

**CITY OF SAN MATEO
RESOLUTION NO. ____ (2020)**

**ESTABLISHING THE 2020 MAXIMUM RENTAL RATES AND SALES PRICES FOR AFFORDABLE HOUSING AS
REQUIRED BY THE BELOW MARKET RATE HOUSING PROGRAM, AND ESTABLISHING COMMUNITY PRIORITY
FOR LARGER UNITS**

WHEREAS, the Below Market Rate Housing Program (BMR Program) was established in 1992, and is reviewed by the Council annually to establish maximum rental rates and sales prices for affordable housing, and

WHEREAS, a revision to the BMR Program effective in January 2010, included flexibility in how a developer can satisfy the City's BMR requirement, based on total bedroom count and adopted community priorities for the number of bedrooms in each unit; and

WHEREAS, the City annually revises the rental rates and sales prices for the BMR Program based on medium income data provided by the U. S. Department of Housing & Urban Development and the State Housing & Community Development offices; and

WHEREAS, as set forth in the accompanying Administrative Report, staff has reviewed the rental rates and sales prices for the BMR Program and recommends that the Council adopt the rates set forth in Exhibit A attached to this Resolution; and

WHEREAS, staff recommends that the Council establish Community Priority for units consisting of three or more bedrooms, based on the shortage of those units currently in the BMR inventory compared to the families on the waiting lists, which will allow a developer to provide fewer BMR units in exchange for unit with three or more bedrooms as long as all other BMR program provisions are followed;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. In accordance with California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3) this action is not a project subject to CEQA because it can be seen with certainty that it will not have a significant effect on the environment.
2. The 2020 maximum rental rates, including utilities and garbage, and sales prices for below market rate units are established at the rates set forth in Exhibit A, attached to this Resolution.
3. The establishment of a Community Priority need for units containing three bedrooms or more is established. A developer may propose a different bedroom mix in the BMR units as long as the developer provides BMR units with three or more bedrooms such that the total bedroom count is equal to or higher than what would otherwise be required pursuant to the BMR Guidelines, the total number of BMR units is 10% or more for the project, and all other BMR Program provisions are followed. See Exhibit B for the methodology to calculate the equivalency.

EXHIBIT A

2020 MAXIMUM RENTAL RATES (Including Utility Allowance)

	<u>Very Low Income</u>	<u>Low Income</u>
Studio	\$1,125	\$1,341
1-Bedroom	\$1,276	\$1,536
2-Bedroom	\$1,439	\$1,731
3-Bedroom	\$1,601	\$1,925
4-Bedroom	\$1,731	\$2,077

2020 MAXIMUM SALES PRICES

	<u>Low Income Condo/Townhome</u>	<u>Moderate Income Condo/Townhome</u>	<u>Single Family Detached</u>
Studio	\$231,000	\$361,000	n/a
1-Bedroom	\$271,000	\$419,000	\$559,000
2-Bedroom	\$312,000	\$478,000	\$636,000
3-Bedroom	\$353,000	\$538,000	\$713,000
4-Bedroom	\$385,000	\$585,000	\$774,000

EXHIBIT B

BELOW MARKET RATE ALTERNATIVE FOR VARIATION OF THE BEDROOM COUNT IN BMR UNITS

Based on City Council adoption of a Community Priority, an applicant may propose a different bedroom mix in the BMR units as long as the developer provides BMR units with three or more bedrooms such that the total bedroom count is equal to or higher than what would otherwise be required pursuant to the BMR Guidelines, the total number of BMR units is 10% of or more for the project, and all other BMR Program provisions are followed.

When the Community Priority is for larger units with 3 or more bedrooms the following methodology is used to calculate the required number of BMR units:

- Calculate the pro rata number of Market Rate units by bedroom type by multiplying .15 times the number of units for each bedroom size to establish the baseline.
- Calculate the total number of bedrooms in the baseline BMR units. Use .75/ unit for studio units.
- Developer may propose a different mix of bedrooms if it increases the number of units with 3 or more bedrooms, provides an equivalent bedroom count the same or greater than the baseline, and provides a total BMR unit count of at least 10% of the project size.