

~~STATE OF CALIFORNIA BUSINESS, TRANSPORTATION, AND HOUSING AGENCY~~~~ARNOLD SCHWARZENEGGER Governor~~**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****Division of Housing Policy Development**

1800 Third Street, Suite 430

P. O. Box 952053

Sacramento, CA 94252-2053

www.hcd.ca.gov

(916) 445-4728 FAX: (916) 327-2643

**FAX TRANSMITTAL FORM****DATE:** January 29, 2010**TO: Mr. Mark Weiss, City Manager****Fax: (650) 595-6728**

FROM: Raquel Medina
Dept. of Housing
Housing Policy
Development Division
Room 430

FAX NUMBER: 916-327-2643
VOICE NUMBER: 916-324-9629
E-MAIL: Rmedina@hcd.ca.gov

No. of Pages (Including Cover): 3**Subject:** City of San Carlos Housing Element Review

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

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1800 Third Street, Suite 430

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Sacramento, CA 94252-2053

(916) 323-3177 / FAX (916) 327-2643

www.hcd.ca.gov

January 28, 2010

Mr. Mark Weiss
City Manager
City of San Carlos
600 Elm Street
San Carlos, CA 94070

Dear Mr. Weiss:

RE: Review of the City of San Carlos' Adopted Housing Element

Thank you for submitting the City of San Carlos' housing element adopted on October 12, 2009 and received for review on November 5, 2009. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

The adopted element addresses the statutory requirements described in the Department's August 31, 2009 review. For example, the element now includes analyses and programs to address constraints on housing for persons with disabilities. As a result, the Department is pleased to find the adopted element in compliance with State housing element law (Article 10.6 of the Government Code).

The effective and timely implementation of Action 3.3 (Lot Consolidation) and Action 3.2 (Infill Development) to encourage residential development in Planning Areas 1, 2 and 3 are critical to demonstrate adequate sites to accommodate San Carlos' remaining housing needs for lower-income households. The City must monitor and report on the implementation of Actions 3.3 and 3.2 through the annual general plan progress report, required pursuant to Government Code Section 65400. Should monitoring reveal these programs are not effective in addressing the regional housing need for lower-income households, the element should be amended to identify additional sites at appropriate densities and add or revise programs, as appropriate.

Maintaining adequate sites at appropriate densities to accommodate San Carlos' regional housing need, including for lower-income households, throughout the planning period is required pursuant to Government Code Section 65863. In addition, this Code Section specifies no local government action shall reduce, require or permit the reduction of, the residential density or allow development at a "lower residential density" for any parcel identified in the sites inventory, unless the local government makes written findings, the reduction is consistent with the adopted general plan, and the

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remaining sites identified in the element are adequate to accommodate the jurisdiction's share of the regional housing need. As defined by statute, "A lower residential density" refers to allowing fewer units on the site than were projected within the sites inventory of the housing element. The Department recommends the City consider adopting a program to monitor approved development relative to capacity estimates in the housing element (see sample program -- enclosed).

The Department is also pleased to report San Carlos now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks Program, authorized by Proposition 1C, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) Programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. More specific information about these and other programs is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf.

The Department wishes San Carlos success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If we can provide assistance in implementing the housing element, please contact Raquel Medina, of our staff, at (916) 324-9629.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosure