

Introduction and Executive Summary

INTRODUCTION

The City of Half Moon Bay's 6th Cycle Housing Element provides a detailed analysis of housing needs, constraints, and available resources. Informed by community input, it brings forth a Housing Plan designed to provide housing choices that the community needs and wants. The Housing Plan goals are supported by thoughtful policy strategies and actionable implementation programs. They represent the City's commitment to fostering the development and preservation of a diversity of housing types for households of all income levels, as well as for those with special housing needs, such as disabled, homeless, farmworkers, and other vulnerable individuals and families. The City understands how important housing security is for its community members. Affordable housing can help families achieve multi-generational goals, seniors age with dignity, and formerly homeless individuals become permanently stable. To that end, this document is intended to guide the City of Half Moon Bay as it seeks to facilitate the creation of new housing and preservation of existing housing, especially affordable housing, in a detailed and well-planned approach to meet housing needs.

As an element of the Half Moon Bay General Plan, and in accordance with the California Government Code, this Cycle 6 Housing Element presents a comprehensive Housing Plan to address identified housing needs for the years 2023-2031.

Purpose

Half Moon Bay values and protects its diverse community character. Half Moon Bay, as demonstrated in the Cycle 6 Housing Element, is a place where community members take care of each other. Here, character transcends far beyond small-town charm and recognizes that the place our community members call home impacts all aspects of their lives and bolsters community resilience. Safe, sound, and affordable housing for households at every income level can improve and transform the community into a balanced and thriving area for opportunity. The prospect of preserving and producing housing that meets the needs of everyone combines inherent complexity and demanding challenges to reach equitable solutions. From various forms of community engagement, the City received a multitude of requests for increased housing opportunities, specifically "just housing," simply defined as affordable, safe, and healthy homes. The City is committed to the production of housing that directly supports our residents, with the primary focus on special housing needs groups including our farmworkers, service workers, elderly, homeless, and individuals, families, and households with special needs.

The Housing Element is one of the seven required general plan elements mandated by California state law. Each city and county must adopt a housing element that conforms to the detailed statutory requirements established in Article 10.6 (Sections 65580 to 65589.8) of the Government Code. Half Moon Bay's Housing Element must be updated every eight years. According to State law, all housing elements must identify and analyze existing and projected

housing needs; affirm goals and policies; establish quantified objectives; identify financial and other resources; and provide scheduled programs for the preservation, improvement, and development of housing.

The Housing Element must identify adequate sites to meet the City's Regional Housing Needs Allocation (RHNA) in a manner that best addresses housing needs in each jurisdiction. For Half Moon Bay this includes a diverse array of housing options for all income levels, including both rental and ownership units; housing for large and multi-generational households as well as for small households and seniors; and factory-built units, mobile homes, and emergency housing. Locating housing near transit, services, and other resources is also key to providing housing that truly meets the needs of residents. To that end, the Housing Element includes a detailed inventory and analysis of likely-to-develop sites to meet existing and projected needs and preferences of all economic segments of the community.

In summary, the Housing Element ensures that the City meets statutory requirements through specific policies and programs that lead to measurable outcomes while embracing the Coastal Act and addressing specific housing needs requested by community members of all backgrounds. To ensure compliance, each housing element is submitted to the California Department of Housing and Community Development (HCD) for mandatory review and certification.

Relationship to the Local Coastal Program and General Plan

California State law requires that all general plan elements be compatible and internally consistent. Located wholly within the California Coastal Zone, this is more complex for Half Moon Bay. As such, the City's land use policies and regulations must comply with the California Coastal Act via adherence to the City's certified Local Coastal Program (LCP). The LCP consists of a Local Coastal Land Use Plan (LCLUP) which establishes the LCP's policies and an Implementation Plan (IP) which establishes the LCP's implementation regulations including the Subdivision and Zoning Ordinances. The City's LCLUP policies apply citywide and thus the LCLUP serves as the City's General Plan Land Use Element.

The LCLUP was recently comprehensively updated. It was adopted by City Council in October 2020 and certified by the California Coastal Commission in April 2021. The LCLUP anticipated the Cycle 6 Housing Element and its associated RHNA. The LCLUP includes numerous housing-oriented land use planning strategies through updates to land use designations and via new and updated policies. Zoning amendments needed to implement the LCLUP directly overlap with zoning amendments needed to implement the Cycle 6 Housing Element.

This Housing Element update is consistent with the City's LCP as well as the rest of the City's General Plan elements including the Noise, Circulation, and Safety Elements. The policies and programs contained in the Housing Element are intended to support the development of decent and suitable housing in areas designated as appropriate by the city's established land use policy.

Additionally, the Housing Element is consistent with the City's Residential Growth Limitations Ordinance established by ballot Measure D and certified by the Coastal Commission in the City's LCP. Measure D's growth limitation should not directly impact the City's ability to support its RHNA over the Cycle 6 planning period.

Cycle 6 Housing Element Contents

In addition to this Introduction and Executive Summary, the Housing Element includes the following sections:

Housing Plan: The Housing Plan is presented following this Executive Summary. The Housing Plan is the Housing Element's implementation engine. It establishes goals, policies, and programs to address the city's housing needs, and was developed based on numerous technical assessments and community input.

Following the Housing Plan, the Housing Element includes the technical reports upon which the Housing Plan was developed. They are provided as Appendices A – F as follows:

A. Housing Needs Assessment: This report includes an analysis of population and employment trends, the city's fair share of regional housing needs, household characteristics, and the condition of the housing stock.

B. Constraints: This report reviews governmental constraints including land use controls, fees, and processing requirements, as well as non-governmental constraints, such as construction costs, availability of land and financing, physical environmental conditions, and units at-risk of conversion that may impede the development, preservation, and maintenance of housing.

C. Housing Resources: This report identifies resources available for the production and maintenance of housing, including an inventory of land suitable for residential development and a discussion of federal, State, and local financial resources and programs available to support the city's housing goals.

D. Affirmatively Furthering Fair Housing (AFFH) Assessment: Affirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. This report examines integration and segregation, access to opportunity, and disparate housing needs. From this assessment, recommendations for a fair housing action plan are developed for inclusion in the Housing Plan.

E. Community Engagement: This report describes the community outreach activities that informed the programs in this Housing Element, including the Housing Forum, meetings with City

Council and the Planning Commission, 21 Elements outreach, correspondence with community members, and input received during the 30-day public review period.

F. Cycle 5 Housing Element Previous Accomplishments: This report evaluates the City's accomplishments under the 5th Cycle Housing Element to determine the City's progress in implementing the Cycle 5 Housing Element and to assess the effectiveness and appropriateness of the goals, policies, and implementation programs of that housing element.

This Executive Summary provides an overview of every section of the Housing Element, starting with the Housing Plan. Summaries of the technical reports upon which the Housing Plan was developed follow.

Housing Plan

The Housing Plan commits the City to the following six goals, which are supported by specific policies, implementing programs, and quantifiable objectives.

Goal 1 - Housing Production:

Facilitate development of high-quality and diverse types of housing for all income levels and household types.

Goal 2 – Housing Preservation:

Preserve and improve Half Moon Bay's existing neighborhoods and housing supply.

Goal 3 – Housing Choices:

Expand housing choices for large and multi-generational households, the elderly, persons with developmental or other disabilities, farmworkers, female-headed households, homeless individuals, and persons with special housing needs.

Goal 4 – Protections and Resources:

Promote housing opportunities and establish resources for all persons regardless of race, sex, age, marital status, ancestry, national origin, color, or sexual orientation.

Goal 5 – Housing Sustainability:

Support sustainability measures in new and existing residential development.

Goal 6 – Housing Plan Implementation:

Implement the Cycle 6 Housing Plan using annual reports, monitoring, periodic ordinance updates, and other means to maintain plan effectiveness throughout the planning period.

Goals 1 – 5 are updated and brought forward from the Cycle 5 Housing Plan. Goal 6 is introduced in the Cycle 6 Housing Plan to distinguish implementation policies and programs which,

although very important for overall Housing Element implementation, tend to not have quantifiable objectives from those associated with Goals 1-5. Cycle 5 Housing Element policies and programs have been incorporated, modified, deleted, or replaced with new programs as deemed appropriate. Policies and programs have also been reorganized to better align with the Housing Element's goals.

Each program presents context, objectives, a timeline, a responsible party, and a funding source. City staff have the primary responsibility for implementing the Housing Plan. Programs requiring amendments to the City's Municipal Code, Zoning Ordinance, and/or Local Coastal Land Use Plan (LCLUP) require Planning Commission review, City Council adoption, and California Coastal Commission certification.

The City has limited capacity and deep needs. To be effective, the updated Housing Plan is ambitious, and also very direct. It is not helpful to overcommit to an array of programs that are not truly essential when focusing on the crux of the need can result in vast improvements for numerous individuals and families. Thus, the City carefully tuned the Housing Plan to be achievable with a keen focus on implementing new and targeted LCLUP land use provisions that will open up opportunities for development of diverse housing types in locations with broad community support. The Housing Plan builds on Cycle 5 accomplishments that include adoption of Residential Rental Security Measures and Affordable Housing Fund Allocation Guidelines. These protections and resources are poised to be utilized and expanded during Cycle 6. The City has also invested in staffing and consultant support for its housing function. This capacity will enable implementation of strong preservation programs.

Community members and stakeholder groups provided very specific input about how to update Half Moon Bay's Housing Plan. The City strived to incorporate this input and looks forward to receiving additional guidance as the Housing Element goes through both the public review and HCD assessment process.

Housing Needs Assessment - Technical Report Appendix A

To understand the types of housing that are needed to meet the City's existing and future demands, Housing Element law requires that the Housing Element assess local population demographics such as age, ethnicity, and employment; characteristics of the City's existing housing stock; and special housing needs.¹ Understanding these conditions helps the City plan for its anticipated housing demand.

As such, key trends and needs were identified as follows:

¹ Statistics highlighted in the following summary are presented in more detail in Technical Report Appendix A – Housing Needs. All data sources are cited in the Technical Report; the source for most of these data points is U.S. Census Bureau American Community Survey 5-Year Data (2015-2019).

- **Population:** Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of Half Moon Bay increased by 5.0% from 2000 to 2020, which is below the growth rate of the Bay Area.
- **Age:** In 2019, Half Moon Bay's youth population under the age of 18 was 2,269 and the senior population 65 and older was 2,923. These age groups represent 17.7% and 22.8%, respectively, of Half Moon Bay's population.
- **Race/Ethnicity:** In 2020, 60.9% of Half Moon Bay's population was White while 0.4% was African American, 6.7% was Asian, and 30.1% was Latinx. People of color in Half Moon Bay comprise a proportion below the overall proportion in the Bay Area as a whole.
- **Employment:** Half Moon Bay residents most commonly work in the Health & Educational Services industry. From January 2010 to January 2021, the unemployment rate in Half Moon Bay decreased by 4.8 percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 1,060 (22.4%). Additionally, the jobs-household ratio in Half Moon Bay has increased from 1.21 in 2002 to 1.35 jobs per household in 2018.
- **Number of Homes:** The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Half Moon Bay increased, by 7.6% from 2010 to 2020, which is *above* the growth rate for San Mateo County and *above* the growth rate of the region's housing stock during this period.
- **Home Prices:** A diversity of homes at all income levels creates opportunities for all Half Moon Bay residents to live and thrive in the community.
 - **Ownership:** The largest proportion of homes had a value in the range of \$1M-\$1.5M in 2019. Home prices increased by 65.1% from 2010 to 2020.
 - **Rental:** The typical monthly rent for an apartment in Half Moon Bay was \$1,600 in 2019. Rental prices increased by 11.8% from 2009 to 2019. To rent a typical apartment without a cost burden, a household would need to make \$64,240 per year.
- **Housing Type:** In 2020, 60.4% of homes in Half Moon Bay were single-family detached, 11.9% were single-family attached, 6.0% were small multi-family (2-4 units), and 10.4% were medium or large multi-family (5+ units). Between 2010 and 2020, the number of multi-family units increased more than single-family units. Generally, in Half Moon Bay, the share of the housing stock that is detached single-family homes is above that of other jurisdictions in the region.

- **Housing Cost Burden:** The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Half Moon Bay, 16.8% of households spend 30%-50% of their income on housing, while 15.6% of households are severely cost-burdened and use the majority of their income for housing.
- **Displacement/Gentrification:** According to research from the University of California, Berkeley, few if any households in Half Moon Bay live in neighborhoods that are susceptible to or experiencing displacement, and few if any live in areas at risk of or undergoing gentrification. Almost 67% of households in Half Moon Bay live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.
- **Neighborhood:** None of Half Moon Bay’s neighborhoods were identified as “Highest Resource” or “High Resource” areas by State-commissioned research, while at the same time, none were identified by this research as “Low Resource” or “High Segregation and Poverty” areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.
- **Special Housing Needs:** Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Half Moon Bay, 10.3% of residents have a disability of some kind and may require accessible housing. Additionally, 8.8% of Half Moon Bay households are larger with five or more people, and likely need larger housing units with three bedrooms or more. 4.6% of households are female-headed families, which are often at greater risk of housing insecurity. Senior households on a fixed income in the lowest income categories are also vulnerable to rising rents and/or increasing maintenance costs. Additionally, farmworkers are considered a special housing needs group, which the City is working to support through the use of City-owned land for farmworker housing opportunities.

Constraints - Technical Report Appendix B

New housing development is affected by economic factors from both the private market as well as public agencies through regulations and policies imposed on development. These constraints can limit the production of housing by increasing its cost, delaying the start of construction, and/or extending the overall construction timeline for new housing, as well as adversely

impacting the maintenance and/or improvement of existing housing. Furthermore, the ability to develop housing is constrained by the limited number of appropriate sites with willing landowners; and site development is then further constrained by the cost and capacity of available infrastructure, such as for transportation, sewage conveyance and treatment capacity, and especially water supply. Serious environmental factors, including flood and fire risk, can limit housing site selection or require costly site development and construction methods.

Two primary themes come from Half Moon Bay's assessment of constraints presented in Appendix B:

Capacity is limited: While the City's housing needs are significant, its capacity is limited.

- **Land:** Vacant and/or underdeveloped land viable for housing development is the most finite resource; many sites are encumbered due to the presence of protected resources and/or hazards. In addition, there are competing land use and development interests in light of Coastal Act priority uses such as agriculture and tourism.
- **Infrastructure:** Security and reliability with respect to water supply and wastewater treatment capacity will continue to require significant investment and the vulnerabilities are exacerbated by climate change. There are limited options for addressing congestion and reducing vehicle miles traveled (VMT); indeed, VMT reduction requirements may in and of themselves constrain certain types of housing development in Half Moon Bay.
- **Funding:** The City must work to bolster its Affordable Housing Fund. Affordable housing development requires substantial funding from other sources. Furthermore, the City is small and staff capacity is stretched due to added layers of compliance and review inherent to the Coastal Zone.

Conflicts can be harmonized: The Cycle 5 Housing Element presented substantial constraints imposed on residential development by the Coastal Act and the City's Local Coastal Program (LCP). It did not offer reasonable ways to overcome these constraints. Certainly, capacity limits remain; however, the constraints assessment in this Cycle 6 Housing Element acknowledges that there are numerous opportunities for new residential development to come forward that will not impact natural resources, cultural resources, or scenic and visual resources. The significance of the City's evolved approach to continuing to embrace the Coastal Act while prioritizing housing needs is presented in detail throughout the various sections of this technical report.

Governmental, non-governmental, infrastructure, and environmental constraints that affect the housing market and supply in Half Moon Bay are discussed in detail in Appendix B. Constraints to the maintenance, improvement, and development of housing for all income levels are also identified to inform the Housing Plan which will help the City reduce or overcome these constraints.

The report concludes that significant progress has been made through key local efforts to remove constraints associated with each topic area. Half Moon Bay's Cycle 6 Housing Element update overcomes both real and perceived capacity limits, addresses many of the community's unmet needs, and moves on from long-held beliefs that the Coastal Zone is not amenable to affordable housing development. Primary capacity constraints were evaluated and addressed to the extent feasible as recapped here:

- **Land:** The Housing Opportunity Sites (presented in Technical Report Appendix C – Housing Resources), take advantage of the LCLUP's approach to infill development of sites within Town Center, public and quasi-public-owned lands, and on properties devoted to agricultural and horticultural uses.
- **Infrastructure:** Well-located infill housing at appropriate densities requires less water and generates lower VMT than single-family subdivisions, which make up most of the City's housing stock. The City needs to be very careful about the "infrastructure footprint" of new development and is doing so with both the LCLUP and the Cycle 6 Housing Element.
- **Funding:** Focused approaches will help establish new sources for the Affordable Housing Fund, and leverage other sources.

The report highlights that with the LCLUP update, the Coastal Commission and the City of Half Moon Bay's collaborative approach that housing, especially affordable housing for the agricultural, maritime, service industry, and other essential industries, is critical to implementing the Coastal Act. The City's LCLUP and the Housing Element will not battle each other as conflicting policy mandates; instead, these plans have been carefully aligned to be implemented in tandem. The Cycle 6 Housing Element, as harmonized with the LCLUP update, presents the City's true intent to faithfully address the community's housing needs in a manner consistent with the requirements of the California Coastal Act.

Housing Resources - Technical Report Appendix C

This report presents that the Half Moon Bay Local Coastal Land Use Plan (LCLUP) / General Plan land use designations and policy provide ample sites and support for residential development to meet the city's share of the region's future housing needs. Although located within a large metropolitan area, Half Moon Bay is a small town with rural qualities, including active coastal agriculture land uses and a lack of high-quality transit. As such, the City's housing needs cannot be accommodated with traditional urban approaches employed by San Mateo County's bayside cities, where high-density development can often be concentrated near transit centers and other resource areas. Instead, the City's approach must be much more nuanced.

The City, being wholly within the Coastal Zone, is obligated by the California Coastal Act and its certified Local Coastal Program (LCP) to prioritize certain land uses, including agriculture, public

recreation, and a range of services to support coastal visitors. These industries offer lower-wage jobs, which being set in the landscape of the very high-cost greater Bay Area, makes it extremely challenging for employees of these industries to afford housing on the Coastsides. The City's housing resources are sensitive to these conditions. The Town Center is the focus with additional sites provided through a Workforce Housing Overlay (WHO). The portfolio of sites and associated potential housing development highlights the best of what the "missing middle" approach has to offer for infill development and new neighborhoods. Such housing types, heights, densities, and unit sizes fit Half Moon Bay's character and maximize the use of the limited sites.

The City's Cycle 6 RHNA at 480 units is double the Cycle 5 RHNA of 240 units. The Cycle 6 RHNA is also weighted more heavily to lower-income categories to reflect the housing affordability needs of the local population. Half Moon Bay will meet Cycle 6 RHNA, with a buffer, through Pipeline Projects that are already in the review process, Housing Opportunity Sites in the Town Center and subject to the WHO designation, and accessory living units. RHNA and site capacity are presented in Table Intro-1 below.

Table Intro-1: Meeting RHNA

	Income Category				
	Very Low	Low	Moderate	Above Moderate	Total
RHNA	181	104	54	141	480
Total Units	250	159	134	239	782
Pipeline	62	25	70	185	342
ADUs	34	34	34	10	112
Housing Opportunity Sites	155	100	29	44	328
Surplus Units ¹	70	55	79	98	302
Buffer	38%	53%	148%	70%	

¹ Number of units greater than RHNA; shown as a percentage via buffer.

Source: City of Half Moon Bay

The Housing Resources technical appendix includes detailed assessments of each Housing Opportunity Site, including an assessment through the lens of affirmatively furthering fair housing (AFFH); which is more deeply explored in Appendix D.

The Housing Resources report also presents financial housing resources including local, County, State, and federal funds. Additional housing resources include support for sustainability in housing development through energy and water conservation, hazard and coastal resource avoidance, and walkable/bikeable developments with lower transportation costs and vehicle miles traveled.

Affirmatively Furthering Fair Housing Assessment - Technical Report Appendix D

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Furthermore, public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. "Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Fair housing is a condition that allows individuals of similar income levels in the same housing market to have a range of choices available to them regardless of race, color, national origin, religion, sex, disability, familial status, ancestry, age, marital status, gender, gender identity, gender expression, genetic information, sexual orientation, source of income, or any other arbitrary factor.

Half Moon Bay only had one fair housing complaint filed from 2017 to 2021, which is proportionally much lower than rates of complaints filed in the County of San Mateo overall and surrounding communities. Racial and ethnic segregation in Half Moon Bay is low overall. Half Moon Bay was found to be less racially and ethnically diverse than the County overall, primarily driven by a lower representation of Asian residents. Additionally, Half Moon Bay is considered a concentrated area of affluence with a higher percentage of above median-income earners and a White population that is higher than the surrounding region. It is believed that northern and western areas of the City and the gated Ocean Colony neighborhood would have the highest concentrations of affluence within Half Moon Bay. This is a common pattern on the coast where coastside properties are limited in supply and often more difficult to permit. However, the City has a slightly higher proportion of Hispanic residents (30%) than the county (24%). Although a strained housing market exists, Half Moon Bay's housing stock was found to accommodate a variety of income levels – more so than many other small communities in the County:

- The ownership market in Half Moon Bay is on par with the County overall but has a slightly higher proportion of homes under \$500,000 with the presence of mobile homes; however, many of the City's mobile homes are located in Canada Cove, which is age restricted to 55 and over.

The rental distribution in Half Moon Bay reflects a more affordable rental market than San Mateo County overall.

The recommended fair housing action plan includes the following measures, which have been incorporated into Housing Plan programs or are being addressed by other City efforts as noted:

- **Housing Resource Information Access:** Housing resources and services listed on the City's website and through its social media channels should bolster the information to make it easier for residents to find information about their fair housing rights and for landlords to find information about their fair housing responsibilities. Recommended resources include providing a link to HUD and/or State of California fair housing laws as well as information about how to file a fair housing complaint.

- **Affordable Housing and Affirmative Marketing:** The assessment recommends that the City target new housing development to meet the needs of residents who face the greatest housing challenges, including Hispanic, Filipino, Asian, and Other/Multiple race households. This includes requiring affirmative marketing by developers building these units. The goal of affirmative marketing is to expand housing opportunities to attract income eligible populations and demographic groups who might not otherwise apply or be considered because of past, historic discrimination.

- **Investment in Preservation of Existing Affordable Housing:** The assessment recommends that the City make a concerted effort to retain a housing stock that accommodates a wider variety of income levels than many other communities in San Mateo County; specifically citing that the City should invest in **preservation** of existing affordable housing to sustain its relative affordability.

- **Educational and Employment Outcomes:** The AFFH assessment recommends investment in community development and services to improve **educational and employment outcomes** of its lowest-income residents, as well as affordable housing opportunities. The City's Town Center, including its Downtown core, is considered a high resource area with schools, services, and stores. The assessment recommends transit improvements to improve access via public transit, bike, and pedestrian as well as focused affordable housing opportunities for this area should be prioritized to support existing and future residents. The City is mindful of these needs and is supporting them by establishing the Coastside Opportunity Center and other efforts to expand educational resources described below. Furthermore, numerous capital improvements are planned to improve pedestrian and bicycle access throughout the Town Center.

- **Educational Resources:** The assessment recommends that City leadership advocate for more **educational resources** to meet the needs of Half Moon Bay students with extenuating circumstances. The City appreciates the recommendation. As part of the City's Coastside Recovery Initiative's focus on economic and community recovery from the COVID pandemic, the deep need for education and workforce development came to light. The City plans to open the Coastside Opportunity Center in 2023 and seeking a satellite location for the College of San Mateo Community College. These resources are highly relevant to this need. The Boys and Girls Club of the Coastside is also significantly important to middle and high school students who suffer from housing insecurity and other significant economic stresses. The City sought direct input from the Boys and Girls Club in a stakeholder interview for the Cycle 6 Housing Element.

It is noted that the Census and survey data provide the foundation of the AFFH assessment. Local knowledge indicates that conditions for many members of Half Moon Bay's special needs populations are worse than those represented by the AFFH assessment, such as for farmworkers, very low-income households, and the City's relatively high proportion of community members

with disabilities. Local context helps frame the AFFH assessment to integrate its recommendations into the Housing Plan.

Community Engagement - Technical Report Appendix E

Half Moon Bay developed a broad and diverse outreach plan designed to reach as many community members as possible. For some of the outreach, the City partnered with other San Mateo County jurisdictions via 21 Elements, in a joint countywide outreach effort. 21 Elements is a multi-year, multi-phase collaboration of all twenty-one San Mateo County jurisdictions, along with partner agencies, and stakeholder organizations. The City also conducted its own numerous outreach and engagement sessions focused on City and Coastside residents, employees, and service providers. The approaches to education and engagement included:

- Website and Social Media
- Public Meetings and Hearings
 - Introductory Meeting to the Housing Element Update
 - All About RHNA Webinar
 - City Council Listening Sessions
 - City Council and Planning Commission Joint Study Session
 - Stakeholder Listening Session Series
- Half Moon Bay Stakeholder and Service Providers Interviews
- Focus Groups
- Creating an Affordable Future Webinar Series
- Equity Advisory Group
- Affirmatively Furthering Fair Housing Survey

In addition, the public draft of the Housing Element was posted on the City's website and distributed to stakeholders on April 17, 2023, for a 30-day review period. During this time, the draft Element was advertised for public review, and the City Council and Planning Commission held a joint work session in a hybrid meeting format on May 9, 2023, to encourage additional comments and discussion about the draft Element.²

Key themes and recommended strategies that developed from the Half Moon Bay-specific community engagement activities include:

- **Farmworkers cannot afford stable housing:** Many farmworker households in Half Moon Bay make below the Federal poverty line with incomes in the acutely low- and extremely low-income categories. As a result, farmworkers often live in substandard living conditions that can include shared beds and living areas. Farmworkers, many with families, are seeking more permanent housing; however, without enough affordable

² Prior to submittal to HCD, Technical Report Appendix E – Community Engagement was updated, presenting input from the 30-day review period and a summary of the changes made throughout the Housing Element responsive to this input.

housing, this population is often forced to move amid unstable living arrangements and discriminatory housing practices.

- **Overcrowded housing:** The City heard from multiple community members and stakeholders that many families are forced to live in overcrowded housing due to the cost of rent and the inability to gain approval to move forward in the rental application process. In some situations, multiple families are sharing a home or apartment designed for only one family to live in. Therefore, in many cases, children and parents share a single room without privacy and adequate sleeping arrangements. Some families shared how these types of living situations have a direct effect on their mental health as well as child development and education.
- **Illegal subleases and price gauging:** Related to over-crowded housing, many households with limited resources are forced to enter into housing arrangements that are not governed by a lease agreement. Although free legal services are available, tenant rights are limited without clear documentation and proof of unfair practices. In some cases, existing tenants with a valid lease are subleasing rooms without a landlord's consent at higher than market rate for a single room. This places some households at even higher risk of illegal housing practices such as multiple unlawful eviction practices, insufficient lease terms, and rent increases that lead to price gauging.
- **More affordable housing is needed in Half Moon Bay:** Through the outreach process, there was a substantial amount of support for additional affordable housing to be built in Half Moon Bay. Many respondents stated affordable housing needs to be built as soon as possible and that the City of Half Moon Bay should approve policies that allow more affordable housing to be built immediately.
- **Teachers and essential workers cannot afford to stay:** Many speakers stated teachers and essential workers are finding it increasingly difficult to remain housed in Half Moon Bay and surrounding communities due to the high cost of housing. The need for this population to pay affordable rent was commonly shared as a result of wages that have not been keeping up with the cost of living and inflation.
- **City housing funds and land contribution:** Multiple stakeholder and service agency organizations stated the need for a variety of funding sources to develop affordable housing and provide programs that support the community. Affordable housing developers stated that feasibility for housing development increases with zoning for medium- and high-density residential in addition to City provided land and/or other funding sources.

Cycle 5 Housing Element Accomplishments - Technical Report Appendix F

State Housing Element Law requires communities to assess their achievements under adopted housing programs as part of the update of an existing housing element. This Cycle 6 Housing Element contains a series of Implementation Programs and the Previous Accomplishments from the Cycle 5 Housing Element (Appendix F). It includes a program-by-program review considering progress to date in implementation of these program actions, and the continued appropriateness of identified programs.

Half Moon Bay's successful programs and policies include supporting home repairs for seniors; securing reasonably priced and readily available water connections for affordable housing; encouraging small lot development; utilizing the City's Affordable Housing Fund for rental assistance; and encouraging mixed-use development for seniors and disabled community members.

In addition, the City also made a number of amendments and updates to ordinances to meet the new State housing mandates or to remove constraints. The City updated the Accessory Dwelling Unit (ADU) ordinance (2018 and 2022); eased parking requirements and removed use permits requirements through the "Mixed-Use Districts and Parking Standards Ordinance;" updated the Municipal Code to include transitional and supportive housing; adopted the "Residential Renter Security Measures Ordinance;" and established Affordable Housing Fund Guidelines. Recently the Coastal Commission certified the City's "Short-Term Vacation Rental and Home Occupations Ordinance." This ordinance includes a primary residence requirement and a 60-night annual limit on un-hosted short-term rental operations and as such is highly protective of housing from the threat of conversion to full-time short-term rental use. The ordinance also allows more flexibility for home occupations which will facilitate more cottage industry and home-based businesses which will benefit residents of numerous income levels working in a wide range of employment sectors.

Most significantly, the City's comprehensive update to its LCLUP was certified by the Coastal Commission in April 2021. The LCLUP includes new land use designations and an updated Land Use Plan map that provides opportunities for housing development for numerous special needs populations including farmworkers and other lower-income households. Some portions of the City previously prohibited residential development, and will now be able to provide affordable units through a Workforce Housing Overlay land use designation. The Town Center was also carefully delineated by City Council and confirmed by the Coastal Commission as the best place to focus future development due to the array of amenities and services in this area which is much less impacted by coastal hazards and sensitive biological resources than other parts of the city.

The California Government Code § 65588 requires cities to evaluate the appropriateness, effectiveness, and progress relative to achieving its stated goals and objectives in the previous housing element. This review process allows cities to assess accomplishments and shortfalls of Cycle 5 Housing Element programs and policies as part of the update to the Cycle 6 Housing Element. Past accomplishments are compared with what was projected or planned, and where significant shortfalls exist, the reasons for such differences are discussed.

This evaluation helped the City of Half Moon Bay identify programs that continue to be relevant and also provided the basis and meaningful guidance for recommended modifications to the policies and programs for the Cycle 6 Housing Element update.

Quantifiable Objectives: Housing production counted toward RHNA is one quantifiable measure of Housing Element accomplishments, as is the progress made on Housing Plan programs with quantifiable objectives. During the Cycle 5 Housing Element period of 2015-2023, the quantifiable objectives included the City’s RHNA allocation of 240 units and several programs as summarized in the following table (Table Intro-2).

Table Intro-2: Cycle 5 Housing Element Quantified Objectives (2015-2022)

Objectives					Results
Construction (RHNA):	Income Level				Total
	Very Low	Low	Moderate	Above Mod.	
Cycle 5 RHNA	52	31	36	121	240
Cycle 5 Production	0	1	85	80	166
Cycle 5 Programs with Quantified Goals:			Result		
Program 1-1: Housing Rehabilitation Goal: 48 Home repair grants			Total: >100		
Program 2-3: Second Units (Now referred to as ADUs) Goal: 16 affordable ADUs			Total: About 70 ADUs approved for development; affordability not confirmed.		
Program 2-4: Small Lot Development Goal: 16 small lots developed for affordable housing			Total: 29 small lots approved for single-family development, with some ADUs for some sites.		
Program 2-7: Utilization of Affordable Housing Fund Goal: 2 RFPs and associated affordable housing development projects			Total: 1 RFP for affordable housing at 555 Kelly		
Program 3-2: Senior and Disabled Housing Goal: 70 senior and/or disabled affordable units			Total: 40 units for older farmworkers planned for 555 Kelly Avenue		
Program 5-1: Energy Conservation Goal: 5 units/year			Total: Numerous housing rehabilitation projects per Program 1-1 include energy conservation improvements; three mixed-use developments approved for Building Permit in Cycle 5 include 10 units.		

Source: City of Half Moon Bay

While the City did not successfully bring an affordable housing development forward into building permit and construction during Cycle 5, it is important to consider that other efforts contributed to housing needs. Had shelter rooms established through the County's purchase of a motel qualified to be counted toward RHNA, or had a range of affordability levels been applied to ADUs as per Cycle 6 Housing Element assumptions, the City would have met RHNA for extremely low-, very low-, low-, and moderate-income housing units. This is presented in Table Intro-3 as a theoretical assessment.

Table Intro-3: Theoretical Assessment - Cycle 5 RHNA Production

Assumptions	Income Level				Total
	Very Low	Low	Moderate	Above Mod.	
Cycle 5 RHNA Summary					
Cycle 5 RHNA	52	31	36	121	240
Cycle 5 RHNA Production, reported in APRs	0	1	85	80	166
Cycle 5 ADU Production based on Cycle 6 Affordability Assumptions:					
Cycle 5 ADU Production, reported in APRs	0	0	68	0	68
Cycle 6 ADU Affordability Assumptions	30%	30%	30%	10%	100%
Cycle 5 ADU Production per Cycle 6 ADU Affordable Assumptions	20	21	20	7	68
Cycle 5 Production Including Theoretical Adjustments:					
Cycle 5 RHNA Production w/ Theoretical Adjustments: - Coast House: 52 extremely low-income units - ADUs: Per Cycle 6 Affordability Assumptions	72	22	37	87	218
RHNA Shortfall per theoretical adjustments: Per income category	+20	-9	+1	-34	-22
Surpluses in lower income categories shifted to higher income categories	0	0	0	-22	-22

Source: City of Half Moon Bay

Notes:

Extremely Low-Income Level: The very low-income level includes both extremely low (26) and low (26) units, for a total of 52 units.

ADUs: 68 ADUs is the City's conservative estimate. City records for 2019 – 2022 show permit issuance for an average of 14 ADUs/year, which is trending higher. Before 2019, the City wasn't tracking ADU production as carefully but has records showing at least 3 ADUs/year. Thus, for the four calendar years of 2015 – 2018, 12 ADUs are counted; for the four calendar years of 2019 – 2022, 56 ADUs are counted.

The City understands that this assessment does not stand as the City's outcome for housing production toward fulfilling Cycle 5's RHNA. Instead, the City finds that it is important to present these accomplishments in this manner to assist the community and governmental agencies in their appreciation of the significance of these accomplishments: The establishment of the first shelter provisions on the Midcoast and numerous new "missing middle" housing units (especially ADUs) throughout the City's residential neighborhoods.

The overarching goals and policies of the 2015-2023 Housing Element continue to be appropriate and are generally kept in the Housing Plan with modifications to streamline or clarify objectives where applicable. A new goal was added to cover policies and programs specific to Housing Plan implementation. Many housing programs also continue to be appropriate, and the intent of these programs will be kept in the Housing Element; however, most of them are revised to reflect current conditions to address specific housing needs, constraints, or other concerns identified as part of the 2023-2031 Housing Element.