alternative living arrangements for seniors, small and large families, and persons with special needs.	<ul style="list-style-type: none"> ✓ HCD Staff is working with a nonprofit social service provider to develop supportive housing for families with special needs. ✓ Staff has discussed potential youth housing site with developer. 	<ul style="list-style-type: none"> • Efforts will be made to change the zoning ordinance to promote development of housing for seniors, homeless persons and other special needs populations. • The Pulgas Panhandle project, currently in predevelopment, will include 10 supportive housing units. • A single family home will serve special needs. • Development standards for Donohoe Street will be established in the second half of 2002.
Explore feasibility of establishing a limited-term rent subsidy program to assist persons with special needs displaced by high housing costs.	Feasibility study delayed due to staffing constraints.	Search for funding of short-term rental assistance program will continue.
Mitigating the Cost of Housing		
<i>Program/Goal 6.0: Provide both financial and policy assistance to low- and moderate- income households to ease housing cost burden and overcrowding.</i>		
Stabilize rents in the City through the Rent Stabilization and Just Cause for Eviction Ordinance.	<p>Rent Stabilization efforts in the past six months include:</p> <ul style="list-style-type: none"> ✓ New Board was seated in Jan. 2002 with membership growing from 5 to 10. ✓ Defense of Palo Mobile Estates v. City of East Palo Alto continues. 	Staff will continue to protect tenants by implementing the ordinance and encouraging voluntary landlord participation in the program.

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	<ul style="list-style-type: none"> ✓ Staff asked owners of Peninsula Park and Woodland Creek Apartments to voluntarily participate in the program. ✓ Reproduced the Rent Stabilization Brochure. ✓ The annual letter sent to tenants and property owners, establishing the maximum legal rent, has been translated into Spanish. ✓ HCD staff now has two Spanish speakers. 	
Monitor housing developed as part of the City's BMR Zoning Ordinance.	<ul style="list-style-type: none"> ✓ Staff has received numerous inquiries from other communities who wish to use EPA's program as a model. 	<ul style="list-style-type: none"> • Monitoring of BMR unit production and compliance will continue on an ongoing basis. • Staff and Board will continue to be a resource for BMR tenants and owners.
Implement programs to minimize overcrowding.	<ul style="list-style-type: none"> ✓ Initiated assessment of City's code enforcement needs. ✓ There has been little activity in relation to addressing overcrowding problems due to staffing constraints 	<ul style="list-style-type: none"> • Complete assessment and begin implementation of recommendations. • Assessment of code enforcement needs will continue.
Explore ways to use land trusts to expand affordable housing opportunities.	Opportunities have not been identified yet.	Feasibility of this concept requires more exploration.
Minimizing Resident Displacement		
<i>Program/Goal 7.0: Establish new and/or participate in existing programs that utilize a variety of funding sources to provide first-time homebuyer assistance to income-qualified households, with a focus on assisting existing residents and workers in the City.</i>		
Make first time homebuyer funds and mortgage enhancement available through as many means as possible.	<p>Low-income homeownership financing programs in place:</p> <ul style="list-style-type: none"> ✓ The County's Mortgage Credit Certificate (MCC) Program, includes homebuyer education. ✓ Under the City's Lease to Purchase Program two EPA families have purchased homes. 	<ul style="list-style-type: none"> • The City will explore with other Bay Area cities opportunities to replicate the lease purchase program. • Finalize and allocate University Circle Investors (UCI) funds for implementation of program development for down payment assistance program to target six households.

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Work with lenders and fair housing service providers to provide credit counseling and other education relating to homeownership to community members.	Homeowner education programs organized or supported by HCD staff: ✓ EPA CAN DO graduated 15 East Palo Alto residents from the “Smart Money” training program designed to help residents identify and avoid predatory lending.	Planned activities in the area of homeowner education: <ul style="list-style-type: none"> • HCD staff will participate in a Housing Forum on credit issues sponsored by EPA CAN DO on Sept. 23. • Fall Session of Smart Money scheduled for early September. • More Housing Assistance Center workshops are scheduled for the fall.
Work with HUD Technical Assistance team to explore new program possibilities for homeownership.	✓ The City has engaged ICF Consulting to conduct a study of the potential incentives needed for property owners to sell their units to tenants. HCD staff recently talked to two property owners about prospective sales to tenants.	Staff will continue to pursue ways to incentivize the sale of units to tenants. ICF Report to be received and presented to council for authority to implement.
<i>Program/Goal 8.0: Ensure existing residents and workers in the City have access to housing programs and protections that will allow them to remain residents of the City.</i>		
Implement code enforcement to correct Housing, Health and Safety Code violations.	<ul style="list-style-type: none"> ✓ City staff met with the federal EPA to improve compliance with lead-based paint regulations. ✓ Meeting prompted changes, including disclosure to tenants from landlords. ✓ Distributed information on lead-based paint policies to all Rent Stabilization Program tenants. 	Fall 2002 HCD will enhance the building permit application process to ask about lead based paint abatement.
Assist low and moderate income households in making necessary repairs and improvements	✓ EPA citizens are participating in the San Mateo County’s Housing Rehabilitation Program. \$130,000 in funds was distributed to East Palo Alto residents in FY 01-02. Information about this program is being disseminated to the City’s residents.	Activities will continue on an ongoing basis. A feature article on this program will be included in the December issue of <i>Common Ground</i> .
<i>Program/Goal 9.0: Ensure decent, safe living environments for City residents regardless of age, gender, race, color, ancestry, national origin, familial status, marital status, sexual preference, religion, disability, or any other arbitrary factor.</i>		
Support, publicize and make referrals to fair housing and legal assistance programs that provide information, counseling and investigation services concerning discrimination.	✓ HCD provides information to the public on fair housing and legal assistance programs through a wide range of materials, including the City’s webpage, <i>Common Ground</i> , and informational brochures.	Activities will continue on an ongoing basis.

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Support local, regional, state and federal initiatives in addressing predatory lending practices.	✓ EPA CAN DO, with the City's support and in collaboration with other organizations, has launched an initiative to provide legal and financial assistance to victims of predatory lending, along with education on prevention. (See also Goal 7.0).	The City will continue to support this initiative.
Support public and private efforts to ensure nondiscrimination in the sale or rental of housing.	✓ HCD staff processed two housing discrimination complaints from tenants denied housing on the grounds of having Section 8 vouchers.	Activities will continue on an ongoing basis.
Implementing Administrative Remedies		
<i>Program/Goal 10.0: Ensure the implementation of all housing policies and promotes broad participation in the programs.</i>		
Prepare detailed progress report on Housing Element for review by City Council, stakeholders and general public.	✓ HCD will report on the <i>State of Housing in East Palo Alto</i> to the City Council on August 1 st . Progress report to be distributed to City Council, Planning Commission, Rent Stabilization Board, and other stakeholders. Available to the general public.	Next progress report will be presented in early 2003. Will incorporate 2000 Census Data.
Hold public meetings and study sessions to discuss various housing issues and policies in the City.	<ul style="list-style-type: none"> ✓ City Council formed a housing sub-committee that meets twice a month. ✓ There will be a study session regarding the Weeks Neighborhood on August 10th. ✓ A housing tour for the City Council and Planning Commission is scheduled on August 3rd. 	<p>Discussion Items for policy makers:</p> <ul style="list-style-type: none"> • Fall 2002 Study Session on Commercial Impact Fees. • Increase of Redevelopment Tax Increment set-aside for housing. • Code enforcement needs assessment and implementation. • Rules and regulations on BMR program implementation, including priority allocation of units on Central Wait List. • ICF recommendations and implementation for incentives to sell to tenants. • Study session on density and user/restrictions on second units. • Conduct workshop on community needs based on 2000 Census Data.