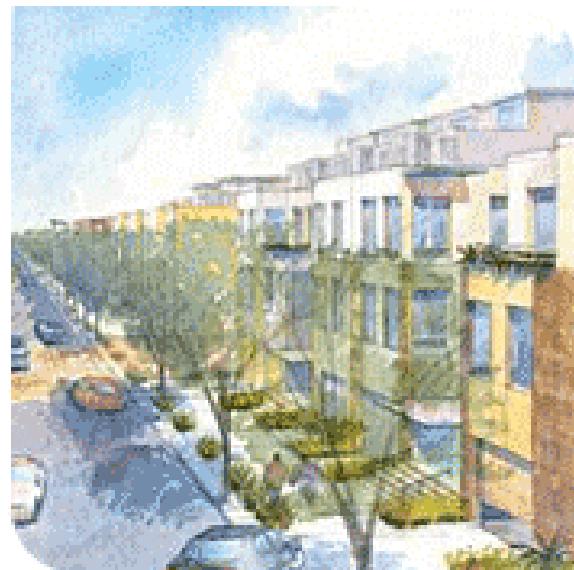


# **City of San**

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# **Housing Element**

## **of the General Plan**

*Adopted by the City Council on January 5, 2015  
Amended on April 6, 2015 per Resolution No. 36 (2015)*

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# Chapter IV – Housing

## A. INTRODUCTION

The Housing Element serves to identify significant problems and resources associated with the provision of housing in the City of San Mateo. It provides policy direction in meeting the housing needs of the City, both in terms of preservation of existing housing stock and in establishing priorities for new construction.

## B. SAN MATEO'S HOUSING OBJECTIVES

Although San Mateo has many attributes, it is first and foremost a desirable residential community. The City's first major objective is to maintain the character and physical quality of existing residential neighborhoods. Neighborhoods should be protected from drastic changes in character, from the intrusion of excessive traffic and noise, from physical deterioration and from new development that is out of scale with the neighborhood.

### City of San Mateo Housing Objectives

1. Maintain the character and physical quality of existing residential neighborhoods.
2. Maintain a diversity of housing opportunities.
3. Increase its housing supply to meet the housing demand caused by future job growth.

The second major housing objective is to maintain a diversity of housing opportunities. There should be a variety of housing types and sizes, a mixture of rental and ownership housing, and a full range of housing costs. This variety of housing opportunities will accommodate a diverse

population, leading to a variety of household sizes, all age groups and a wide range of income levels.

Third, San Mateo will need to increase its housing supply to meet the housing demand caused by future job growth. The types of new housing created should accommodate the income levels associated with new employment in the City.

## C. BACKGROUND INFORMATION

San Mateo's housing conditions and needs are reflective of many regional and national trends. Changes in household characteristics, such as a higher divorce rate and the trend towards later marriages, have resulted in more single parent households and single person households. These changes, plus strong employment growth and a lack of available land, have created great housing demand and have caused housing prices to increase beyond the level of affordability of most households.

## COMMUNITY DEMOGRAPHICS

### Housing Element Definitions

**Housing Affordability:** The generally accepted measure for determining whether a person can afford housing means spending no more than 30% of one's gross house hold income on housing costs, including principal, interest, property taxes and insurance. For example, a school-teacher earning \$37,000 per year can afford \$925 per month for housing. A police officer earning \$64,000 can afford monthly payments up to \$1,600. Households paying more than 30% of their income on housing are considered "overpaying households" by the US Census.

**Median Household Income:** The middle point at which half of the City's households earn more and half earn less. The 2014 median income for a family of four in San Mateo is \$103,000.

**Income Limits:** Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for the San Francisco/San Mateo/Marin County area. For many State and local programs, State Department of Housing and Community Development (HCD) income eligibility limits are used. HCD income limits regulations are similar to those used by HUD. The most recent HCD income limits can be accessed online at <http://www.hcd.ca.gov>. Income limits for this Housing Element are:

- **Extremely Low Income Households:** Households earning less than 30% of the median household income.
- **Very Low Income Households:** Households earning 30-50% of the median household income.
- **Low Income Households:** Households earning 50%-80% of the median income.
- **Median Income Households:** Households earning 100% of the median income.
- **Moderate Income Households:** Households earning up to 120% of the median house hold income.

**Persons per Household:** Average number of persons living in each household.

**Senior Housing:** Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior citizens are defined as persons 65 years of age or more.

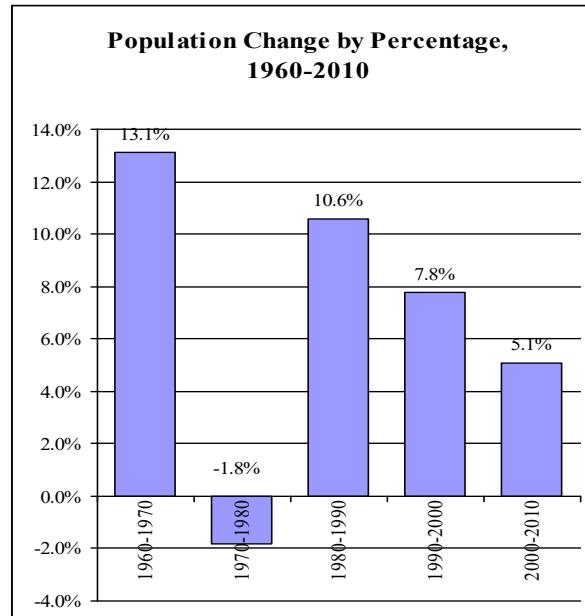
## Population

The City of San Mateo has gone from a period of strong population growth in the 1960s to a decline in population in the 1970s, and a return to increased growth in the 1980s and 1990s. Within the City, total population increased from 69,870 in 1960 to 78,991 in 1970 (a 13% growth rate), declined to 77,561 in 1980 (a 1.8% reduction), and increased to 85,790 in 1990 (a 10.6% increase). The population grew an additional 7.8% between 1990 and 2000, to 92,482 people. According to the 2010 Census, the population grew another 5.1%, bringing the total population to 97,207.

During the period 1990 to 2000, the total number of housing units in the City of San Mateo rose from 37,719 to 38,249, representing only a 1.4% increase. By 2010, the number of units had increased 4.6% in ten years, to 40,014 units. The disparity in the increase of total number of population and number of housing units has resulted in the increase in number of persons per unit from 2.27 in 1990 to 2.42 in 2000. In 2010, this figure was 2.43 persons per unit.

## Age Distribution

A significant trend found in the data is the overall "aging" of the City's population. The following table shows that, since 2000, there have been substantial increases in the population both between the ages of 45 and 64, and in the 85+ categories.



Although the age groups between 25 and 44 showed significant reductions over the last ten years, a new surge in those aged 45 to 64 has occurred during this time period. Those over the age of 85 also increased significantly. The overall aging of the population can be seen by the

## **City of San Mateo 2014 Housing**

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change in median age, from 38 in 2000 to 39 in 2010. By 2017, it is expected that over 35% of San Mateo's population will be age 50 or older.

### **Changes in Age Distribution, 2000–2010**

Age Cohort	2000		2010		% Change 2000-2010
	#	%	#	%	
0-9	11,054	12.0%	12,149	12.5%	9.9%
10-19	9,469	10.2%	9,921	10.2%	4.8%
20-24	5,007	5.4%	5,099	5.2%	1.8%
25-34	16,387	17.7%	15,113	15.5%	-7.8%
35-44	16,089	17.4%	15,659	16.1%	-2.7%
45-54	12,671	13.7%	14,244	14.7%	12.4%
55-64	7,873	8.5%	11,042	11.4%	40.3%
65-74	6,190	6.7%	6,490	6.7%	4.8%
75-84	5,398	5.8%	4,636	4.8%	-14.1%
85+	2,344	2.5%	2,854	2.9%	21.8%
<b>TOTAL</b>	<b>92,482</b>	<b>100.0%</b>	<b>97,207</b>	<b>100.0%</b>	<b>5.1%</b>

Source: US Census, 2000, 2010

### **Racial/Ethnic Composition**

Increasing racial and ethnic integration has occurred since the 1960s, with the percentage of minorities increasing from 6% in 1960, 17% in 1980, and 32% in 1990. By 2000, the percentage had increased to almost 44%. In 2010, the percentage of population identified as Hispanic or Latino increased to 26.6%, versus 20.5% in 2000. In addition, Asians represented 18.9% of the population in 2010, whereas this figure was just 14.9% in 2000. Most interestingly, the percentage of those who identified as "other" jumped from 0.4% of the population in 2000, to 12.6% in 2010.

## City of San Mateo 2014 Housing

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### Race/Ethnicity, 2010

Race/Ethnicity	Number	Percentage of Total
Hispanic/Latino	25,815	26.6%
Not Hispanic/Latino	71,392	73.4%
One Race/Ethnicity	91,661	94.3%
White	56,214	57.8%
Black/African-American	2,296	2.4%
Native American	505	0.5%
Asian	18,384	18.9%
Native Hawaiian/Other Pacific Islander	1,998	2.1%
Other	12,264	12.6%
Two or More Races/Ethnicities	5,546	5.7%
<b>TOTAL</b>	<b>97,207</b>	<b>100.0%</b>

Source: US Census, 2010

Although Whites still make up the majority of the population (about 58%), the proportion of minorities is increasing, with Asians and Pacific Islanders together now accounting for approximately 21% of the population.

### Households

Significant changes have occurred in household composition during the past four decades. Household size declined from 3.20 to 2.41 persons per household from 1960 to 1990. Census data from 2000 showed this figure rising to 2.48 persons per household, whereas in 2010 the State Department of Finance shows this figure increasing to 2.51. The 2010 Census shows that there are 38,233 households, an increase of 2.3% since 2000.

### Income

Typical incomes in San Mateo are higher than the rest of the Bay Area. In 1970 the mean household income was \$14,703. This nearly doubled to \$30,108 in 1980, and increased to \$58,934 in 1995. According to the California Department of Community Development, the median family income (MFI) for the San Mateo County Metropolitan Statistical Area for 2013 is \$103,000 for a family of four. This income figure is lower than the

## **City of San Mateo 2014 Housing**

Santa Clara median income of \$105,500, but is the same as San Francisco's.

Although San Mateo is considered an affluent community, the City has its share of low- and moderate-income households. The State and federal governments define "lower-income" households as those earning less than 80% of the countywide median income level, and "moderate-income" as earning between 80% and 120% of the county median. These definitions are used to determine eligibility for housing subsidies and to measure the extent of housing affordability problems. The table below illustrates the number of households in each income category.

### **2013 Median Family Income: \$103,000**

Number of Persons In Household	Income Category				
	Extremely Low Income (30% MFI*)	Very Low Income (50% MFI)	Low Income (80% MFI)	Median Income (100% MFI)	Moderate Income (120% MFI)
1	\$23,750	\$39,600	\$63,350	\$72,100	\$86,500
2	\$27,150	\$45,250	\$72,400	\$82,400	\$98,900
3	\$30,550	\$50,900	\$81,450	\$92,700	\$111,250
4	\$33,950	\$56,550	\$90,500	\$103,000	\$123,600
5	\$36,650	\$61,050	\$97,700	\$111,250	\$133,500
6	\$39,400	\$65,600	\$104,950	\$119,500	\$143,400
7	\$42,100	\$70,100	\$112,200	\$127,700	\$153,250
8	\$44,800	\$74,650	\$119,450	\$135,950	\$163,150

Source: CA Department of Housing and Community Development, 2013. \*MFI = Median Family Income

The following table shows that the percentage of extremely low- and very-low income households has increased nearly 24% since 2000, whereas the percentage of households with low incomes and greater has declined. Although these are significant changes, overall the representation of lower-income households within the community as a whole has changed little since 2000.

### **Households by Income Category, 2000–2010 (est.)**

## City of San Mateo 2014 Housing

Income Category	2000		2010		Change Since 2000
	Number of Households	Percentage of Total	Number of Households	Percentage of Total	
Extremely Low Income	3,647	9.8%	4,330	11.5%	18.7%
Very Low Income	3,563	9.6%	3,740	9.9%	5.0%
Low Income	7,108	19.1%	6,745	17.9%	-5.1%
MOD Income + Above	22,935	61.6%	22,895	60.7%	-0.2%
<b>TOTAL</b>	<b>37,253</b>	<b>100.0%</b>	<b>37,710</b>	<b>100.0%</b>	<b>1.2%</b>

Source: US Census, 2010; American Community Survey, 2011

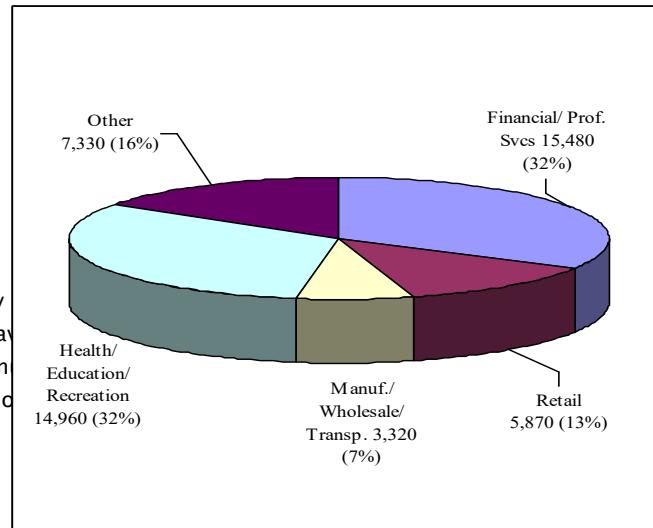
### Poverty Level

In 2010 the number of persons below the poverty level, as defined by the US Census Bureau<sup>1</sup> made up 3.6% of the total population – a drop of about three percentage points since 2006. Children appear to be disproportionately impacted by poverty; the poverty rate for children under the age of 18 is 6.1%. Families with a female householder are even more at risk; in 2010, 16.3% of those families were below the poverty level. Nationally, poverty rate is 10.5% for all persons.

### Employment and Jobs per Employed Person Ratio

The level of employment in a community, and on a subregional level such as the San Francisco Peninsula, has a significant effect on housing demand. Although many factors affect the choice of housing location, it is desirable to have a balance between the number of jobs and the number of employed residents, particularly on a subregional level.

In 2000, ABAG reported that well more than half of the jobs within San Mateo and its sphere of influence were in the health, education, financial



<sup>1</sup>The US census established the poverty according to changes in the cost of living. The average income in 2010 was \$22,314 in 2010, and is adjusted based on the national average and are not adjusted for regional differences.

## **City of San Mateo 2014 Housing**

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and professional services sectors. By 2010, that figure had increased to 65% (see chart at right). Manufacturing jobs continue to represent a relatively small portion of the City's work force, at only 7% of the total jobs.

In the City of San Mateo, the jobs/employed person ratio in 2010 was nearly balanced, with an employment level of 46,960 jobs and a labor force of employed residents, representing 1.03 jobs per employed resident, as indicated by ABAG. From this information, one can infer that the jobs-housing ratio is relatively in balance.

## D. HOUSING SUPPLY AND NEEDS

### HOUSING SUPPLY AND TYPE

The City of San Mateo's housing stock has been increasing, but at a declining rate since the 1960s due to the lack of vacant land. During the period 1980 to 1990, the total number of housing units in the City of San Mateo rose from 37,010 to 37,719, representing only a 1.9% change. By 2000, the number of units had increased just 1.4% in ten years, to 38,249 units. The State Department of Finance estimates that the housing stock has increased an additional 860 units (2007), to 39,109 units.

#### Housing Types, 2010

Total	Single Family	Multifamily		Mobile Homes
		2-4 Units	5+ Units	
40,014	22,245	2,479	15,237	56
	55.6%	6.2%	38.1%	0.1%

Source: CA Department of Finance, 2010

Single-family dwellings have historically dominated San Mateo's housing stock, but this is changing. Vacant land

for new single-family development has become very limited, and redevelopment of sites for multi-family housing at higher densities has increased. The trend towards multi-family housing also reflects the increasing need for housing at all levels of affordability, as well as the high costs of single-family homes. The proportion of single-family versus multi-family housing has decreased from 78% in 1960 to about 56% in 2010, according to DOF.

San Mateo changed from an owner-dominated housing market in the 1960s (two-thirds owner occupied) to a renter-dominated market in the 1970s due to increases in apartment construction. During the 1980s, condominium construction and the conversion of apartments to condominiums reversed this trend, with the proportion of homeowners and renters now at approximately 52% and 48%, respectively.

## **City of San Mateo 2014 Housing**

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Vacancy rates provide a quantifiable measurement of housing supply and demand. A vacancy rate of 5 or 6% is considered to reflect a well-balanced housing market, where those seeking housing have adequate choices and building owners have sufficient demand. Vacancy rates in San Mateo have increased since 2000 to 5.6% in 2010. DOF estimates that vacancy rates in January 2013 at 4.5%.

Category	Total	Vacancy Rate
Total Year-Round Housing	40,014	
Total Occupied Units	38,233	
Total Vacant Units	1,781	4.5%
For rent	694	1.7%
Rented, not occupied	53	0.1%
For sale only	295	0.7%
Sold, not occupied	69	0.2%
For seasonal, recreational, or occasional use	231	0.6%
Other vacant	439	1.1%

Source: US Census, 2010

### Housing Stock Inventory, 2010

Looking at vacancy rates by the type of units available, however, shows a different picture of the overall housing market in the City. While there was a 4.7% overall vacancy rate in San Mateo in 2010, the vacancy rate for available rental units was just 1.7%, and less than 1% for for-sale housing.

This highlights the difficulty that home-seekers have in finding suitable housing within San Mateo.

## HOUSING AFFORDABILITY

The cost of housing in the Bay Area has risen dramatically in the past years, making it difficult for lower income people to find housing that is affordable to them. The National Association of Homebuilders reports that California cities have the lowest homeowner affordability rates in the country, defined as the percentage of homes affordable to the median income family. Despite the high median incomes, especially in the Bay Area, few can afford the cost to purchase a home. The San Francisco MSA, of which San Mateo is a part, was the least affordable area nationally in the first quarter of 2013, ranking 222nd of 222 MSAs studied. The following table illustrates these rankings for selected MSAs in California. In this region, only 16.6% of homes are affordable to families earning the median income. However, this is an improvement over the last quarter of 2007, when only 7.9% of homes in the region were affordable to the median income.

## City of San Mateo 2014 Housing

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### Housing Affordability Index, Selected California MSAs, First Quarter 2013

	Share of Homes Affordable for Median Income	Median Family Income (000s)	Median Sales Price (000s)	National Affordability Rank
San Francisco-San Mateo-Redwood City, CA	28.9%	102.0	675	222
Santa Ana-Anaheim-Irvine, CA	35.8%	84.5	497	220
Santa Cruz-Watsonville, CA	37.1%	73.8	426	219
Los Angeles-Long Beach-Glendale, CA	39.9%	64.2	351	218
San Jose-Sunnyvale-Santa Clara, CA	43.3%	101.3	550	217
San Diego-Carlsbad-San Marcos, CA	46.6%	72.3	360	214
Santa Rosa-Petaluma, CA	54.0%	74.9	341	208
Oakland-Fremont-Hayward, CA	65.8%	92.6	339	198

Source: National Association of Homebuilders, 2013

### Ownership Housing

Since 1960, property values have risen astronomically, with median prices increasing from \$19,200 in 1960 to \$344,300 in 1990 to almost \$540,000 in 2000. Beginning in 2007, however, the City saw significant declines in housing prices, consistent with the national mortgage crisis. This trend is just now beginning to reverse. The following table illustrates the current status of the ownership market.

### Comparison of Housing Data, 2005–2012

	Single Family				Condominiums			
	San Mateo	% Change from Prior Year	County	% Change from Prior Year	San Mateo	% Change from Prior Year	County	% Change from Prior Year
2005	\$1,147,174	NA	\$939,148	NA	\$600,950	NA	\$586,432	NA
2006	\$1,130,877	-1.4%	\$961,170	2.3%	\$575,000	-4.3%	\$625,140	6.6%
2007	\$1,195,644	5.7%	\$935,536	-2.7%	\$597,072	3.8%	\$600,432	-4.0%
2008	\$996,863	-16.6%	\$865,512	-7.5%	\$518,940	-13.1%	\$554,364	-7.7%
2009	\$884,462	-11.3%	\$749,304	-13.4%	\$446,040	-14.0%	\$465,696	-16.0%
2010	\$922,848	4.3%	\$762,910	1.8%	\$390,550	-12.4%	\$449,507	-3.5%
2011	\$831,349	-9.9%	\$691,439	-9.4%	\$354,063	-9.3%	\$390,576	-13.1%
2012	\$877,677	5.6%	\$660,944	-4.4%	\$409,050	15.5%	\$360,065	-7.8%

Source: San Mateo County Association of Realtors, based on actual sales of each year.

Note: Adjusted for inflation to 2013 dollars

The difference in the inflation of home values and household income levels has resulted in a critical housing affordability gap in for sales housing. The affordability gap is expected to continue as employment in the lower paying service sectors of the economy becomes more dominant. The following table shows that only moderate-income households of four persons would have enough income to afford the median-priced condo. All other households will find a significant affordability gap.

## City of San Mateo 2014 Housing

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### Ability to Pay for For-Sale Housing, 2013

	Annual Income	Maximum Affordable Home Price	Median Priced SF Detached Home	Affordability Gap for SF Home	Median Priced Townhouse or Condo	Affordability Gap for Condo
<b>Single Person</b>						
Extremely Low Income	\$23,750	\$97,114	\$877,677	-\$780,563	\$409,050	-\$311,936
Very Low Income	\$39,600	\$161,925	\$877,677	-\$715,752	\$409,050	-\$247,125
Low Income	\$63,350	\$259,039	\$877,677	-\$618,638	\$409,050	-\$150,011
Median Income	\$72,100	\$294,818	\$877,677	-\$582,859	\$409,050	-\$114,232
Moderate Income	\$86,500	\$353,699	\$877,677	-\$523,978	\$409,050	-\$55,351
<b>Four Person</b>						
Extremely Low Income	\$33,950	\$138,822	\$877,677	-\$738,855	\$409,050	-\$270,228
Very Low Income	\$56,550	\$231,233	\$877,677	-\$646,444	\$409,050	-\$177,817
Low Income	\$90,500	\$347,655	\$877,677	-\$530,022	\$409,050	-\$61,395
Median Income	\$103,000	\$370,055	\$877,677	-\$507,622	\$409,050	-\$38,995
Moderate Income	\$123,600	\$505,402	\$877,677	-\$372,275	\$409,050	\$96,352

*Source: Baird + Driskell Community Planning; San Mateo County Association of Realtors; [www.hsh.com/calc-howmuch.html](http://www.hsh.com/calc-howmuch.html)*

*Note: Maximum Affordable House Price is based on the following assumptions: 4.5% interest rate; 30-year fixed loan; 50% Yearly Salary as Down Payment; 1% property tax; PMI, .5% insurance rate; and no other monthly payments/debt.*

### Rental Housing

The high demand for housing has also affected the rental market over the last few years such that there is a growing affordability gap for rental housing as well. According to RealFacts, a data provider for housing statistics, for the quarter ending March 2013, the average market rent in the County for a one-bedroom was \$2,005 and \$2,398 for a two bedroom. This reflected a 24% and 31% increase since 2010, respectively.

### Average Rents, 2005–2013

	Studio		1 BR 1 Bath		2 BR 1 Bath		3 BR 2 Bath	
	Price	Percent Increase	Price	Percent Increase	Price	Percent Increase	Price	Percent Increase
2005	\$1,134	x	\$1,565	x	\$1,753	x	\$3,271	x
2006	\$1,176	4%	\$1,616	3%	\$1,878	7%	\$3,296	1%
2007	\$1,301	11%	\$1,738	8%	\$2,020	8%	\$3,441	4%
2008	\$1,301	0%	\$1,758	1%	\$2,048	1%	\$3,620	5%
2009	\$1,253	-4%	\$1,651	-6%	\$1,890	-8%	\$3,286	-9%

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2010	\$1,226	-2%	\$1,621	-2%	\$1,828	-3%	\$3,334	1%
2011	\$1,301	6%	\$1,785	10%	\$2,027	11%	\$3,496	5%
2012	\$1,414	9%	\$1,977	11%	\$2,246	11%	\$3,831	10%
2013	\$1,500	6%	\$2,005	1%	\$2,398	7%	\$3,955	3%

*Source: RealFacts Annual Trends Report, based on reporting from large apartment complexes*

*Note: Adjusted for inflation to 2013 dollars*

Fair Market Rents (FMRs) are estimates, prepared by the US Department of Housing and Urban Development, of the rent plus utilities that would be required to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities. The calculation of FMRs is based on information from the 2010 Census, housing surveys, and the CPI for housing. The rent figures do not necessarily reflect current asking rents, but rather the upper limits of rents that can be used in the negotiations for Section 8 contracts and other similar rent subsidy programs. The difference between FMRs and market rents illustrates the ongoing problem of the need for increased housing subsidies. In addition, FMRs tend to lag behind actual market trends by a year or sometimes more. As the gap between HUD FMRs and rents in the County widen, there are fewer and fewer landlords who will accept Section 8 vouchers and certificates.

Actual market rents are often significantly higher than HUD's Fair Market Rents. RealFacts tracks the rental prices in various communities based on surveys of apartment buildings with 50 or more units. The following table illustrates the gap between actual rents, "Fair Market Rents" and with rents defined as "affordable." Affordability, for the purposes of this report, is generally defined as housing where an occupant pays no more than 30% of gross income for rent, including utility costs. The following table shows that the only one category of lower-income households can afford actual market rate rents (shaded yellow in the table below). All other household types would require some assistance to afford market-rate housing in San Mateo.

### RealFacts and Fair Market Rents versus Affordable Rents, 2013

## City of San Mateo 2014 Housing

Unit Size	RealFacts Rents	Fair Market Rent	Affordable Rents for ELI	As a Percent of RealFacts Rents	Affordable Rents for VLI	As a Percent of RealFacts Rents	Affordable Rents for LI	As a Percent of RealFacts Rents
0 BR	\$1,500	\$1,093	\$594	40%	\$990	66%	\$1,584	106%
1 BR	\$2,005	\$1,423	\$679	34%	\$1,131	56%	\$1,810	90%
2 BR	\$2,398	\$1,795	\$764	32%	\$1,273	53%	\$2,036	85%
3 BR	\$3,955	\$2,438	\$849	21%	\$1,414	36%	\$2,263	57%

Source: RealFacts, 2013; HUD, 2013.

## HOUSING CONDITION

In determining the condition of the existing housing stock and the need for its preservation and improvement, the 2010 Census information is not sufficient, because the Census defines unsound buildings as those without plumbing or without kitchens. The Census therefore does not provide the level of specificity needed to accurately gauge the housing rehabilitation needs of the community.

ABAG notes that the number of substandard units can be estimated from a field survey or sampling, from knowledgeable builders, from nonprofit housing organizations or redevelopment agencies. An estimate of the maximum number of units needing rehabilitation can also be derived from other Census measures such as percentage of units built before 1940.

Approximately 90% of the housing units in San Mateo are over twenty years old, and more than 50% were built before 1960. Similar to the rise in property values, the cost of housing maintenance also increased in the 1980s and onward. As housing structures grow older so does the demand for regular maintenance. Property maintenance, however, is often deferred as residents are frequently unable to afford the rising cost.

### Age of Housing Stock and Estimate of Units Needing Rehabilitation or Replacement, 2010

Number of Units	Percent of Total	Units Needing	Units Needing
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## City of San Mateo 2014 Housing

		Rehab, Percent	Rehab, Total
Built 2005 or later	470	1.2%	
Built 2000 to 2004	1,618	4.1%	
Built 1990 to 1999	1,817	4.6%	0.5% 9
Built 1980 to 1989	3,775	9.5%	1% 38
Built 1970 to 1979	5,660	14.3%	3% 170
Built 1960 to 1969	6,284	15.8%	5% 314
Built 1950 to 1959	9,732	24.5%	10% 973
Built 1940 to 1949	5,760	14.5%	20% 1,152
Built 1939 or earlier	4,559	11.5%	30% 1,368
	<b>39,675</b>	<b>100.0%</b>	<b>4,024</b> Total Units Needing Rehab
			10.1% Percentage of Total Units
		99.5%	4,004 Units that Can Be Repaired
		0.5%	20 Units that Must Be Replaced

Source: Data units by age from the US Census Bureau's American Community Survey (ACS): projections by the City of San Mateo

Most units in the City are in good condition and are not considered to be in substandard condition. The city defines a "Substandard Housing Condition" as any dwelling unit which includes but is not limited to the following conditions: Lacks structurally sound foundations, walls, roofs or porches, in need of a new roof or exterior paint, and in need of dry-rot repairs. Those considered to be in substandard condition are located primarily in Central, North Central, Central Business District, Shoreview, and North Shoreview neighborhoods. A "drive-by" survey of the North Central and Shoreview neighborhoods conducted by Housing staff in the Spring of 2014 indicated approximately 900 homes may be in need of rehabilitation.

## **UNITS AT RISK OF CONVERSION TO MARKET RATE**

State law requires that each city provide analysis and programs for preserving existing affordable multi-family rental housing units that were developed with public subsidies. Units at risk of conversion are those units in which the restrictions, agreements or contracts to maintain the affordability of the units expire or are otherwise terminated. At expiration, units may revert to market rate, rendering them no longer affordable to the people living in them. Loss of affordability can occur at the termination of bond funding, the expiration of density bonuses, and other similar local programs.

The potential loss of existing affordable housing units is an important issue to the City due to displacement of lower-income tenants and the limited alternative housing for such persons. It is typically less expensive to preserve the affordability of these units than to subsidize construction of new affordable units due to the inflation of land and construction costs which has occurred since the original development of the affordable housing projects.

### **Project-Based Section 8**

**Flores Gardens** has 72 one-bedroom senior units. The project was built with federal 221(d)(4) financing and affordability is maintained through Section 8 project based assistance. The building was constructed over a City owned parking lot via a lease of the “air rights” of the property. The owner of this building had the right to prepay its loan and opt out of the Section 8 program in 2003. However the owner elected to refinance with HUD to preserve the affordability of this building in 2005. The City amended its lease agreement to coincide with the refinance and therefore new affordability restrictions are now in place until the year 2035. . Of particular note is that while there are 72 one-bedroom units, the actual total number of residents vary as each unit may house up to two

individuals. Staff verified that a total of 89 residents occupied the property in 2014,

**The Belmont Building** – Opened in 1994, offers six one-bedroom apartments for single persons in Downtown San Mateo. The units were converted from underutilized office space to housing using CDBG and Redevelopment Agency Housing Set-Aside funds. Affordability will be maintained through a forty-year rent-regulatory agreement and Section 8 assistance through the year 2032.

**Edgewater Isle Senior Apartments** – Completed in 1986 and refinanced in 1997, this 92-unit rental development is occupied exclusively by very low- and low-income seniors. The development is the recipient of loans from the San Mateo Redevelopment Agency and the California Housing Finance Agency (CHFA) with affordability restrictions in place until 2048, with an option to renew for an additional 50 years after that. All the low-income tenants in this complex receive Section 8 assistance. This assistance both provides lower rents for the tenants, and helps provide funds for the maintenance of the apartment units.

**200 S. Delaware** – In November 1999, the City entered into an agreement with the nonprofit organization Human Investment Project (HIP Housing) to acquire and conduct minor rehabilitation on the 16-unit apartment building at 200 S. Delaware. The City contributed \$391,600 in RDA Housing Set-Aside funds and \$774,000 in HOME funds to ensure the affordability of all 16 units until 2049. HIP Housing has secured Section 8 assistance for all 16 of the units in the project.

### Tenant-Based Section 8

As of May 2014, the City of San Mateo had the second highest number of households using Section 8 vouchers with 709 disbursed throughout the City, or 16% of the total 4,394 households receiving rental subsidy in San Mateo County.

**Assisted Rental Housing**

The following table contains an inventory of assisted rental projects and other rental units that are affordable and the expiration dates of their affordability. The following table contains an inventory of assisted rental projects and other rental units that are affordable and the expiration dates of their affordability. There are two projects with affordability restriction due to expire in the next Housing Element cycle.

**Park Towers.** Now known as Lesley Towers, it was built in 1963 with a HUD Section 202 loan for low income seniors. The loan will be paid in full and the rent restrictions will expire in 2015. The property is owned and operating by Lesley Senior Communities (LSC), a non-profit whose mission is providing affordable senior rentals. In December 2013 LSC was awarded a HUD Senior Project Rental Assistance Contract which will provide Section 8 rental assistance to the project that will ensure ongoing affordability. It will also provide increased cash flow to the building that will be utilized for extensive capital improvements, which are scheduled to begin in 2014.

**Humboldt House.** This is an apartment building that provides 9 units of supportive housing for the mentally ill owned and operated by Mateo Lodge, a nonprofit corporation. In 2000 Mateo Lodge purchased and renovated the building with funding assistance from both the County and City of San Mateo. The City provided \$500,000 which has been accruing 3% interest annually. The loan and regulatory agreements expire in 2020, but both documents have provisions to extend the loan repayment and rental restrictions for an additional 20 years at the City's discretion. The property owner has a very good track record in operating and maintaining the building and it is expected that both parties will want to extend the agreements.

## City of San Mateo 2014 Housing

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### City of San Mateo Assisted Rental Housing

Project & Year Completed	Type of Development	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Owner	Financial Assistance
Pilgrim Plaza 1961	Senior Rental New Const.	56	56			56			2055	NP	HUD Section 202 Elderly Program
Lesley Towers 1965	Senior Rental New Const.	200	200		200				2015	NP	HUD Section 202 Elderly Program
Flores Gardens 1984	Senior Rental New Const.	72	72			72			2035	Private	HUD Sec 221 (d)(4)
Rotary Haciendas 1988-89	Senior Rental New Const.	82	82		81		1		2044	NP	Bought land w/RDA ; LIHTC
Belmont Bldg. 1993-94	Family Rental Conversion	6	6		6				2032	Private	CDBG Loan; RDA Loan
12 N. Idaho 1994	Family Rental Acq./Rehab	6	6		1	4	1		2034	NP	RDA; HOME ; SM Co. HOME
Darcy Bldg. 1995	Family Rental Conversion	8	8		8				2034	NP	RDA Loan; HOME Loan; SM Co Hsg Authority
106 N. Eldorado 1996	Family Rental Acq./Rehab	6	6		1	4	1		2036	NP	HOME Loan
Hotel St. Matthew 1996	SRO Acq./Rehab	56	56		56				2051	NP	HOME Loan; RDA Loan; LIHTC
Edgewater Isle 1998	Senior Rental Acq./Rehab	92	92		25	66		1	2048 Renewal option for add'l 50	NP	HOME Loan; RDA Loan; CalHFA Loan
Bridgepointe Condominiums 1999	Family Rental New Construct	396	59		24			35	2027	Private	BMR units
200 S. Delaware 1999	Family Rental Acq./Rehab	16	16	2	2		5	7	2049	NP	RDA Loan; HOME Loan
Humboldt House 2000	Supportive Hsg. Rehab	9	9		9				2020 Renewal option for add'l 20	NP	RDA Loan; HOME Loan

## City of San Mateo 2014 Housing

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### City of San Mateo Assisted Rental Housing (cont.)

Project & Year Completed	Type of Development	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Owner	Financial Assistance
Jefferson at the Bay 2001-02	Family Rental New Construct	575	58			58			Life of property	Private	BMR units
Santa Inez Apt. 2001	Family Rental New Construct	44	44	0	42	2			2055	Private	RDA Loan , LIHTC
11 S. Delaware 2002	Family Rental Acq./Rehab	11	11	5	6				2034	NP	HOME Loan, SM Co HOME Loan
Chamberlain 2003	Family Rental New Construct	21	2			2			Life of property	Private	BMR units
The Metropolitan 2003	Family Rental New Construct	218	22		18	4			Life of property	Private	BMR units
CSM Teacher Housing 2005	Family Rental New Construct	44	4			4			Life of property	NP	BMR units
Nazareth Plaza 2005	Family Rental New Construct	54	5			5			Life of property	Private	BMR units
Rotary Floritas 2005	Senior Rental New Const.	50	50		49		1		2060	NP	RDA Loan, SM Co. HOME Loan ; LIHTC
Fountain Glen 2007	Senior Rental New Const.	135	14			14			Life of property	Private	BMR units
The Vendome 2009	Supportive Hsg. Acq./Rehab	16	16		16				2063	NP	RDA, HOME, SM Co CDBG Loans
Peninsula Station 2010	Family Rental New Const.	68	67	21	32	14			2065	NP	RDA, HOME and SM Co. CDBG Loans, LIHTC
Delaware Place 2013	Family Rental New Const.	60	59	10	49				2068	NP	RDA, HOME and SM Co. CDBG Loans, LIHTC, MHSA
<b>Totals</b>		<b>2,305</b>	<b>1,024</b>	<b>38</b>	<b>625</b>	<b>94</b>	<b>219</b>	<b>44</b>			

## City of San Mateo 2014 Housing

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### Assisted Ownership Housing

The following table summarizes the City's supply of assisted ownership housing. On the list are three City sponsored developments and five developer sponsored projects, which have set aside affordable ownership units in compliance with the City's Below Market Rate Ordinance. These ownership units make up one component of the City's First Time Homebuyer Program. In order to be eligible for these properties, residents need to be on the City's First Time Buyer waiting list, which is currently quite long due to the tight rental market; as of May 2014, there are approximately 300 households on the list. Units in the Meadow Court and Gateway Commons projects could potentially lose their affordability if sold to the open market, but the City has the first right of refusal when homeowners sell and works to maintain the units in the First Time Buyer Program.

#### **City of San Mateo Assisted Ownership Housing**

Project & Year Completed	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Financial Assistance
Meadow Court 1987-88	78	70					70	30-40 years/ rolls over with each new buyer	Bought land w/ CDBG; CalHFA mortgages for buyers
Gateway Commons 1989	96	93				16	77	30-40 years/ rolls over with each new buyer	Bought land w/ CDBG & RDA; CalHFA mortgages for buyers
Summerhill I 1996	54	6					6	30 years/ rolls over with each new buyer	BMR units
Summerhill II 1997	70	6					6	30 years/ rolls over with each new buyer	BMR units
Rushmore Townhomes 1998	13	1					1	30 years/ rolls over with each new buyer	BMR units
Humboldt Square 1998	26	8					8	30 years/ rolls over with each new buyer	RDA write down of land
St. Matthews Place 2000	34	5	2				3	30 years/ rolls over with each new buyer	BMR units
Ryland Homes 2001	153	15					15	30 years/ rolls over with each new buyer	BMR units
The Madrid 2000	13	1				1		30 years/ rolls over with each new buyer	BMR units
Norfolk 2002	57	7	5				2	30 years/ rolls over with each new buyer	BMR units

## City of San Mateo 2014 Housing

Bay Meadows Mix Use 2003	19	2		2	30 years/ rolls over with each new buyer	BMR units			
Classic Communities 2003	25	3		3	30 years/ rolls over with each new buyer	BMR units			
Grant St Condos 2003	17	2		2	30 years/ rolls over with each new buyer	BMR units			
Project & Year Completed	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Financial Assistance
Baywood Place 2005	17	2					2	30 years/ rolls over with each new buyer	BMR units
Palm Residences 2007	19	2					2	45 years/ rolls over with each new buyer	BMR units
Stonegate 2007	45	9					9	45 years/ rolls over with each new buyer	BMR units
Park Bayshore 2008	21	2					2	45 years/ rolls over with each new buyer	BMR units
The Versailles 2008	61	6				1	5	45 years/ rolls over with each new buyer	BMR units
Claremont Townhomes 2010	18	2					2	45 years/ rolls over with each new buyer	BMR units
Arbor Rose 2012-2013	74	7					7	45 years/ rolls over with each new buyer	BMR units
<b>Totals</b>	<b>910</b>	<b>249</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>20</b>	<b>222</b>		

BMR units = Below Market Rate Program

RDA units = Redevelopment Agency-funded

## HOUSING NEEDS

The purpose of this section is to discuss the needs for housing assistance separately for various income groups by tenure type (renter/owner) and for different family categories (large/small families, seniors). This section also discusses the extent to which housing problems affect very low-, low- and moderate-income renters and owners when compared to the jurisdiction as a whole; and to what extent any racial or ethnic group has disproportionately a greater need for housing assistance based on income category, family type, or tenure type when compared to housing needs for the jurisdiction as a whole. Data for this section has been provided by HUD and is generally based on the 2000 and 2010 US Census. For the purposes of this report, the definitions listed in the side bar shall apply.

## HOUSING DEFINITIONS

As defined by US Census Bureau or HUD

**Cost Burden:** The extent to which gross housing costs, including utility costs, exceed 30% of gross income, based on data published by the US Census Bureau. **Severe cost burden** is the extent to which gross housing costs including utility costs, exceed 50% of gross income.

**Oversharing:** Housing units are considered "overshared" when there is more than one person per room, discounting bathrooms, porches, utility rooms, unfinished attics, basements etc.

**Housing Problem:** A household having one or more of the following housing problems: (1) housing units with physical defects such as lacking a complete kitchen or bathroom; (2) overcrowded conditions; (3) housing cost burden (exceeding 30% of gross income), or severe housing cost burden (exceeding 50% of gross income).

**Small Related Households:** A household of 2 to 4 persons that includes at least one person related to the householder by birth marriage, or adoption. Single parent households are included in small related households.

**Large Related Households:** A household of 5 or more persons that includes at least one person related to the householder.

**Other Households:** Other households include single persons living alone, as well as small and large households where there are no related persons.

**Elderly/Senior Household:** For HUD rental programs, a one or two person household in which the head of the household or spouse is at least 62 years of age.

The 2010 Census records San Mateo as having 38,233 total occupied households; 19,969 (52%) owner occupied housing units and 18,264 (48%) renter occupied units. American Community Survey data (2009–2011) indicate that 2,849 (7.5%) of all housing units in San Mateo were overcrowded with greater than 1.01 persons per room, of which 916 (2.4%) have greater than 1.51 persons per room. Renters tend to have higher rates of overcrowding, both in the City and the County as a whole.

### Overcrowded Households

		Occupied Homes		Percent		
		San Mateo	San Mateo	County	State	
Owner	Not overcrowded	19,664	97%	96%	96%	
	Overcrowded	433	2.1%	3%	3%	
	Extremely overcrowded	160	0.8%	1%	1%	
Renter	Not overcrowded	15,484	87%	86%	86%	
	Overcrowded	1,500	8.5%	8%	8%	
	Extremely overcrowded	756	4.3%	5%	6%	

Source: 2009-2011 American Community Survey

Note: 0-1 people per room is not overcrowded, 1-1.5 people per room is overcrowded, more than 1.5 people per room is extremely overcrowded

## **City of San Mateo 2014 Housing**

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Large Related Households: Large related households, particularly those that rent, may require housing assistance due to increased household expenses and the need for larger living quarters that typically carry higher rents. Since most of these families must compete for the limited amount of larger units (3 + bedrooms) many, especially those with small children, may experience overcrowding by occupying households with fewer rooms. Data from the Comprehensive Housing Affordability survey (2006–2010), indicate that about 9% of all households were large related households; 1,610 are renter households, with 1,385 (86%) of these reporting problems.

Small Related Households: Data suggests that small related households experience housing problem at a slightly less, but proportionally significant level. Small related renter households headed by single parents may also require housing assistance. According to the American Community Survey (2007–2011), about 16% of female-headed households with children live below the poverty line and who likely pay more than 30% of their income on housing costs, or have some other kind of housing problem.

Senior Households: Senior households, particularly renters, may require special housing assistance when compared to other family, age and tenure groups in the City. Many of these renters live on limited incomes and in substandard rental housing. According to the 2011 American Community Survey, 7% of all senior households are living below the poverty level, and an additional 25% earn less than \$30,000 per year.

Disabled Households: The only data available for these households is number of households within each category. Considering other available data, it would be expected that cost burden represents a large portion of the type of housing problems, but lacking such data, the specific types of housing problems will not be discussed for this report. There are an estimated 7,892 persons with some kind of disability in San Mateo, representing about 8% of the population.

## Housing Needs for Extremely Low and Very Low-Income Households

Extremely Low Income (ELI) households earn 30 percent of the area median income or less. In San Mateo County this amounts to an annual income of \$33,950 or below for a family of four. Many ELI households live in rental housing and most likely facing overpayment, overcrowding or substandard housing conditions. Some ELI households are recipients of public assistance such as social security insurance or disability insurance. Housing types available and suitable for ELI households include affordable rentals, secondary dwelling units, emergency shelters, supportive housing and transitional housing.

In 2010, there were 4,330 ELI households in San Mateo according to 2010 CHAS data. More than half of these households live in rental units, representing a much higher percentage of renters than in San Mateo's general population. Most of San Mateo's ELI households face some kind of housing problem — 90 percent of all ELI renter households and 77 percent of ELI owner households face problems with either overcrowding, overpayment, and/or lack complete kitchen or plumbing facilities.

## **City of San Mateo 2014 Housing**

### **Housing Needs for Extremely Low-Income Households**

Household Category	Renter Households	Owner Households	Total Households
Total households any income	16,970	20,735	37,705
Total ELI households	2,760	1,570	4,330
ELI households with housing problems	90%	77%	86%
ELI households with cost burden (paying 30% or more of income)	88%	77%	84%
ELI households with cost burden (paying 50% or more of income)	77%	61%	71%

*Source: HUD Comprehensive Housing Affordability Strategy (2006-2010)*

In contrast to ELI, very low-income households (VLI) are defined by HUD as those households whose incomes do not exceed 50% of the median income. Data on both these groups will be combined because the needs of these groups are virtually the same. In addition, much of the data available on lower-income housing groups is provided in aggregation. However, this Housing Element does include a section specifically addressing data on the ELI income group in compliance with State law.

### **Renters**

ELI/VLI renters are usually subject to the worst housing conditions and have the greatest need for rental assistance. High rents in San Mateo not only place a severe housing cost burden on families in this income category but create a situation which leads to overcrowding as families double up to pay higher rents. ELI/VLI renters typically occupy substandard units which are often small and subject to overcrowding. These units are placed under a particular burden and most are in need of housing rehabilitation.

**Housing Problem:** Data provided by HUD indicates that an estimated 81% of all ELI households, reported a housing problem. The most severe housing problem associated with this group includes having a severe cost burden.

**Cost Burden:** In San Mateo, 90% of VLI renters pay over 50% of their gross income toward rent. Households with high cost burden demonstrate the greatest need for rental assistance or rental subsidies. Elderly, small, large and other household types all demonstrate a great need for rent subsidies and

as such cannot be separated or classified as a priority group for rental assistance.

Overcrowding: Based on field experience of City housing and code enforcement staff, it is likely that the number of overcrowded living situations is under reported by the Census. Although it is not possible to quantify, code enforcement officers routinely encounter living situations where people sleep 2-3 persons per room as well as garages, sheds, basements and campers. These living situations consist of large extended families, or large groups of single persons, usually male, who share the rent. With the high cost of housing in this area, dangerous overcrowding remains a significant problem and is a priority for code enforcement cases.

### **Owners**

As a group, ELI/VLI owners have fewer housing problems than renters, yet they have significantly higher percentage of housing problems as whole, which is almost entirely due to housing costs. Since it is nearly impossible for an extremely low or very low-income household to purchase a lower priced home in San Mateo's market, it is safe to assume most VLI owners have owned their property for some time. Past studies have shown that 78% of owners with incomes below poverty level live in homes over 35 years old, and 46% with homes older than 50 years. Home repair and maintenance costs are a significant burden for this income group. According to CHAS data (2006-2010), there are approximately 4,570 ELI/VLI homeowners.

Housing Problem: HUD data indicates that 61% of all ELI/VLI homeowners reported a housing problem in San Mateo. This percentage is higher than the general owner population, 55% of which reported a housing problem.

Cost Burden: Of the ELI/VLI homeowners reporting housing problems, 17% had a cost burden between 30% and 50%, whereas 61% of those households reported a housing cost burden of over 50% of income. This is significantly higher than owners reporting housing problems as a whole.

## **City of San Mateo 2014 Housing**

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### **Specific Housing Needs for Extremely Low-Income Households**

Of the 4,055 ELI households, more than 54% of them are seniors. Of all ELI owners, 73% are seniors. This clearly illustrates the income problem that seniors often have. And, as could be expected, ELI senior households have high rates of housing problems, especially cost burdens. Additionally, although precise statistics are not available, anecdotal information suggests that large ELI households also experience a significant amount of overcrowding, as families try to double up to save costs.

### **Housing Needs for Low-Income Households**

Low-income households (LI) are defined by HUD as those households whose incomes fall between 51 to 80% of the median income. Approximately 18% or 6,745 of all households in San Mateo are considered to be low-income. Renters constituted 3,507 (52%) and owners constitute 3,238 (48%) of all LI households.

#### **Renters**

The greatest housing need identified for moderate-income household renters is for those suffering from a cost burden, especially when one considers the limited number of affordable housing units available to this income group.

Housing Problem: HUD data indicates about 70% of all LI renters reported a housing problem. Cost burden data for LI renters seems to indicate that most housing problems for this group are due primarily to the high price of housing that requires a greater portion of household income to be devoted to rent.

Cost Burden: Cost burden data provided by HUD indicates that 56% of all LI renters reported a cost burden.. Elderly, small, large and other households types do not demonstrate a greater cost burden when compared to LI households as a whole and therefore do not warrant specific targeting for subsides or rental assistance.

#### **Owners**

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Housing rehabilitation appears to be an important need for those LI owners reporting a housing problem and cost burden. In many instances minor repairs can lower energy bills and other maintenance costs for homeowners reporting a cost burden.

Housing Problem: Out of the all LI homeowners, more than 50% reported a housing problem. This is somewhat higher than the 34% reported for all City homeowners.

Cost Burden: For LI homeowners the cost burden greater than 30% for is not significantly different than that for LI renters with 56% of all LI homeowners reporting as having a cost burden.

## **Housing Needs for Moderate Income Households**

Moderate-income households (MOD) are defined as those whose incomes are 80% to 120% of HUD's adjusted median family income. Renters and owners consisted about 50% each of the total number of households, or 2,125 households in each category.

### **Renters**

Housing needs identified for middle-income renters are primarily due to cost and affordability of rental units. As with lower income renters cost burden is an issue but to a lesser degree when considering the flexibility and price ranges available to this income group.

Housing Problem: Housing problems were reported for 24% of all MOD renters. However housing problems reported for this income group is 54–67% lower when compared to VLI and LI renters and is most likely associated with cost burden as opposed to overcrowding or substandard housing, with one exception for large family households.

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**Cost Burden:** Cost burden was reported for 11% of all MOD renters with only 1% reporting a severe cost burden. When compared to VLI and LI renter households reporting a cost and severe cost burden this group fared far better than both.

### **Owners**

As with LI households, housing rehabilitation assistance can be an effective way to lower the cost of housing maintenance and utilities and somewhat improve the cost burden for many middle-income homeowners reporting overpaying for housing costs and utilities.

**Housing Problem:** Housing problems were reported for 25% of all MOD homeowners. Housing problems reported for this income group are not significantly different for all households reporting a housing problem and is not a specific housing issue for this income group.

**Cost Burden:** The majority, 22%, of these homeowners reporting a housing problem also reported a cost burden with only 4% percent reporting a severe cost burden. Cost burden does not appear to be as significant of a problem for owners in this income group as it does for VLI and LI homeowners.

## **NEEDS OF HOMELESS PERSONS AND FAMILIES**

The following is a discussion of a numerical estimate and description of sheltered and unsheltered homeless persons. The City incorporates both recent and previous data and studies from other government agencies, educational institutions and service providers to better examine the nature and extent of homelessness in the City.

### **Homelessness Defined**

The City concurs with the definition of "homeless" as presented in the HOPE Plan, which states:

"People who are "homeless" include those who are living in the street, cars, and other places not meant for people to live, and also people living in emergency shelters and transitional housing."

Additionally, the HOPE Plan further defines people who are "at risk of homelessness" as:

"Those who have housing but are at acute risk of losing their housing because they earn 30% of Area Median Income (AMI) or below and pay more than 50% of their income for rent."

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The City of San Mateo participated in the development of the *HOPE: Ending Homelessness in San Mateo County 10-Year Plan to End Homelessness* published in March 2006 (HOPE Plan) and continues to serve on the HOPE Inter-Agency Council (IAC). The City also serves on the Continuum of Care Steering Committee and as a reviewer for the annual HUD Continuum of Care NOFA grant application.

### Homeless Population

In support of the HOPE Plan strategy to develop new methodologies to gather data relating to homelessness, in 2007 San Mateo County implemented a new methodology for the requisite bi-annual one-day homeless census. This methodology provided for a more thorough one-day street enumeration process and a survey of homeless individuals documenting various demographic data, characteristics and needs of homeless individuals and families. This process, combined with a refinement of the Homeless Management and Information Strategies (HMIS) System that collects data from service providers serving homeless populations, provides a more detailed set of collected data that will provide important information for all stakeholders to continue to develop and implement strategies to better meet the needs of the community. Even with these improved methodologies, the HOPE Plan acknowledges the difficulty in collecting accurate data in that the counts often overlook those in hidden places, such as those who live in cars or are doubled up with friends or family, and those who are “situational” homeless as a result of financial or other crisis.

The 2013 Homeless Census and Survey found there were, overall, 11% more unsheltered homeless people in the County in January than there were two years ago. The 2013 Census counted 1,299 people living on the streets, in vehicles or in

#### **County Homeless Population Location, 2013**

	2007	2013	Change
On the Street	29%	15%	-41%
In Car, R.V., or Encampment	24%	41%	90%
In Emergency Shelter	14%	11%	-18%
In Motel with Motel Voucher	5%	1%	-73%
In Transitional Housing	15%	19%	41%
In Institution	13%	12%	7%
Total:	2,064	2,281	217

*Source: 2013 San Mateo County Homeless Census and Survey, 2011 San Mateo County Homeless Census and Survey, 2009 San Mateo County Homeless Census and Survey, prepared by the San Mateo Human Services Agency, Center on Homelessness*

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encampments. Another 982 people were sheltered.

Looking more closely at the data from the one-day count, the City of San Mateo had a total of 285 sheltered and unsheltered homeless, reflecting 12.5% of the total homeless population countywide – less than the 15.4% the City experienced in 2007. This number includes 103 unsheltered homeless, or 7.9% of the total percentage of unsheltered homeless population countywide.

Although detailed data were not provided for the City alone (because of the small survey response rate), Countywide data from 2013 gives a helpful glimpse at the issues facing homeless people. The results of the 2013 unsheltered homeless survey indicated that the typical unsheltered homeless person in San Mateo County is a single man with at least one disability. Of those surveyed, 94% were single adults or adults living with other adults, 71% were men, and 80% had at least one disability. The most commonly cited disabilities were alcohol or drug problems (72%), physical disability (52%), chronic health problems (47%), and mental illness (37%). This data was consistent with the results from the 2011 survey, though all categories of disability showed small increases.

The population of sheltered homeless people looks somewhat different than the unsheltered population. While this population is still predominantly single and male, there is a greater representation of families. Of the homeless adults living in shelters, transitional housing and institutional settings, 21% are in families with children, compared to only 6% of the unsheltered adults. Sheltered adults were 60% male and 40% female. Levels of disability are also somewhat lower among the sheltered population compared to the unsheltered population: only 10% reported having a mental illness and 8% chronic substance use.

The racial and ethnic composition of the unsheltered homeless population was 60% White, 19% Latino, 13% Black or African-American, and 10% other races and ethnicities. This data reveals that some groups are over- or under-represented among homeless people in San Mateo County. African Americans

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represent only 3% of the total County population, yet are 13% of the homeless population. Many of the African Americans in San Mateo County live in the south county communities of East Palo Alto and Redwood City, which, as noted earlier, have a disproportional number of homeless people. Latinos are 25% of the total population but only 19% of the homeless people surveyed.

Of the unsheltered homeless people counted, 11% were Veterans (having either served in the US Armed Forces and/or in the National Guard or as Reservists). This represented a decrease from 2011 when 13% of unsheltered homeless people were veterans, and may reflect increases in the availability of housing resources for this population since ending veteran homelessness has been made a key priority both locally and at the federal level. Among the sheltered people counted in the HMIS system, 24% were veterans, compared to only 10% in 2011. This reflects the addition of a number of shelter and transitional housing beds funded by the VA to the sheltered count, rather than an expansion in the number of sheltered homeless veterans.

A very high proportion of unsheltered homeless people in San Mateo County have been homeless repeatedly and/or for long periods of time. The survey found that 65% were “chronically” homeless, meaning that they were disabled and had been homeless for longer than 12 months or for 4 times in the past 3 years. This represented an increase from 2011, when only 46% were chronically homeless. The rise in chronic homeless is likely due to the same factors that have contributed to the overall increase in homelessness: high unemployment, rising rents and lack of affordable housing.

The typical homeless person has strong connections to San Mateo County. Of those who responded to the survey, 87% reported that they were living in San Mateo County at the time they became homeless and 69% indicated that their hometown was in San Mateo County. The following table summarizes demographic characteristics of the County’s homeless population in 2013.

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### **Demographics of the Homeless Population, San Mateo County, 2013**

	Unsheltered Homeless	Sheltered Homeless
Single Adult or Living w/Another Adult	94%	79%
Family	6%	21%
Male	71%	60%
Female	29%	40%
White	60%	x
Latino	19%	x
African American	13%	x
Other Races	10%	x
Non-Veteran	89%	76%
Veteran	11%	24%
Alcohol / Drug Problems	72%	8%
Physical Disability	52%	x
Chronic Health Problem	47%	x
Mental Illness	37%	10%

Source: 2013 San Mateo County Homeless Census and Survey, prepared by the San Mateo Human Services Agency, Center on Homelessness. May not total 100% due to rounding

### **Needs of Homeless Subpopulations**

The following information in this section for homeless sub-populations are derived from the San Mateo County HOPE Plan, the San Mateo County Human Service Agency Continuum of Care, Healthy Community Collaborative of San Mateo County 2008 Community Assessment, as well as other resources as noted. It should be noted that most data provided are based on a surveys of homeless persons and service providers in San Mateo County as well as goals and achievements noted by the Continuum of Care and other organizations. While it is unlikely San Mateo County Human Service Agency's statistical profile accurately represents the City's, it does give a general description of the likely characteristics of the City's homeless population which can be used for discussion and comparative purposes.

According to the National Low Income Housing Coalition's "Out of Reach 2013", San Mateo County has risen from the nation's fourth least affordable counties to third,; tied with San Francisco and behind Honolulu and Nantucket County, MA. The report indicates that the hourly wage needed for housing for a two bedroom rental would be \$34.52, or about \$72,000 annually. However, with the California State minimum wage at \$8.00 (just 23% needed to rent two

bedrooms), there persists a substantial income gap for many of our City's most needy families.

### **Need for Transitional Shelter Space for Families**

In many homeless families the head of the family may lack job skills necessary to qualify for a job that pays enough to support the family, especially given the high cost of housing in San Mateo County. Longer-term transitional housing and job training are needed by many of these homeless parents. Those who do not have satisfactory job skills or work experience often suffer from medical conditions or other problems that limit their ability to work and require special medical care or counseling. Children of these families also need an array of services, including proper nutrition, health care, education, counseling and a stable living environment.

As in prior years, the enumerators counted very few unsheltered homeless families with children. Of the 180 family households counted in 2013, 115 (64%) were living in shelters, 64 (36%) were in cars or RVs, and only 1 (<1%) was observed on the street. The very low numbers of unsheltered homeless families on the street reflects the County's ongoing commitment to preventing family homelessness and its investment in programs targeting families with children, such as the Motel Voucher Program, Inclement Weather Voucher Program, and homeless prevention programs operated by the Core Service Agency Network.

The 2013 data on homeless families is consistent with the experience of San Mateo County service providers who observe that homeless families with children rarely live on the streets and are much more likely to reside in shelters or cars. Many families with children also live in places that do not meet the HUD standard of homelessness (i.e. they are living temporarily with friends or families) yet they are very precariously housed. See the section on "Hidden Homelessness," below for more details.

The relative percentages of homeless households with children versus those without children increased slightly from 2011 to 2013. In 2011, 8% of all

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homeless households counted (both sheltered and unsheltered) were families with children compared to 10% in 2009.

According to the Healthy Community Collaborative of San Mateo County 2008 Community Assessment the community perception of the availability of local homeless programs and shelters was 64.3% as “Fair/Poor”, 26.3% as “Good” and 9.4% as “Excellent/Very Good,” all reflecting a significant improvement from both 2001 and 2004. The primary provider of shelter for homeless families in this area is InnVision Shelter Network (IVSN), which serves both San Mateo and Santa Clara Counties. IVSN operates First Step for Families in San Mateo which provides interim shelter and services for 39 families. This provides both short-term housing for up to 60 days and one-bedroom transitional housing apartments for an additional 4 months. In addition to providing shelter, there is free on-site day care for resident children as well as other job development and case management resources. . First Step has helped 610 families move to permanent housing since opening its doors 10 years ago. IVSN operates 11 interim shelters in both counties and assists an average of 240 families each year.

Although the resources available to these families have increased, there still remains a need for more. According to respondents to the Healthy Community Collaborative of San Mateo County 2008 Community Assessment survey, 6.4% of adults had to live with friends or family due to housing emergencies. There were 22 families counted that were housed through emergency shelters and voucher programs in locations other than Shelter Network’s facilities. According to the Sustainable San Mateo County 2008 Indicators Report, in fiscal year 2006–07, Shelter Network served 850 homeless families and 638 homeless adults totaling 3,506 individuals, 1,571 of which were children. The number of shelter beds nights provided increased 16% from 2005–06. In fall 2008, the need was exacerbated with the foreclosure and economic crisis. Shelter Network reported that their waiting list at First Step for Families increased to over 100 families waiting for emergency and transitional shelter as a result, this more than doubled the number of families on the waitlist in

November 2007. This reflects the continued need for more transitional housing for families.

### **Need of Homeless Who Are Mentally Ill**

The passage of the Mental Health Services Act, Proposition 63, in November 2004 has created a much needed ongoing revenue resource for a wide variety of mental health services. As a requisite to the receipt of these State funds, San Mateo County is primarily completed with an extensive community planning procedure that developed an MHSA Plan for use of these funds they are calling “Transforming the System.”

One of the core visions of the process included housing in this statement: “The Mental Health Partnerships with county and community based agencies to address the psychological, spiritual, health, social, and housing needs of people with serious emotional disturbances/mental illness.” This effort will include an extensive network of other County departments such as those in various aspects of health, ageing, disabilities, and criminal justice, as well as nonprofit service providers, community organizations, consumers and their families and business and labor organizations.

For the unsheltered population, it is noted above that the commonly cited disabilities included alcohol or drug problems (72%) and mental illness (37%). This data was consistent with the results from the 2011 survey. It is clear that the homeless mentally ill need medical care, mental health, and drug and alcohol counseling services in addition to emergency, transitional, and permanent housing. Affordable apartments and single room occupancy hotel type housing are important elements to retaining stable long-term housing.

Providing onsite services at a housing location has been proven to be a more efficient and effective way of providing services to this population. The Mental Health Association of San Mateo County continues to be a leader in providing supportive housing for those with mental illness with their 25 unit supportive housing units at Belmont Apartments. . The first MHSA Housing project in

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partnership with MHA for the 15-unit Cedar Streets Apartments in Redwood City, has recently made the units available for application.

### **Needs of Homeless with Substance Abuse**

Substance abuse is one of the major causes of homeless, and it is also a major factor that keeps homeless persons in a condition of homelessness. In the 2013 Census and Survey, 72% of the unsheltered indicated alcohol or drug use as being a disabling condition. High unemployment levels among those with alcohol and drug issues make it clear that these persons would have a hard time obtaining and retaining housing without assistance.

Substance abuse presents a complex problem for service providers because most services and available housing are not designed to address drug and/or alcohol addiction. The need for increased treatment programs and sober housing is critical to meet these person's housing needs. The Safe Harbor Shelter, operated by Samaritan House, provides 90 beds of emergency shelter for adult individuals with substance abuse counseling available onsite.

### **Need of Homeless Fleeing from Domestic Violence**

Many studies document domestic violence as a major cause for homelessness. Those suffering from domestic violence are in need of longer-term transitional housing that can provide the safe, specialized and essential support services needed to help those overcome their battering experiences and move on to permanent housing. Transitional housing should also provide childcare, job training and development, counseling and other support services to rebuild client's lives. CORA, Community Overcoming Relationship Abuse, is the only domestic violence provider within San Mateo County and operates an emergency shelter in San Mateo.

According to in 2008 Community Assessment, there were 2,704 domestic violence-related calls for assistance in San Mateo County in 2005. This reflected a decline of 14% in the number of calls since 1998, with 2005 being the lowest year. A total of 555 arrests were made in 2005, down 27% from the

record high of 759 in 1997. The 2013 survey data on domestic violence was consistent with 2011: in both years 16% of respondents indicated they had been victims of domestic or partner violence.

### **Needs of Homeless Youth**

According to Youth and Family Enrichment Services, a service provider group serving youth and families, there is an ever growing number of homeless youth ages 16–21, who have no means of support and are not wards of the State or on probation. The group points out that more than 400 teens each night in San Mateo County are generally lost in the County's system of services. According to the 2013 Homeless Survey, there were nine households counted, consisting of only unaccompanied homeless youth under the age of 18.

Without early intervention many of them will encounter the underground of economies of drugs and prostitution. There are currently three shelters in the County specifically for these homeless youth. The County has increased its focus on providing housing for emancipated foster youth and other transition age homeless youth. The City and County should continue to stay informed of this growing trend and encouraged to provide emergency and transitional housing assistance and specialized counseling for youth.

### **Needs of Homeless with AIDS**

The National Commission on AIDS reported in 2007 that roughly 1/3 of all people infected with AIDS is either homeless or in eminent danger of becoming homeless. According to the National Coalition for the Homeless, up to 50% of person living with HIV/AIDS are expected to need housing assistance of some kind during their lifetimes.

The 2013 Homeless Survey indicated about 2% of the survey respondents had HIV or AIDS. Overall Countywide HIV statistics show that total reported cases of infection increased in 2011 (the most recent year for which data are available), compared to the previous 4 years. However, these numbers are still relatively small – only 83 people were reported as newly infected in 2011, compared to 222 in 1992. Of the 83 cases in 2011, 90% were in men. It is not

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known if this increase represents an increase in transmission. An increase was seen in Asian/Pacific Islander cases, comprising 28% of the 83 newly identified HIV cases in 2011 in the county. Approximately one third of newly identified HIV cases in 2011 reported an unspecified means of transmission. The highest

rates are seen in zip codes 94005, 94401, and 94063. The high rate seen in Pescadero (zip code 94074) is due to low population in that zip code.

Cumulative Prevalence of Reported Living HIV Cases by Residential Zip Code, San Mateo County, 2011



ELLIPSE is a service group located in San Mateo which provides emotional, financial and basic needs support for people with AIDS and HIV. With advanced drug treatments, persons with HIV/AIDS have shown a growth in those living longer with the disease at a cumulative 900+

persons in San Mateo County in 2011. This points to the long term need for housing for those living with this disease.

## **Needs of Persons Threatened with Homelessness**

In San Mateo there is an extensive sub-population which is threatened by homelessness. One of the groups most at risk of becoming homeless is very low-income households (<50% AMI) whose housing cost burden is greater than 50 percent of gross income. To a lesser extent, low-income households (<80% AMI) who also pay more than 50 percent of income towards housing are at risk of becoming homeless. Emergency rent assistance and transitional programs are important resources for keeping persons in their homes, especially since the cost of getting back into housing is much higher than the cost of preventing homelessness.

Others who are at risk of becoming homeless are persons in overcrowded housing situations, victims of domestic violence and persons in tenuous employment situations. The needs of overcrowded households are extensive and include the risk homelessness. The housing need of victims of domestic

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violence is for additional shelters, or increased occupancy capacity for those in operation in order to accommodate all persons desiring to leave dangerous living situations.

Below is a table which roughly estimates the number of persons in the City of San Mateo who are at risk of becoming homeless based primarily on census data, data tables provided by HUD, and nonprofit agency estimates:

### **Households at Risk of Becoming Homeless**

Category	Households at Risk
Extremely and Very Low-Income, With Cost Burden Over 50% of Income	6,415
Low-Income, With Cost Burden Over 50% of Income	1,980
Extremely Overcrowded Households	660
Victims of Domestic Violence	100
Other	50

### Addressing Homelessness Issues

Combining data from 2013, 2011 and 2009, planners, policymakers and service providers have a wealth of data available as they work to expand and improve the system of housing and services for homeless people. The following are some strategies and approaches that have been and will continue to be the highest priorities.

### Continuing Areas of Focus

The following strategies are already being implemented and will continue in the coming year:

- Addressing the lack of housing affordability by continuing to create supportive and affordable housing for homeless people and those at-risk of homelessness;
- Continuing to develop specialized outreach to homeless veterans and linking them to available housing resources, particularly the VASH permanent housing program;
- Working with the systems of care whose clients have very high levels of homelessness, particularly the alcohol and drug treatment system, mental health system, and the criminal

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justice system, to develop strategies for meeting the housing and service needs of these populations;

- Coordinating with the health systems on the implementation of the MediCaid expansion authorized through the Affordable Care Act, which should result in many currently uninsured homeless people becoming eligible for health care;
- Recognizing that the majority of homeless people are long-time residents of San Mateo County and embracing joint planning between the County and local jurisdictions to meet their housing and service needs.

### **New Areas of Focus:**

- Expansion of the highly successful Homeless Outreach Team (HOT) to cover the entire County. The existing HOT teams conduct intensive outreach to and engagement with chronically homeless people and help connect them to permanent supportive housing. Teams in San Mateo and South County have assisted hundreds of clients over the past several years. Increasing the capacity of this program will help reduce the incidence of chronic homelessness.
- Expanding shelter system capacity in the South County in response to the high levels of homelessness in those communities. New emergency shelter capacity should be strongly linked to permanent supportive housing options to ensure there are ways for people to exit the shelter system.
- Addressing the high rate of unemployment among homeless people by exploring strategies to engage and secure employment. In particular, there is a need for specialized employment and training services that are tailored to meet the needs of chronically homeless people with disabilities. This population requires support in the areas of employment readiness, as well as approaches like supported employment and wage subsidies in order to successfully enter the workforce.
- Over the next year, the Cities, in partnership with the County, should explore additional methodologies for identifying people who are vehicularly housed (particularly those living in RVs) and assessing their need for housing and services. This project may include outreach, engagement and needs assessment surveys.

### **Other Special Needs**

In addition to the homeless, there are other groups of persons who require supportive housing, including the elderly, frail elderly, persons with disabilities

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(mental, physical, developmental), persons with alcohol or other drug addictions, and persons diagnosed with AIDS and related diseases.

### **Needs of Persons Living With AIDS**

With advanced drug treatments, persons with HIV/AIDS have shown a growth in those living longer with the disease at more than 900 persons in San Mateo County in 2011. Additionally, since 1992 there has been a declining number of newly diagnosed cases.

In a presentation made in 2003 to the HIV Health Services Planning Council, the Director for San Mateo County's Public Health AIDS Program indicated that for those living with or newly diagnosed with HIV/AIDS, the lack of affordable housing was a significant barrier to creating stable permanent housing for this population.

The National Commission of AIDS published the report "Housing and the HIV/AIDS Epidemic; Recommendations for Action" which indicates that roughly 1/3 of all people infected with AIDS are either homeless or are in eminent danger of becoming homeless and are in greatest need for supportive housing and housing assistance. Therefore, utilizing the number of persons living with AIDS in San Mateo County in 2011, approximately 300 persons and/or households require some type of supportive housing.

### **Needs of the Disabled**

To be considered disabled, a person must have an illness or impairment that impedes his/her ability to function independently. This number may include those with developmental disabilities, those who are mentally ill, those who are elderly, and/or frail elderly (these subgroups are specifically discussed later in this report), and those with physical disabilities.

Unfortunately, much of the data provided by the Census and HUD on persons with disabilities tend to aggregate certain types of disabled persons together. For example, data provided by HUD indicate that the number of persons

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reporting some type of a disability was 7,892 in 2010, or about 8.2% of the population. The following table provides some information on disability types within San Mateo in 2010.

### **Persons with Disabilities by Disability Type, 2010**

	Number			Percent		
	San Mateo	County	State	San Mateo	County	State
Under 18 with Disability	327	3,270	280,649	1.6%	2.1%	3.0%
Age 18-64 with Disability	3,213	23,231	1,843,497	3.3%	5.0%	7.9%
Age 65 + with Disability	4,352	28,703	1,547,712	33.4%	30.6%	37.0%
<b>TOTAL with Any Disability</b>	<b>7,892</b>	<b>55,204</b>	<b>3,671,858</b>	<b>8.2%</b>	<b>7.7%</b>	<b>10.0%</b>
Any Age With Hearing Disability	2,635	15,651	1,022,928	2.7%	2.2%	2.8%
With Vision Disability	1,225	8,199	685,600	1.3%	1.1%	1.9%
With Cognitive Disability	2,767	19,549	1,400,745	2.9%	2.7%	3.8%
With Ambulatory Disability	4,251	29,757	1,960,853	4.4%	4.2%	5.3%
With Self Care Disability	1,748	12,819	862,575	1.8%	1.8%	2.3%
With Independent Living Disability	3,115	22,735	1,438,328	3.2%	3.2%	3.9%

*Source: 2011 American Community Survey*

*Note: Some people may have multiple disabilities*

The housing needs of the disabled population are as diverse as the population itself. The current approach to providing housing for disabled persons is based on a goal of offering the highest level of independence possible and increased accessible marketing of available publicly sponsored housing opportunities. Information on specific disabled populations is provided below.

### **Developmentally Disabled**

A “developmental disability” as a condition that originates before an individual reaches age 18; continues, or can be expected to continue indefinitely; and constitutes a substantial impairment in three or more areas of major life activity. Developmental disabilities include mental retardation, epilepsy, cerebral palsy, autism, and disabling conditions closely related to mental retardation or requiring treatment similar to that required by people with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently

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within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Golden Gate Regional Center (GGRC) is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

According the Developmental Disabilities Board, Area 5 (an advocacy organization), a total of 746 persons with developmental disabilities are consumers of the Golden Gate Regional Center's services within San Mateo zip codes. The following highlights the living arrangements of these individuals in both San Mateo and the County.

### Living Arrangements for People with Developmental Disabilities, 2013

Lives with	Number		Percent	
	San Mateo	County	San Mateo	County
Parents/Legal Guardian	389	2,289	52%	66%
Community Care Facility (1-6 Beds)	195	532	26%	15%
Community Care Facility (7+ Beds)	8	73	1%	2%
Independent/Supportive Living	64	349	9%	10%
Intermediate Care Facility	83	191	11%	5%
All Others	7	60	1%	2%
<b>Total</b>	<b>746</b>	<b>3,494</b>	<b>100%</b>	<b>100%</b>

Source: Golden Gate Regional Center

Note: Counts based on zipcode and may include areas outside of jurisdictional borders.

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Some percentage of these individuals will need different living arrangements based on individual needs; for example, as parents age, they may be unable to care for their aging children, who will eventually need a different kind of housing situation. The types of housing opportunities appropriate for people living with a developmental disability include:

- Rent-subsidized affordable housing, with services, accessibility modifications, and proximity to transit and the community;
- Licensed and unlicensed group homes;
- Inclusion within larger housing developments serving the general populations and/or affordable housing;
- Section 8 housing choice vouchers or project-based Section 8;
- Home purchases through special programs like first-time homebuyers;
- HUD Section 811/MHP/SHP developments for disabled populations; and
- Housing especially modified for the Medically Fragile (SB 962 homes)

The needs of this population for supportive housing vary depending on the severity of the disability. Some developmentally disabled persons participate outside of supportive housing in different programs offered by service providers to help them live independently and successfully in the community. For example, Community Gatepath is a nonprofit organization that provides opportunities of greater independence for children, youth and adults special needs and disabilities. The organization serves individuals and families by providing education and support services. A significant number of this population lives independently in supportive housing, with support levels based on the need. Estimates are that approximately 1 to 3% of persons and/or households who report developmental disabilities also require housing assistance. Utilizing that percentage, the housing need would range from approximately 30 to 87 households in San Mateo – less than that estimated by the Developmental Disabilities Board, but still significant.

## **Mentally Disabled**

Although basic information on persons in the City with a mental disability is provided in the Census, detailed information is generally only available at the County level. The Mental Health Services Act plan (2005) provides statistics

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on the needs of the mentally ill throughout San Mateo County. Of those served with mental health services, the plan found the following in 2003–2004:

- ◆ Most people (10,085) were served in the outpatient system, including psychiatric emergency and Access Team contacts.
- ◆ Over 2,000 adult clients (or 59% of all adult clients) were served with less than 15 hours of service per year. Of these, 17% received only medication related services.
- ◆ About 2,500 people also used San Mateo Medical Center Psychiatric Emergency Services (PES) for crisis services. Of these, most were adults, followed by children/youth and then older adults. Between 20% (older adults) and 35% (children/youth) had received services from the mental health system prior to the first PES visit. Post the PES visit, 76% of children/youth received services compared with only 37% of adults and 36% of older adults.
- ◆ Just over 700 people had inpatient episodes, most of them adults. There were 89 transition age youth and 70 older adults. The number of consumers with five or more inpatient episodes dropped from 23 in FY 02/03 to 11 in FY 03/04. A review of these 11 cases indicated the investment of a minimum of 47 hours of outpatient services to a top of 312 hours of outpatient service in addition to the inpatient stays.
- ◆ Over 500 adults received residential services in addition to outpatient services; 109 people were served in skilled nursing facilities/locked facilities; 12 of these individuals were older adults.
- ◆ Slightly over half of the people served by San Mateo County were MediCal beneficiaries (56.5%), although this varied by age group. About 7% of the people served were on and off of MediCal during the year of service.
- ◆ There is a range in the percentage of MediCal consumers served by sub-region (countywide average, 12.13%, ranging from 8.63% in East Palo Alto to 14.48% in Central). Sub-regions also show variance in the percentages by ethnicity of the MediCal population served.
- ◆ The diagnostic mix of San Mateo County consumers was:
  - ADHD 2%
  - Anxiety 6%
  - Bipolar 5%

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- Conduct Disorder 1%
- Deferred 26%
- Depression / Mood Disorder 20%
- Other 14%
- Schizophrenia / Psychotic 25%

The mix of diagnoses is representative of most public mental health systems. The number of deferred diagnoses may reflect capacity issues, in terms of time and availability of staff to develop more detailed diagnostic analyses, but is a serious barrier to adequate treatment planning.

As can be expected, many of the people with mental illness served by the County come from the homeless population. The 2005 plan found that the populations identified as most at-risk of becoming homeless are Latinos and African Americans. The Federal Task Force on Homelessness and Severe Mental Illness estimates that 33% of those that are homeless have a serious mental illness (SMI), and of these, 40–60% have a co-occurring substance abuse (SA) disorder. In San Mateo County, this would result in almost 1,500 homeless individuals per year that require mental health/co-occurring disorder services. While this population is mostly adult, there are also transition age youth and older adults in the homeless population. In San Mateo County, the Transitions (AB 2034) program has been focusing on the homeless population, serving 71 adults and 11 older adults in FY 03/04. We conclude that a substantial proportion of the homeless population is unserved.

## **Needs of Frail and Non-Frail Elderly**

As Census data has shown, the number of senior population has increased dramatically from the city to county, state and national levels. According to the Administration on Aging *A Profile of Older America: 2003*, there were 31.2 million persons in America ages 65+ in 1990. In 2000 there were 35 million and in 2010 there were 40.3 million, a growth of 9 million in 20 years.

In 2000, there were 13,932 persons age 65 and over in San Mateo with 5,445 males and 8,487 females. Of those persons, 3,320 of the males and only 2,975 of the females reported having a disability. In 2010, there were a total

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estimated 4,352 seniors over 65 with a disability. A substantial percentage of senior households pay more than 50% of their household income on housing – many are on fixed incomes. CHAS data from 2006–2011 indicate that there are more than 1,200 senior households who are considered extremely low income.

Housing needs of the elderly are varied. Some households have substantial retirement incomes and own their own homes, while others live on limited incomes in substandard rental housing. Some elderly have unique housing needs because of poor health, mobility problems and income. Of the elderly requiring supportive housing, there are two sub-populations which need to be discussed in the Consolidated Plan including: frail and non-frail elderly. The following is a description of the general supportive housing needs for these groups:

Frail Elderly: The frail elderly share many of the same housing needs as the disabled. In order to remain dependent and in their own homes, they may require accessible housing with special design features. Typically frail elderly categorized as low-income are ones which are in most need of supportive housing assistance. According to the American Community Survey (2008–2012), there are about 4,406 persons over the age of 65 with a disability, broken down as follows:

Population 65 years and older	Number	Percent of Total with Disability	Percent of All Seniors
With a hearing difficulty	1,859	42%	14%
With a vision difficulty	611	14%	5%
With a cognitive difficulty	1,167	26%	9%
With an ambulatory difficulty	2,948	67%	22%
With a self-care difficulty	1,189	27%	9%
With an independent living difficulty	2,289	52%	17%
<b>Total With Disability</b>	<b>4,406</b>		33%

*Source: ACS 2008-2013*

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**Non-Frail Elderly:** Non-frail elderly households can also have severe cost burden problems and may lack adequate resources to deal with the continuing increase in costs for housing. Where the effects of aging are combined with low-income, the risk of homelessness is greatest. Non-frail elderly persons may be in need of tenant-based rental assistance, shared housing opportunities, housing rehabilitation, and other supportive services, such as low-cost food and health care services. HUD data indicates 2,909 elderly households have reported housing problems and are in need of some form of supportive housing or other housing assistance.

**Supportive Housing Available for Frail and Non Frail Elderly:** The State Department of Social Services' Inventory of Community Care Facilities indicates that as of March 30, 2005, there were 70 residential care facilities providing supportive housing for persons over age of 60 with a combined capacity and population of 1,211 persons. San Mateo has been very proactive in supporting senior housing development within the City.

### **Persons with Alcohol/Other Drug Addictions**

Alcohol and other drug abuse is defined as excessive and impairing use of alcohol or other drugs, including addiction. The San Mateo County Human Service Agency (SMCHSA) which administers various alcohol and drug abuse recovery services in San Mateo County indicates that approximately 9-10 percent of the total County population suffers from some form of alcohol or other drug addiction. It is estimated that out of this population, approximately 25 percent require supportive housing.

In the SMCHSA Alcohol and Drug Services June 2003 report "*Alcohol and Drug Issues: An Overview of In-Treatment Data and Community Needs Indicators*", there were 6,529 treatment episodes reported for 2001-02. Treatment episodes were defined as "one client enrollment in an alcohol/drug treatment program" and may occur more than once during the year. These treatment episodes were for 4,939 unduplicated clients, of which 680 were adolescent clients. During that program year additional funds were committed to specifically increase juvenile services. Considering the percentages previously

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noted, it could be estimated that approximately 1,235 persons would require some form of supportive housing.

### Farmworkers

There is no agriculture and no housing for farmworkers within the City of San Mateo or in eastern San Mateo County in general. High housing costs and a long commute to the coast make farmworker housing impractical in the eastern County.

### Female-Headed Households

According to the 2011 American Community Survey, there are about 3,580 female-headed households in San Mateo, which represents about 9.2% of the total number of households. While 1,473 of those households include children under 18 years of age, a greater proportion (58%) have no children under 18.

Children living in female headed households are more likely than other children to live below the poverty line. Single mothers have a greater risk of falling into poverty than single fathers due to such factors as the wage gap between men and women, limited training and education for higher-wage jobs, and inadequate child support. According to recent studies, single mothers on welfare rarely find full-time, permanent jobs at adequate wages.

### Female-Headed Households, 2010

	San Mateo	County	State
	Number	Percent	
Female living with own children, no husband	1,473	3.9%	4%
Female living with other family members, no husband	2,008	5.3%	6%
Female living alone	7,039	18.5%	15%
Total Households	37,997	100%	256,305 12,433,049
Female Households Below Poverty Level	NA	6.2%	8% 17%

*Source: 2011 American Community Survey*

## **E. PROJECTED HOUSING NEEDS**

### **EMPLOYMENT TRENDS**

A total of 20,410 new jobs are anticipated to be created in San Mateo between 2010 and 2040, as shown in the table below. This represents a growth rate of 38.9%. The County as a whole is expected to experience a growth rate of 28.9%. However, this follows a period of decline, with both the county and the City losing about 10% of their respective jobs between 2000 and 2010. While the City anticipates a reduction in the jobs-per-employed-person ratio, the County will continue to see more jobs per person than the City.

#### **Projected Job Growth, 2010 – 2040**

Jurisdiction	2010	2020	2030	2040	Growth, 2010 - 2025	Growth Rate		
						2010- 2020	2020- 2030	2030- 2040
San Mateo City	52,540	63,430	67,380	72,950	20,410	20.7%	6.2%	8.3%
San Mateo Co.	345,190	407,550	421,500	445,070	99,880	18.1%	3.4%	5.6%

Source: ABAG's Projections 2013

Consistent with national trends, the unemployment rates have increased in certain sectors of the Bay Area. In May 2013, the unemployment rate in San Mateo was 3.8%, which was lower than the County as a whole. The following table shows unemployment for the jurisdictions of the County.

#### **Unemployment Rates by Jurisdiction, San Mateo County, May 2013**

Jurisdictions	Labor Force	Employment	Unemployment	
			Number	Rate
Belmont	15,400	14,800	600	4.2%
Burlingame	16,800	16,200	600	3.5%
Daly City	57,000	53,500	3,500	6.1%
East Palo Alto	13,600	12,000	1,600	11.9%
Foster City	17,500	16,900	600	3.6%
Half Moon Bay	6,600	6,300	300	5.0%
Menlo Park	16,900	16,200	700	3.9%
Millbrae	10,400	10,200	300	2.5%
Pacifica	23,800	22,400	1,300	5.6%
Redwood City	44,200	42,100	2,100	4.9%

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San Bruno	23,500	22,500	1,000	4.2%
San Carlos	16,400	15,900	500	3.3%
San Mateo	52,700	50,700	2,000	3.8%
South San Francisco	33,400	31,300	2,000	6.0%
<b>COUNTYWIDE TOTAL</b>	<b>399,200</b>	<b>379,700</b>	<b>19,400</b>	<b>4.9%</b>

Source: California Employment Development Department, Labor Market Information, 2013

The Association of Bay Area Governments provides statistics on population and employment growth between 2010 and 2040. Although there are expected to be approximately 20,500 new jobs added over the next three decades, some job sectors will be impacted positively or negatively. For example, while jobs within the professional sector are expected to grow by more than 70%, manufacturing and wholesale jobs will experience a further decline.

### Job Projections by Sector, 2010–2040

Sector	2010	2040	Change	% Change
			2010-2040	2010-2040
Agriculture and Natural Resources	125	102	-23	-18.4%
Construction	1,328	1,866	538	40.5%
Manufacturing/Wholesale	2,353	1,692	-661	-28.1%
Retail	6,611	7,316	705	10.7%
Transportation/Utilities	1,776	2,516	740	41.7%
Information	3,315	5,810	2,495	75.3%
Finance/Leasing	6,114	5,372	-742	-12.1%
Professional	15,309	26,071	10,762	70.3%
Health/Education	5,202	8,749	3,547	68.2%
Other	7,827	10,843	3,016	38.5%
Government	2,968	3,123	155	5.2%
<b>Total</b>	<b>52,928</b>	<b>73,460</b>	<b>20,532</b>	<b>38.8%</b>

Source: ABAG Jobs Housing Connection Strategy and Projections, 2012

In addition, although a significant number of new jobs are expected to be created in the San Francisco/San Mateo/Redwood City region, a large portion of them will be in low-wage service occupations. As shown in the following table, 65% of the job classifications projected to have the highest number of

## **City of San Mateo 2014 Housing**

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openings in the Metropolitan region from 2010 to 2020 have mean hourly wages that represent extremely low or very low incomes. With the exception of openings for certain types of managers and computer professionals, the vast majority of job openings will afford the earner far below median income. In fact, 72% of the jobs in the top 20 would not provide the funds needed to rent an apartment according to the National Low Income Housing Coalition's "Out of Reach 2013". In addition, more than 68% of these jobs will not require any more than on-the-job training; in other words, these jobs require little skill. This trend indicates that job growth in the region is likely to increase the demand for affordable housing and that the housing affordability situation for those currently housed is not likely to improve due to market forces during this period.

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### Largest Job Growth, 2010 - 2020, San Francisco-San Mateo-Redwood City Metropolitan Division<sup>2</sup>

Top Twenty Occupations	# of Job Openings	Media n Hourly Wage	Annual Income	Education/Experience Required
Waiters and Waitresses	14,840	\$10.58	\$22,007	Short-Term On-The-Job Training
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	6,340	\$10.42	\$21,660	Short-Term On-The-Job Training
Dishwashers	4,390	\$10.44	\$21,720	Short-Term On-The-Job Training
Food Preparation Workers	4,950	\$10.64	\$22,136	Short-Term On-The-Job Training
Combined Food Preparation and Serving Workers, Including Fast Food	6,860	\$10.83	\$22,522	Short-Term On-The-Job Training
Retail Salespersons	13,120	\$11.58	\$24,089	Short-Term On-The-Job Training
Cashiers	13,470	\$11.87	\$24,692	Short-Term On-The-Job Training
Personal Care Aides	8,170	\$12.11	\$25,178	Short-Term On-The-Job Training
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	7,090	\$12.64	\$26,287	Short-Term On-The-Job Training
Cooks, Restaurant	4,230	\$13.67	\$28,439	Moderate Term On-The-Job Training
Office Clerks, General	5,470	\$17.67	\$36,751	Short-Term On-The-Job Training
Customer Service Representatives	5,510	\$20.15	\$41,905	Short-Term On-The-Job Training
First-Line Supervisors of Office and Administrative Support Workers	4,370	\$30.01	\$62,422	HS Diploma/GED
Accountants and Auditors	6,070	\$37.67	\$78,362	Bachelor's Degree
Market Research Analysts and Marketing Specialists	6,240	\$39.36	\$81,880	Bachelor's Degree
Management Analysts	4,410	\$46.24	\$96,170	Bachelor's Degree
Software Developers, Applications	6,140	\$52.64	\$109,488	Bachelor's Degree
Registered Nurses	5,990	\$54.23	\$112,801	Associate's Degree
Software Developers, Systems Software	5,130	\$56.28	\$117,069	Bachelor's Degree
General and Operations Managers	4,980	\$65.00	\$135,193	Associate's Degree
<b>TOTAL</b>	<b>137,770</b>			

Source: California Employment Development Department, 2010

## POPULATION TRENDS

According to ABAG's Projections 2013, the City's population is expected to grow 29.6% (28,800 people) by 2040. As shown in the following table, the population growth of the County is projected to be slower, with a rate of 25.9% for the same period.

### Projected Population Growth: 2010 – 2040

Jurisdiction	2010		2040		Growth	Rate
	#	% total	#	% total	2010-2040	2010-2040

<sup>2</sup>Data for San Mateo County alone no longer available from the EDD.

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San Mateo	97,207	13.5%	126,000	13.9%	28,793	29.6%
County Total	718,451		904,400		185,949	25.9%

Source: ABAG's Projections 2013

## HOUSEHOLD TRENDS

### Projected Household Growth: 2010 – 2040

Jurisdiction	Growth 2010-2040	Rate 2010-2040
San Mateo	10,387	27.2%
County	57,263	22.2%

Source: ABAG's Projections 2013

ABAG projects that, although the number of households is expected to grow 22.2% for the County as a whole through 2040, the household growth

rate for the City of San Mateo will increase by 27.2% for the same time period.

## COMMUTING TRENDS

As housing prices escalate, families often move further and further away from central cities to find housing that is more affordable. This trend can be reflected in commuting patterns, not only in terms of the time it takes to travel between two locations, but also in the sheer number of commuters moving into and out of a region. According to the following table, nearly 33,000 people commuted into the City in 2010.

### Commuting Patterns of Local Workers, 2010

	Employed Population 2010	In- Commuters	% of Workforce In-Commuting	% of Population Out-Commuting
Atherton	1,789	1,996	96%	96%
Belmont	9,253	4,853	91%	95%
Brisbane	2,083	5,889	97%	90%
Burlingame	13,318	31,586	95%	88%
Colma	786	3,564	99%	96%
Daly City	46,030	13,337	83%	94%
East Palo Alto	7,737	2,525	87%	95%
Foster City	18,257	17,202	93%	93%
Half Moon Bay	4,369	3,195	78%	79%

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Hillsborough	4,081	1,077	91%	97%
Menlo Park	13,616	24,549	95%	90%
Millbrae	7,599	3,924	90%	94%
Pacifica	16,176	2,667	67%	92%
Portola Valley	1,640	945	96%	98%
Redwood City	32,153	42,906	91%	87%
San Bruno	17,159	10,351	91%	94%
San Carlos	12,212	10,955	91%	91%
San Mateo City	40,968	32,665	87%	88%
South San Francisco	30,618	37,691	91%	89%
Woodside	2,428	1,639	95%	96%
San Mateo County	302,934	184,544	61%	61%

*Source: 2010 US Census, On The Map*

This table indicates that large percentages of residents (88%) are employed outside of the City, while a similarly large percentage (87%) of people working in the City come from elsewhere.

## REGIONAL HOUSING NEEDS ALLOCATIONS

The Regional Housing Needs allocation process is a State mandate, devised to address the need for and planning of housing across a range of affordability and in all communities throughout the State. Each jurisdiction in the Bay Area (101 cities, 9 counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is allocated by the California State Department of Housing and Community Development (HCD), and finalized through negotiations with ABAG.

According to ABAG, the regional housing need is determined by estimating both the existing need and the projected need for housing. Existing need is the amount of housing needed to address existing overcrowding or low vacancy rates. Projected need relates to providing housing for the growing population. Using slightly different methods, both the State, through the State Department of Finance (DOF), and the region, via ABAG, estimate projected household growth. Since these numbers may differ, the State and the region work closely together to arrive at an agreed upon estimate of future population growth; therefore, housing need through 2022.

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On July 19, 2013, the ABAG Executive Board adopted the final Regional Housing Need Allocation (RHNA) methodology for the period between 2014 and 2022. The RHNA methodology consists of two major steps: determining a jurisdiction's total RHNA and identifying the share of the jurisdiction's total RHNA in each income category. The following describes the components of the adopted RHNA Methodology.

### *Sustainability Component*

This component advances the goals of SB 375; this factor is based on the Jobs-Housing Connection Strategy, which allocates new housing development into Priority Development Areas (PDAs) and non-PDA areas. By concentrating new development in PDAs, the Strategy helps protect the region's natural resources by reducing development pressure on open space, rural areas, and small towns. This allows the region to consume less energy, thus reducing household costs and the emission of greenhouse gases. Following the land use distribution specified in the Jobs-Housing Connection Strategy, 70% of the region's housing need as determined by the California Department of Housing and Community Development (HCD) will be allocated based on growth in PDAs and the remaining 30% will be allocated based on growth in non-PDA locations.

HCD determined that the housing need for the Bay Area region for 2014 to 2022 is 187,990 units. The sustainability framework of the PDAs is the basis for the Sustainable Communities Strategy (SCS) and the inclusion of this framework in the RHNA methodology promotes consistency between the two.

As of July 19, 2012, the Jobs-Housing Connection Strategy was modified to include a feasible growth concentration scenario that was applied to the 2014–2022 RHNA cycle. This new distribution shifts approximately 3,500 units (1.5 percent of the total regional allocation) from Oakland, Newark, San Jose, and the North Bay primarily to medium sized cities with high job growth and transit access.

### *Fair Share Component*

This component achieves the requirement that all cities and counties in

California work to provide a fair share proportion of the region's total and affordable housing need. In particular, cities with strong transit networks, a high number of jobs, and that permitted a low number of very low- and low-income units during the 1999–2006 RHNA cycle received higher allocations. The Fair Share Component includes the factors listed below:

- *Upper Housing Threshold*: If growth projected by the Jobs-Housing Connection Strategy in a jurisdiction's PDAs meets or exceeds 110 percent of the jurisdiction's household formation growth, that jurisdiction is not assigned additional units. This ensures that cities with large PDAs are not overburdened. In addition, the total allocation to a jurisdiction cannot exceed 150 percent of its 2007–2014 RHNA.
- *Minimum Housing Floor*: Jurisdictions are assigned a minimum of 40 percent of their household formation growth. Setting this minimum threshold ensures that each jurisdiction is planning for housing to accommodate at least a portion of the housing need generated by the population within that jurisdiction.
- *Fair Share Factors*: The following three factors were applied to a jurisdiction's non-PDA growth:
  - *Past RHNA Performance*: Cities that permitted a high number of housing units for very low- and low-income households during the 1999–2006 RHNA cycle received a lower allocation.
  - *Employment*: Jurisdictions with a higher number of existing jobs in non-PDA areas (based on 2010 data) received a higher allocation.
  - *Transit*: Jurisdictions with higher transit frequency and coverage received a higher allocation.

### *Income allocation*

The income allocation method gives jurisdictions that have a relatively higher

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proportion of households in a certain income category a smaller allocation of housing units in that same category. For example, jurisdictions that already supply a large amount of affordable housing receive lower affordable housing allocations. This also promotes the state objective for reducing concentrations of poverty and increasing the mix of housing types among cities and counties equitably. The income allocation requirement is designed to ensure that each jurisdiction in the Bay Area plans for housing people of every income.

The income distribution of a jurisdiction's housing need allocation is determined by the difference between the regional proportion of households in an income category and the jurisdiction's proportion for that same category. Once determined, this difference is then multiplied by 175 percent. The result becomes that jurisdiction's "adjustment factor." The jurisdiction's adjustment factor is added to the jurisdiction's initial proportion of households in each income category. The result is the total share of the jurisdiction's housing unit allocation for each income category.

### *Sphere of Influence Adjustments*

Every city in the Bay Area has a Sphere of Influence (SOI) which can be either contiguous with or go beyond the city's boundary. The SOI is considered the probable future boundary of a city and that city is responsible for planning within its SOI. The SOI boundary is designated by the county's Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts in these areas.

The method for allocating housing need for jurisdictions where there is projected growth within the SOI varies by county. In Napa, San Mateo, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI is assigned to the cities. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI is assigned to the county. In Marin County, 62.5 percent of the allocation of housing need generated by the unincorporated SOI is assigned to the city and 37.5 percent is assigned to the county.

## SUBREGIONAL SHARES

As part of the RHNA process, local jurisdictions have the opportunity to form a subregion to conduct an allocation process that parallels, but is separate from, the regional process. For the 2014 - 2022 RHNA, three subregions were formed by the respective jurisdictions in Napa, San Mateo, and Solano counties.

The first step in the subregions' RHNA process was for ABAG to determine each subregion's share of the total regional housing need determination from HCD. Housing Element law states that the subregion's share "shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan." The household distribution is based upon the county's distribution in 2022 from the Jobs - Housing Connection Strategy of the SCS. Napa received 0.8%, San Mateo received 8.7%, and Solano received 3.7% of the region's total housing need.

### Subregion Allocation Method

The San Mateo subregion was responsible for completing its own RHNA process. Their process paralleled, but was separate from, the Bay Area's RHNA process. The San Mateo subregion created its own methodology, issued draft allocations, and handled the revision and appeal processes. They also issued final allocations to members of the subregion. Although the subregion worked independently of the regional RHNA process, ABAG is ultimately responsible for ensuring that all of the region's housing need is allocated. Thus, if the subregion were to fail at any point in its attempt to develop a final RHNA allocation for the subregion, ABAG would have had to complete the allocation process for the members of the subregion.

The San Mateo subregion housing allocation method mirrored ABAG's final method. The same factors and weights were used as described above. Once units were allocated, using the ABAG formula, several cities in the San Mateo

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subregion agreed to transfer units, including the City of San Mateo. The following table shows the final ABAG housing allocation, as adjusted, for the City of San Mateo for the 2014–2022 planning period.

### **REGIONAL HOUSING NEED ALLOCATION, 2014–2022**

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
3,100	859	469	530	1,242	388
	28%	15%	17%	40%	

In addition, State Housing Element Law requires that jurisdictions provide for the needs of residents considered to be extremely low-income, defined as households earning less than 30% of median income. Accordingly, the need allocation is further disaggregated as follows:

Total Projected Need	Extremely Low	Very Low	Low	Mod	Above Mod	Average Yearly Need
3,100	429	430	469	530	1,242	388
	14%	14%	15%	17%	40%	

## **CLIMATE CHANGE**

With the passage of AB 32 and SB 375, the City of San Mateo has taken extensive steps to address climate change. In 2007, a Carbon Footprint study was conducted to determine the City's greenhouse gas emissions which helped the City focus its sustainability efforts. In addition to the Carbon Footprint, the City initiated a Sustainability Advisory Committee which created and submitted to the City Council a Sustainable Initiatives Plan, which provided recommendations on how the City should address climate change and reduce the City's greenhouse gas (GHG) emissions generated by the community.

Following the Sustainable Initiatives Plan, a Climate Action Plan (CAP) for City's Operations and Facilities was created. This Plan focused on City agency efforts and included specific actions to reduce the energy and fuel use in City facilities and operations.

~~In 2014, the~~<sup>The</sup> City of San Mateo developed adopted a community-wide CAP ~~in 2015 and updated it in 2020. The CAP serves,~~ which will serve as a comprehensive strategy to reduce emissions of GHGs. This CAP integrates and consolidates the City's previous plans and efforts to address climate change, creating an updated framework for addressing GHG emissions in the community. The CAP identifies the City's preferred strategies for new development to address climate change.

This CAP serves as a Qualified GHG Reduction Strategy, consistent with California Environmental Quality Act (CEQA) Guidelines Section 15183.5 ~~and the Bay Area Air Quality Management District (BAAQMD) GHG Plan Level Guidance~~. As part of the requirements for a Qualified GHG Reduction Strategy, the CAP includes an inventory and forecast of San Mateo's current and future GHG emissions, a target to reduce community-wide GHG emissions, specific strategies to achieve these reductions, and an implementation and monitoring program to track progress toward the target and the status of the reduction strategies.

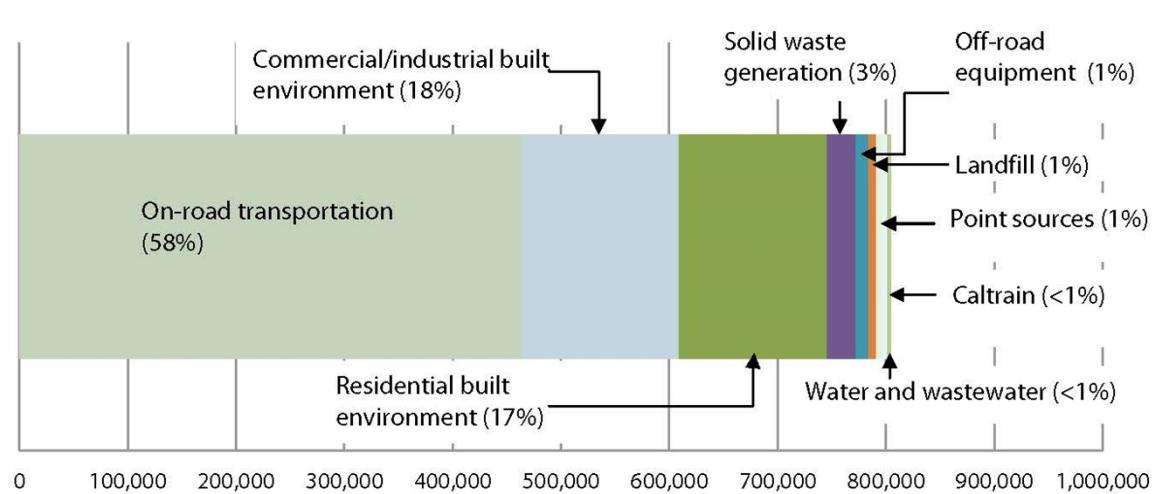
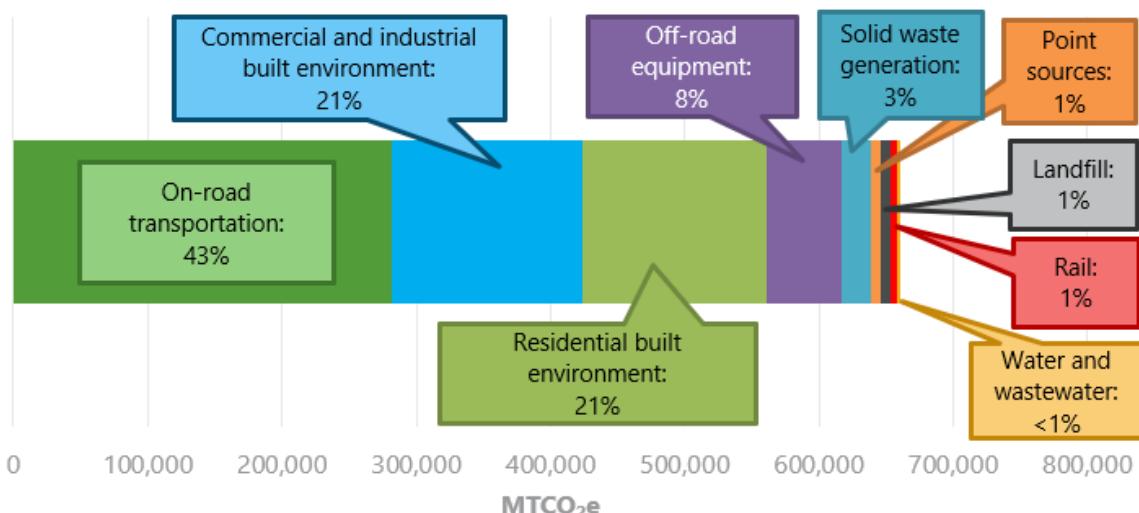
The following are excerpts of the City's Climate Action Plan as it relates to the Housing Element Update.

### Community-Wide Greenhouse Gas Emissions Inventory

The CAP presents emissions for activities that take place within the City limits of San Mateo, even if the emissions are physically emitted in another community, such as a community member using electricity generated by a power plant in another part of California. Emissions are calculated using reported activity data (for example, the amount of electricity used in the community) and factors that reflect the local conditions. All GHG emissions in the inventory are shown in a common unit: metric tons of carbon dioxide equivalents, or MTCO<sub>2</sub>e, which allows the varying potencies of different GHGs to be represented in one number. The GHG emissions inventory included nine sources of emissions, or sectors, for San Mateo in 2005. By understanding where these emissions come from, CAP measures can be targeted to address

## City of San Mateo 2014 Housing

the largest sources in San Mateo. The community's total emissions in 2005 were 804,290 MTCO<sub>2</sub>e. More than half of these emissions came from on-road transportation, and an additional 35 percent came from energy use in residential, commercial, and industrial buildings. Community-wide GHG emissions in 2005 are shown in the Figure below.



Additional inventories in the CAP for the calendar years 2010, 2015, and 2017 show a steady decline in GHG emissions. By 2017, San Mateo's emissions had decreased to 541,960 MTCO<sub>2</sub>e, approximately 18 percent below 2005 levels.

Using the baseline inventory, the CAP estimates the long-term impact of San

~~Mateo's efforts to reduce GHG emissions.~~ The CAP presents the City's ongoing commitment to achieve long-term, ~~post-2020~~ GHG targets consistent with State guidance of 15% below 2005 levels by 2020, emissions of 4.3 MTCO<sub>2</sub>e per resident by 2030, and emissions of 1.2 MTCO<sub>2</sub>e per resident by 2050. Full implementation of all strategies in the CAP, along with efforts currently underway or planned by state, regional, and local agencies are expected to achieve further reductions to meet or exceed these targets. ~~can result in a reduction of emissions by approximately 18% below 2005 baseline levels by 2020, exceeding both the 2020 goal in San Mateo's adopted General Plan and State guidance for a 15% reduction.~~

The strategies in the CAP consist of measures and actions, identifying the steps the City will take to support reductions in GHG emissions. San Mateo will achieve these reductions in GHG emissions through a mix of voluntary programs and new strategic standards. All recommended standards presented in the CAP respond to the needs of development, avoiding unnecessary regulation, streamlining new development, and achieving more efficient use of resources.

### **Energy Conservation Strategies for the Built Environment**

Residential energy use in the community of San Mateo comprised approximately ~~17%~~<sup>21</sup> percent of baseline GHG emissions in 2005, ~~and approximately 18 percent of emissions in 2017.~~ Strategies in the CAP to reduce emissions from the residential sector seek to improve the existing housing stock, encourage green building in new homes, encourage energy efficiency, promote replacing natural gas-fueled devices with electric models, and expand the use of renewable energy to meet residential energy needs.

The following measures from the CAP include key actions in the CAP that address residential energy efficiency, renewable energy, and electrification:

#### **BE 1: All-electric new construction**

##### **Recommended Actions:**

## **City of San Mateo 2014 Housing**

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- For each three-year code cycle, adopt a reach code to encourage residential and commercial new construction to be built to an all-electric standard, including electric heating, cooling, and water heating.
- Explore the feasibility of reducing permitting fees if builders elect to construct all-electric buildings instead of buildings that use natural gas.

### **BE 2: All-electric existing buildings**

#### **Recommended Actions:**

- Encourage residents and businesses to purchase electric technologies (e.g., air source heat pumps, heat pump water heaters, electric dryers, and electric stoves).
- Encourage residents and businesses to upgrade electric panels to accommodate electric technologies include solar PV, battery storage, air source heat pumps, heat pump water heaters, electric dryers, and electric stoves.
- Support training and outreach to residents, businesses, contractors, vendors, and installers about preferable electric equipment replacement technologies.

### **RE 32: Renewable energy systems for new and existing residences**

#### **Recommended Actions:**

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- For each three-year code cycle, adopt reach codes that require residential developments to install renewable energy systems, including solar photovoltaic or solar water heating, as needed to exceed State requirements.
- Provide education and outreach to residents and contractors on the benefits of pairing battery storage with solar PV systems.
- Explore the feasibility of reducing or eliminating solar permitting fees.
- Provide information to property owners about discounts, incentives, and financial programs for renewable energy systems, including solar bulk purchase programs and financing programs that allow property owners to incrementally pay for renewable energy systems.
- Provide education and outreach to stakeholders on the benefits of retrofitting existing residential buildings to be zero net energy.
- Promote the installation of renewable energy and energy storage systems as part of major home retrofit projects. Provide educational materials to developers about existing federal, State, and regional programs that support and/or subsidize small-scale or distributed-generation renewable energy systems for local use.
  - Develop incentives for developers who install renewable energy systems on their developments, including solar photovoltaics and solar water heating. An incentive program could include reduced or waived fees, rebates, or low/no interest loans, among other mechanisms. The City should explore a revolving loan program or dedicated funding source(s) for the incentives. Funding sources could include the City and/or a combination of public and private resources, such as rebates, grants, and loans. Incentive programs should apply to solar photovoltaics and solar water heating though other feasible options could be supported.
  - Partner with PG&E, San Mateo Energy Watch, a CCA, or others to provide rebates and energy buy-back programs for on-site renewable electricity systems.
  - Reduce or eliminate existing solar permit fees.
  - Require new houses and multi-family developments to be solar ready as defined by the California Building Standards Code to support the installation of a rooftop solar energy array at a later date.
  - Revise the San Mateo urban design guidelines to allow for nontraditional building design elements if necessary to support on-site renewable energy systems.
  - RE 4: Renewable energy systems for existing residences
- **Recommended Actions:**
  - Provide information to homeowners about existing funding programs for renewable energy systems.
  - Offer incentives for applicants who install renewable energy systems on their homes as feasible, including same-day permit approval and participation in revolving loan programs.
  - Promote existing financing programs, such as Property Assessed Clean Energy (PACE) programs, allow homeowners to incrementally pay for renewable energy systems, and explore creating or joining additional programs.
  - Reduce or eliminate solar permit fees for existing buildings beyond the minimum standards required by Assembly Bill 2188
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### **EE 1: Residential energy efficiency ~~owner-occupied~~ retrofits**

#### **Recommended Actions:**

- Establish a time of sale residential energy conservation program that requires an energy audit by a certified energy professional. Audits would be disclosed to the buyer.
- Educate homeowners, ~~real estate agents, rental~~ property managers~~owners~~, and ~~real estate agent~~~~tenants~~ about the benefits of residential energy retrofits, the availability of financing options, and how to participate.
- Provide energy retrofit information to project applicants seeking permits for renovation or expansion work on existing houses.
- Host residential energy outreach events such as evening workshops and local learn-at-lunch sessions, provide energy retrofit information at community events, and distribute information on residential energy retrofit online and in public buildings.
- ~~Publicize the available options and financial benefits of PACE programs. Promote financing programs that allow homeowners, rental property owners, and tenants to incrementally pay for energy efficiency retrofits.~~
- ~~Provide funding to support energy efficiency education and low-cost retrofits for low-income households.~~
- ~~Offer low- or no-cost energy audits to rental property owners who agree to disclose a unit's energy efficiency results to tenants.~~
- Encourage property owners to participate in energy benchmarking efforts.
- Work with tenant groups and property management companies to identify actions tenants can take within the bounds of their lease to improve energy efficiency.
- Promote incentives such as direct subsidies and reduced fee permitting to rental property owners who make energy efficiency improvements to their units beyond any minimum actions required by the adopted energy code.
- Encourage property owners to consider installing cool roofs when reroofing buildings.

## **EE 2: Residential energy efficiency renter-occupied retrofits**

### **Recommended Actions:**

- Educate property owners about available financing mechanisms to improve energy efficiency in rental units, such as shared savings programs.
- Support efforts by property owners to make improvements to rental units through PACE programs.
- Encourage property owners to participate in energy benchmarking efforts.
- Work with tenant groups and property management companies to identify actions tenants can take within the bounds of their lease to improve energy efficiency.
- Offer low- or no-cost energy audits to property owners who agree to disclose a unit's energy efficiency results to tenants.  
Provide incentives such as direct subsidies, participation in revolving loan programs, and expedited permitting to property owners who make energy efficiency improvements to their units beyond any minimum actions required by the adopted energy code.

## **EE 53: Residential energy education and low-cost retrofit~~s~~ tree planting**

### **Recommended Actions:**

- Conduct outreach to homeowners, renters, real estate agents, and property managers about low-cost retrofits and energy-efficient behaviors. Establish a City program to provide free or subsidized shade trees for buildings with eastern, western, or southern exposure to reduce energy use associated with cooling homes.
- Partner with community organizations and applicable professional associations to support education and outreach on the benefits and best practices of strategic tree planting to provide shade and cooling. Develop guidance on the preferred tree types and the recommended approach to selecting locations for tree plantings that support energy conservation and efficiency.

## **ENERGY CONSERVATION**

## **City of San Mateo 2014 Housing**

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Home energy efficiency have become an increasingly significant factor in housing construction, particularly in the past few years with the increasing demand to build energy efficient and sustainable buildings in California. Energy costs related to housing include not only the energy required for home heating, cooling and the operation of appliances, but the energy required for transportation to and from home.

State Title 24 Part 6 is the California Energy Code, first enacted in the 1980s, permits builders of new residential units to achieve compliance either by calculating energy performance in a prescribed manner or by performance based on computer modeling. The energy code is updated every three years by the Energy Commission to advance the energy efficiency standards for building construction. -The City has adopted the 2013-2019 California Energy Code which is effective July 1, 2014-2020. This code edition is the latest version of the energy code ensuring the most up-to-date standards are applied to newly constructed buildings and existing buildings with alteration work. The City has also adopted modifications to the California Energy Code, known as a reach code, which establish additional requirements for new construction beyond those set by the State. The reach code requires new single-family and duplex buildings to be all-electric or to be more energy efficient than the state requirements, and that all new multi-family buildings must include a solar energy system. In addition to the energy codeEnergy Code, the City also adopted the 2013-2019 Green Building code to further heighten the overall sustainable building construction standards. The Green Building code addresses the use of sustainable materials, methods of construction, interior and recycling of construction waste. These measures contribute to the overall building energy efficiency and have an added ongoing benefit throughout the useful life of a building. San Mateo has adopted additional standards that exceed the Green Building Code requiring parking spaces in new residential buildings that can support the installation of an electric vehicle charging station.

In order to save natural resources and to make utilities more affordable, the City's HOME Repair programs provide both funding and information referral

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for participants to include weatherization improvements and utilize energy and water efficient appliances and fixtures. Program participants are encouraged to use the energy conservation programs provided by Pacific Gas and Electric (PG&E).

In new affordable housing construction where the City provides financing, the City encourages the design of new units that are sensitive to energy consumption. In 2013, the City adopted the California Green Building Code to provide further energy conservation measures including solar ready, plumbing insulation, efficient lighting and heating systems, as examples.

The City's energy efficiency efforts have already supported improved energy efficiency in San Mateo since 2005. The Climate Action Plan presents the impact of such efforts, highlighting the sustained community-wide reductions in energy use documented since 2005 and continuing through recent years. The City's ongoing plans for fostering ongoing energy efficiency in the residential sector are presented in the Climate Action Plan, as summarized above.

## **F. EVALUATION OF THE PREVIOUS ELEMENT**

The City made progress in meeting many of its objectives established in 2009, when the most recent Housing Element was adopted. A detailed list of activities is included in Appendix C.

### **QUANTIFIED OBJECTIVES**

The goal for total housing units, including market rate housing was 1,338. During this reporting period, 1,334 units were completed. The following table summarizes the quantified objectives from the last Housing Element Update.

#### **Quantified Objectives, 2007–2014**

<b>Conservation/Preservation</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>
Homeowner and Renter Rehab	50			50	
Vendome Hotel	16	16			
<b>TOTAL, CONSERVATION/PRESERVATION</b>	<b>66</b>	<b>16</b>	<b>0</b>	<b>50</b>	<b>0</b>
<b>New Construction</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>
Peninsula Station	67	21	32	14	
Police Station Site	60	27	27	6	
Bay Meadows Affordable Site	50	22	23	5	
Bay Meadows BMR	50				50
Other BMR	100			20	80
Other potential affordable construction projects	40	17	18	5	
<b>TOTAL, NEW CONSTRUCTION</b>	<b>367</b>	<b>87</b>	<b>100</b>	<b>50</b>	<b>130</b>
<b>TOTAL, AFFORDABLE</b>	<b>433</b>	<b>103</b>	<b>100</b>	<b>100</b>	<b>130</b>
<b>Private Sector/Market Rate</b>					
New Construction		905			
<i>GRAND TOTAL</i>	<i>1,338</i>				

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### Accomplishments, 2007-2014

Conservation/Preservation	Total	ELI	VLI	LI	MOD
Homeowner and Renter Rehab	26		26		
Vendome Hotel	16	16			
<b>TOTAL, CONSERVATION/PRESERVATION</b>	<b>42</b>	<b>16</b>	<b>26</b>	<b>0</b>	<b>0</b>

New Construction	Total	ELI	VLI	LI	MOD
Peninsula Station	67	21	32	14	
Police Station Site	120	10	49	0	61
Bay Meadows Affordable Site	0				
Bay Meadows BMR	42			11	31
Other BMR	94		35	31	28
Other potential affordable construction projects	0				
<b>TOTAL, NEW CONSTRUCTION</b>	<b>323</b>	<b>31</b>	<b>116</b>	<b>56</b>	<b>120</b>
<b>TOTAL, AFFORDABLE</b>	<b>365</b>	<b>47</b>	<b>142</b>	<b>56</b>	<b>120</b>

Private Sector/Market Rate	
New Construction	<b>969</b>
<i>GRAND TOTAL</i>	<b>1,334</b>

### ONGOING PROGRAMS

A number of housing programs and policies have been ongoing to further the main goals of preserving the character and quality of residential neighborhoods, to provide a range of housing types to accommodate a diverse population, and to meet the demands created by new job growth. The City continues to seek a variety of funding sources to preserve, rehabilitate, and use code enforcement to improve existing properties and neighborhoods. It also uses those resources to work in partnership with private and nonprofit developers to provide housing for all the community, including those with special needs and the homeless. An appendix to this Housing Element outlines each of the actions to be implemented in the prior Element, and what actual progress was made.

## **G. INVENTORY OF LAND FOR RESIDENTIAL DEVELOPMENT**

A key component of the Housing Element is a projection of a jurisdiction's housing supply. State law requires that the element identify adequate sites for housing, including rental housing, factory-built housing, and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community. This includes an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

### **ADJUSTED HOUSING NEED FIGURES**

The State allows local jurisdictions to deduct units built or in the pipeline between January 1, 2014 and January 31, 2015 from the total need figures established by ABAG. The resulting number includes those units that ultimately must be accommodated through adequate sites. The City of San Mateo has developed the following figures for reducing the need that must be accommodated in adequate sites:

#### **Adjusted Housing Need, 2014**

	ELI/VLI	LOW	MOD	ABOVE	TOTAL
City of San Mateo RHNA #s	859	469	530	1,242	3,100
Minus Pipeline Projects	(35)	(11)	(105)	(835)	(986)
Final Adjusted RHNA #s	824	458	425	407	2,114

### **ADEQUATE SITES INVENTORY**

City staff inventoried vacant and underutilized parcels in San Mateo to determine what land is available for development at various levels of density. These density levels were then equated to the ABAG affordability levels and the number of units which might be able to be developed at each affordability level is estimated, e.g. available land zoned at higher densities can be counted

toward the very low- and low-income level needs, and land zoned at lower densities are counted toward the moderate and above moderate-income housing need. The analysis was also completed using the actual average built densities for developments built on land with various zoning designations; the State has determined that it is not sufficient to simply calculate it at the zoned densities, especially if there are significant differences between zoned and built densities.

The City of San Mateo's land inventory for future housing includes property zoned for multifamily use that is currently vacant as well as land that is underutilized. The adequate sites analysis demonstrates that there is enough land to meet the ABAG Regional Housing Needs Allocation. The analysis for affordable housing units for extremely low, very low, low and moderate income households is based on three assumptions: (1) that any property zoned multifamily that can accommodate 11 or more units will produce 10% affordable units through the Below Market Rate (BMR) program (15% starting January 1, 2010); (2) that land zoned at densities higher than 30 units to the acre can facilitate affordable housing development; and (3) that government subsidies can be applied on any multifamily site to provide further affordability.

The ability to provide affordable units citywide is more dependent on available financial resources than zoning density. An example of this can be demonstrated with a comparison of two similarly sized projects approved in 1999. The Santa Inez Apartments is a .74 acre site zoned R-5 which was approved for 44 units. With a combination of federal tax credits and funding from the San Mateo Redevelopment Agency, 42 of the units are affordable for very low-income households and 2 are affordable to low income households. Another project, the Baer Apartments got approved for 53 units on an .89-acre site utilizing the Density Bonus Program. This site is zoned R5-D. This project did not receive any government subsidy, but was required to provide 5 very low-income units.

## **City of San Mateo 2014 Housing**

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The following table summarizes the various zoning classifications, the maximum mathematical capacity and the realistic capacity. The realistic capacity is based on two factors: for land where the actual development potential is already known (for example, in the Bay Meadows Specific Plan), the approved unit capacity was used. For land where the development potential is not known, historical averages were used. Based on research derived from the Housing and Land Use Study, the City has been approving projects for development at a rate of approximately 77% of maximum zoned capacity. On those sites where the development potential is not known, therefore, the maximum capacity was multiplied by 77% to arrive at the realistic capacity.

While the 77% was applied to all of the sites listed in Appendix A regardless of Zoning District, residential uses are not the only use allowed on each of the inventoried sites. Commercial uses are permitted on all sites not designated for high density residential. To evaluate the extent on how much residential was constructed on non-residentially zoned parcels, including but not limited to, C1-C3, E1, E2 and TOD zones, an evaluation on historic averages was also conducted. Using the same Housing and Land Use Study referenced above, non-residentially zoned sites were isolated and then evaluated on the rate the city approves residential on these sites. The analysis shows that the City approves residential on nonresidential sites at a higher rate than the 77% of maximum listed above. The actual maximum approval rate is approximately 85% of the maximum zoned capacity. This percentage is based on the evaluation of 20 residential projects since 2001. Furthermore, 10 of the 20 projects reached the maximum residential density as a mixed-use development with some non-residential use; therefore, maximum residential density can be reached on non-residentially zoned properties with or without non-residential uses.

While residential was the primary use of the approved projects many of them were approved as mixed uses and incorporated some commercial on the ground floor. Even though the 85 % approval rate could be figured into the realistic capacity for Appendix A, 77% was used for a more conservative analysis.

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### Land Inventory by Zoning Designation, 2014

ZONING	PERMITTED DENSITY (DU/ Acre)	CAPACITY (In Acres)	MAXIMUM NUMBER OF UNITS	REALISTIC NUMBER OF UNITS
Bay Meadows Specific Plan (TOD)	50	39.15	1,958	1,068
Commercial Districts (CBD, C1, C2 etc.)	50	15.99	802	648
Executive Office (E1, E2 etc.)	50	5.68	286	275
Lower Density Residential (R1, R2, etc.)	9–35	35.04	695	367
Other High-Density Residential (R4, R5 etc.)	50	4.37	220	165
Other TOD	50	52.54	2,629	2,200
<b>TOTAL</b>		<b>152.77</b>	<b>6,590</b>	<b>4,723</b>

By income category, this information can be summarized as follows:

### Land Inventory by Income Category, 2014

INCOME LEVEL	REALISTIC CAPACITY (In Housing Units)
Extremely Low/Very Low	938
Low	564
Moderate	669
Above Mod.	2,401
<b>TOTAL</b>	<b>4,723</b>

A more complete breakdown of this information – including by parcel number, by vacant/ underutilized status, and specific zoning – can be found in Appendix A. The following table illustrates that the City has met the adequate sites test in terms of realistic capacity versus ABAG RHNA.

### Adequate Sites Summary, 2014

	ELI/VLI	LOW	MOD	ABOVE	TOTAL
Current Inventory	938	564	669	2,401	4,723
Adjusted Regional Housing Need Allocation	824	458	425	407	2,114
<b>SURPLUS/(SHORTFALL) OF SITES</b>	<b>114</b>	<b>106</b>	<b>244</b>	<b>1,994</b>	<b>2,609</b>

\*Note: Total number in inventory in this summary is slightly lower than in table above due to rounding.

The narrative below further describes a few of the various programs to address the housing sites issue through land use activities.

## **SENIOR CITIZEN OVERLAY DISTRICT**

Another technique used in San Mateo to increase the housing supply and to meet the housing needs of a growing sector of the community is the Senior Citizen (SC) Overlay district, adopted in 1978. The SC zoning classification allows a developer to increase the number of units and reduce parking requirements for housing built expressly for senior citizens. These provisions recognize the smaller sized units and reduced traffic generation and parking needs of senior housing.

## **SECONDARY UNITS**

In 1983, the City adopted a Secondary Unit Ordinance, which allows for the creation of ancillary rental units (commonly referred to as "granny" or "in-law" units) on single-family properties. The ordinance requires that the units be small (maximum 640 square feet of living area), that they provide adequate parking and that the property owner reside on-site. In 2003, the ordinance was revised to comply with State regulations allowing secondary units as permitted uses in all residential zoning districts.

## **MOBILEHOMES AND MANUFACTURED HOUSING**

Manufactured housing and mobile homes provide opportunities for lower cost housing. Manufactured homes, which are fabricated off-site and assembled on residential properties, are permitted in all residential districts in San Mateo. Mobile homes, which are certified under the California Health and Safety Code, are also permitted in San Mateo, subject to a design review process. There are no mobile home parks in San Mateo.

## **EMERGENCY SHELTERS**

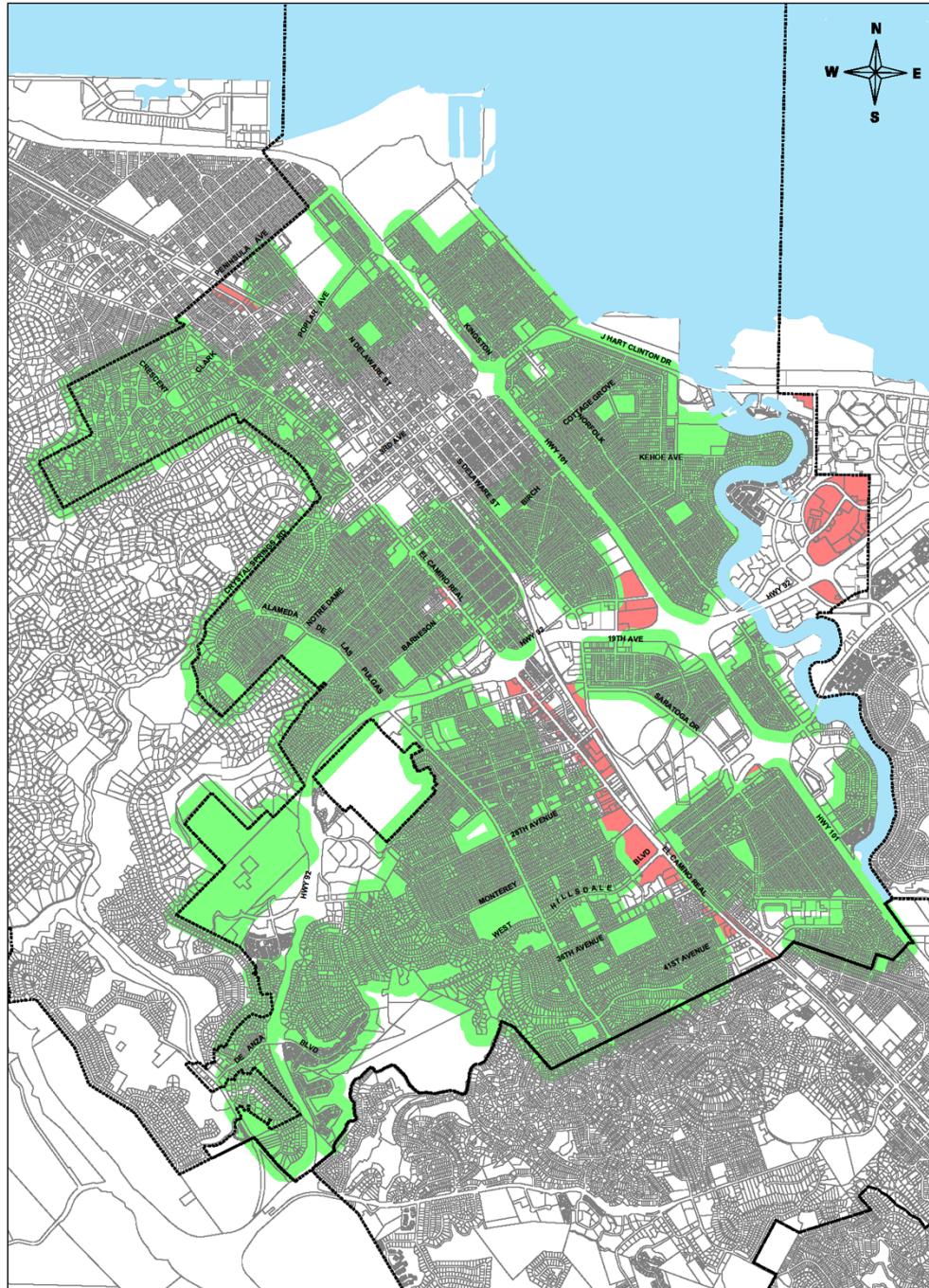
In compliance with SB2, the Zoning Code was amended in 2009 to allow emergency shelters as a permitted use within C2 and C3 Zoning Districts (Regional/Community Commercial Land Use Designations).

The C2 and C3 commercial zones were specifically chosen to meet the potential needs for emergency shelters due to its commercial zoning and proximity to transit and other core social services. In the C2 and C3 commercial zones, there are a total of 228 parcels with an average parcel size of 0.79 acres that would allow emergency shelters as a permitted use. The commercial buildings on these parcels have an average square footage of 15,746 square feet and since 2008 the commercial vacancy rate for the City of San Mateo has been between 15–21%. Using a ratio of 200 square feet per homeless person, an average vacant commercial building converted to an emergency shelter would house approximately 78 homeless people. This converted average commercial vacant building would exceed the identified need of 103 unsheltered homeless people identified in the City of San Mateo in 2013.

Additionally, to meet City Council concerns regarding potential impacts to existing neighborhoods, the City further implemented a 300 foot buffer limitation around single family neighborhoods (Single Family Zoning Districts). This allows emergency shelters to be located on 228 of the 378 C2 and C3 zoned parcels. This 300 foot limitation is consistent with limitations currently applied to new Community Care facilities per California Health and Safety Code Section 1520.5(b). The following map illustrates the eligible parcels throughout the City.

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### SB2 Compliance – Emergency Shelters as a Permitted Use



300' Analysis of Shelter Zones to  
Regional / Commercial  
Zoning Districts



Legend

- SAN MATEO CITY LIMITS
- PROPERTY BOUNDARY
- REGIONAL/COMMERCIAL ZONING DISTRICT (C2/C3) 378 parcels
- 300 FT BUFFER AROUND SINGLE FAMILY HOMES
- 228 parcels not touched by buffer zone

created by PHC - GIS 9/12/2014

## **H. CONSTRAINTS ON HOUSING DEVELOPMENT**

### **GOVERNMENTAL CONSTRAINTS**

There has been much discussion as to the extent to which governmental regulation affects the cost of housing development by the private sector. The points at which the City becomes involved in the housing development process include the zoning code, subdivision regulation, building codes, improvement fees, and permit processing procedures, as well as at the financing stage as with the development of affordable housing. These forms of regulation are considered necessary to protect the health, safety and general welfare of both existing and future citizens of San Mateo. To a certain extent, all forms of regulation are a constraint on the ability of the private market to produce housing. However, the City has been very aggressive in examining its codes and procedures, and revising its regulatory role to encourage housing development.

#### Zoning

The zoning code regulates the use of land and structures, the density of development and population, the bulk of structures, parking provisions, open space requirements, landscaping standards and other design requirements. The San Mateo zoning code has been written to be as accommodating as possible for new residential development, while attempting to provide for quality living environments. The amount of multi-family zoned land within the City is substantial, and there are significant areas zoned to allow for mixed-use residential and commercial development. Most commercial and office districts also permit housing development.

*Multi-family densities permitted under the General Plan reach 50 units per acre, and the zoning code has been amended to conform to this maximum, although it will continue to be subject to state statutes mandating density bonuses under certain conditions.*

## **City of San Mateo 2014 Housing**

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The City allows for a wide range of housing types from single-family dwellings (approx. 4 – 9 units/acre) to high density residential (50 dwelling units per acre – and up to 75 dwelling units per acre with public benefit). In addition, the City allows for secondary units on residentially zoned properties. There are also special standards to allow increased density for senior citizen housing units. The City also adopted provisions to allow emergency shelters within existing churches. This was done to accommodate a program coordinated by local churches. Emergency shelters are also permitted uses in Regional/Community Commercial land use areas.

Specific plans for larger areas have also allowed for a broadening of housing types. The Bay Meadows Specific Plan, adopted in 1997 allows for live-work units, standard lot single-family dwellings units, small lot single-family dwellings, townhouse units, multi-family residential units and secondary units. Bay Meadows Phase 2, adopted in 2005, allows for the development of up to 1,500 residential units in a transit oriented mixed use environment that includes various housing types.

The San Mateo Rail Corridor Transit-Oriented Development Plan includes transit supportive land use and housing policies. These policies include the establishment of two TOD zones located within the larger plan area in the vicinity of the Hayward Park and Hillsdale CalTrain Stations. The Plan provides for mixed use development at the highest residential densities and building heights near the train stations to encourage lively, transit oriented, and pedestrian friendly places.

In addition, the City of San Mateo is participating in the Grand Boulevard Initiative which is a collaboration of cities and other agencies in San Mateo and Santa Clara counties to improve El Camino Real. The Guiding Principles for the Grand Boulevard Initiative direct cities to target housing and job growth in strategic areas along the corridor and encourage mixed-use development. In 2008, the City Council adopted Resolution No. 18 (2008) endorsing the Guiding Principles of the Grand Boulevard Initiative, and incorporating them into future plans involving El Camino Real.

To further build upon these efforts, the city also adopted the Hillsdale Station Area Plan in 2011 which provides established TOD zones west of the Hillsdale Caltrain station. The Plan provides for transit supportive land uses including multi-family housing with densities that may range between 25 to 50 units per acre, and allows for mixed-use buildings, with retail combined with residential or office uses. This Plan complements the Bay Meadows Phase II development plan on the east side of the Hillsdale station, and balances the concentration of density on both sides of the station.

Parking requirements for residential development were comprehensively reviewed in 1989 and 1990 and are tailored to match vehicle ownership patterns of residents of new projects in San Mateo. These standards require 1.5 spaces for a studio, 1.8 for a one-bedroom unit, 2.0 for a two-bedroom unit, and 2.2 for three bedrooms; one space per unit must be covered. These requirements are generally consistent with parking rates published by the Institute of Traffic Engineers (ITE) publication "Parking Generation". In addition, field studies are done to verify the appropriateness of City parking requirements for specialized types of housing, such as senior residential care. The San Mateo Rail Corridor Transit-Oriented Development Plan requires reduced parking requirements in conjunction with the development of transit-oriented development.

The subdivision regulations affect the manner in which property can be divided into individual lots for development. Since there is so little land left to subdivide in San Mateo, these regulations have little effect on the housing supply.

A summary of zoning requirements for all zoning districts follows. As indicated below, the setbacks for multifamily are not onerous when compared with the requirements of single family dwelling zoning districts. In addition, density and floor area ratio both increase for multi-family dwelling zoning districts.

## City of San Mateo 2014 Housing

Open space requirements apply only to R3, R4-D, R5-D and R6-D zoning districts. However, this open space requirement can be met by either private open space, such as patios and deck area, or by public open space, such as common plaza and garden areas, or by a combination of both. This allows maximum flexibility in meeting these requirements. Additionally, landscaped areas that are part of the required building setbacks can be counted towards meeting the open space requirement.

### General Zoning Summary

ZONE	USE	MAX HT	FLOOR AREA RATIO	REQUIRED YARDS				MIN LOT WIDTH	PARK-ING				
				SIDE	FRONT	REAR	STREET SIDE YARD (CORNER LOT)						
<b>SINGLE-FAMILY RESIDENTIAL</b>													
R1-A	SFD	24' to plate line;	0.4	7'	25'	15'; 25' above 1 <sup>st</sup> floor	15% of lot width (7.5' min.; 25' max)	75'	2 enclosed garage spaces, plus 1 per 750 SF over 3000 SF				
R1-B			0.5	5'	15'; (20' to garage)		15% of lot width (7.5' min; 15' max)	60'					
R1-C		32' to roof peak						50'					
<b>TWO-FAMILY RESIDENTIAL</b>													
R2	SFD Duple x	24'	0.5 – 0.6	Same as R1-B				30'	Studio – 1.5				
<b>MULTIPLE FAMILY DWELLINGS</b>													
R3	Medium density	35' to 55'. See bldg height plan	0.85 1.5	1-2 units = 5'; >2 units = 6'; > 2 stories = ½ bldg ht.; max of 25'	15'; > 3 stories = ½ bldg ht.	15'; > 3 stories = ½ bldg ht.	1-2 units = 5' >2 units = 6' > 2 stories = ½ building ht. max of 25'	50'	1 BR – 1.8 2 BR – 2.0 >2 BR or >1400 SF – 2.2 (1 covered)				
R4													
R5	High density		2.0										

## City of San Mateo 2014 Housing

DOWNTOWN RESIDENTIAL DISTRICTS									space req'd per unit)
R4-D		35'			20'	25' or 25% of lot width, whichever is greater; 40' max		50'	
R5-D		to 55'			N/A				
R6-D	High densit y	See Chap 27.28	3.0	15'	20'	25'	15'	N/A	

## City of San Mateo 2014 Housing

### General Zoning Summary (con't.)

ZONE	USE	MAX HT	FLOOR AREA RATIO	REQUIRED YARDS				MIN LOT WIDTH	PARK-ING		
				SI D E	FRONT	REAR	STREET SIDE YARD (CORNER LOT)				
<b>COMMERCIAL DISTRICTS &amp; TOD ZONE</b>											
C1	Neighborhood Commercial	See bldg height plan	.5 – 3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.30.060				N/A	See Chap. 27.64.1 60		
C2	Regional/Community		.5 – 2.0								
C3			1.0 – 2.0								
C4	Service Commercial		.5 – 1.5								
CBD	Central Business District		3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.38.120							
CBD-S	Central Business District Support		3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.18.120							
TOD	Transit Oriented Development	35' to 55' See Rail Corridor Plan. 24' to 55' See Hillsdale Station Area Plan	2.0 – 3.0 (Rail Corridor Plan) 1.0–2.0 (Hillsdale Station Area Plan)	See Rail Corridor Plan and Hillsdale Station Area Plan				N/A	See Rail Corridor Plan and Hillsdale Station Area Plan		
<b>COMMERCIAL OFFICE DISTRICTS</b>											
E1	Executive Park	See bldg height plan	25' to 55'	.4 – 1.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.44.090				N/A		
E2	Executive Office			.5 – 2.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.48.100						
<b>MANUFACTURING DISTRICTS</b>											

## City of San Mateo 2014 Housing

M1	Manufacturing	See bldg height plan	1.0	See Chapter 27.56.075	N/A	See Chap. 27.64.160
<b>SPECIAL DISTRICTS</b>						
S	Shoreline District		1.0	15 feet when adjacent to R zoned property	N/A	
A	Agricultural District					
OS	Open Space District					
Q	Qualified Overlay District					
SC	Senior Citizen Overlay District					See section 27.61.060

As noted in the charts above, zoning regulations are not more onerous for multi family dwelling zoning districts when compared with other zoning classifications. The need for on-site and off-site improvements is not dictated by the type of land use, but by the extent of impact generated by the project. For example, transportation impacts fees are determined by the number of vehicle trips that will be generated by the development.

### Codes

The City has adopted the California Building Code, which is common to all California cities. There is little distinction between San Mateo's code standards and those faced by builders in other communities, with the exception of some minor local amendments and security standards that regulate protection of building openings and exterior illumination levels. The financial impacts of the security standards are minimal in most cases. The City participates in the Joint Venture Silicon Valley Program (JVS), which was established to streamline the building permit process and to promote consistency on building code language, interpretations, and administrative procedures among local and regional agencies.

## **City of San Mateo 2014 Housing**

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The City's code enforcement program is an important tool in maintaining its housing stock and protecting residents from unsafe conditions. Local enforcement is based on the State's Uniform Housing Code that sets minimum health and safety standards for buildings. To minimize displacement and to encourage the rehabilitation of substandard dwellings, code violations are reported to the City's housing rehabilitation specialists, who contact property owners and encourage application for rehabilitation funding programs. The City implemented the Apartment Inspection Program in 1994 which is coordinated by the Fire Department through its Fire Prevention Division. The purpose of the program is to ensure that the living standards of tenants are maintained and dangerous and unsanitary conditions are avoided through enforcement of the Municipal and Housing codes.

## **Below Market Rate (BMR) Program**

Inclusionary zoning programs – of which the City's local BMR program is one variant – are sometimes perceived as adding to the cost of housing by requiring the market-rate units to subsidize the affordable units. This is an area of much dispute, both in the Bay Area and nationally. There are as many positive aspects of inclusionary programs as there are negative aspects. For example, a study conducted by the National Housing Conference's (NHC) Center for Housing Policy (2000) highlighted several important contributions to inclusionary zoning to communities, not the least of which is the creation of income-integrated communities without sprawl.<sup>3</sup>

Within the last three years, several studies have been published that specifically address the issue of who pays for inclusionary zoning. Some of these studies assert that the costs associated with inclusionary programs are passed on to the market priced homes, while other studies assert that in fact the cost is not borne by the end users at all. For example, the "Reason Foundation" study entitled "Housing Supply and Affordability: Do Affordable Housing Mandates Work?" (April 2004) argues that housing consumers and

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<sup>3</sup>Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis?" (Washington, DC: The Center for Housing Policy, National Housing Conference, October 2000).

some landowners pay for inclusionary requirements, not developers. The authors assert that market-rate buyers (and to some extent, renters) will be forced to pay higher amounts than they otherwise would for their units because of inclusionary zoning's implicit tax on other units.

In an article published in the Hastings School of Law Review in 2002 which provided one of the first comprehensive reviews of inclusionary zoning and its cost implications for jurisdictions in California, Barbara Kautz, former Director of Community Development for the City of San Mateo and now a lawyer with Goldfarb and Lipman, noted that:

Most cities that have conducted economic analyses have concluded that, in the long run, most of the costs are borne by landowners [rather than market rate renters or buyers.] Initially, before land prices have had time to adjust, either the market-rate buyers or the developer pays, depending on whether the market allows the developer to increase his prices. If the developer cannot raise the market price for the non-inclusionary units or lower his total costs, or some combination, his profits will decline. To put this another way, builders will pay less for land because inclusionary zoning lowers their profits.<sup>4</sup>

Kautz asserts that developers will sell at the highest level they are able to sell at, meaning they will set prices according to what the market will bear. If a unit's market value is \$500,000, it will be sold for \$500,000. Developers would not "add" more to the price to pay for the affordable units that are required; if they could sell it at \$550,000, for example, they would have sold it for that price in the first place. Furthermore, if the market value of a unit is \$500,000, a buyer would not pay \$550,000. And, if all a buyer can afford is \$500,000, then the buyer will not spend \$550,000. Ultimately, the price for a unit is dependent on what the market will bear; it is not directly affected by the affordability requirement.

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<sup>4</sup>Barbara Ehrlich Kautz, "In Defense of Inclusionary Zoning: Successfully Creating Affordable Housing," *University of San Francisco Law Review* - Vol. 36, No 4 (Summer 2002).

## **City of San Mateo 2014 Housing**

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The requirement to add inclusionary units results in substantial costs to a project compared to being allowed to build all market rate units. These costs cannot be passed on to other purchasers because buyers will not pay more because the development costs more; buyers pay what the market will bear relative to the desirability of the unit, the location and the community. Nor will the developer build for a lesser profit (unless the developer is unlucky enough to have purchased land and planned a project under one set of conditions and must sell units under a different set of conditions as a result of an unanticipated City policy.) The land price is the variable that adjusts, over time, to absorb the increased costs of development within the community.

If the cost of inclusionary zoning is not borne by the buyers or renters, but rather the developers (in terms of less profit) or the original landowners (also in terms of less profit), the question then becomes whether or not inclusionary zoning unfairly reduces the profit one can realize through the development of property. As the courts have repeatedly shown, zoning laws do not constitute a “taking” unless an owner is deprived of most, if not all, of the economic benefit of a property. Land is a limited community resource, and as such courts have given jurisdictions broad discretion in implementing a variety of land use mechanisms that tend to restrict both the value and the particular use of property in order to achieve objectives that meet the greatest public good.

In most instances – certainly within the State of California – local jurisdictions with inclusionary programs have analyzed them as potential constraints to development. This has been the directive of State HCD: while it pronounces “housing element law neutral relative to enactment of mandatory local inclusionary provisions,” the State also notes that there may be tradeoffs that must be discussed in the Housing Element’s constraints section. However, jurisdictions almost always have implemented a number of incentives and cost benefits to mitigate these impacts, so that whatever constraint has been identified there is an offset offered to mitigate it.

In 2006 the City formed a Technical Advisory Committee to study a number of housing and density issues that specifically included a review of the City’s

Below Market Rate Program and how it compared to other cities in San Mateo County. The resulting Housing and Land Use Study Report (2008) identified a number of findings on this issue. The economist report in the Housing and Land Use Study Report concluded that depending on the flexibility of land prices, the cost of the inclusionary units is generally-passed on to the property owner selling his land for housing rather than to the price or rental rate of the housing units. In other words, the price that the property owner is offered for his land is already lower because of the developer's additional costs for the BMR program. A survey of residential building permit activity of local jurisdictions in San Mateo County showed no nexus between the number of building permits issued after the adoption of an inclusionary program as compared to before adoption of such a policy. Finally, the City surveyed its inclusionary requirements compared to the rest of the cities in San Mateo County. In November 2008 the City Council approved an increase in its affordable housing requirement from 10% to 15% for projects that include 11 or more residential units. This was found to be very comparable to neighboring cities. A survey revealed that 3 cities in addition to San Mateo had a 10% requirement option, 7 cities had 15%, and six jurisdictions had 20%.

Developers are given the option of utilizing the Density Bonus program that provides up to a 35% increase in units in exchange for additional affordable units in the BMR program plus 1 to 3 development concessions depending on the level of affordability of the housing units provided. The City also revised its BMR requirements to include more flexibility in the size and amenities of the affordable units in order to help offset some of the costs to the developer.

The City does not believe that the BMR program has increased housing costs to the consumer. Ultimately the developer will charge market rate rents and sales prices on the unrestricted units regardless of the development costs. Although the BMR program does impact the developer's profit, it is difficult to determine at what point those impacts are great enough to discourage moving forward or decreasing the number of units on a site. Generally the cost of land has the most impact on those decisions.

In

summary, the City has considered the pros and cons of providing affordable housing through the City's BMR program and has determined that the benefits far outweigh the costs, especially since developers are afforded incentives to mitigate the costs.

### **Processing, Permits, and Fees**

The development application and environmental review process necessary to obtain a building permit can significantly affect the cost of a project, both in processing fees and time. The review process in San Mateo has been structured to minimize delay, while providing opportunities for public input. The City adopted a pre-application planning process for applicants to hold meetings with neighborhood residents and the Planning Commission (large developments over 21 units) to allow for early input into the design of a project before submitting a formal planning application for public review. While this process adds additional time in the early stages of a development, the applicant obtains public comments and direction from the Planning Commission which helps expedite the formal planning approval process. The City of San Mateo has established timing goals for the processing of formal planning application development projects. When a developer has submitted all materials and a project is determined to be complete, the following processing goals have been established: 24 calendar days for Zoning Administrator decisions; 40 calendar days for Planning Commission decisions for projects that are exempt from CEQA; 60 calendar days for projects requiring Negative Declarations; and 90 calendar days for projects requiring approval by the City Council. Since 2006, City staff has met these processing goals 100 percent of the time for Planning Commission and City Council hearings, and an average of 90 percent for Zoning Administrator decisions. In addition, multifamily developments less than 6 units can be approved by the Zoning Administrator without the need for a Planning Commission public hearing.

### **Housing Types and Approval Body**

Residential Use	Approval Body
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## City of San Mateo 2014 Housing

New Single Family Dwelling	Zoning Administrator
Single Family Subdivision (less than 6 units)	Zoning Administrator
Single Family Subdivision (more than 6 units)	Planning Commission
Multi-Family (less than 6 units)	Zoning Administrator
Multi-Family (more than 6 units)	Planning Commission
Residential Development with Parcel Map	Zoning Administrator
Residential Development with Subdivision Map	Planning Commission
Residential Development with Negative Declaration	Zoning Administrator or Planning Commission (depends on project size as noted above)
Residential Development with Environmental Impact Report	Planning Commission
Residential Development as a Planned Development (reduced setbacks, reduced parking, increased floor area)	City Council
Residential Developments needing Zoning Reclassifications or General Plan Amendments	City Council

During the discretionary review process, the final approval body determines the action on development proposals by making the appropriate findings. These findings are based primarily on conformance to the City's General Plan and Municipal Code, and environmental review is based on the California Environmental Quality Act (CEQA). Typical City of San Mateo findings by permit type for residential uses are listed below. If a development proposal meets the required findings for approval, the City's Municipal Code directs that the project shall be approved. It should be noted that all projects need to meet the outlined findings below. Projects that include affordable units, whether the project has just one unit or is a 100% affordable units, are treated the same as projects that have no affordable units.

### **Single Family Dwelling Design Review (SFDDR)**

Applies to all new single family dwelling applications:

1. The structures, site plan, and landscaping are consistent with the adopted R1 Single Family Dwelling Design Guidelines;
2. The development will not be detrimental to the harmonious and orderly growth of the City;
3. The development will not impair the desirability of investment or occupation in the vicinity, and otherwise is in the best interest of the public health, safety, or welfare;

## **City of San Mateo 2014 Housing**

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4. The development meets all applicable standards as adopted by the Planning Commission and City Council, conforms with the General Plan, and will correct any violations of the zoning ordinance, building code, or other municipal codes that exist on the site; and,
5. The development will not adversely affect matters regarding police protection, crime prevention, and security.

## **Site Plan and Architectural Review (SPAR)**

Applies to any new building or subdivision including multiple buildings except for single family dwellings:

1. The structures, site plan, and landscaping are in scale and harmonious with the character of the neighborhood;
2. The development will not be detrimental to the harmonious and orderly growth of the City;
3. The development will not impair the desirability of investment or occupation in the vicinity, and otherwise is in the best interest of the public health, safety, or welfare;
4. The development meets all applicable standards as adopted by the Planning Commission and City Council, conforms with the General Plan, and will correct any violations of the zoning ordinance, building code, or other municipal codes that exist on the site; and
5. The development will not adversely affect matters regarding police protection, crime prevention, and security.

## **Tentative Subdivision and Parcel Maps**

Applies to all residential projects with a required tentative map:

1. That the proposed map is consistent with applicable general and specific plans;
2. That the design or improvement of the proposed subdivision is consistent with applicable general and specific plans;
3. That the site is physically suitable for the type of development;

4. That the site is physically suitable for the proposed density of development;
5. That the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision or type of improvements is not likely to cause serious public health problems;
7. That the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

#### **Planned Development (Special Permit)**

Applies to residential projects to allow reduced setbacks, reduced parking standards, and increased floor area:

1. The granting of the permit will not adversely affect the general health, safety, and/or welfare of the community, and that the use will not cause injury or disturbance to adjacent property by traffic or by excessive noise, smoke, dust, odor or noxious gas, glare, heat or fumes, or industrial waste.

The City has also adopted design guidelines for single family, duplex, and multifamily dwellings. These guidelines provide criteria for key building components, characteristics, scale, and neighborhood character for applicants to consider when submitting plans. Compliance to the guidelines increases a project's chance of receiving approval, and may decrease the amount of overall application processing time.

Permit processing fees are established by City Council resolution and are intended to reimburse the City for actual administrative costs. Fees are imposed by the Planning, Building and Public Works Departments. Also, the Developers Contribution Policy, adopted in 1979, requires a builder to pay for all infrastructure and public improvements directly associated with the proposed development and a proportionate share of all citywide programs affected by the development. San Mateo has adopted fees to carry out this policy. The most common development fees in San Mateo are for expansion of

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the wastewater treatment plant, transportation improvement fees, and the park in-lieu fee.

In 2013, The 21 Elements group's consultant surveyed the 21 jurisdictions of San Mateo County to learn more about the fees involved in a multi-family subdivision development application. 21 Elements compared the development and impact fees of four comparable cities within the county (specifically, Burlingame, Daly City, San Mateo and Redwood City) for a hypothetical 96-unit building that would require a zoning change, Planned Development Permit, and Tentative Map. In San Mateo, a typical 96-unit multi-family project pays approximately \$1,042 per unit in Entitlement & CEQA fees and approximately \$8,766 per unit in Construction Plan Check and Building Permit fees for a total of \$9,808 per unit. This compares to a range of \$9,808 to \$30,386, with an average of \$18,380.

The Development Impact fees for the hypothetical project include \$868 per unit for expansion of the wastewater treatment plan, \$2,184 for Sewer Capacity fee, \$2,101 for transportation improvement fees, and \$10,076 for park in lieu fees for a total of \$16,409 per unit. This compares to a range of \$5,074 to \$16,017 in the four compared cities with an average of \$10,339 per unit.

San Mateo's total fees are in line with the neighboring cities, which typically represents 2–4% of the total development costs of new residential development. Although these represent cost to construct housing, they are in line with other local communities and are not considered such magnitude to inhibit development based on other development costs.

## **Single Family and Multi-family Development**

The City of San Mateo is a mostly built out community. The majority of new development will consist primarily of infill, reuse, or redevelopment. Available land to construct a large scale single family development is scarce. Planning application and permit processing for single family and multi-family

developments are somewhat comparable in the City of San Mateo. As previously stated, planning application processing charges are intended to reimburse the City for actual administrative costs and applicants are billed for staff time and resources regardless of the type of application submitted to the City. In addition, the City processes all requested development approvals (subdivision maps, site plan and architectural review, environmental documents, etc.) concurrently, which provides for consistency among different application types and reduces the overall public review processing time.

If there was enough land for a large single family development, it is estimated that a 100-unit multi-family development could cost less in City charges and fees, but may take longer to process than a 100-unit single-family subdivision. Many City fees are based on building valuation and/or land value. Given minimum lot sizes for residential development, it is anticipated that land value would be higher per square foot for a single-family dwelling than a comparable multi-family unit. In addition, the single family structures would tend to be larger in size and therefore have higher building valuation costs that increase City fees. Traffic impact fees are higher for single family dwellings, and the larger land area requirements would increase the potential for grading and tree removal processing fees. A multi-family development may take longer to complete the planning and building permit process due to design review issues related to larger building forms, and impacts on adjacent neighborhoods. In addition, the plan checking process for code compliance may be more extensive and time consuming with a large multi-family development.

The City has compiled a series of responses to the constraints questionnaire posed by the Association of Bay Area Governments. This questionnaire provides guidance to local jurisdictions on what issues should be addressed in the constraints analysis.

➔ Do the land use designations allow for a range of housing types?

The City allows for a wide range of housing types from single family dwellings (approx. 4 - 8.7 units/acre) single family dwellings to high

## **City of San Mateo 2014 Housing**

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density residential (50 – 75 dwelling units per acre.) In addition, the City allows for secondary units on lots zoned residential as a permitted use. There are also special standards to allow increased density for senior citizen housing units.

The City also adopted provisions to allow emergency shelters within existing churches. This was done to accommodate a program coordinated by local churches. Emergency shelters are also permitted uses in Regional/Community Commercial land use areas.

Specific plans for larger areas have also allowed for a broadening of housing types. The Bay Meadows Specific Plans, adopted in 1997 and 2005, allow for live-work units, standard lot single-family dwelling units, small lot single-family dwellings, townhouse units, multi-family residential units and secondary units.

- ➔ Are there enough land use and density categories and do they match well with the local need for housing?

The range of housing types, from single-family detached dwellings to high-density multi-family allows for a wide range of housing types. San Mateo's housing stock has historically been dominated by single-family dwellings, but this is changing. Vacant land for new single-family development has become very limited, and redevelopment of sites for multi-family housing at higher densities has increased. The trend towards multi-family housing also reflects the declining size of households and the high costs of single-family homes. Special provisions for emergency shelters, senior citizen housing and secondary units broaden the types of housing permitted in the City.

- ➔ Do growth limitations unduly restrict housing development?

There are no adopted growth management policies in the City of San Mateo.

- ➔ Do zoning and subdivision requirements match the best possible use of particular sites or areas?

There are areas around CalTrain stations have potential for mixed use development. The San Mateo Rail Corridor Transit-Oriented Development Plan established TOD zones in the vicinity of the Hayward Park and Hillsdale

CalTrain Stations. The Plan provides for mixed use development at the highest residential densities and building heights near the train stations to encourage lively, transit oriented, and pedestrian friendly places.

- ➔ Have local constraints on the supply of new housing forced up prices on existing housing?

The local constraints on the supply of housing have added marginally to the price increases on existing housing. The main difficulty has been the staggering demand for housing, far beyond what jurisdictions can produce or encourage in development. Large influxes of workers in the high tech industries – with significant available capital – have “bid up” the cost of housing so that many people cannot afford to live here.

- ➔ Do project mitigations result in housing being built at less than the allowed site capacity?

San Mateo does not include mitigation measures that reduce the achievable density of residential projects. Mitigation measures normally are associated with design details of a project, construction activities and the design of public improvements. It should be noted that the densities for multifamily zoning districts are expressed as a range; it is more likely that site capacity will be maximized with larger sites, and through requests by developers for density bonuses.

- ➔ Do high fees or other exactions result in high-end, rather than lower-cost, housing being constructed?

Local fees and exactions have added marginally to the cost of housing. The primary problem is the cost of land and construction. See the discussion on non-governmental constraints below.

- ➔ Are open space requirements compatible with standards used in other communities?

The City of San Mateo Zoning Code does not include open space requirements in all of its residential zoning districts. The sole citywide district, R3 (Medium Density), which requires the provision of open space, allows for both private and common open space to be used in the fulfillment of this requirement. This allows for a great deal of flexibility on the part of

## **City of San Mateo 2014 Housing**

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the design team in the design of open space areas. Both passive and active open space areas are also counted towards this requirement. Downtown residential zoning districts also require the provision of open space. However, similar to the R3 district, this requirement can be met through the provision of both private and common open space. The provision of adequate open space is insured by implementation of the City's multi family dwelling design guidelines, which includes a guideline calling for the provision of open space to "...accommodate the needs of the residents." This allows for flexibility on the part of the designer to provide open space while at the same time meeting other project goals, such as the provision of housing units.

- ➔ Do zoning and land use laws pose illegal barriers to any of the populations protected by the fair housing laws, such as families with children, minority groups, low- and very low-income families, or individuals with disabilities?

Cities can assist in the housing of the disabled by permitting residential care facilities. San Mateo allows care facilities serving six or fewer persons in all residential districts and permits facilities serving seven or more persons in multi-family and commercial districts. For the disabled, the City's Building Inspection Division enforces state and federal disabled housing requirements. The City funds a disabled accessibility program to enable newly disabled persons to remain in their homes. Most senior units are also specifically designed to serve the disabled.

- ➔ Do the parking requirements accurately reflect the parking need? For example, the demand for parking in multifamily housing may be lower due to income, or proximity to transit, shopping or work.

San Mateo's residential parking requirements are generally consistent with rates published by the Institute of Traffic Engineers (ITE) publication "Parking Generation". In addition, field studies are done to verify the appropriateness of City parking requirements for specialized types of housing, such as senior residential care. Reduced parking requirements in conjunction with the development of transit-oriented development have been approved in the San Mateo Rail Corridor Transit-Oriented Development Plan.

→ Does parking have to be enclosed? Covered? Decked?

Single-family dwellings require provision of a two car enclosed garage, although nonconforming dwellings may be added to without providing an additional parking space. In multi-family developments, at least one parking space per unit must be covered.

→ Do parking standards for mixed-use impose an impediment or incentive for housing?

Generally, the parking requirement for mixed-use projects must be met for each individual use, which may contribute to a development impediment based on the high cost of providing parking. However, within the Rail Corridor, the parking requirements are more flexible in that reduced and shared parking standards are allowed which may provide an incentive for housing. In 2008, the Planning Commission approved mixed-use residential and commercial projects within the Rail Corridor with either reduced or shared parking standards.

### Constraints on the Development, Maintenance and Improvement of Housing

On January 1, 2002, a new law became effective that requires local jurisdictions to include, in the analysis of governmental constraints, a discussion of the potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities, and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for persons with disabilities (Section 65583(a)(4)). In addition, the jurisdiction must include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities (Section 65583(c)(3)).

The State Department of Housing and Community Development (HCD) prepared a report highlighting some of the many implementation issues associated with the passage of this law, SB 520. In addition to clarifying the State's intent on reasonable accommodation, SB 520 requires that jurisdictions

## **City of San Mateo 2014 Housing**

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who find such constraints must include programs to remove them, or provide reasonable accommodations for **housing** designed for occupancy by persons with disabilities (as opposed to **persons** with disabilities themselves). According to this report:

Housing designed for occupancy by, or with supportive services for persons with disabilities includes a wide range of housing types. For example, housing that is physically accessible to people with mobility impairments, residential care facilities for individuals with disabilities or for the elderly, group homes, housing for individuals with Alzheimer's, housing for persons with AIDS/HIV, housing with support services and transitional housing that serve homeless with disabilities are within the meaning of "housing designed for occupancy by, or with supportive services for, persons with disabilities."

If constraints are found, the rule of thumb is that the jurisdiction must remove them. However, in some cases the greater public good, as deemed by the jurisdiction, may warrant not removing the constraint. In these instances, the jurisdiction must provide a reasonable accommodation process for the **housing** for persons with disabilities, as defined above. In other words, the jurisdiction must create a process to allow developers or operators of housing for people with disabilities to make a claim for relief from whatever constraints exist.

As part of the Countywide Analysis of Impediments to Fair Housing Choice, the City conducted an analysis of constraints to housing for persons with disabilities that bears relevance to this Housing Element. The AI examines policies and practices that may limit residents' ability to choose housing in an environment free from discrimination. San Mateo County, together with Daly City, Redwood City, San Mateo, and South San Francisco funded the AI.

The US Department of Housing and Urban Development requires entitlement jurisdictions to develop action plans to overcome the effects of identified impediments to fair housing choice. Therefore, the Analysis of Impediments is the necessary first step in the Fair Housing Planning process. HUD wants entitlement jurisdictions to become fully aware of the existence, nature,

extent, and causes of all fair housing problems and resources available to solve them.

City strategies and policies to preserve and develop affordable housing were reviewed to assess the extent to which they address affordability issues in the community, mitigate the housing problems of major groups in need, and meet the RHNA housing development targets. According to the AI, of affordable housing has most direct impact on low-income residents disproportionately represented by ethnic minorities, persons with disabilities, large families with children, and other groups protected by fair housing laws.

According to the AI, one of the most powerful tools available to increase the supply of affordable housing is inclusionary zoning policy. Within the county, some cities have effective inclusionary zoning ordinances that apply citywide with a wide scope of application. The City has an effective inclusionary zoning ordinance that generates significant numbers of BMR units each year. However, the AI found that new housing construction has been unbalanced. While the 1999–2006 RHNA targets for above moderate income housing were surpassed, lower income housing production was less successful. The AI found that the City could reduce the shortfall by increasing the percentage of BMR units required under its inclusionary zoning ordinance or by requiring an in-lieu fee for smaller projects. The City increased the BMR requirement so that a greater balance may be achieved in the future. The current BMR requirement applies to developments consisting of 11 or more units:

- 15% of ownership units will be affordable to moderate income families, or
- 10% of ownership units will be affordable to low income families.
- 15% of rental units will be affordable to low income families, or
- 10% of rental units will be affordable to very low income families.

## Land Use and Zoning

## **City of San Mateo 2014 Housing**

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Public policy is a major factor driving the City's housing environment. Often employed as a tool to prevent change and maintain a majority population's concept of "neighborhood value," restrictive practices can pose significant impediments to fair housing choice, sometimes in violation of federal or state law. On the other hand, used constructively, elements of zoning and land use policy can be major tools in efforts to provide affordable housing and remove impediments to fair housing choice for lower income residents, groups protected under Federal and State Fair Housing laws, and others.

The City's definition of family in the zoning code is consistent with fair housing laws. Specifically, the code states in 27.04.195, "*Family*" means a person or a group of persons living together and maintaining a common household. (*Ord. 1981-27 § 10, 1981; Ord. 1978-18 § 24 (part), 1978: prior code § 142.01(65)*). In other words, persons living together, regardless of marital or blood affiliation, are, for the purposes of City laws and regulations, considered a "family" and therefore are not discriminated against. For example, this means that residential care facilities (sometimes referred to as "group homes") with six or fewer persons are treated as a family, regardless of actual affiliation.

Consistent with State requirements, the City has established standards for the location of residential care facilities. These are essentially divided into two categories: those serving six or fewer residents, and those with more than six. For those with six or fewer residents, the City complies with State law pertaining to group homes, treating such facilities as traditional single family residences. The State allows a 300' limit between such facilities to ensure there is no overconcentration of such developments within the community.

When the proposed use meets the requirements of the City's residential use criteria, residential care facilities serving 7 or more residents in addition to the caregiver may be permitted by approval of a special use permit and a site plan and architectural review by the Planning Commission in any zoning district that permits multiple family dwellings. There cannot be other residential care

facilities of any size within 500 radial feet of the perimeter of the proposed facility, such as licensing and density requirements.

### **Reasonable Accommodation Policy and Ancillary Accessibility Issues**

San Mateo codified a formal reasonable accommodation process in June 2014, which further supports the City's effort to provide assistance to housing for people with disabilities. The City currently does this in a number of significant ways. Through both the Community Funding and Housing Repair programs, grants are provided to assist in home modifications, such as installation of ramps, grab bars, assistive devices in bathrooms, etc., enabling disabled residents to live independently at home. The City also provides Community Development Block Grant (CDBG) funding for ongoing sidewalk infrastructure improvements, such as curb cuts and expansion that allow full accessibility for all residents in their neighborhood. The City completed ADA accessibility upgrades to all City owned facilities in addition to providing rehabilitation and other capital improvement loans and grants to nonprofit organizations for the purpose of making accessibility upgrades to their affordable housing, emergency shelters, and other residential programs.

## **NON-GOVERNMENTAL CONSTRAINTS**

Nongovernmental constraints include a variety of factors that negatively impact "the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction" {65583(a)(5)}. Clearly, the potential list of all constraints on the development could be quite long, and might include information on national economic conditions and regional geology. However, this analysis this Housing Element will focus on non-governmental constraints that the City may be able to positively impact.

### **Financing Availability**

The availability of financing can sometimes constrain the development or conservation of housing. Until the end of 2008, home mortgage credit was readily available at attractive rates throughout the US. The beneficial effects

lower mortgage interest rates on homeownership affordability are profound. For example, with mortgage interest rates at 10%, and assuming a 15% down payment, a family with an annual income of \$60,000 can qualify to purchase a \$166,000 home. With interest rates at 8%, the same household with the same \$60,000 income qualifies to purchase a \$198,000 home. Were interest rates to fall to 6%, the same household could qualify for a \$242,000 home.

Mortgage interest rates clearly have an influence on homebuyers, especially at the lower incomes. Despite recent substantial cuts in the prime lending rate by the Federal Reserve Board, mortgage rates have generally not seen a concomitant drop. Nonetheless, mortgage rates have general declined since the early 1990s, during which time the rates were as high as 10% to 12%.

A related issue is the financing available for the construction of new housing development. According to the Statewide Housing Plan, land developers purchase raw land, entitle and subdivide it, and, sometimes, depending on the developer and market, install on-site services (e.g., streets, sewers, drainage) and pay for off-site improvements. These activities are generally carried out two to five years ahead of unit construction. The long lead times and high costs associated with these activities create a considerable risk for the developer.

The State notes that the high levels of risk associated with land development make it difficult for land developers to find investors and financing. As a result, potential land investors typically require large premiums over and above other types of real estate investments. Lenders who make land development loans impose lower loan-to-value-ratios, charge higher rates, and/or require the loan to be a recourse loan. If other, lower-risk lending opportunities are available, lenders may eschew land development loans altogether.

Construction loans for new housing are difficult to secure in the current market. In past years, lenders would provide up to 80 percent of the cost of new construction (loan to value ratio). In recent years, due to market conditions and government regulations, banks require larger investments by the builder.

Due to Federal and state budget cuts, affordable housing developers have had

much harder time securing funding. Since 2009, the Federal Government has cut programs such as Community Development Block Grants, HOME, and HOPE VI funding by 27–50 percent (ABAG). Traditionally, these programs have been a large source of affordable housing funds. In addition to Federal cuts, the State dissolved Redevelopment agencies in 2012, leaving San Mateo County with a loss of \$25.5 million in funds for affordable housing. However, Low Income Housing Tax Credits still provide an important source of funding, so it is important for jurisdictions to consider which sites are eligible for affordable housing development. MidPen Housing has agreed to help jurisdictions identify appropriate sites.

Today, the economic condition in the country is still difficult, and financing for any development is challenging. The foreclosure crisis has also hit the Bay Area, some areas more than others. At the end of 2008, there were about 60 units in pre-foreclosure, foreclosure, or in auctions in the City of San Mateo, out of a total 39,168 units, or 0.1 %. In contrast, in the City of Antioch in Contra Costa County – with a total of 33,936 units – almost 870 were somewhere in the foreclosure process (2.5%). Although home affordability has been improving as a result of the increasing numbers of foreclosures on the market, building permits, starts and sales continue to decline because prospective homebuyers either lack access to credit or the confidence to buy. According to industry experts, the recent drop in 30-year fixed mortgage rates to near 5% will cushion the decline in housing but is not enough to stop it. That will take an end to declining home prices and much improved confidence about income security. Neither is likely in the next few months.

The data in the table below is from the Home Mortgage Disclosure Act (HMDA) and represents loan applications in 2012 for one- to four-unit properties, as well as manufactured homes. More than 65 percent of the loan applications were filed by households earning above a moderate income (greater than 120 percent of AMI). Moderate income households (80–120 percent of AMI) represented 18 percent of loan applicants, low income households (50–80 percent of AMI) represent 12 percent, and very low income households (less than 50 percent of AMI) only 4 percent. Almost 75 percent of all loans were

## **City of San Mateo 2014 Housing**

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approved and accepted by the applicants, and 10 percent were denied. Above moderate-income households had the highest rates of approval of any group. Loan approval rates have improved since the subprime crisis.

Disposition of Applications for Conventional Home Purchase Loans (2012)					
Income Level	Number of Loan Applications	% of All Loans	% of Loans Originated	% of Loan Applications Denied	% Other*
Less than 50% AMI (Very Low Income)	700	4%	57%	22%	21%
50-80% AMI (Low Income)	1,968	12%	67%	14%	20%
80-120% AMI (Moderate Income)	3,017	18%	73%	11%	17%
120%+	11,381	67%	76%	8%	16%
All	17,066	100%	74%	10%	17%

*Source HMDA Data, 2012 for San Francisco-San Mateo-Redwood City MSA*  
*\* includes loans applications approved but not accepted, loan applications withdrawn, and incomplete files*

## **Construction and Land Costs**

Land costs in San Mateo County are high, due in part to the desirability of housing in the county, and because available land is in short supply. These costs vary both between and within jurisdictions based on factors like the desirability of the location and the permitted density.

The following land costs are approximate, and derived from conversations with local developers. For a typical multi-family construction in San Mateo County, land costs add approximately \$90,000 per unit. Land for a single-family home often costs \$400,000 or more per lot.

Construction costs include both hard costs, such as labor and materials, and soft costs, such as architectural and engineering services, development fees and insurance. For multi-family homes in San Mateo County, hard costs account of 60–65 percent of the building cost and soft costs average around 15–20 percent (the remaining 15–20 percent is land costs). For single family homes, hard costs often are roughly 40 percent of the total cost, soft costs are 20 percent, and land is 40 percent.

According to housing developers in San Mateo County, construction costs for

multi-unit buildings vary based on the form of parking (structured vs. surface) in addition to other environmental factors such as topography, pre-existing structures etc. For a larger, multi-unit building, costs can vary from \$185,000/unit to as high as \$316,000/unit. The cost per square foot ranges from \$172-\$200.

For the least expensive production single-family homes, the cost of preparing the vacant land is around \$100,000/lot, and the cost of construction is approximately \$145/sf. For more expensive, custom homes, however, the construction costs can be higher than \$435/sf. In general, soft costs add another approximate third to the subtotal.

An affordable housing project recently completed in the City of San Mateo illustrates the actual construction costs that are typical in San Mateo. The 60 unit apartment building is 4 stories wood frame construction over an at-grade parking podium. The development costs including land totaled \$26.5 million. This includes \$275,000 per unit for hard construction costs, \$115,000 per unit for soft costs, and \$51,000 for land for a total of \$441,000 per unit. In square footage terms this equates to about \$365 per square foot for total development costs.

## Other Non-Governmental Constraints

### **NIMBYism**

An additional significant constraint to the development of housing is created by the “Not In My Backyard” or NIMBY syndrome in which individual and community-wide fears surface regarding perceived decreases in property values, deterioration of service levels, fiscal impacts, environmental degradation, or public health and safety issues. Although has been generally true of affordable housing developments, there are also increasing concerns with market rate housing as well. As neighborhoods become built out, any new or increased density housing may be a perceived threat to the existing residents’ quality of life in terms of traffic patterns, level of services provided, and community amenities. However, city officials and developers can work to

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assuage these concerns by requiring design review, emphasizing management of new developments, and engaging in public education to address myths about high density/low-income/supportive housing (HCD). Some cities, such as Redwood City, have had success by developing clear, explicit requirements during a thorough public planning process and then providing more certainty to developers.

### **Construction Defect Litigation**

The threat of lawsuits over real or imagined construction defects deters the building of condominiums and townhouses because they are managed by homeowners associations that may be more willing to sue developers than individual homeowners typically are. Thus, according to this argument, California is deprived of badly needed owner-occupied, affordable, high-density and in-fill housing.<sup>5</sup>

### **Downpayment/Move-In Costs**

The ability to accumulate enough funds for a downpayment remains a significant obstacle to many potential homebuyers. Lower-income homebuyers may have a difficult time transitioning from the rental housing market to homeownership because of the difficulty in accumulating the required downpayment, which can be as much as 20–25% — or more — of the sales price. Prior to the subprime mortgage market and credit meltdowns, it was possible for prospective homeowners to buy houses and condos with no money down, in many cases. In the same way, lower-income households may not be able to find appropriate housing because they cannot accrue the security deposits as well as first and last month's rent.

### **Voter Initiative – Measure P**

Measure P, a reauthorization of Measure H which was originally approved by the voters in 1991, was approved by voter initiative in 2004 with the expressed

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<sup>5</sup>. "Construction Defect Litigation and the Condominium Market," California Research Bureau, Sacramento, November 1999.

purpose of maintaining “the San Mateo General Plan so as to preserve the livability and suburban character of the City of San Mateo by essentially maintaining height limits and densities established by San Mateo voters in 1991, while providing for the level of economic growth projected in the San Mateo General Plan and increasing the city’s commitment to providing its fair share of affordable housing.” The Measure P language is included in the city’s General Plan, and cannot be modified, revised or updated without voter approval. In general, Measure P permits residential development at a range of densities from 9 to 50 units net per acre, with the higher end of the density range to be used only for projects which provide substantial public benefits. Residential development is also allowed in commercial districts. Measure P also includes a requirement for inclusionary housing which are administered by the city’s Below Market Rate housing program.

While Measure P serves to maintain building height limits, floor area ratios, and density ranges in San Mateo, it has not precluded residential development. Since 2004, the majority of development in San Mateo continues to focus along the San Mateo Rail Corridor as evidenced with the 18-block Bay Meadows Phase II development that will include over 1,000 residential units at total full build out, a 60-unit affordable housing development at 1990 S. Delaware Street (former Police Station site), and a 68-unit affordable Transit Oriented Development project at 2901 S. El Camino Real called “Peninsula Station”. Measure P allows for flexibility in development design while providing opportunity for developers to provide additional affordable units or the ability to provide housing affordable to those in the very, low-income economic group.

Anecdotally, developers believe Measure P inhibits their ability to provide more housing. There are a variety of conditions which may affect the production of housing, as such it is unclear to what degree Measure P has, or has not, impacted the development of housing, especially affordable housing. However, the city continues to experience a high level of entitlement requests for residential development.

## **I. PRESERVATION OF UNITS AT RISK OF CONVERSION TO MARKET RATE**

### **INVENTORY**

There are two projects at risk of conversion to market rate within the new planning period. The earliest project that will see affordability restrictions expire is the Lesley Towers Project, owned by Lesley Senior Communities and built in 1965. The 200-unit development is in nonprofit ownership, and was financed under the HUD Section 202 Program for seniors. Its restrictions will expire in 2015, however the owner is in the process of refinancing the project with HUD and the assistance of Section 8 rental assistance which will renew the affordability covenants for another 40 years.

The other project is Humboldt House, consisting of 9 units of supportive housing and owned by Mateo Lodge. The rent restriction expires in 2020 but has provisions to renew for an additional 20 years at the City's discretion.

### **COST ANALYSIS OF PRESERVING “AT-RISK” PROJECTS**

Given the housing market in San Mateo County, recent significant increases in rental rates, and owners foreclosed throughout the Bay Area looking for rental housing, conversion to market rates is likely to be an attractive option for owners of at-risk properties.

The cost of producing an affordable unit to replace a lost unit is extremely high. Development costs are estimated at \$350,000 to \$450,000 a unit, depending on land costs. Typically, the City's cost to subsidize existing affordable units is \$60,000 – \$100,000 per unit.

Preservation of at risk units can be accomplished in several ways, including acquisition of the property by qualified nonprofit housing corporations, local housing authorities, or other organizations that are committed to long-term affordable housing. As part of the financing of this type of acquisition, long-

term regulatory restrictions are recorded against the property, removing the risk of conversion.

## **AVAILABLE RESOURCES FOR PRESERVATION**

The City will actively work with HUD, the owner, and other interested parties to extend affordability restrictions to preserve the affordability, utilizing state or federal programs for any units that are at risk of conversion to market rate in the future. If the project requires financial assistance from the City, resources include Redevelopment Agency Housing Successor funds, and HOME funds. Priority of City resources will be given to preserve at risk units if need be.

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### **QUANTIFIED OBJECTIVES FOR AFFORDABLE “AT-RISK” UNITS**

Over the next 10 years the Quantified Objectives to preserve existing affordable units is 209 very low income units.

Both of the projects with potential expiring affordability restrictions are owned and operated by non-profit organizations who are highly motivated to keep the rents affordable for their clients. Based on the particular situations it is extremely likely that the affordability restrictions will be extended. City staff will track these projects over the next few years, and offer assistance should the agencies require refinancing in order to preserve the units. In the unlikely event the Lesley Senior Communities would sell the complex, they are required to send Notices of Intent to Prepay to the City and other qualified entities in the area who are skilled and motivated to acquire properties to ensure ongoing affordability. A number of qualified agencies are listed below..

#### **Selected List of Qualified Entities, 2013**

Organization	City	ST
A. F. Evans Development, Inc.	Oakland	(510) 891-9400
Affordable Housing Foundation	San Francisco	(415) 387-7834
American Baptist Homes of the West	Pleasanton	(925) 924-7100
Bank of America, N.A.	San Francisco	(415) 953-2631
Belveron Real Estate Partners, LLC	San Francisco	(415) 273-6801
BRIDGE Housing Corporation	San Francisco	(415) 989-1111
Cabouchon Properties, LLC	San Francisco	(415) 433-2000
California Community Reinvestment Corp.	Glendale	(818) 550-9800
California Housing Finance Agency	Sacramento	(916) 326-8801
California Housing Partnership Corporation	San Francisco	(415) 433-6804
Citizens Housing Corp	San Francisco	(415) 421-8605
Community Home Builders and Associates	San Jose	(408) 977-1726
Domus Development, LLC	San Francisco	(415) 856-0010
EAH, Inc.	San Rafael	(415) 258-1800
Goldrich & Kest Industries, LLC	Culver City	(310) 204-2050
Mercy Housing California	San Francisco	415-355-7160
Mid-Peninsula Housing Coalition	Foster City	(650) 356-2900
Mill Rock Capital, LLLC	San Francisco	(415) 730-7126
National Housing Development Corporation	Rancho Cucamonga	(909) 291-1400
National Housing Trust	Walnut Creek	(925) 945-1774
Northern California Land Trust, Inc.	Berkeley	(510) 548-7878
Palo Alto Housing Corp	Palo Alto	(650) 321-9709
Renaissance Housing Communities	San Francisco	(415) 0419-4027
Resources for Community Development	Berkeley	(510) 841.4410
ROEM Development Corporation	Santa Clara	(408) 984-5600
SLSM, LLC	San Francisco	(415) 826-0301

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The John Stewart Company	San Francisco	(415) 345-4400
The Trinity Housing Foundation	Lafayette	(925) 385-0754
Union Partners Realty Group, Inc.	San Rafael	(415) 446-1811
West Bay Housing Corporation	San Francisco	(415) 618-0012

## **J. DESCRIPTION OF HOUSING PROGRAMS**

For this section, the State is looking for a description of the myriad ways a jurisdiction can address housing concerns in the community, both from a land use and from a programmatic standpoint. Many of these programs are designed primarily to address affordability issues, as the cost of housing is a significant impediment to homeowners and renters alike.

Many of these programs have already been mentioned, including in the inventory of land for housing (section F). Other programs are found in the section on new goals, policies and programs below (section I). This section will discuss some of the ways the City assists in the development of housing, especially that which is affordable, through financial and other kinds of assistance

There are a number of resources available to the City to implement its housing and community development objectives. Housing projects, in particular, typically require a combination of resources and partnerships.

### **FEDERAL PROGRAMS**

#### **Community Development Block Grant (CDBG)**

The City of San Mateo has been an active participant in the CDBG program for over 35 years. HUD awards this flexible grant program to jurisdictions through a statutory formula that uses measurements of need. CDBG funds can be used to assist low and moderate income persons in the form of social services activities, housing rehabilitation, economic development, neighborhood revitalization, improvement of public facilities, and prevention and elimination of slums and blight. The City's entitlement grant has decreased an average of about 16% over the last five years. It is anticipated that the CDBG grant will

## **City of San Mateo 2014 Housing**

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continue to remain the same or decrease further; therefore, the City is budgeting a conservative 2% decrease annually over the next five years.

### **HOME Investment Partnership Program**

The HOME program is a federal grant to participating jurisdictions determined by formula allocations. HOME funds are directed toward the housing programs that assist persons 60% of the median income including acquisition, rehabilitation, new construction, tenant based assistance, homebuyer assistance, planning and supportive services. The City of San Mateo participates in the program as an individual jurisdiction. A portion of each year's grant (15%) is set aside for use by non-profit Community Housing Development Organizations (CHDO). Currently there is one certified CHDO in San Mateo, HIP Housing Development Corporation (HHDC). The City's HOME allocation has decreased 50% from five years ago and it is unclear if funding levels will be maintained for this program in the future..

### **Low Income Housing Tax Credits (LIHTC)**

The LIHTC is an incentive for investors to provide equity to develop rental units for households at 30 – 60% of median income. The program is not a direct federal subsidy, but rather a tax incentive administered by the Internal Revenue Service. Tax credits were used to help finance Peninsula Station in 2009 and Delaware Pacific in 2012..

### **Section 8 Rental Assistance Program**

This program is administered by the San Mateo County Housing Authority with multiple eligibility criteria; a family or a single person who is 62 years or older, disabled or pregnant, household annual gross income equal to or below the HUD published income limits. Households who qualify for Federal Preference are considered first and are defined as persons who are involuntarily displaced, or persons who are paying more than 50% of household income towards rent.

## **OTHER PUBLIC FUNDS**

## State Programs

Over the past five years The City of San Mateo obtained funding from several State programs such as CalHome Program, the Infill Infrastructure Grant program and Proposition 1C Housing Related Parks Program funds. Staff keeps a close eye on funding cycles and new funding opportunities from the State as they are released. Also, housing developers and housing organizations are eligible to apply for State funds, such as programs sponsored by California Housing Finance Agency (CalHFA), on a project by project basis. There are also State Low Income Tax Credits available, which can be used to assist housing projects.

Participants in First Time Homebuyer Programs often utilized the CalHFA mortgage and down payment assistance programs as they are available.

## Housing Successor Agency for the Redevelopment Agency

As mandated by the state legislature, the Redevelopment Agency (RDA) of the City of San Mateo was dissolved as of February 1, 2012. As the Housing Successor Agency, the City of San Mateo is responsible for the management of properties and funds formerly belonging to the Redevelopment Agency. The City elected to retain the housing assets and housing functions previously performed by the Agency upon dissolution. A portfolio of loans previously financed by RDA funds provides some program income to support future affordable housing. At the time of dissolution the City's RDA fund balance of approximately \$1.9M was returned to the local taxing agencies. The City elected to retain its portion of the returned funds in the amount of \$706,000 to be reserved for affordable housing. It has also set a policy to contribute 20% of the annual increase in property tax revenues to be retained for affordable housing on an ongoing basis.

## Below Market Rate Program (BMR)

In 1992 an inclusionary zoning ordinance was passed that requires a portion of affordable units be provided in all complexes sized 11 or more units, both

## **City of San Mateo 2014 Housing**

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rental and ownership developments. The program was amended January 1, 2010 to revise the affordability requirements and provide some flexibility in unit design and location.. For rental projects, developers have the choice of providing either 10% of units to be affordable to households up to 50% AMI or provide 15% of the units affordable to households up to 80% AMI. In for-sale developments, developers can either provided 10% of the units affordable to households up to 80% AMI or 15% of the units affordable to households up to 120% AMI.

## **PRIVATE FOR-PROFIT AND NONPROFIT SOURCES**

### Community Reinvestment Act (CRA)

Several opportunities exist for partnership with local lenders via the Community Reinvestment Act. This law requires local lenders to analyze the lending needs of the community in which they do business, particularly the needs of low and moderate-income persons, and develop programs to address those needs. To date several lenders have offered favorable terms on first mortgages for the First Time Home Buyer program which has provided tremendous support to the program. Other lenders have assisted new construction projects in the form of construction loans and permanent financing. The City considers this a beneficial resource for future partnerships as well.

### Private Developers

In any housing project the City undertakes with private developers, the City attempts to leverage its resources as much as possible. The City attempts to provide the "gap" financing that is needed to make a project feasible. Private developers are very interested in developing housing because of the current high demand and the City continues to work with them to find ways to include affordability within their projects. With the current demand for housing, the City sees good opportunities to work with the private sector in the area of new housing construction over the next eight years.

## Non-Profit Agencies

There are several partnership opportunities with non-profit organizations. Foundations and lender consortiums provide means of financial assistance. Community service organizations provide housing services and manage housing programs. Non-profit developers produce new affordable units. To date the majority of new affordable units have been sponsored by non-profit developers. This trend will most likely continue since the federal programs strongly encourage the use of non-profit agencies for housing programs.

### HEART

The Housing Endowment And Regional Trust (HEART) of San Mateo County is a regional trust fund for affordable housing in San Mateo County. It has a revolving loan fund to provide financing for affordable housing developments usually in the form of short term gap or predevelopment financing. HEART provided short term interim financing for Peninsula Station in 2009.

Its “Opening Doors” Program provides below market rate second loans as down payment assistance for home buyers who make up to \$150,000 per year. The program is also structured to eliminate private mortgage insurance which results in lowering the total monthly housing payment for homebuyers.

As new federal, state and local sources of funds appear, the City will integrate them into its programs and look for new solutions to meeting the affordable housing needs. It also continues to aggressively seek other potential financing sources and partnership opportunities.

## **INSTITUTIONAL STRUCTURE**

There are several institutions that coordinate to implement the City of San Mateo's Consolidated Plan:

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### **City of San Mateo**

The Neighborhood Improvement and Housing (NIH) Division is the lead public agency for the development, preservation and improvement of housing in San Mateo. NIH administers the federal funds received by the City and the Housing Successor Agency's housing activities. NIH is responsible for many activities and programs such as Minor Home Repair Program,, the First Time Homebuyer Program, the development of new housing through developer assistance, site acquisition and rehabilitation, Code Enforcement and the Community Funding program.

Other City Departments are also involved with the CDBG program because other Departments typically manage the larger capital projects. For instance, the Public Works Department manages street and sidewalk repairs and the Parks and Recreation Department manages improvements to neighborhood parks and recreation centers.

As a leader in the provision of housing, the City of San Mateo is well suited to continue implementing and expanding the housing and community development programs identified in this report. The City's housing programs have the support of the City Council and management staff, as well as the experience to carry out housing plans. Expertise in ongoing programs such as housing rehabilitation and working with community nonprofits will result in continuing success for these programs. Staff also has experience in the intricacies of housing development, from negotiating purchases and selecting and working with a developer, to securing short and long term financing. The City is well versed in taking steps necessary to alleviate neighborhood concerns with development, and in winning support from the community for its projects. Some limitations the City faces include the restrictive nature of the uses of federal funds and City budget constraints which impact the City's ability to meet the identified needs.

### **County of San Mateo**

The County plays a smaller role in San Mateo than it does in other cities on the Peninsula because of the City's eligibility to receive funds directly from the federal government. However, the City does find it beneficial to collaborate with the County on the more regional issues such as homelessness and housing. The County contributes to housing efforts in the City through such programs as its first time homebuyer program and the financing of nonprofit agencies that provide housing. In addition, the County coordinates the Continuum of Care Plan, which the City supports with its programming for the homeless. In certain situations the City and County will both provide funds for a project.

The San Mateo County Housing Authority, a division of the Department of Housing, is responsible for implementing the federally funded Section 8 Program throughout the County of San Mateo. A portion of the Housing Authority's rent assistance vouchers and certificates are placed in the City of San Mateo. There are no public housing facilities in San Mateo that are operated by the Housing Authority. The Housing Authority operates an ongoing program in which it has extensive experience, and is therefore very capable of delivering its housing programs to those in need. Limitations of the Housing Authority include the lack of development experience and the lack of resources needed to assist all those who seek its help.

### Nonprofit Organizations

Nonprofit organizations play an important role in the provision of affordable housing and other basic human services to low and moderate income San Mateo residents. The agencies provide a variety of services in order to meet the changing needs of the diverse San Mateo population. On a two year funding cycle, the City sets aside funds to provide grants for housing and other public services. Nonprofit and other community organizations submit proposals on both a competitive and invitational basis to obtain these funds so the number and names of providers change each cycle. The working relationship established between the City, County and nonprofit agencies ensure the continuation of valuable housing and other services to low-income

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residents. The City provides financial support to these nonprofits through its community funding program.

The majority of nonprofit agencies working in the City of San Mateo can be described as experts in their field. They are adept fundraisers and project managers and they know the diverse needs of their clients and the most efficient ways to meet them. They are also very experienced in working with each other and with other public and private organizations. There exist grassroots, or community-based organizations, who work within the City that do not have as extensive experience as nonprofit service providers. The City remains committed to providing as much technical assistance as possible in their efforts to develop capacity and grow into strong community organizations.

There are several agencies the City works with that have experience developing new housing. InnVision Shelter Network of San Mateo County has several facilities that house homeless adults and families throughout the County with First Step for Families and the Vendome Hotel in the City of San Mateo. Human Investment Project and the Mental Health Association of San Mateo County have experience with acquisition and rehabilitation of housing properties as well as strong property management. Many of the new construction and larger projects in the County are developed by Mid-Peninsula Housing Corporation, Mercy Housing, as well as other qualified nonprofit developers in the region.

## **Private Sector**

Private sector organizations involved in providing housing and community development services include realtors, lenders, architects, developers and contractors. These groups rarely take a lead role in providing affordable housing, but are crucial in its provision and development. The private sector's role in the delivery of affordable housing is the same as for any other client. Banks know what is required to make projects work and how to help move them forward. Contractors and developers are equally adept in their fields, as are other members of the business community. Their shortcoming is that they

are often unfamiliar with the needs of lower income persons, or with the limitations of those trying to provide services for them. Private developers are also involved with building affordable housing through the requirements of the City's Redevelopment Agency and Below Market Rate ordinance.

As illustrated in the identification and description of the City's institutional structure, the City of San Mateo is a strong leader and participant in the development and ongoing support of various programs and initiatives constituting the delivery system. The strengths include extensive efforts to involve the community in identifying needs and trends, collaborative efforts with other jurisdictions to address regional issues, and the close working relationships with and support of the nonprofit sector in their important role in the overall health and strength of the San Mateo community. Overcoming the experience gaps of each group requires only cooperation with other agencies or groups who have the necessary experience. The urban metropolitan statistical area of which San Mateo is a part, with its multitude of agencies and organizations, is a tremendous asset brimming with resources for those who need them. It is common for an agency to contact another to learn how to approach problems they may be facing. Public and private agencies in San Mateo County have and continue to work well together to combine experience and resources in order to bring a project to fruition.

Regardless of the strength of the public, private, and nonprofit community collaboration, the most critical gap beyond each agency's capability to overcome is the lack of sufficient funding resources to address the vast needs of all low-income persons.

The City of San Mateo has no public housing facilities within its jurisdiction, nor is it involved in the provision of any public housing.

## **HOUSING-RELATED PROGRAMS**

### Minor Home Repair and Paint

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The Minor Home Repair and Paint program provides these services free of charge to low-income homeowners. Owners are entitled to a free exterior paint job and/or minor exterior repairs or minor, urgent interior repairs. Repairs also include accessibility modifications and simple energy efficiency improvements. The overwhelming majority of participants in this program are senior citizens.

### **Lead-Based Paint Hazard Reduction**

The City developed and implements lead-based paint regulations in accordance with HUD Guidelines.

### **First Time Home Buyers Program**

The City has two primary strategies to address the need for affordable homeownership in San Mateo. The first strategy continues to be the City's project based first time buyer program. This program provides first time buyers the opportunity to purchase condominiums as they become available for resale at two City sponsored complexes. This project-based approach is also augmented by new ownership units that either the City builds or private developers build in compliance with the City's Below Market Rate Program.

### **Section 8 Rental Assistance**

The San Mateo Housing Authority manages the Section 8 rental assistance program. Nearly 700 San Mateo residents are assisted annually through individual vouchers and selected housing that distributes assistance more confidentially throughout neighborhoods.

### **Acquisition of Land**

The City is always looking for opportunities to purchase land to assist the development of housing. This includes land banking for the development of owner and rental housing, senior and family housing, transit-oriented housing and mixed-use developments.

### **Acquisition and Rehabilitation of Existing Housing**

The City also partners with nonprofit organizations to purchase and rehabilitate existing housing and make it more affordable. As funds are available, the City will consider purchasing multi-family complexes and/or single-family homes to make available for rental housing. This helps preserve the existing housing stock by ensuring adequate property management standards and adds to the City's affordable housing stock. The City typically funds these types of projects with HOME and RDA Housing Successor funds.

In addition, the City will consider purchase of individual condominium units in private developments, as funds are available. These units would be included in the existing First Time Homebuyer Program and sold to moderate-income households with the same loan terms and resale price restrictions.

### [Below Market Rate Program](#)

Created by City ordinance, this program requires developers of new housing projects with more than 10 units to develop 10%–15% of units with housing price restrictions. These units, either rental or ownership, will have deed restrictions that make them permanently affordable. Ownership units are required to be affordable to households at or below 120% median income and rentals are required to be affordable to households at or below 80% median income. The City does not provide any financing to the buyers. NIH coordinates the marketing, sales, and program monitoring of the units through its First Time Buyer program.

### [Community Housing Development Organizations \(CHDO\)](#)

The City will coordinate with HIP Housing Development Corp. (HHDC) or any other qualified CHDO to apply the annual increment of HOME funds that are channeled directly to CHDOs. The HOME funds will be used to assist persons who make less than 60% of the median income. For the last several years, the City was granted a specific request to waive the requirement for CHDO set-aside, based on the high percentage of completed CHDO projects in prior years.

### [New Construction](#)

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Although the financial crisis starting in 2008 has had significant impact on available funding sources, the City sees the potential for more partnership opportunities to develop new housing with both for-profit and nonprofit developers, mostly due to the wide array of financing tools currently available. Developers have become far more knowledgeable about how to apply for and combine the various government program funds and available private funding to build affordable housing.

### **Secondary Units**

The City's secondary unit ordinance allows the construction of modest units sometimes referred to as "granny units" in residentially zoned neighborhoods. These units are relatively inexpensive to rent due to their size and are often occupied by family members as a way to live together yet maintain an element of privacy.

## Homeless Programs

Although the City does not directly manage any homeless prevention or assistance programs, it collaborates and financially supports a variety of programs countywide. The sources of funds for homeless programs in the City of San Mateo are CDBG, Affordable Housing Funds, and City Housing funds. County level funding that helps to benefit San Mateo residents in need include McKinney-Vento, HPRP, and Section 8 programs. All homeless outreach, assistance and prevention programs are conducted by local nonprofit organizations in coordination with various local government agencies. The City works with several groups to provide emergency shelters, transitional housing and support services for the homeless as described in the 2010–15 Consolidated Plan.

### **Safe Harbor Emergency Shelter**

The City will provide \$15,000 from City Housing for the operation of Safe Harbor, the regional emergency shelter for adult individuals located in South San Francisco and operated by Samaritan House. After the basic human needs have been met and shelter clients have been stabilized, Safe Harbor provides case management for financial counseling including job search and employment services as well as budgeting to help achieve financial self-sufficiency. The program also provides housing search assistance, including assistance to find subsidized housing when possible. One example is access to the San Mateo County Housing Readiness Voucher program which includes 3 years of continuous case management and rental housing vouchers. Safe Harbor's overall goal is to ensure stabilized housing for three years.

### Regional Collaborations

City staff members are active members of the following regional collaboratives to address a wide variety of issues associated with homelessness and homeless prevention.

### **Inter-Agency Council (IAC)**

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The IAC is a countywide consortium of housing stakeholders to develop and support the San Mateo County HOPE: 10-year Plan to End Homelessness. This plan focusses on the provision of new affordable housing opportunities rather than development of new shelters.

### **Continuum of Care**

The Continuum of Care committee for San Mateo County implements its plan to serve homeless persons and families. Through this collaboration of service providers and local government agencies, efforts are coordinated for outreach, needs assessment, provision of services for the homeless. The consortium also determines the priorities and allocation of Countywide Emergency Shelter Grant funds.

### **HIP Housing Self Sufficiency Program**

Although the City does not anticipate providing financial assistance to this program in 2014–15, staff does serve on the selections committee for entry into this program that provides support services and rent assistance for a one to two year term for candidates with educational and/or vocational training plans to find employment at a level to get off of government assistance payments. The program provides deep supportive services to the clients to move toward self-sufficiency within a 2 year time period.

### **Chronic Homelessness**

The Housing Outreach Team (HOT) is a multi-disciplinary team, including City staff, formed through the HOPE initiative that addresses chronic homelessness by outreach and engagement. This program helps to provide housing and bring medical, mental health and substance abuse support services to those who might not otherwise seek such services. The outreach and case management of this team supports the residents of The Vendome, a permanent supportive housing SRO in Downtown San Mateo. The Vendome was acquired and renovated by the City with various housing financial resources in 2009. The Vendome will continue to serve HOT identified clients and other very low income residents this program year. City staff also supports the efforts of IVSN to bring additional financial resources for services and rent

assistance to the operation.

#### Homeless Prevention

As detailed under “Special Needs Housing” and “Homelessness” above, in order to help prevent further homelessness the City will provide \$15,000 in an assistance grant to Human Investment Project. Please refer to the prior sections mentioned for specific agency details. Also Samaritan House, as well as other local agencies, provides services for the extremely low income residents that include homeless prevention through a variety of programs funded by others such as Rapid ReHousing, and emergency housing vouchers.

In addition to these agencies, the Legal Aid Society will receive an additional \$15,000.

#### **Legal Aid Society, HomeSavers Program**

Legal Aid assists tenant litigants with unlawful detainers and related matters to help people stay in their homes. They conduct weekly clinics at community centers and at the County Court House advising and representing applicants as necessary in court proceedings. Their goal is to keep people in their homes and prevent homelessness through their advocacy. They negotiate with landlords on tenant’s behalf regarding other issues that threaten their ability to live in safe, decent, affordable housing. Their goal is to council 480 individuals in 160 households.

#### Discharge Policy

The City does not directly fund any institutions requiring discharge. These institutions are within the jurisdiction of the County of San Mateo. Discharge policies are a component of the County’s HOPE 10-Year Plan to End Homelessness.

## **K. HOUSING GOALS, POLICIES, AND PROGRAMS**

**GOAL 1:** Maintain the character and physical quality of residential neighborhoods.

**GOAL 2:** Provide a diversity of housing types, responsive to household size, income and age needs.

**GOAL 3:** Ensure that all new housing is developed or remodeled in a sustainable manner.

**GOAL 4:** Encourage conservation improvements and measures to existing housing stock to make them more energy and water efficient.

### **POLICIES:**

#### **1. Protecting And Conserving Existing Housing**

##### **H 1.1: Residential Protection.**

Protect established single-family and multi-family residential areas by the following actions:

1. Prevent the intrusion of incompatible uses not indicated in the Land Use Element as allowed in residential districts;
2. Avoid the overconcentration on individual blocks of non-residential uses defined by the Land Use Element as being "potentially compatible" in residential areas;
3. Assure that adequate buffers are provided between residential and non-residential uses to provide design compatibility, protect privacy, and protect residences from impacts such as noise and traffic; and
4. Review development proposals for conformance to the City's multi-family design guidelines for sites located in areas that contain substantial numbers of single-family homes to achieve projects more in keeping with the design character of single-family dwellings.

**Program H 1.1: Residential Protection.**

1. Consider policy during the Special Use Permit process with respect to the intrusion of incompatible uses.

**Lead:** Planning Division  
(Ongoing)

2. Consider policy during the Special Use Permit process with respect to the overconcentration of non-residential uses.

**Lead:** Planning Division  
(Ongoing)

3. Consider policy during the Site Plan and Architectural Review process with respect to assuring adequate buffers.

**Lead:** Planning Division  
(Ongoing)

4. Consider policy during the design review process with respect to the review of development proposals for conformance with design guidelines.

**Lead:** Planning Division  
(Ongoing)

Serious conflict can arise between residential and adjacent non-residential activities. Commercial and industrial developments which abut residential uses should be designed to minimize the potentially noisy and bothersome effects of parking lots, loading docks, air conditioning and heating equipment and refuse containers by locating them away from residences or by buffering them with adequate sound-reducing walls and landscaping.

Some non-residential uses such as churches, day care centers and private schools are defined by the Land Use Element as being potentially compatible with residential uses. These types of facilities generally are located in and serve residential neighborhoods. However, special use permits are required to consider the operational characteristics of such uses and to tailor them, where feasible, to a particular site.

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Overconcentration of non-residential uses should be avoided in residential neighborhoods so that individual blocks do not lose their residential character.

Due to the need for additional housing and the lack of vacant land, new multi-family development will replace older homes in certain areas of the city zoned for multi-family use. To minimize the changes in neighborhood character created by this redevelopment, new multi-family projects in areas having a predominance of single-family residences should be of a scale and include design features which are compatible with surrounding single-family homes, while maintaining housing affordability as a major goal.

### **H 1.2: Single-Family Preservation.**

Preserve existing single-family neighborhoods through the following actions:

1. Maintain intact single-family neighborhoods as shown on the Land Use Map; and
2. Require on-site buffering in the design of new multi-family developments that abut single-family districts to assure privacy and reduce noise impacts.

### **Program H 1.2: Single-Family Preservation**

1. Consider potential impacts on intact single family neighborhoods during the review of land use changes and special use permits for proposed development other than single family dwellings.

**Lead:** Planning Division

(Ongoing)

2. Consider additional buffering provisions such as landscape buffers, minimum fence heights, location of recreational facilities, underground garage exhausts, etc. during the design review process.

**Lead:** Planning Division

(Ongoing)

Single-family zoning districts constitute the largest proportion of land in San Mateo. Past policies have designated some predominately single-family areas for redevelopment as multi-family housing. The retention of these intact single-family neighborhoods is a major policy direction of this Plan, to encourage home ownership and improvement of existing dwellings, reduce absentee ownership and land speculation, and create greater social stability. Portions of the Central, North Central, San Mateo Heights and Hayward Park areas were re-designated for single-family and/or duplex uses in 1990.

In many instances throughout the City multi-family zoning districts are directly adjacent to single-family districts. The difference in height and scale between the two uses can be dramatic and detrimental to the character of the single-family neighborhood. For example, the difference in allowable density may be as great as 6 units per acre for single family and up to 50 units per acre for a larger R-5 zoned parcel. The design of new multi-family projects that abut single-family districts should include design features that provide privacy, natural light and protection from noise and traffic impacts for the adjoining single-family homes.

### **H 1.3: Housing Rehabilitation.**

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Provide funding as available for the conservation and rehabilitation of viable deteriorating housing in the City to preserve existing housing stock, neighborhood character and, where possible, to retain low- and moderate-income units.

### **Program H 1.3: Housing Rehabilitation.**

1. Continue funding for a free minor home repair program as a high priority with CDBG and/or other funds to accomplish the following objectives by 2022.

- 125 Minor Home Repairs (owner occupied low-income households)

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

2. Encourage energy and water efficiency retrofits in existing housing stock as part of the existing Minor Home Repair program and/or with other incentives.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

### **H 1.4: Code Enforcement.**

Continue and increase code enforcement efforts in residential areas to improve neighborhood appearance and conformance with health and safety standards.

### **Program H 1.4: Code Enforcement.**

1. Continue code enforcement efforts and provide staff as needed to improve residential areas. Continue use of administrative citations and fees, civil penalties, and civil and criminal litigation to bring about compliance.

**Lead:** Code Enforcement  
(Ongoing)

2. Continue to offer rehabilitation loans and repair grants to low-income households as listed in Program H 1.3.

**Lead:** Neighborhood Improvement and Housing Division

(Ongoing)

3. Continue proactive code enforcement program in North Central, North Shoreview and other CDBG-eligible areas.

**Lead:** Code Enforcement

(Ongoing)

4. Continue the Apartment Inspection Program to assure safe and sanitary living conditions for residential tenants.

**Lead:** Fire Department

(Ongoing)

The great majority of homes in San Mateo are well maintained and contribute to neighborhood quality and desirability. However, there are properties that have begun to deteriorate and require attention to preserve the safety of occupants and maintain neighborhood appearance. The City provides code enforcement as a service to residents and as a deterrent to neighborhood deterioration. These efforts should continue and increase to maintain neighborhood standards.

The City also provides financial assistance to low-income households using CDBG and other funds to assist in housing rehabilitation and provide minor repairs.

#### **H 1.5: Building Bulk.**

Limit the sizes of new and expanded single-family dwellings and duplexes, retaining neighborhood scale and character.

##### **Program H 1.5: Building Bulk.**

1. Through plan check review of single-family dwellings and duplex buildings, ensure compliance with both the single family and duplex regulations and design guidelines that control the bulk of and height of buildings.

**Lead:** Planning Division

(Ongoing)

**1.6: Variances and Lot Divisions.**

Consider existing neighborhood character in terms of dwelling size, height, setbacks and lot size and configuration in reviewing variances and lot division proposals.

**Program H 1.6: Variances and Lot Divisions.**

- 1 Consider during variance and subdivision review.

**Lead:** Planning Division

(Ongoing)

The scarcity of vacant land and changing lifestyles has resulted in existing, smaller single-family homes being greatly expanded or, in some instances, demolished and replaced by new dwellings which are developed up to the maximum limits allowed by the zoning code. Another problem has been the expansion of single-family homes or duplexes to include numerous bedrooms and bathrooms in designs that allow for future illegal conversion to boarding homes or multiple units.

To minimize these impacts on single family neighborhoods, the R-1 section of the zoning code was amended in 1992 to reduce the amount of allowable floor area, require increased second story setbacks, and provide a daylight plane for side yard setbacks to reduce building bulk.

In 2001, the City Council adopted the Single-Family Design Guidelines, and required planning applications and public review for substantial removal of existing homes and construction of new single family dwellings, and for second story additions to existing single family dwellings. The Design Guidelines were revised in 2006 to address additional issues that arose during the public review process for single family dwellings. The Guidelines address how a building's size, architectural character, and relationship to the street and nearby structures contribute to successful neighborhoods.

In addition to the Single-Family Dwelling Design Guidelines, the City Council adopted Duplex Design Guidelines in 2004, revised floor area ratio standards, and created a daylight plane for duplex dwellings.

Duplex zoned areas are typically located near single family neighborhoods and provide a transition to higher density neighborhoods. Many of the issues and guidelines are similar to those contained in the Single-Family Dwelling Design Guidelines.

Decisions on variances and lot divisions in established residential neighborhoods should take into account the impacts of the proposal on surrounding properties and the overall neighborhood character.

**H 1.7: Retention of Existing Lower-Income Units.**

Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing. Retention of such units should have high priority for available funds. Also evaluate impacts of new construction when it involves the loss of non-subsidized private market housing units and other market conditions that impact existing housing affordability.

**Program H 1.7: Retention of Existing Lower-Income Units.**

1. Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of all subsidized projects in San Mateo to keep up-to-date on their plans to maintain affordability, or assist with outreach to other qualified entities in the event owners consider opting out of their current programs. Assist in outreach and education to tenants as needed..

**Lead:** Neighborhood Improvement and Housing Division

January 2015: Monitor efforts of Lesley Senior Communities as it refinances in order to ensure ongoing affordability since its existing rent requirements expire in 2015 for 200 senior rentals.

January 2020. Coordinate extension of existing City loan terms and affordability requirements with Mateo Lodge for Humboldt House which provides 9 units of supportive housing for mental health clients.

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2. Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

3. Respond to Notices of Intent to Prepay. Give high priority to retaining existing FHA and HUD subsidized low-income units through use of CDBG/HOME funds, Housing Successor funds, and other solutions.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

4. Continue to support the County Housing Authority housing rental subsidies to lease units in San Mateo for very-low and low-income households and support County efforts to retain and attract landlord participation of Section 8 program.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

Section 8 existing is the most useful program the City has to subsidize families in rental apartments, and its continuation is important to maintain some subsidized rentals for families.

5. Continue to enforce City tenant relocation provisions in the zoning code that provide for relocation payments and housing resources for tenants displaced due to redevelopment, including tenant relocation plans for large developments.

**Lead:** Planning  
(Ongoing)

6. Support regional and local efforts to examine displacement of affordable housing and lower-income households and consider programs or policies to address identified housing needs. Include in this research any impacts on affordable housing (both new development and retention of existing housing) in Priority Development Areas.

**Lead:** Neighborhood Improvement and Housing Division

**Implementation Goal:** Examine issues for City Council review by 2016 and establish strategies, as warranted, by the end of 2016.

#### **H 1.8: Condominium Conversion.**

Continue the existing policy of protecting existing residents by offering purchase opportunities, long-term leases and relocation assistance.

##### **Program H 1.8: Condominium Conversion.**

1. Continue to implement tenant notification, purchase opportunities, long-term leases, and relocation assistance provisions of the subdivision code.

**Lead:** Planning Division

(Ongoing)

Prior to 1980, San Mateo has ranked very high among Bay Area suburbs in permitting apartment units to convert to condominium ownership (3,300 rental units had been converted). In 1981, the City amended its condominium conversion ordinance to provide existing tenants with the first right to purchase, require tenant relocation benefits, and lifetime leases for elderly and disabled tenants.

#### **H 1.9: Demolitions.**

Prohibit demolition of existing residences until a building permit for new construction has been issued, unless health and safety problems exist. Prevent housing stock from becoming health and safety problems through code enforcement efforts.

##### **Program H 1.9: Demolitions.**

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1. Continue implementation of demolition ordinance. Implement code enforcement programs described in Program H 1.4.

**Lead:** Building Inspection Division and Code Enforcement  
(Ongoing)

The demolition of existing housing eliminates needed units and creates an unattractive gap in the pattern of development. Vacant lots may become neighborhood liabilities due to weed growth and illegal dumping. Continued upkeep of older homes, with code enforcement efforts if needed, is a better approach to maintaining habitable housing units. The City presently prohibits demolition of housing until a building permit for new development has been issued, unless health and safety problems demand more drastic actions.

In some cases needed public improvements, such as road widening, may remove housing units. The relative benefits of these public works should be considered against the impact of losing dwellings.

## **2. Encouraging New Housing Construction**

### **H 2.1: Fair Share Housing Allocation.**

Attempt to achieve compliance with ABAG Fair Share Housing Allocation for total housing needs and for low- and moderate-income needs.

#### **Program H 2.1: Fair Share Housing Allocation.**

1. Monitor housing production against ABAG Fair Share Allocation, providing annual updates for the Planning Commission and City Council.

**Lead:** Planning Division  
(Annual)

### **H 2.2: Jobs/Housing Balance.**

Maintain an overall balance of housing and employment within the community over the term of the Plan.

#### **Program H 2.2: Jobs/Housing Balance.**

1. Monitor housing production against new job creation, providing annual updates for the Planning Commission and City Council.

**Lead:** Planning Division

(Annual)

The City of San Mateo is committed to the provision of housing necessary to accommodate an expanding workforce. In response to State law, the Association of Bay Area Governments (ABAG) has determined that there must be enough land available to accommodate 3,100 units of housing need in the City.

#### **H 2.3: Public Funding of Low- and Moderate-Income Housing.**

Continue to use available funds to increase the supply of extremely low, very low, low- and moderate-income housing through land purchases, rehabilitation and other financial assistance by partnering with nonprofit sponsors and applying for other subsidized financing from federal and state sources, tax credits, and the like.

##### **Program H 2.3: Public Funding of Low- and Moderate-Income Housing.**

1. Set aside a portion of general fund property tax revenues formerly collected from Redevelopment Areas to be retained for affordable housing (also referred to as “boomerang funds”).

**Lead:** Neighborhood Improvement and Housing Division, Finance Department

**Implementation Goal:** 20% of incremental increase in property tax revenues associated with former Redevelopment areas on an annual basis.

2. Give funding for new low- and moderate-income housing priority for use of HOME, Housing Successor Agency and other available funds, with the highest priority of public funds for extremely low and very low income family housing. Goals for number of units assisted by 2022 based on estimated City resources are:

- 50 Extremely Low Income Units
- 85 Very Low Income Units

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- 10 Low Income Units
- 60 Moderate Income Units

**Lead:** Neighborhood Improvement and Housing Division

**Implementation Goal:**

- Completion of 60 units by July 2015
- Completion of 60 units by July 2017
- Completion of 60 units by July 2019
- Completion of 25 units by July 2022

The following language in *italics* was adopted by voter initiative in 2004 and cannot be modified, revised or updated without voter approval.

### ***H 2.4: Private Development of Affordable Housing.***

*Encourage the provision of affordable housing by the private sector through:*

1. *Requiring that a percentage of the units, excluding bonus units, in specified residential projects be affordable.*
2. *Requiring construction or subsidy of new affordable housing as a condition for approval of any commercial development which affects the demand for housing in the City.*
3. *Providing density bonuses and priority processing for projects which qualify for density bonuses under State law.*

### ***Program H 2.4: Private Development of Affordable Housing.***

1. *Maintain an inclusionary housing ordinance to implement Policy H 2.4 The ordinance shall include:*
  - a) *At a minimum, require all projects which include more than 10 residential units, including mixed-use projects, shall be required to include 10% of the residential units for exclusive use as affordable housing units.*
  - b) *The project proponent shall build the unit(s) on site, either in partnership with a public or nonprofit housing agency, or on its own. Off-site building shall be allowed only if the proponent*

*demonstrates that on-site construction is infeasible; and in any event, any off-site units must be built within the City of San Mateo. No in-lieu fees shall be allowed except for:*

- i. Projects which include 10 units or less; or*
- ii. Fractional affordable housing unit requirements of less than .5.*
- c) The affordable units shall be as similar in exterior design and appearance as possible to the remaining units in the project.*
- d) Affordable rental units shall carry deed restrictions which guarantee their affordability.*
- e) Affordable for sale units shall have deed restrictions which allow for first right of refusal to the local government, upon the sale of the unit. The City local government should only refuse the option of purchase if it has already expended all of its financial resources available for housing, including Community Development Block Grant funds, local housing trust fund monies, and any other federal, state or local funds typically available for affordable housing purposes.*

*Lead: Neighborhood Improvement and Housing Division  
(Ongoing)*

- 2. Evaluate and study the impacts on development costs to housing by increasing the inclusionary housing production requirements. Areas for consideration include increasing the percentage of units required, lowering the affordability pricing, lowering the project size that triggers the requirement, and including an in lieu payment for small projects.*

*Lead: Neighborhood Improvement and Housing Division  
Implementation Goal: Ongoing for existing program; bring proposal on new requirements to Council by 2002*

This was completed and the revision to increase the BMR percentage requirements was implemented on January 1, 2010. The current program provides developer options of 10-15% affordability requirements depending on affordability targets and whether the units are for sale or for rent. The program also includes some

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flexibility in unit design and location and a fractional fee for small projects 5–10 units in size.

3. *Develop, hold public hearings on, and if possible, adopt a commercial/housing linkage program, based on empirical data applicable to the City of San Mateo. The program should match the housing constructed and/or subsidized to the demand created by commercial development, in terms of affordability levels, type of tenancy, number of bedrooms, and other relevant factors.*

*Lead:* Neighborhood Improvement and Housing Division

*Implementation Goal:* Bring to the Council by 2002

The City elected to participate in a countywide nexus study to evaluate both affordable housing impacts fees and commercial linkage fees. The study began in 2014 and is expected to be completed by the end of 2014: Review results of nexus study with City Council and get direction on pursuing a commercial linkage fee.

4. *Develop a density bonus program consistent with State law.*

*Lead:* Planning Division

*(Ongoing)*

A revised Density Bonus Ordinance was adopted by the City Council in January 2009 in conformance with recent legislative changes.

5. *Provide information to developers on density bonus provisions for affordable housing. Give processing priority to applications which include substantial proportions of affordable housing.*

*Lead:* Planning Division

*(Ongoing)*

### **H 2.5: Distribution of Low- and Moderate-Income Housing.**

Attempt to distribute low- and moderate-income housing developments throughout the City. Encourage the mixing of market-rate and low/moderate-income units where feasible.

#### **Program H 2.5: Distribution of Low- and Moderate-Income Housing.**

1. Consider during review of applications for funding of affordable housing projects.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

The inclusionary provisions of H2.4 assist in distributing affordable housing units citywide. When the City provides financial assistance for additional affordable housing units, care will be taken to ensure distribution of these units to avoid over-concentration in any given neighborhood.

#### **H 2.6: Rental Housing.**

Encourage development of rental housing for households unable to afford ownership housing.

##### **Program H 2.6: Rental Housing**

1. Consider during review of applications for multi-family housing.

**Lead:** Planning Division  
(Ongoing)

Rental housing provides opportunities for those who wish to live in San Mateo but cannot afford the down payment and mortgage expenses of ownership housing. Well-designed rental housing, using quality materials and providing a pleasant living environment, can be as great an asset the community as for-sale projects.

#### **H 2.7: Secondary Units.**

Allow creation of secondary units on residentially zoned properties to provide opportunities for affordable rental units or to allow for the housing of extended families. Require that the design of secondary units be compatible with the main residence and neighborhood, provide adequate on-site usable open space and parking, and not infringe upon the privacy of adjoining properties.

**Program H 2.7: Secondary Units.**

1. Through plan check review of secondary unit applications, ensure compliance with regulations, architectural standards, and design guidelines that promote design compatibility with the principle residence and the neighborhood, provide required parking on-site, and minimize privacy impacts on adjoining properties.

**Lead:** Planning Division

(Ongoing)

Another means of creating more affordable housing is through the building of secondary units, commonly called "granny flats", on single-family properties. Small second units can assist the property owner by generating income, making the home mortgage more affordable, and may also provide lower-priced rental units. The secondary unit can be used to house aged or younger family members at a reasonable cost and in close proximity to the family.

The State requires that local agencies adopt ordinances allowing secondary units in residential districts. In 2003, the City revised the Zoning Code to designate secondary units as permitted uses in residential areas, provide architectural standards, and require compliance to regulations contained in the zoning district where the secondary unit will be constructed, including requirements for design review. San Mateo's ordinances require that the property owner reside on-site, providing the stability of home-ownership. The secondary units are allowed to be a maximum of 640 square feet (typically a studio or one-bedroom unit) and provide one off-street parking space.

**H 2.8: Single Room Occupancy.**

Provide for the development of single room occupancy (SRO) units to provide small affordable units in areas close to transportation services.

**Program H 2.8: Single Room Occupancy.**

1. Adopt a Single Room Occupancy ordinance to allow the development of new SRO projects.

**Lead:** Planning and Building Divisions

**Implementation Goal:** 2018

Single Room Occupancy projects can provide efficient and affordable units for those who desire minimal housing. Since SRO units may or may not include cooking facilities and are often sized below 400 square feet, they do not meet current planning and building code requirements. Special standards must be developed to take into consideration the unique nature of this type of housing. A cost effective and efficient way of creating SRO standards is to develop standards at the time an applicant submits a planning application to construct an SRO project. The developer should have the experience and available resources to assist the City in the creation of the ordinance.

Often the establishment of single room occupancy units is combined with supportive services and serves extremely low income individuals. The City priority to assist extremely low and very low income residential projects with its available housing funds would apply to SRO projects that serve those income groups.

#### **H 2.9: Multi-Family Location.**

Provide for the development of multi-family housing to create a diversity of available housing types as follows:

1. Maintain the identified sites on the Inventory of Sites Available for New Housing Development (Appendix A of the Housing Element).
2. Permit reclassification to multi-family zoning of other properties that meet the following criteria:
  - a. Have adequate size to allow for a self-contained housing development and include adequate on-site parking and usable open space;
  - b. Have good access to arterial streets and transit nodes;

## **City of San Mateo 2014 Housing**

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- c. Maintain a reasonable buffer to single-family districts; and
- d. Constitute a logical extension of existing multi-family development at compatible and appropriate densities or are zoned for commercial use.

### **Program H 2.9: Multi-Family Location.**

1. Maintain multi-family zoning on specified sites consistent with the Land Use Map or Land Use Element policies.

**Lead:** Planning Division

(Ongoing)

2. Consider during review of Reclassification applications for multi-family districts.

**Lead:** Planning Division

(Ongoing)

### **H 2.10: Housing Densities.**

1. Maintain a density range, with densities at the higher end of the range to be considered based on provision of public benefits such as affordable housing, increased open space, public recreational facilities, or off-site infrastructure improvements, or location adjacent or near (generally within a half-mile walking distance) transit nodes; (Note: Related Land Use Element Policy LU 1.4)
2. Ensure that inappropriate densities are not permitted for lots of less than one-half acre.

### **Program H 2.10: Housing Densities.**

1. Consider policy during the development review process.

**Lead:** Planning Division

(Ongoing)

If San Mateo is to meet its housing needs, it will need to encourage multi-family housing on vacant sites and through redevelopment. However, to create high-quality living environments and protect

existing neighborhoods, certain standards must be followed in the location of new multi-family developments. Sites must be large enough to provide adequate parking and still leave area available for recreation and open space. Multi-family sites must be close to arterial streets to handle traffic generation and discourage traffic through single-family neighborhoods. Specific commercial sites may be developed for multi-family use.

One means of increasing housing potential is through redesignation of commercially zoned and lower density residential properties to multi-family land use. The redesignations approved in Policy H-2.-9 will increase the potential for construction of new units.

San Mateo's multi-family zoning districts allow relatively high densities in an effort to encourage the production of housing. In 1989, the R-3 District (the lowest density multi-family zoning district) allowed up to 43 units per acre. Prior to the amendments necessary to make them conform to the initiative adopted by the voters in November 1991, the R-4 District allowed up to 58 units per acre and the R-5 District allowed up to 124 units per acre. However, very few projects were built up to the maximum allowable densities. On average, most developments achieved between one-third and one-half the allowable densities in these zoning districts, due to other constraints such as parking, open space requirements and the costs of high-rise building construction or multiple floors of underground parking.

The high range of allowable densities permitted by the zoning districts can result in property owners over-valuing their properties based on unrealistic development expectations. This in turn results in properties remaining undeveloped or reduces the affordability of units constructed with inflated land prices. It can also render density bonuses for affordable housing production useless.

In 1979 the allowable densities of multi-family districts were studied and revised, with the intent of limiting allowable densities on smaller

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parcels and providing density incentives for lot assemblage. The increase in lot size provided better opportunities for incorporating parking and open space in a more livable project design. The R-3 District, for example, now allows just two units to be constructed on a parcel of 6,000 square feet. If two such parcels are merged, creating a 12,000 square foot lot, a project of eight units is allowed.

### **H 2.11: Senior Project Location.**

Permit senior housing projects on multi-family or non-residentially zoned properties within walking distance of services and transit routes. Continue to provide allowances for density bonuses for senior projects.

**Program H 2.11 Senior Project Location.**

1. Consider during review of reclassification applications to the Senior Citizen Overlay district and Residential Care Facility Special Use Permits.

**Lead:** Planning Division  
(Ongoing)

The elderly population of San Mateo is increasing. San Mateo's senior citizens should be provided with housing opportunities within the community to avoid the necessity of relocating to other areas and to free up underutilized single-family homes for younger families. Senior housing has different characteristics than typical family-oriented housing. Seniors typically drive less, thereby reducing traffic impacts and the need for extensive parking. Many senior projects also provide on-site communal facilities for dining and recreation, which further reduce the need for driving. Senior housing should be located within three-quarters of a mile of commercial services and transit routes to adequately provide for the needs of elderly residents.

**H 2.12: Mixed Use.**

Continue the policy of encouraging residential uses in existing commercial areas, or in locating adjacent or near transit nodes, where the residences can be buffered from noise and safety concerns and can provide adequate on-site parking and usable open space. Provide floor area and/or height bonuses for residential development in selected areas of the City.

**Program H 2.12: Mixed Use.**

1. Permit the construction of housing or mixed-use projects in commercial areas. Encourage mixed use in specific area plans, the El Camino Real Master Plan, and the San Mateo Rail Corridor Transit-Oriented Development Plan. Consider designation in future plans for 42 Avenue.

**Lead:** Planning Division  
(Ongoing)

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2. Publicize the advantages of constructing housing or mixed-use projects in commercial areas. Publicize the ability to locate residences in commercial areas.

**Lead:** Planning Division

(Ongoing)

The mixing of residential units in commercial developments is not a new idea. The City of San Mateo as well as many older American cities have examples of apartment units over shops. This concept is very applicable to today's needs to provide lower-priced housing and reduce the need for commuting to work. The mixing of housing and commercial uses also would improve the urban design qualities of commercial areas by adding variety and activity to shopping streets.

The City currently allows the mixing of housing and commercial uses in various locations, including properties along El Camino Real (SR 82) south of the Downtown, office sites along 20th Avenue, the KMART site at Delaware and Concar, the Parkside Shopping Center at Norfolk, and the Fashion Island Shopping Center. In addition, once adopted, the programs called for in Program H 2.4 should encourage the construction of affordable housing in the redevelopment of commercial areas.

The City's El Camino Real Master Plan and Land San Mateo Rail Corridor Transit-Oriented Development Plan both include policies promoting mixed-use development. Future specific plan efforts, including the 42nd Avenue Specific Plan will also consider the designation of these areas for mixed-use development.

### **H 2.13: Transportation Oriented Development (TOD).**

Encourage well-planned compact development with a range of land uses, including housing, commercial, recreation and open space, in proximity to train stations and other transit nodes. Encourage the maximization of housing density where possible.

**Program H 2.13: Transportation Oriented Development (TOD).**

1. Encourage transit-oriented development in locations adjacent or near train stations and other transit nodes.

**Lead:** Planning Division

(Ongoing)

2. Ensure that development proposals conform to the Transit Oriented Development Ordinance and the San Mateo Rail Corridor Transportation Oriented Development Plan.

**Lead:** Planning Division

(Ongoing)

As with the concept of mixed-use development, transit-oriented development is not a new idea. The location of housing within proximity to transit stations has been shown to increase the use of transit ridership and reduce the use of single-occupancy vehicles. The concept of transit-oriented development has the potential to positively affect local circulation, jobs/housing balance, and the evolving fabric of the City's transit corridors.

In 2007, the City adopted the Transit Oriented Development Ordinance which implements the San Mateo Rail Corridor Transit Oriented Development Plan (adopted 2005). The Plan encourages and provides guidance for transit oriented development centered on the Hillsdale and Hayward Park Caltrain station areas. Land uses, development densities, and parking and transportation demand management are important components in the Plan. In addition, the Plan includes goals and policies to improve the street system and pedestrian and bicycle friendliness within the planning area. Development within the TOD area will be required to conform to the policies and guidelines contained in the San Mateo Rail Corridor Transit Oriented Development Plan.

#### **H 2.14: The Homeless.**

Continue existing support for organizations that seek to prevent homelessness. Assist Countywide efforts to address homelessness through participation in the HOPE Program. Although the HOPE program focuses

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efforts on providing permanent supportive housing rather than emergency shelters, the City must also comply with SB 2 which requires ensuring there are appropriate zones where emergency housing is located as a permitted use. Accordingly, transitional housing is currently permitted to be located in residential districts and commercial districts, while emergency shelters may be located in Regional/Community Commercial districts.

### **Program H 2.14: The Homeless.**

1. Continue existing support, where feasible, for programs and facilities seeking to prevent homelessness.

**Lead:** Neighborhood Improvement and Housing Division and Community Services Division

(Ongoing)

2. Allow emergency shelters as a permitted use in Regional/Community Commercial land use categories consistent with the provisions of SB2, which requires emergency shelters as permitted uses without conditional use permits or other discretionary action. Emergency shelters shall be subject to the same development and management standards that apply to other allowed uses in the designated land use and zoning districts.

**Lead:** Planning Division

**Implementation Goal:** Ongoing permitted uses. Review 300 buffer zone around parks and schools as adopted by City for compliance with State legislation. Amend code if needed by 2015.

3. Continue existing support, where feasible, for programs to assist and support home sharing as an alternative to homelessness.

**Lead:** Neighborhood Improvement and Housing Division

**Implementation Goal:** (Ongoing)

In 2005–2006, a county-wide group of diverse stakeholders undertook an intensive community-based planning process to develop a plan to end homelessness in San Mateo County. The end

result – entitled “Housing Our People Effectively (HOPE): Ending Homelessness in San Mateo County (“the HOPE Plan”) – lays out concrete strategies designed to end homelessness in our community within 10 years. Completed in March 2006, the report incorporates the experiences and expertise of over 200 stakeholders, including members of the business, nonprofit and government sectors. Many of these stakeholders were elected officials and staff from the 21 jurisdictions that are members of the San Mateo County Countywide Housing Element Update project. The final plan has been formally adopted by several of San Mateo County’s 21 jurisdictions.

The HOPE Plan is the community’s comprehensive policy and planning document relating to homelessness and therefore provides the local policy framework for developing the strategies and activities required by SB2 relating to emergency shelter, and transitional and supportive housing.

The HOPE Plan is a call to action to prevent and end homelessness in San Mateo County. The Plan is outcome-driven and as such has two overarching desired results:

- Creating 7,900 units of affordable and supportive housing for households which are homeless or at imminent risk of homelessness; and
- Providing 4,300 households with short-term assistance to secure or maintain housing.

The HOPE Plan intentionally made no recommendation to expand the supply of emergency or transitional housing (except for a small pilot motel voucher program to provide assistance to single individuals). Although the HOPE planners recognized that there is a lack of needed resources throughout the housing continuum, including emergency and transitional housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing (accessible to households with incomes ≤30% AMI) and, where needed, supportive housing. Since the HOPE Plan was adopted by the County, many cities, and other community

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groups, there have been no plans for new emergency shelter or transitional housing put forth in San Mateo County (with the exception of transitional housing or permanent housing with transitional services for emancipating foster and/or homeless transition-age youth).

Within the specific strategies identified to increase affordable housing opportunities, the Plan recommends removing barriers to and/or creating incentives for the development of extremely low-income affordable and supportive housing by:

- Establishing innovative land use and zoning policies and recommendations;
- Creating clearer, more streamlined building and development processes to shorten the time and decrease the cost of affordable and supportive housing development; and
- Identifying more suitable, appropriately zoned land and multi-unit buildings appropriate for affordable and supportive housing.

### **H 2.15: Open Choice.**

Continue efforts towards the elimination of discrimination based on race, religion, sex, nationality, age or physical disability that prevent free choice in housing.

**Program H 2.15: Open Choice.**

1. Continue implementation of the Fair Housing Resolution, affirmative marketing of city-subsidized housing projects, and provision of available funding for private nonprofit organizations that monitor and provide assistance to those experiencing discrimination in housing choice.

**Lead:** Neighborhood Improvement and Housing Division  
**(Ongoing)**

San Mateo's efforts to provide a diversity of housing would be meaningless if that housing were not available in an atmosphere of open and free choice for all prospective residents. The City seeks to eliminate discriminatory rental and sales practices which act as barriers to free choice in housing, and in 1970 passed a Fair Housing Resolution governing all City departments and housing initiatives. The City's Community Relations Commission is responsible for ensuring compliance with the Fair Housing Resolution. City sponsored housing programs and projects built with City subsidies include affirmative marketing plans to reach all segments of the community. The City also contributes funding to fair housing programs that provide counseling services, investigation of alleged abuses, and legal assistance. These programs also include outreach efforts by conducting workshops for landlords and tenants, public service announcements, newspaper columns, and use of social media posted in several languages.

**H 2.16: Special Needs Groups.**

Continue existing support for programs that assist special needs groups (the elderly, large families, female heads of households, and the disabled, including the developmentally disabled).

**Program H 2.16: Special Needs Groups.**

1. Continue to support programs particularly designed to accommodate special needs groups. In the past, typical programs have included

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rehabilitation loans, minor home repair, purchase of land for new housing, Section 8 rental assistance, shared housing, and first- and last-month's rent program.

**Lead:** Neighborhood Improvement and Housing Division  
(Ongoing)

State law requires that residential care facilities serving six or fewer persons that assist special needs groups be treated the same as single-family dwellings. To avoid overconcentration, the City will continue to request that facilities be separated by 300 feet, as permitted by State law.

2. Consider requests for Reasonable Accommodations to City zoning code to relieve housing constraints in accordance with City Reasonable Accommodation ordinance.

**Lead:** Planning Division/Neighborhood Improvement and Housing Division  
(Ongoing)

On June 16, 2014 the City adopted its Reasonable Accommodation Ordinance which established a process for considering requests for reasonable accommodation in the application of the city's land use and zoning ordinance for residential property used by persons with disabilities. With this ordinance, persons with disability may make a request for reasonable accommodation instead of applying for a formal planning application for a variance that may take several months to process.

### **3. Incorporate Sustainability Into Housing Development**

#### **H 3.1: Sustainable Housing Development.**

Incorporate Sustainability into existing and future single family and multifamily housing:

1. Ensure that all existing and future housing, including both single family and multifamily housing, is developed in a sustainable manner.

**Program H 3.1: Sustainability Housing Development.**

1. Ensure new residential developments comply with State Energy Building Code

**Lead:** Community Development Department  
(Ongoing)

The City's own mandatory Green Building Ordinance was replaced with the State Green Building Code in January 2014. Staff will continue to encourage that new residential projects assisted with City funds maximize sustainability features beyond the minimum code requirements whenever feasible..

**4. Increase Energy And Water Efficiency In Existing Residential Units**

**H 4.1: Energy and Water Efficiency.**

Encourage energy and water efficiency in all existing residential units.

**Program H 4.1: Energy and Water Efficiency.**

1. **PACE Financing Program.** Continue to monitor legal status of Property Assessed Clean Energy (PACE) financing and coordinate marketing efforts to San Mateo residents..

**Lead:** Neighborhood Improvement and Housing Division

**Implementation Goal:** Coordinate countywide marketing efforts to promote PACE financing to San Mateo property owners. July 2015.

In January 2010 the City of San Mateo joined a consortium of other California cities called California FIRST in order to issue bonds to finance residential energy and water efficiency improvements. Implementation of the program was delayed due to legal issues with the Federal Housing Finance Agency (FHFA). If the State of California and FHFA work out a solution, the City will participate in marketing the program to prospective property owners.

**L. QUANTIFIED OBJECTIVES**

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According to the State Department of Housing and Community Development, the sum of the quantified objectives for the programs should ideally be equal to or surpass the community's identified housing needs. However, State law recognizes that the total housing needs identified may exceed available resources and the community's ability to satisfy this need within the content of the general plan. Under these circumstances, the quantified objectives need not match the identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

With respect to affordable units, the City has estimated the potential subsidies available during the planning period and has calculated the potential number of units that could be assisted with these funds. In addition, staff has compiled a list of known or expected development projects in the next few years, including preservation projects anticipated to come on line between 2014 and 2022.

Based on residential building permits issued in the last year and residential projects that have been initially reviewed by the Planning department that have not been built, the quantified objective for non-subsidized units developed in the market is 2,475 units. The total quantified objectives for the next eight years are as follows:

### **Quantified Objectives, 2014-2022**

<b>Conservation/Preservation</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>
Lesley Park Towers	200		200		
Humboldt House	9		9		
<b>TOTAL, CONSERVATION/PRESERVATION</b>	<b>209</b>	<b>0</b>	<b>209</b>	<b>0</b>	<b>0</b>
<b>New Construction</b>	<b>Total</b>	<b>ELI</b>	<b>VLI</b>	<b>LI</b>	<b>MOD</b>
2000 S. Delaware	60			60	
Bay Meadows Affordable Site	60	20	40		
Bay Meadows BMR	65			25	40
Station Park Green BMR	60		60		
Other BMR	150		45	25	80
Other Affordable TBD	85	30	45	10	
<b>TOTAL, NEW CONSTRUCTION</b>	<b>480</b>	<b>50</b>	<b>190</b>	<b>60</b>	<b>180</b>
<b>TOTAL, AFFORDABLE</b>	<b>689</b>	<b>50</b>	<b>399</b>	<b>60</b>	<b>180</b>
<b>Private Sector/Market Rate</b>					

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New Construction (Above-MOD)	2,475
<b><i>GRAND TOTAL</i></b>	<b>3,164</b>

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The following table summarizes these objectives against the RHNAs need allocations for the eight-year period:

Income	Quantified Objective	Eight-Year RHNAs Figure	% of RHNAs to be Produced
ELI/VLI	449	859	52%
LI	60	469	13%
MOD	180	530	34%
Market	2,475	1,242	199%
<b>TOTAL</b>	<b>3,164</b>	<b>3,100</b>	<b>102%</b>

## M. CONSISTENCY WITH OTHER ELEMENTS OF THE GENERAL PLAN

The Housing Element is consistent with all other elements of the current General Plan, and as updates of the General Plan occur, the city will ensure internal consistency with the Housing Element. The City's Land Use Element implements specific policies of the housing element such as encouraging mixed use development and multi-family residential development, and also includes the following overall policy:

**LU 1.6: Residential Development.** Facilitate housing production by carrying out the goals and policies in the Housing Element.

The Circulation Element includes an analysis of future traffic and planned improvements. These traffic projections are based in part on projected housing units consistent with the Housing Element goals.

## **N. PUBLIC PARTICIPATION**

According to State law, local jurisdictions must "make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort" {65583(c)). This will make the housing element, and subsequent action on it, serious, effective, politically supported, and truly representative of the widest set of housing needs.

This Housing Element represents the culmination of many months of staff development and community review. The following highlights the public process undertaken to produce this document:

ACTIVITY/MEETING	DESCRIPTION	DATE
21 Elements Meeting	Stakeholder Meeting - Golden Gate Regional Center's info on needs and services for people with developmental disabilities	June 13, 2013
21 Elements Meeting	Developer Panel -- addressed concerns in housing development, such as community politics, growing senior population, and need for more workforce housing	December 5, 2013
21 Elements Meeting	Advocates and Funders Panel -- answering questions about greatest housing needs in the County	February 6, 2014
City Council & Planning Commission	Study session on implementation of previous Housing Element and update process, including draft schedule.	March 3, 2014 (5:30 pm in Conference Room C, City Hall, 330 W. 20th Ave, San Mateo)
Planning Commission	Meeting to review draft zoning code amendments for Reasonable Accommodation Ordinance.	March 11, 2014 (7:30 pm in City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )
Community Relations Commission & Senior Commission	Study session on Housing Element Update, review draft materials presented to CC/PC, including update schedule and received comments/questions.	March 19, 2014 (7pm in Conference Room C, City Hall, 330 W. 20th Ave, San Mateo)
Community Workshop	Public workshop	March 26, 2014 (6pm, Oak Room, Main Library, 55 W. 3rd Ave, San Mateo)
21 Elements Meeting	Stakeholder Meeting - Special Housing Needs Advocates	April 10, 2014
City Council	Meeting to review zoning code amendments for Reasonable Accommodation Ordinance (Introduction).	May 5, 2014 (7 pm, City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )

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Senior Citizen Commission	Study session to review and provide input on draft Housing Element 2014-2022.	June 5, 2014 (3:00 pm in Oak Room, Main Library, 55 W. 3rd Ave, San Mateo)
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Community Relations Commission	Study session to review and provide input on draft Housing Element 2014-2022.	June 5, 2014 (7:00 pm in Conference Room C, City Hall, 330 W. 20th Ave, San Mateo)
City Council	Meeting to adopt zoning code amendments for Reasonable Accommodation Ordinance (Adoption).	June 16, 2014 (7 pm, City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )
Planning Commission	Meeting to review draft Housing Element 2014-2022 and recommend to Council for approval.	June 19, 2014 (7:30 pm in City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )
City Council	Meeting to approve draft Housing Element 2014-2022 for submittal to HCD.	July 21, 2014 (7:00 pm in City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )
HCD Review of Draft	Send draft Housing Element 2014-2022 to HCD (60-day review period).	Mid-Aug. – Sept. 2014
	Incorporate HCD comments & public review of revised Housing Element 2014-2022.	September 2014
	Public review of Negative Declaration/Initial Study environmental document	Oct. 17 – Nov. 17, 2014
Planning Commission	Meeting to review revised Housing Element 2014-2022 and make recommendation to City Council.	November 25, 2014 (7:30 pm in City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo)
City Council	Meeting to review and adopt revised Housing Element 2014-2022.	January 5, 2015 (7:00 pm in City Council Chambers, City Hall, 330 W. 20th Ave, San Mateo )
TARGET	DEADLINE to adopt Housing Element for submittal to HCD.	January 31, 2015
HCD Review of Adopted Housing Element	Send adopted Housing Element 2014-2022 to HCD for review and certification (90-day period).	Jan. – Feb. 2015

In addition to these meetings, the City used its online “town hall” forum to elicit comments from the community. These comments – as well as minutes and summaries of meetings noted above – are included in Appendix B.