

Town of Hillsborough

Housing Element 2007–2014

7th ADMINISTRATIVE DRAFT

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NOTE: THIS IS AN UPDATE OF THE HOUSING ELEMENT INITIALLY ADOPTED JULY 8, 2002

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PART I: HOUSING NEEDS, RESOURCES, AND CONSTRAINTS

1. Introduction

Purpose of the Housing Element

The Housing Element of the Hillsborough General Plan is intended to plan for the housing needs of the Hillsborough community while meeting the State's housing goals as set forth in Article 10.6 of the California Government Code. The Housing Element analyzes housing needs in Hillsborough, the resources available to meet those needs, and the governmental and non-governmental constraints that tend to work against increasing the supply of affordable housing. Goals, policies, and action programs have been crafted to facilitate the Town's use of its limited financial resources and buildable land to maximum advantage.

The Hillsborough Housing Element represents a sincere and creative attempt to meet local and regional housing needs in a community that doesn't meet the urban norms around which the State Housing Element law was created. The Town has developed innovative ways to provide housing for all segments of the population, within the constraints of very limited land availability, the extreme steepness of the terrain, and the extraordinarily high cost of land in Hillsborough.

History of the Town

In 1824, 16-year-old William Davis Merry Howard, son of a wealthy Hillsboro, New Hampshire shipping magnate, sailed on one of his father's ships from Boston around Cape Horn to the West Coast. Upon returning home, he convinced his father of the fortunes to be made in the West and returned to California some 15 years later. Howard became a partner in a general merchandising firm in 1845.

The following year, he purchased Rancho San Mateo from the Mexican Governor, Pio Pico. The Rancho was a tract of land that became the City of San Mateo. He paid \$25,000 for the tract, or approximately \$3.88 an acre. For the next few years, Howard and his wife, Agnes, lived a comfortable life on the isolated Peninsula. They built a fine home which they called El Cerrito and made San Mateo a successful working ranch.

When the Gold Rush began a few years later, the thousands of prospectors flooding California needed provisions, and only a few outlets were present. In a short time, Howard and his partner became wealthier than even the most successful gold seekers.

Mexican rule ended legally in 1848, and California became a state in 1850. Although Howard died in 1856, his children and his wife's family "set the pattern for genteel living down on the Peninsula," according to historian Frank Stanger. The Howards, the Poetts, and several other families became the leading members of the community. By the late 1860s, parcels of the How-

ard estate had been sold in chunks large enough to provide ample estate property for the new generation of founding families.

The area also became attractive to many San Francisco businessmen who wanted to live in a relaxed, uncrowded country setting while working in the city.

As San Mateo and Burlingame continued to grow, the need for money to make improvements became acute, and the residents began to show interest in annexing the estate owners' lands. The owners of the estates were not well disposed to contributing tax dollars toward the improvement of neighboring city life; nor were they interested in any of the benefits incorporation would bring, e.g., sidewalks and other amenities which would detract from the atmosphere of the area. Accordingly, in 1910, residents filed incorporation papers with the County Board of Supervisors, and on April 25th of the same year, by popular vote of 60-1, the Town of Hillsborough was born. The Town had 89 registered voters at the time out of an estimated population of 750. (Women did not have the franchise to vote.) Hillsborough was incorporated on May 5, 1910.

Between 1910 and 1938, Hillsborough's population grew from an estimated 750 to over 2,500, but the era of unusually large estates was coming to a close. Uplands, Home Place, La Dolphine, and other classic estates were gradually subdivided into smaller lots, usually leaving the original house and several acres intact.

Hillsborough's demographics are atypical of suburban communities. For example:

- The population is aging. According to data from Claritas, Hillsborough had 2,121 residents over age 65 (one-fifth of the town's population) in 2008.
- The education level is higher than the norm (70 percent of Hillsborough residents have four or more years of college, according to the US Census, 2000).
- The household makeup is less child-centered. The Census found only 33 percent of households were made up of married couples with children. Three percent were single parents (with children); 45 percent were married without children; and 14 percent were single-person or non-family households.
- The racial and ethnic makeup is shifting. The percentage of Caucasians declined by 403 (5.2 percent) from 2000 to 2008. During the same period, the Asian population increased by 451 (17.3 percent).

Hillsborough's zoning laws varied throughout the earlier years, but the policies behind the laws basically stayed the same: preserve the character of Hillsborough. In 1953, the Town reduced its lot size minimum to one-half acre single-family lots, and its frontage minimum to 150 feet, which are the limits in force today.

One of the main attractions that Hillsborough has for homebuyers is its charm, which is not always captured in newer developments. In that regard, Hillsborough resembles other similar communities in Northern California such as Atherton, Los Altos Hills, and Woodside, and still offers escape from the pressures of the city. In addition to its generally quiet atmosphere, Hills-

borough has excellent, award winning public schools, public works, and stability. These are qualities that have formed the character of the town for over 100 years.¹

Review of Accomplishments of Previous Housing Element

Since 1910, the town has developed entirely through the construction of single-family houses. For the Town's previous Housing Element, adopted July 8, 2002, the Association of Bay Area Governments (ABAG) established an overall objective to add 84 dwelling units from 1999 through 2006, distributed as follows: 11 very-low income, 5 low income, 14 moderate income, and 54 above-moderate income units (Figure 3, page 17). Hillsborough's 2002 Housing Element projected that 106 units would be built during the Planning Period, distributed as follows: 14 very-low income, 15 low income, 18 moderate income, and 59 above-moderate income units. In a letter dated October 17, 2002, the California Department of Housing and Community Development (HCD) certified that the Hillsborough Housing Element complied with the requirements of the governing statute, Article 10.6 of the Government Code.

From 1999 through 2006, Hillsborough issued permits for 87 new units. Of the permits issued, 49 were for second dwelling units (see Figure 8, page 24). These 49 units either provide, or have the potential to provide within the Town, the 2002 objective of 11 very-low income (including extremely low income), 5 low income, and 14 moderate income units for the Planning Period. For a complete discussion of second units, see page 25.

The effectiveness of the Town's housing programs set forth on pages 26-33 of the Housing Element adopted in 2002, is summarized below. All of the 2002 goals, policies, and programs are repeated below. Following each program is a qualitative summary of accomplishments or lack thereof, and a staff recommendation. In addition, staff has quantified the accomplishments wherever possible.

Goal 1 Increase housing opportunities in Hillsborough and surrounding communities.

Policy 1-A Actively participate in meeting the housing needs of the community.

Program 1-A1 Create an advisory committee to advise and assist the City Council on housing issues. The committee would:

1. Work with other communities on cooperative solutions to regional housing problems. (For example, work with nearby communities to explore subregional housing needs and solutions; work with similar communities to explore legislative needs and changes.)
2. Develop innovative ideas for increasing the availability of housing.

¹ Adapted from town of Hillsborough web site.

Responsibility: City Council

Time Frame: 2003

Quantified Objective: Not Applicable (NA)

Specifically, on July 10, 2006, the Hillsborough City Council approved adding the Town as a member of a countywide subregion for the purpose of administering the Housing Element Regional Housing Needs Allocation (RHNA). The subregion was approved by the Association of Bay Area Governments (ABAG) in September 2006. The San Mateo County City/County Association of Governments (C/CAG) was selected to represent the subregion. A Policy Advisory Committee (PAC) comprising one city council representative from each of the jurisdictions acts as the subregion's governing board. Additionally, a Technical Advisory Committee (TAC) of one staff representative from each of the participating jurisdictions serves in an advisory role to the PAC. Hillsborough has been and continues to be actively involved in subregional housing planning efforts, and it is significant that the Council has designated a specific representative.

Policy 1B Cooperate with other jurisdictions in meeting the housing needs of the Peninsula.

Program 1-B1 Work with nearby communities to explore subregional housing needs and solutions.

Responsibility: City Council

Time Frame: Begin cooperative planning, 2003

Quantified Objective: NA

Status: ongoing. Staff recommends that existing efforts continue. (General comment: When the element goes to HCD, "staff recommends" will be replaced by whatever the City Council has agreed to. HCD expects in this section to indicate what changes have been made in the 2007 – 2014 housing element in response to the experience of the past 7 years.)

During the 1999-2006 Housing Element planning period, the Town's total contribution to homeless shelters, transitional housing programs², and affordable housing development totaled \$17,270. The amount of funding has been increasing, however. In the four years FY 2005–2008, the Town contributed \$25,832, of which \$15,582 went to support the Housing Endowment Trust–San Mateo County (HEART).

HEART is a JPA which coordinates financial resources of public and private sector entities to address the regional need for affordable housing. It offers the cities and the county the opportu-

² Transitional housing comprises buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a future time, but no less than six months. In general, transitional housing provides supportive services (including self-sufficiency development services) for recently homeless persons, with the goal of moving them to permanent housing as quickly as possible.

nity to work together in developing and leveraging funding for affordable housing in San Mateo County. It has the potential to access new funds, leverage funds over the long term, and provide a secure funding source for ongoing affordable housing development. The fact that Hillsborough was one of the first San Mateo County jurisdictions to support HEART is a statement of the community's shared commitment to addressing an issue fundamental to the future of all of the county's residents and communities in the belief that more housing goals can be accomplished collectively than can be accomplished individually. HEART was awarded a grant from Proposition 46 funds, the State noting that this was a unique partnership for housing trust funds.

Hillsborough City Councilmember Tom Kasten serves on the HEART governing board, which includes representatives from the community, businesses, nonprofits, member cities, and the County. He has also served as Co-chair of HEART's Legislative Committee. Councilmember Kasten's involvement has put Hillsborough in the forefront of developing creative housing solutions at a subregional level. Vice-mayor Christine Krolik serves on the board of Shelter Network, and is a volunteer with the Interfaith Hospitality Network. Council members and Town planning staff also participate in "Affordable Housing Week" and the "Housing Leadership Day" sponsored by the Housing Leadership Council.

Program 1-B2 Evaluate and report annually to the City Council on progress in developing cooperative solutions to regional housing problems.

Responsibility: City Council

Time Frame: Annually, 2003-2006

Quantified Objective: NA

Status: underway and ongoing. Staff recommends that existing efforts continue, but on an ongoing rather than on an annual basis.

Councilmember Kasten reports periodically to the City Council on the status of developing cooperative solutions to regional housing problems. Additionally, Town staff and Councilmember Kasten are key participants in the Technical Advisory Committee and Political Advisory Committee for the subregion which continues to work toward methods for meeting housing requirements and implementing housing programs. (Cf. page 40.)

Program 1-B3 Assist the private sector in the normal housing development process in Hillsborough.

Responsibility: City Council

Time Frame: 1999-2006

Quantified Objective: 54 above-moderate income units

Both *housing production* and *process* are reviewed below.

Number of units. State law requires local jurisdictions to plan for a regionally or subregionally determined and required number of units. Local jurisdictions are obliged to see that opportunities are present to build the required units, but neither the local government nor any developer has to actually build the units. While Hillsborough's 1999-2006 *overall need for units* was met (87 new units were actually built), *fewer* than 54 units were built at above-moderate levels, and *more* than the required number of units were built at more moderate levels. Specifically, a need for 84 units (of which 54 were to be above-moderate units) was projected for the seven-year planning period July 1, 1999–2006; however, 87 new housing units (net) were constructed in the comparable seven calendar years 2000–2006. Of the 87 built (net), 49 were second units, all of which are substantially smaller and more affordable than the 38 net new single-family dwellings built during the same period. For unit production, see Figure 8, page 24.

Governmental process. The review and processing times for design review, building permits, and lot line adjustments have continued to meet departmental goals, and average construction rates have kept pace with housing demand and projected need in Hillsborough. Additionally, the processing of second units was streamlined: fees are waived and applications are processed administratively without public review.

Program 1-B4 Continue Town contributions to San Mateo County homeless and transitional housing programs.

Responsibility: City Council

Time Frame: 1999-2006

Quantified Objective: \$6,600 annual funding.

Status: The objective has recently been met; the program should be continued. For the 1999-2006 planning period, the Town's total contribution to homeless shelters and transitional housing programs totaled \$17,270. This funding has been increasing, however. In the four years FY 2005–2008, the Town contributed \$25,832—an average of \$6,458 per year to shelters and transitional housing. For the period 1998–2008, the Town's housing contributions totaled \$33,602.00. (Source: Town Finance Dept., grants to Shelter Network, YFES Starting Line, Sustainable San Mateo Affordable Housing, HEART, and HIP Housing.)³ Staff recommends that efforts continue, but at a higher dollar level per year.

³ *Shelter Network* is the leading provider in the Peninsula for housing and support services for homeless families and individuals, with five locations in San Mateo County. YFES Starting Line helps young people, adults, and families in difficulty get onto a better path. Among its many functions, YFES provides shelters for teens. Sustainable San Mateo's services include affordable housing and donating volunteer time or money to nonprofits that support affordable housing so that people who work here can afford to live here. Housing Endowment And Regional Trust (HEART) of San Mateo County raises and distributes funds from public and private sources to meet critical housing needs in San Mateo County. HIP Housing provides Home Sharing and Property Development services to assist seniors and the disadvantaged and disabled living within the county.

Policy 1-C Use vacant land on the periphery of Hillsborough to increase housing opportunities.

Program 1-C1 Consider annexations of land adjacent to Hillsborough that permit housing opportunities.

Responsibility: Planning Department, City Council

Time Frame: 1999-2006

Quantified Objective: Eight moderate income units.

Status: The Quantified Objective for annexation was eight moderate income units. In 2001, (during the current Housing Element planning period, 3.3 acres were annexed. The annexation was part of a 15.37-acre, 14-unit subdivision approved by the Town May 4, 2001. Staff presumes that all of the units resulting from the 2001 annexation were for above-moderate income households.⁴ However, at least one second unit was created (likely for occupancy by a moderate- or lower-income household), and additional second units may result.

As of 2008, staff is discussing the Town's housing needs with potential developers who are or may be interested in annexing and subdividing, while at the same time calling the developers' attention to the potential for second units. Using the middle of the range from a 2008 report prepared specifically for San Mateo County,⁵ 85 percent of all second units are affordable to lower income households, as follows: a conservative estimate is that 55 percent are free and are therefore affordable to extremely low income households; an additional 10 percent are affordable to very low income households; and an additional 20 percent are affordable to low income households.⁶ If annexation during the period 2007-2014 were to produce 12 additional units, staff expects that at least eight of those would have second units, with one unit affordable to moderate-income households, and seven affordable to low, very-low, and extremely low income households. (See new Program 1-C1 on page 43 and Figure 11 on page 52).

⁴ The affordable purchase price for a moderate income household in San Mateo County was \$467,812 in 2007. (See Figure 4A, page 18.) It was \$442,407 in 2002. In 2001, the lowest priced home in Hillsborough cost \$795,000, and completed home sales in Hillsborough in the first half of 2001 averaged over \$2.8 million with a median price of \$2.35 million. Although the San Mateo County Association of Realtors reported that the median price of a single-family home in San Mateo County dipped to \$875,000 in April 2008 (off 11 percent from \$976,000 in April 2007) prices and property values in high-end pockets such as Atherton, Hillsborough, and Portola Valley continued to increase slightly. In February 2008, 39 homes were for sale in Hillsborough with an average listing price of \$4.9 million and a median listing price of \$3.5 million. MLS Listings. "Public Search of Homes for Sale/Rent in Hillsborough," (February 2008) (Accessed February 11, 2008).

⁵ According to the report, 75-100 percent of the second units in San Mateo County are affordable. *Affordability of Second Units in San Mateo County*, page 4, October 24, 2008, by Baird + Driskell Community Planning for 21 Elements: San Mateo Countywide Housing Element Update Kit.

⁶ Ibid. These figures represent midpoints in ranges determined by the survey: "The following numbers are safe conclusions: About 40-70 percent of second units in San Mateo County are affordable to extremely low income households. About an additional 5-15 percent of second units in San Mateo County are affordable to very low income households. About an additional 10-30 percent of second units in San Mateo County are affordable to low income households." The range midpoints are 55, 10, and 20 percent respectively, for a total of 85 percent.

Goal 2 Provide housing consistent with maintaining the character of the community.

Policy 2-A Allow subdivision of existing vacant lots larger than one acre.

Program 2-A1 Modify the subdivision ordinance to permit subdivision of vacant parcels that are large enough to accommodate two or more half-acre lots, but which cannot meet street frontage or lot width requirements.

Responsibility: City Council

Time Frame: Ordinance change 2002-2003; Units 2003-2006

Quantified Objective: Five above-moderate income units

Status: This program was implemented with a Code amendment adopted June 9, 2003. Since that time, there have been no subdivision applications that met the target criteria. However, as of 2008, several qualifying subdivision proposals are under Town review. Staff recommends that existing efforts continue; that property owners be informed at the earliest possible stage of opportunities to add second units; and that incentives be explored to encourage second units that will be “affordable” and maintained as such for a specific number of years.

Policy 2-B Use a density bonus to encourage the creation of affordable housing in future subdivisions.

Program 2-B1 Adopt a density bonus ordinance to encourage affordable or senior housing or both.

Responsibility: City Council

Time Frame: Ordinance 2002-2003; units 2003-2006

Quantified Objective: Three low income units; three units for moderate income seniors

Status: A density bonus was adopted in 2003 as Chapter 17.60 of the Zoning Ordinance, but there have been no proposals to use it. The legislature changed the density bonus statute extensively in 2005, and the Town’s ordinance will be revised to conform with State law.

Goal 3 Provide a continuum of housing opportunities for the members of the Hillsborough community in all stages of life.

Policy 3-A Allow board and care and related facilities, especially for elderly residents who wish to remain in the community.

Program 3-A1 As required by State law, continue to allow board and care facilities for six or fewer residents and transitional housing.

Responsibility: City Council

Time Frame: 2002-2006

Quantified Objective: Four units serving 24 seniors

Status: This program was implemented with a Code amendment adopted on June 9, 2003. The quantified objective of four facilities may not have been met. A business license is not required for board and care facilities for six or fewer residents (the use is considered “single family residential” under State Law), thus the Town does not track such facilities. As of 2008, the Town is aware of one care facility for elderly at 515 Darrell Road.

Policy 3-B Permit the renting of rooms in Hillsborough homes to provide additional housing opportunities for single people.

Program 3-B1 Allow the renting of individual rooms in Hillsborough houses.

Responsibility: City Council

Time Frame: Ordinance 2002; units 2002-2006

Quantified Objective: NA

Status: This program was implemented with a Code amendment adopted on June 9, 2003. However, for privacy and accuracy reasons, the Town does not require a business license for rental of rooms or for shared housing arrangements, and has no rental data. Staff recommends that existing efforts continue.

Program 3-B2 Support and promote the shared housing concept.

Responsibility: City Council

Time Frame: 1999-2006

Quantified Objective: Five units housing the very-low income

Status: The Town supports shared housing, which does not require a business license and is allowed in Hillsborough under a Code amendment adopted June 9, 2003 (see Chapter 17.16).

This program also was included in the 1995 Housing Element. In concept, residents who have available (surplus) space may wish to share that space or rent it in return for income or care, but may be reluctant to rent to strangers. Shared housing programs, such as the one administered in San Mateo County by the nonprofit Human Investment Project (HIP), match persons needing housing with those who have available space. HIP interviews applicants and providers and negotiates terms to assure a proper match between individuals' lifestyles. The Town contributed \$2,000 to HIP in FY 2008.

Beyond continuing existing efforts, staff will develop a Housing website and include a link to HIP and other organizations. Local information indicates that a number of the town's seniors want to share a room to help them out financially and physically but may not know how to proceed. HIP statistics for Hillsborough show the following matched units, by income level, by year, for fiscal years 2000 through 2008.

FIGURE 1. SHARED UNITS IN HILLSBOROUGH ARRANGED BY HIP, FY 2000-2008

Household income level of owner	Fiscal Year									Total
	00	01	02	03	04	05	06	07	08	
Less than 30% of Median Income						1	1			2
30% to 50% of Median Income	1		2	1					2	6
50% to 80% of Median Income						1			1	2
Total	1		2	1		2	1		3	10

Policy 3-C Allow both attached and detached second units within the existing allowable Floor Area Ratio of Hillsborough homes.

Program 3-C1 Modify the zoning ordinance to allow “second units” to be (1) created within existing homes; (2) created by converting existing detached accessory buildings (freestanding cabanas or pool houses); (3) developed as new detached accessory buildings to existing homes; or (4) developed as part of newly constructed single-family residences – either as detached units or incorporated within the main house. It is the intent of this program that overall building size and external appearance (existing or proposed) will not be changed in any major way.

Responsibility: City Council

Time Frame: Ordinance 2002; units 2002-2006

Quantified Objective: Six very-low income units, six low income units, six moderate income units

Status: This program was implemented with a Code amendment adopted June 9, 2003 (Chapter 17.52) that, for the first time, allows second units within the Town. Planning fees were waived for second units, and the program—aimed at creating 18 such units—has been a huge success. During 2000–2006 (the seven calendar years of the planning period), 49 new legal second dwelling units were created. (See 2007 Housing Element, Figure 8, page 24.) However, there is only limited local information on how many of the 49 new second units are affordable to very-low income, low income units, or moderate income households. (See discussion of second units on page 7 under Program 1-C1, and on page 25.)

Staff recommends that existing efforts continue, along with Code clarifications that will streamline second units through the administrative process.

Policy 3-D Allow existing second units to be used for rental housing whether the unit is attached to the main house or is a separate detached unit.

Program 3-D1 Create a process to legalize existing second units.

Responsibility: City Council

Time Frame: Ordinance 2002; units 2002-2006

Quantified Objective: 15 very-low income units, 5 low income units.

Status: Implemented, but the quantified objective was not met.

This program was implemented with a Code amendment adopted June 9, 2003 (§17.52.030). The Town provided a grace period for “converting existing appropriate residential space ... into a second unit” (§17.52.040). The town received no proposals to use either code section. Nevertheless, staff recommends that such efforts be reinstituted.

Policy 3-E Allow institutions located within Hillsborough to provide housing for employees.

Program 3-E1 Modify the zoning ordinance to permit employee housing on existing institutional properties in Hillsborough.

Responsibility: City Council

Time Frame: Ordinance 2002; units 1999-2006

Quantified Objective: Eight very-low income units; six low income units; one moderate income unit

Status: This program was implemented with a Code amendment adopted June 9, 2003 (§17.16.030(E)). Although there have been no proposals to use it, staff recommends that existing efforts continue.

Goal 4 Ensure equal housing opportunities for all.

Policy 4-A Eliminate discrimination in housing based on age, race, color, religion, sex, marital status, national origin, ancestry or occupation.

Program 4-A1 Continue to designate the City Attorney as the appropriate City official to receive and investigate housing discrimination complaints.

Responsibility: City Council

Time Frame: Ongoing

Quantified Objective: NA

Status: ongoing. Staff recommends that existing efforts continue.

Program 4-A2 Review the Zoning Ordinance to identify provisions that could pose constraints on the development of housing for persons with disabilities, and amend the ordinance as needed to expedite retrofit efforts to comply with the Americans with Disabilities Act (ADA), require ADA compliance in all new development that is subject to ADA, and provide adequate flexibility in the development of housing for persons with disabilities.

Status: ongoing. This program was implemented with a Code amendment adopted June 9, 2003 (Chapter 17.42) establishing a reasonable accommodation procedure. Since that time, a number of applications have been approved to add elevators and wheelchair ramps, and to make other modifications to facilitate access to homes and institutions.

Staff recommends that existing efforts continue.

State Housing Element Law

State Planning and Zoning Law requires that cities and towns update their housing elements every five years (with some variation). For cities and towns (like Hillsborough) within the purview of the Association of Bay Area Governments (ABAG), a deadline of June 2009 was set for the adoption and amendment of the housing element of the General Plan for the planning period from 2007 through 2014.⁷

Public Participation. Government Code §65583(c)(7) requires the Town to “make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element.” In order to meet this requirement, the Mayor, in February 2008, appointed a broad-based Steering Committee “... to include citizens from different geographic areas and economic segments within the Town, financial and real estate professionals, decision-makers, etc., to identify key [housing] policies and develop strategies.” The steering committee met seven times from March 2008 through February 2009.

In addition to establishing the citizens advisory committee, the Town facilitated community workshops on the Housing Element on October 16 and December 10, 2008. In attendance at the October meeting were 10 members of the public (residents and members of interested organizations), nine of the 14 members of the Steering Committee, Mayor Mullooly and Vice Mayor Krolik, staff from planning and police, the city attorney, and special housing counsel.

Two steering committee members and 23 members of the public (including a builder, a developer, and the parent of a disabled adult child) attended the December workshop, where second units, a specific location for the emergency shelter, and transitional and supportive housing were highlighted as discussion items. Participants were given the opportunity to ask questions and to recommend changes to the draft Housing Element.

The only public comments received at the first meeting related to flexibility for the Town’s second unit regulations. At the second meeting, there was no opposition to the proposal to designate the fire station for emergency shelter, nor were any alternative locations suggested. Members of the public expressed concern regarding neighborhood impacts and requirements for transitional and supportive housing.

⁷ ABAG, *Association of Bay Area Governments Resolution No. 02-07*, (Jan. 2007).

In reaching out to the public in advance of the workshops, Town staff published three articles about the Housing Element (February, June, and November 2008) in the community newsletter mailed quarterly to all Hillsborough residents; mailed an invitation to the December 10, 2008, workshop to every member of the community; developed and updated the Housing Element website; and sent an executive summary of the draft Housing Element along with an invitation to the workshops, to the following organizations and community interest groups:

ACORN; BRIDGE Housing Corporation; California Housing and Community Development Department (HCD); Center for the Independence of the Disabled (CID); Childcare Coordinating Council of San Mateo; Habitat for Humanity - Greater San Francisco; Housing Investment Project (HIP Housing); Housing Leadership Council of San Mateo County; League of Women Voters; Local Government Tribal Consultation List, Native American Heritage Commission, and potentially affected tribes; Mental Health Association of San Mateo County; Mid-Peninsula Citizens for Fair Housing; Mid-Peninsula Housing Coalition; Non-Profit Housing Association of Northern California (NPH); Samaritan House; San Mateo County Association of Realtors; Shelter Network; Sierra Club; Sustainable San Mateo County; Threshold 2008⁸; and Western Center on Law & Poverty.

The Town and staff also participated in the Grand Boulevard Initiative⁹ and the coordinated countywide efforts of “21 Elements.”

HCD Review. Because the legislature found “... the availability of housing is of vital statewide importance,”¹⁰ the Housing Element is subject to specific State legal requirements in addition to what the law spells out for other general plan “elements.” The Town is required to submit the Housing Element to the State Department of Housing and Community Development (HCD) for review. HCD is required to review the element within 60 days for compliance with State housing element law (Government Code Article 10.6) and related guidelines, and to provide written comments to the Town along with a determination as to whether, in the opinion of HCD, the element is in substantial compliance with the requirements of State law.

This 2007-2014 Housing Element was submitted to HCD on (month/date), 2009. In a letter of (month/date), 2009, HCD responded that -----. The Town received the comments and made changes to the Housing Element to accommodate HCD’s comments.

Accordingly, the City Council, on (month/day), 2009, adopted this Housing Element by Resolution No. 09-__.

⁸ Threshold 2008—which aspires to reach and welcome all who live and work in San Mateo County into a discussion about long-term housing solutions—employs three civic engagement methods: a countywide assembly, an online dialogue, and local Community Conversations.

⁹ The Grand Boulevard Initiative is a collaboration of 19 cities, San Mateo and Santa Clara counties, and local and regional agencies united to, among other objectives, improve El Camino Real to its full potential as a place for workforce housing.

¹⁰ Government Code §65580(a).

Consistency with Other General Plan Elements

State law requires all elements of the General Plan to be consistent, each with the other. The Town adopted an updated General Plan in 2005, and the Goals, Policies, and Programs of this Housing Element correlate with the new General Plan. If any minor inconsistencies are found as a result of the adoption of this Housing Element, the Town will immediately amend the General Plan to be consistent with the Housing Element.

Section 65580(e) of the Government Code reads: “The Legislature recognizes that in carrying out this responsibility ... to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community [65580(e)] ... each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.”

2. Housing Needs Analysis

For the current Housing Element update, the Association of Bay Area Governments (ABAG) first determined the overall housing needs of the Bay Area based on projections of population and job growth. It then allocated a “fair share” of the regional needs to each of the Bay Area’s cities and counties. (See sidebar) State law passed in 2004 gave contiguous cities and counties the opportunity to form subregions to plan for the allocation of housing units for their member jurisdictions. Twenty cities (including Hillsborough) in San Mateo County and the County decided to pursue that opportunity through the City/County Association of Governments (C/CAG). Thus the Hillsborough housing needs assessment is based on analyses of regional housing needs prepared by both ABAG and C/CAG. (See “**Projected Need**,” page 16, and Figure 3, page 17.)

In addition to following the Regional Housing Needs Analysis (RHNA), this Housing Element also analyzes groups with special housing needs.

HOW THE NUMBERS WERE CALCULATED

The state specifies 11 factors to be used to divvy up the residences [needed among all jurisdictions]; however, not all factors apply to every region. The list includes water capacity, protection of agriculture and open space, housing costs and the housing needs of farm workers and students, among others.

ABAG picked a formula that relies on five factors: the projected growth in the number of households, projected growth in the number of jobs, existing jobs, the number of new households within a half-mile of major public transit (such as Caltrain) and the number of new jobs within a half-mile of major public transit.

Each city or county’s share of each category is given a particular weight, then all five weighted categories are added. That figure (a decimal) is multiplied by the total number of needed units (214,500 [for the nine-county Bay Area]) to give the community’s assignment. By weighting household growth most heavily at 45 percent, the ABAG formula ensures that residential units will be assigned to areas where population growth is already expected.

Existing and projected employment add up to another 45 percent, with new jobs and residences near transit totaling [the remaining] 10 percent, skewing the allocation to favor communities served by public transit.

Each community’s assignment was also broken down into four household income categories: very low, low, moderate and above moderate.

That formula tried to spread new low-income housing throughout the region, meaning that communities that already have “affordable” housing, such as East Palo Alto, will get proportionately fewer low-income units than a more affluent community, such as Atherton.

Source: “State uses variety of factors to determine how many more homes a city or county should plan for,” by Becky Trout, *Palo Alto Weekly*, June 11, 2008, page 21.

Existing Need

Under State law, a housing element is required to analyze each of the subjects below.

Need for additional units. The Regional Housing Needs Analysis (RHNA) provided an estimate of the number of units required to meet the expected demand from new households in all income categories. The RHNA estimated that, as of January 1, 2014, Hillsborough will need an additional 86 housing units. The need is further subdivided by income category (see Figure 3, page 17).

Level of Payment Compared with Ability to Pay. Housing in Hillsborough is, by any standard, very expensive. Although the San Mateo County Association of Realtors reported that the median price of a single-family home in San Mateo County dipped to \$875,000 in April 2008 (off 11 percent from \$976,000 in April 2007) prices and property values in high-end pockets such as Atherton, Hillsborough and Portola Valley continued to increase slightly. In February 2008, 39 homes were for sale in Hillsborough with an average listing price of \$4.9 million and median listing price of \$3.5 million.¹¹

The ability to afford *ownership* housing depends on current interest rates as well as household income. Even with federal government intervention that led to lower mortgage interest rates in 2008, purchasing the least costly home in Hillsborough in the first quarter of 2008 (\$1,570,000) would have required an income of about \$384,000.¹²

There is a limited amount of *rental* housing that is more affordable. An update by the U.S. Census has not been completed for Hillsborough since the year 2000. Data available from Claritas for 2008¹³ shows that 161 units (or 4.3 percent of the 3,703 occupied units in Hillsborough) were renter-occupied. Rent was not computed for 49 of the 161 units. In the remaining 112 units, 80 households (49.9 percent of renter households) were paying 19 percent or less of their income for rent.¹⁴

According to current State and federal housing policy, households that pay more than 30 percent of their income for housing are overpaying. C/CAG, in 2000, estimated that 667 households in Hillsborough were overpaying¹⁵, whereas according to the 2000 Census, 1,212 Hillsborough homeowners (35.2 percent) and 32 renters (19.9 percent) were overpaying for housing.¹⁶ Overpayment is not considered to be as much of a problem for households above the lower-income level (i.e., at 80 percent of the Area Median Income or above) because higher-income house-

¹¹ MLS Listings. "Public Search of Homes for Sale/Rent in Hillsborough," (Accessed February 11, 2008).

¹² July 2008, based on 20% down, 6.5% interest rate, property taxes and insurance, which yield payments of \$9,600/month (30% of \$384,000 income).

¹³ CLARITAS, Inc., The Nielsen Company, accessed May 27, 2008.

¹⁴ Census 2000, Table DP4, Profile of Selected Housing Characteristics

¹⁵ C/CAG San Mateo, *Housing Needs Assessment San Mateo County 2000*. Retrieved on February 9, 2008 at http://www.ccag.ca.gov/pdf/documents/archive/Housing_Needs_Assessment_Doc.pdf.

¹⁶ Census 2000, Tables DP4 (Profile of Selected Housing Characteristics) and DP5.

holds on the Peninsula are acknowledged to be voluntarily spending more of their additional income on housing. At the opposite extreme, households with very-low incomes (less than 50 percent of the area median) are presumed to be sacrificing other necessities in order to meet their housing payments. Ten low-income renter households (half of the total of 20 in Hillsborough) and 202 low-income owner households (42.2 percent of 479 total) were overpaying for housing.¹⁷

Overcrowding is measured by a standard of more than one person per room (excluding kitchens and bathrooms) and is not a problem in Hillsborough. Only 20 houses in 2000 (fewer than 1 percent) had more than one person per room.¹⁸

Projected Need

ABAG Projections. ABAG uses a computer model of the Bay Area economy to project future growth in jobs and housing. The model incorporates national and regional economic trends and local development policies and infrastructure constraints to predict the location and types of jobs, and the expected increase in the number of households for the nine Bay Area counties, for each of the cities, and for the unincorporated areas. These projections are updated periodically; the latest edition is *Projections 2007* (Figure 2, next page).

Need by Income Category. In order to meet State goals to provide housing for all economic segments of the community, ABAG allocates the overall fair share need among four different income categories. The categories and the number of units allocated for the previous and current Housing Element periods are shown in Figure 3, next page.

¹⁷ Source: State of the Cities Data Systems, Comprehensive Affordability Strategy (CHAS), <http://socds.huduser.org/scropts/odbic.exe/chas/index.htm> and Census 2000, Table DP1.

¹⁸ C/CAG San Mateo, *Housing Needs Assessment San Mateo County 2000*. Retrieved on February 9, 2008 at http://www.ccag.ca.gov/pdf/documents/archive/Housing_Needs_Assessment_Doc.pdf, 15.

FIGURE 2. ABAG PROJECTIONS FOR HILLSBOROUGH, 2000-2020

	2000	2008	2010	2015	2020
Population	10,825	10,894	11,200	11,400	11,600
Household Size	2.9	3.0	2.92	2.92	2.94
Households (occupied units)	3,689	3,703	3,830	3,900	3,950
Employed Residents	4,640	4,848	4,320	4,560	4,850
Jobs	2,130	N/A	1,710	1,790	1,870
Jobs/Employed Residents Ratio	0.46	N/A	0.40	0.39	0.39

Source: ABAG, *Projections 2007*, except US Census for 2000, and Claritas for 2008. The 2000 Census showed that 525 (or 11.3 percent of employed Hillsborough residents) worked at home. The number for 2008 was 556 (2008 CLARITAS INC, The Nielsen Company.)

FIGURE 3. HOUSING NEEDS DETERMINATIONS, HILLSBOROUGH, 1999 and 2007

Income Categories	No. of units	
	1999 to 2006	2007 to 2014
Extremely low income = less than 30 percent of Area Median Income.	5	10
Very-low income = 30 to 50 percent of Area Median Income	6	10
Low income = 50 to 80 percent of Area Median Income	5	14
Moderate Income = 80 to 120 percent of Area Median	14	16
Above-moderate income = more than 120 percent of Area Median	54	36
TOTAL:	84	86

Source: ABAG, *Regional Housing Needs for the San Francisco Bay Area, 2001-2006 Housing Element Cycle, June 2001*, and C/CAG *Regional Housing Needs Allocation for San Mateo County cities, 2007*. Assumes that 50 percent of very-low income households qualify as extremely low income, in accordance with Govt. Code §65583(a)(1).

In the 2006 American Community Survey completed by the U.S. Census Bureau, the median income for a family of four in San Mateo County was estimated at \$92,721. Based on the 2006

median, the maximums for each of the income categories listed above would be: very-low income, \$43,360; low income, \$74,176, and moderate income, \$111,265. However, in some areas (where housing costs are high relative to area incomes), HUD raises the very-low income limits.

Accordingly, HUD's 2007, four-person limit for very-low income for San Mateo County was increased to \$56,550. HUD's four-person limit for low income is \$90,500.¹⁹ The moderate income limit is \$114,000. Figures 4A and 4B, below, show the purchase price and rent levels affordable to households in the four lowest income categories.

FIGURE 4A. HOUSING AFFORDABILITY, 2007, HOUSEHOLD OF FOUR

Income Level	Annual Income*	Affordable Rent**	Affordable Purchase Price***
Extremely-low (30 percent)	\$33,930	\$882	\$134,685
Very-low (50 percent)	\$56,550	\$1,470	\$216,752
Low (80 percent)	\$90,480	\$2,352	\$373,867
Moderate (see above paragraph)	\$114,000	\$2,964	\$467,812

* Household gross income for a household of four as established by HUD and State of California, 2007.

** Maximum affordable rent for a 3-BR dwelling unit based on 30% of monthly income and all utilities paid by landlord. (Utility allowance for tenant paid utilities established by Section 8 Program unless further adjusted by HUD.)

*** Affordable purchase price assumes a \$12,000 downpayment, 30-year fixed mortgage with 5.75% interest, and \$500 monthly expenses. Assumes 30% of income (GMI) for principal and interest.

Source: Income figures and affordable rents from HUD, purchase price calculations from Neal Martin & Associates, 2008. See Footnote 4, page 7.

FIGURE 4B. HOUSING AFFORDABILITY, 2007, HOUSEHOLD OF THREE OR LESS

Household Size	Median Income in San Mateo County	Affordable for Extremely Low Income (under 30% of median)	Affordable for Very Low Income (30-50% of median)	Affordable for Low Income (50-80% of median)	Affordable for Moderate Income (80-120% of median)
1 Person	\$66,500	\$594	\$990	\$1,584	\$1,995
2 Person	\$76,000	\$679	\$1,131	\$1,810	\$2,280
3 Person	\$85,500	\$764	\$1,273	\$2,036	\$2,565

Source: *Affordability of Second Units in San Mateo County*, October 24, 2008, by Baird + Driskell Community Planning for 21 Elements: San Mateo Countywide Housing Element Update Kit.

¹⁹ San Mateo County Department of Housing, *2007 San Mateo County Income Limits – as defined by HUD and the State of California*. (May 2007)

Jobs/Housing Balance

The lack of affordable housing and the Bay Area's ever-increasing traffic congestion have brought attention to the concept of "jobs/housing balance" (providing an adequate number of appropriately located housing units to accommodate all of the Bay Area's workers). The jobs/housing balance is usually measured by the number of jobs in a community divided by the number of employed persons living in that community. Using the ABAG 2007 projections, Hillsborough has a jobs-to-employed residents ratio of 0.39 (see Figure 2, page 16). I.e., the town is providing a considerable proportion of its housing for people who work outside of Hillsborough. In terms of the overall Bay Area jobs/housing imbalance, a community (such as Hillsborough) with a ratio below 1.0, is alleviating rather than aggravating the Bay Area's housing shortage.

ABAG's job estimates (Figure 2, page 16) are considerably higher than estimates made by others. Figure 5, below, shows the actual number of non-home-based jobs based on Town surveys of employers in 2001 and 2008. (Note: Hillsborough does not require a license for employing household workers. The number of full-time and part-time household workers is not known.)

FIGURE 5. EMPLOYMENT IN HILLSBOROUGH, 2001 AND 2008

Employer	Full-time Employees		Part-time Employees		Total Employees	
	2001	2008	2001	2008	2001	2008
Town of Hillsborough	104	112	8	6	112	118
Hillsborough School District	125	136	49	49	174	185
Burlingame Country Club	55	58	45	51	100	109
Nueva Learning Center	70	72	29	43	99	115
Crystal Springs/Upland School	72	65	10	15	82	80
Total Employment	426	443	141	164	567	607

Source: Town of Hillsborough

Census 2000 documented "Journey to Work" by calculating travel times to an employment center. As shown in Figure 6, below, about 63 percent of Hillsborough's employed residents have commute times of 20 minutes or more. Only 7.8 percent of Hillsborough's employed residents commute less than 10 minutes from their residences. With a mean travel time to work being 28.7 minutes and a community that is 75 percent residential (the remainder is open space, public, and institutional), a logical assumption is that only a small minority of jobs for Hillsborough residents lie inside the town limits.

FIGURE 6. TRAVEL TIME FOR HILLSBOROUGH RESIDENTS TO WORK, 2000

Commute Time	Number	Percent
Less than 10 minutes	317	7.8%
10 to 14 minutes	571	14.1%
15 to 19 minutes	601	14.9%
20 to 24 minutes	432	10.7%
25 to 29 minutes	293	7.2%
30 to 34 minutes	633	15.6%
35 to 44 minutes	498	12.3%
45 to 59 minutes	410	10.1%
60 to 89 minutes	138	3.4%
90 or more minutes	154	3.8%
Total	4,047	100.0%

Source: U.S. Census, 2000

Special Needs

In addition to examining the number of units needed to accommodate the projected number of households, this Housing Element analyzes six groups that have special housing needs because of disabilities, age, or other special conditions. These groups are discussed using 2000 Census data.

Disabilities. The 2000 Census distinguishes three types of disabilities that may affect a person's ability to find suitable housing: *mobility limitations*, *self-care limitations*, and *work disabilities*. Persons with mobility and self-care limitations may require special housing modifications to enable them to live independently. Such limitations are much more common among the elderly than among those of working age. For those age 16 to 64 in 2000, 254 Hillsborough residents (4.0 percent of the age group) had mobility or self-care limitations. Of those over 65, however, 290 persons (14.7 percent) had such limitations. The Town has continued to provide modest financial support to organizations that provide housing modifications needed by persons with mobility disabilities and self-care limitations. The Town has also adopted a "reasonable accommodation" ordinance to allow modifications of development standards based on residents' disabilities.

Persons with a *work disability* may have difficulty affording housing because of limited incomes. Of those in the labor force, age 16–64 in 2000 who were residents of Hillsborough, 314 (4.8 percent) had disabilities that prevented them from working. Another 395 in that age group had dis-

abilities but were able to work.²⁰ (The 2000 census does not indicate *work disabilities* for persons 65 and over. However, 855 persons age 65 and over had a disability.) People with work disabilities may be helped by lower cost housing. Some, however, also suffer from mobility or self-care limitations and require special modifications to their housing.

Elderly. The population of Hillsborough is aging. According to data from Claritas, Hillsborough had 2,121 residents over age 65 (one-fifth of the town's population) in 2008. The number represents an increase of 107 elder residents from 2000 and 324 since 1990. The proportion of elderly in San Mateo County is expected to grow, and housing for the elderly will be a continuing concern.

Elderly owner households numbered 1,226 in 2000. Of those, 1,014 were moderate income or above; 110 (9 percent) were low income, and 102 (8.3 percent) were very low income (earning less than half of the Area Median Income).²¹ Although many elderly can continue to live in their own homes, particularly if structural modifications are made to help them cope with the limitations that accompany aging, there will nevertheless be an increasing demand for specialized care facilities for the elderly. In addition, the lower income elderly owners (nearly a fifth of all elderly owners in Hillsborough) may need financial assistance to modify their homes or to afford specialized care. There were only four elderly renter households in Hillsborough in 2000, and all were moderate income or above.²²

Large Families. In 2000, Hillsborough's 519 large households—those with five or more residents—made up 14.6 percent of all Hillsborough households. In 2000, Hillsborough had an average of 2.93 persons per household, considerably higher than the county average of 2.78. Housing for large families is not a problem, because of the large size of most housing units in Hillsborough. (In 1999, the average was 8.4 rooms per unit.)

Female Heads of Households. In 2000, the Census found the number of female-headed households was 182 (4.9 percent of all households). The Census distinguishes between a "household," which is any group of people living together in a housing unit, and a "family," in which one or more persons are related to the householder by birth, marriage, or adoption. By 2008, the number of female-headed households had climbed to 292, of whom 36 were living below the poverty level. Because female-headed households frequently have lower incomes, they often have greater difficulty in finding affordable housing. They also may have greater needs for child care facilities and public transit.

²⁰ Source: Census 2000, Table S5.

²¹ Source: State of the Cities Data Systems, Comprehensive Affordability Strategy (CHAS), accessed July 2008.

²² Ibid.

Persons and Families in Need of Emergency Shelter. More people experience homelessness annually than can be counted at any point in time. For example, one person may be homeless between February and May; another may become homeless between October and December.²³

For this reason, the Town makes its own effort to get current local information about homelessness. This data—taken and kept by the Hillsborough Police Department—indicates little to no homelessness in Hillsborough. The Town has no commercial land uses and no social services, and is therefore unlikely to be a destination for the homeless.

Nearly 20 years ago, Hillsborough joined with other San Mateo County cities to work jointly toward a solution to the problem of homelessness. In accordance with the recommendations of the Blue Ribbon Commission on Homelessness, the County in the early 1990s established a trust fund to provide funding for homeless shelters and transitional housing. Each city in the county was asked to contribute to the trust fund, based on its share of county population. Hillsborough was one of the first cities to contribute to this fund, giving \$6,653 in 1992 and the same amount in 1994. For the 1999-2006 planning period, the Town's total contribution to homeless shelters and transitional housing programs totaled \$17,270. This funding has been increasing, however. In the four years FY 2005–2008, the Town contributed \$25,832—an average of \$6,458 per year to shelters and transitional housing. (Source: Town Finance Dept.)

State requirements for Housing Elements with respect to homelessness have changed since the Town's Housing Element was certified and adopted in 2002. Effective January 1, 2008, SB 2 (Chapter 633, Statutes of 2007) requires every California city and county to assess the locality's emergency shelter needs, based on annual and seasonal need.²⁴ The law now requires that every housing element identify a zone where at least one year-round emergency shelter will be allowed.²⁵

(State HCD may consent to allow a city to meet all or part of the new requirements by adopting and implementing a multijurisdictional agreement with up to two adjacent communities.²⁶ Such an agreement must allocate a portion of the new shelter capacity to each jurisdiction, and each jurisdiction must describe in its Housing Element how the capacity was allocated to each.²⁷)

A subsequent section of the Government Code also was amended by SB 2 such that a proposed emergency shelter, or transitional or supportive housing, cannot be denied or conditioned in a way that makes the project infeasible unless one of five findings can be made.²⁸ And the housing

²³ 2007 San Mateo County Homeless Census and Survey, p. 5. Data prepared by Applied Survey Research; Analysis and Report by Kate Bristol Consulting and Debbie Greiff Consulting.

²⁴ Government Code §65583(a)(7).

²⁵ Government Code §65583(a)(4)(A).

²⁶ Government Code §65583(d)(1).

²⁷ Government Code §65583(d)(2).

²⁸ Government Code §65589.5(4)(d).

element must also contain a program to make transitional housing and supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.²⁹ (Transitional housing is defined in Footnote 2 and in the Glossary, page 66. Supportive housing is defined on page 66 of the Glossary)

In 2005-2006, a countywide group of diverse stakeholders undertook an intensive community based planning process to develop a plan to end homelessness in San Mateo County. The HOPE Plan (“Housing Our People Effectively: Ending Homelessness in San Mateo County”) 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, transitional, and supportive housing.

The HOPE Plan is built around two key strategies: Increasing the supply of permanent affordable and supportive housing for people who are homeless; and preventing individuals and families from becoming homeless in the first place. The HOPE Plan recognizes that, although there is a lack of needed resources for emergency, transitional, and supportive housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing.

Other Special Needs. ABAG has determined that housing for farmworkers is not relevant to housing needs in the urbanized portion of the San Francisco Bay Area. No other special housing needs have been identified.

3. Housing Resources

Existing Housing

Number of Units. Census 2000 showed 3,804 housing units in Hillsborough, an increase of only 18 units from the 3,789 in 1990 (an increase of under one half of one percent). Of the 3,804 housing units, 3,689 were occupied and 115 were vacant. Of the 3,689 households, 159 were renters (up 16 percent from 137 renters in 1990) and 3,530 were owners.

According to the California Department of Finance (DOF) the number of dwelling units increased from 3,804 in 2000 to 3,889 in 2008 (an increase of 85, or 2.2 percent). Of the 3,889, DOF shows 9 units in buildings of 2-4 units (same as in 2000); 12 in attached units (8 in 2000), and the rest are all detached SF dwellings (3,868). Of the 3,889 housing units, 3,703 were occupied, according to Claritas, and 186 were vacant. Of the 3,703 households, 161 were renters and 3,542 were owners. See Figure 7 below.

²⁹ Government Code §65583(a)(5).

FIGURE 7. HILLSBOROUGH OWNERS AND RENTERS, 1990-2008

	1990		2000		2008	
Units	Number	Percent	Number	Percent	Number	Percent
Owner	3489	96.2%	3530	95.7%	3542	95.7%
Renter	137	3.8%	159	4.3%	161	4.3%
TOTAL	3626	100.0%	3689	100.0%	3703	100.0%

Source: US Census, 1990 and 2000. Claritas, Inc., 2008

The Hillsborough Building Department shows a larger increase in the number of housing units (119 for calendar years 1999 through 2007). See Figure 8, below.

FIGURE 8. HILLSBOROUGH HOUSING UNIT CONSTRUCTION, 1999-2007

Year	All newly constructed single-family dwellings	Teardowns	Net New SFDs	2nd units	Total New Units
1999	18	10	8	0	8
2000	22	13	9	1	10
2001	20	16	4	0	4
2002	11	8	3	2	5
2003	16	10	6	2	8
2004	20	13	7	11	18
2005	14	9	5	10	15
2006	12	8	4	23	27
SUBTOTAL	133	87	46	49	95**
2007	18	12	6	18	24
TOTAL	151	99	52	67	119

Source: Town of Hillsborough, Building and Planning Department, March 2008.

**NOTE: The total number of units added in the Housing Element cycle 1999-2006 exceeded the RHNA allocation of 84 units.

Rate of Construction. Figure 8, above, shows that Hillsborough, after somewhat higher rates of construction in 1999 and 2000, has seen an average of five new single-family dwellings (net new SFDs) added every year since then. However, after adoption of the Housing Element in 2002 and

the Town's Second Unit ordinance in 2003, the construction of second units jumped from an average of one per year to an average of 15.5 per year.

If sustained, the average net rate of residential construction over the past four years (2004 through 2007) would add 21 units per year. This rate would more than accommodate the projected RHNA of 86 units allocated to Hillsborough between 2007 and 2014. The Vacant Land Table, (Figure 9, page 28), shows a remaining capacity for 119 units without any rezoning.

Second units. Since 1987, State law has allowed cities to adopt an ordinance permitting and regulating second units or to permit such units without any discretionary review and in accordance with State regulations.³⁰ (State regulations permit attached second units whose additional floor area does not exceed 30 percent of the existing living area of the house, and detached second units up to 1,200 square feet.)

As late as 2002, however, Hillsborough permitted attached second units only if they were to be occupied by employees of the occupants of the main residence. But in June 2003, in implementation of the Housing Element adopted in 2002, Hillsborough amended Chapter 17.52 of the Zoning Ordinance to allow second units within the Town.

A "second unit" means a smaller but independent unit on the same site as a new or existing single family house. The second unit can be part of the main house or it can be located in a detached building. All second units must have an exterior entry, which can be by stairway. The ordinance (Chapter 17.52) allows a second unit to be created within an existing dwelling; or by converting an existing detached structure such as a cabana; or by developing a new detached structure (accessory to an existing dwelling); or by developing a detached or attached unit when constructing a dwelling. The second unit may not be sold separately from the primary dwelling. Either the second unit or the primary dwelling may be rented, but not both, and the property owner must live in one of the two units.³¹ Parking requirements for second units are modest: One unenclosed parking space for a unit with up to two bedrooms; two unenclosed spaces for a unit of three bedrooms or more.

From 1999 through 2006, Hillsborough issued permits for 87 new housing units. Of the permits issued, 49 were for second dwelling units. These 49 units are substantially smaller and more affordable than the 38 net new single-family dwellings built during the same period.

How affordable are the units? A report prepared in 2008 and covering primarily San Mateo County examined the rental ranges in existing second units and extrapolated the range of affordability.³² Conservatively using the middle of the range, 85 percent of existing San Mateo

³⁰ Government Code §65852.2(a)(1); §65852.2(b)(1).

³¹ For a comprehensive and detailed set of regulations, see Hillsborough Municipal Code, Section 17.52.020(B) et seq.

³² *Affordability of Second Units in San Mateo County*, October 24, 2008, page 4. Baird + Driskell Community Planning for 21 Elements: San Mateo Countywide Housing Element Update Kit.

County second units are affordable to lower income households, as follows: 55 percent are free and are therefore affordable to extremely low income households; an additional 10 percent are affordable to very low income households; and an additional 20 percent are affordable to low income households. (See footnote 6, page 7.) Except for Hillsborough's second units, it is extremely unlikely that housing affordable to low and moderate income households can be provided in Hillsborough under any circumstances without considerable subsidy, public or private.

Chapter 17.52 provides for second units while maintaining traditional Town limits on overall building size and external appearance and promoting preservation of the architectural and landscape character of the community. To implement the compatibility of building size and external appearance, Chapter 17.52 required the review of second units over 500 square feet by the Architectural Design Review Board (ADRB). In September 2008, however, the Town updated the Zoning Ordinance (Chapter 17.52) to allow second units up to the maximum of 1,200 square feet to be approved administratively irrespective of location on the property or within a building.

To encourage the provision of affordable rental housing, the Town waives planning and building permit fees for second units—to the tune of \$32,000 over the five fiscal years 2004–2008—and property owners are informed at the earliest possible stage of opportunities to add second units. The Town's efforts—initially aimed at creating 18 such units—have been hugely successful. After adoption of the ordinance in 2003, the construction of second units in Hillsborough jumped from an average of one per year to an average of 15.5 per year.

As a way to obtain basic information about the uses of second units in the community in general, staff will prepare—for use in connection with future second unit applications—a one-page questionnaire to ascertain the owner's initial intent for use of the unit (e.g., intergenerational family, housing for domestic workers, rental income, guest quarters, etc.).

Housing Condition. Just under 1,000 units were built in the 1950s, the decade of most rapid growth in Hillsborough. Substantial construction continued in the 1960s (582 units) and 1970s (711), but the rate of growth slowed considerably in the 1980s (339) and 1990s (148).³³

As homes age, they need rehabilitation. In Hillsborough, this need is adequately met through private efforts and does not require a government program to maintain the quality of the housing stock. There was only one code enforcement action in the 1996-2006 Housing Element cycle, and there have been none since. Demolitions—which averaged 10.5 per year from 2004 through 2007—are not usually the result of poor housing condition, but result instead a from the formation of new households and their desire for larger or more modern homes.

The housing stock in Hillsborough is in good condition. According to the 2000 census, 1,986 units were built before 1960, but due to the high value of Hillsborough homes and the generally

³³ Source: US Census and Claritas, Inc., The Nielsen Company, accessed May 27, 2008.

high incomes of residents, these older homes are generally well-maintained. (The 2000 census found no units that were boarded up or abandoned.)

Land Availability

In 2000, Hillsborough had 3,851 improved properties, 66 Town and School district owned properties, and 152 unimproved parcels. In 2008, the town had 3,894 improved properties (an increase of 43), 66 Town and School district owned properties, and 123 vacant or unimproved parcels (a decrease of 29).

Although substantially built out, Hillsborough has sites available for new housing construction. Of the 3,928 acres encompassed by Hillsborough, none is designated for commercial development. Except for 264 acres designated for open space and conservation, and sites used for private schools (43 acres), private recreational (113 acres —e.g., the country club), and public and private facilities and services (55 acres), all of the vacant buildable land is zoned for residential (2,961 acres) or is used for roads and other rights of way (492 acres). See Table LU-1, Summary of Designated Land Uses, page LU-5 of the General Plan.

Figure 9, page 28, shows the sites in Hillsborough that may be available for additional housing by 2014. The 139.3 acres in subdividable sites can produce 39 units. In addition, 80 individual lots are developable at one unit each. In total, the approximately 243.3 acres of available land in Hillsborough could accommodate about 119 additional housing units. Factoring in second units for their affordability, the sites available are sufficient to meet the projected demand for housing in Hillsborough for the Housing Element period from January 1, 2007, through January 1, 2014.

Housing types permitted in Hillsborough include single-family dwellings; second units (discussed on page 25); and residential care facilities serving six or fewer persons, as provided by State law. Any other residential use required to be permitted by State law, such as transitional and supportive housing, may also be permitted. Multifamily and single-room occupancy housing is permitted on school and institutional properties. In accordance with State law, any residential lot may be used for a single manufactured home under specific circumstances.³⁴) As of 2008, no sites in Hillsborough were designated for homeless shelters.

The Beeson property (in an unincorporated county area adjacent to Hillsborough) may have potential for additional housing. Its annexation and development would require an application to the Local Agency Formation Commission (LAFCO). The Town's RHNA allocation might be increased by a fraction as a result of any such annexation.

³⁴ Government Code §65852.3(a).

FIGURE 9. VACANT LAND WITHIN CITY LIMITS, SUITABLE FOR HOUSING, 2007-2014

Quad No. ³⁵	Location ³⁶	APN	Acreage	Zoning	Constraints	Probable Units ³⁷
Subdividable sites and vacant lots in subdivisions						
C12	Robinwood (Pullman Building Co.)	030-191-030 and 030-097-010	13.3	residential	slope, limited street frontage	3
	Regan estate	280-040-060	47.7	residential	slope	10
	De Guigne estate, 891/893 Crystal Springs Road	038-200-020	47.0	residential	slope	10
C18	Lands of Callan (Crystal Springs road at Tartan Trail)	038-110-160 & 038-121-160	20.0	residential	slope	8
D14	1300 Black Mountain Road	030-243-140	5.5	residential	slope	3
E06	New Place Rd. (Adjacent to Crocker School)	028-250-010	1.5	residential	none	1
E12	Lot adjacent to 1110 Hayne Road	030-190-050	1.8	residential	slope	1
G18	Yew St. (Stonebridge) remaining lots 1 Mountain Wood Ln 68 Mountain Wood Ln 28 Mountain Wood Ln.	034-311-160 034-311-240 034-311-250	<u>2.5</u>	residential	creek, riparian habitat, trees	<u>3</u>
Subtotal			139.3			39
80 individual lots at approximately 1.3 acres each			<u>104.0</u>	residential	various	<u>80</u>
TOTAL			243.3			119

NOTE: All sites are designated single-family residential in the General Plan Land Use Map (SEE MAP OF POTENTIAL HOUSING SITES, PAGE 30). Acreage of the three remaining Stonebridge lots is estimated. In addition, there are 120 scattered, individual vacant lots that average 1.3 acres in area. Approximately two-thirds (80) of the lots are suitable for development and likely to be built on. (Source: Town of Hillsborough, July 22, 2008)

Potential Subdivision of Large Estates

Hillsborough began as a community of estates, with large homes occupying large parcels of several acres. As early as 1916, some of these estates were subdivided into residential neighborhoods with lots ranging from one-half acre to two acres in size. The estate subdivision process continued into the 1990s with construction on the former Tobin Clark estate at the southern end

³⁵ Quad Numbers refer to the Official Map of the Town of Hillsborough.

³⁶ Addresses are approximate and subject to change at the time of actual construction.

³⁷ Does not include "second units."

continued into the 1990s with construction on the former Tobin Clark estate at the southern end of town. In 2001, the Town approved a 14-lot subdivision of the former L. C. Smith estate, now called “Stonebridge” (site G18 in Figure 9, above). Three of these lots remain available for development.

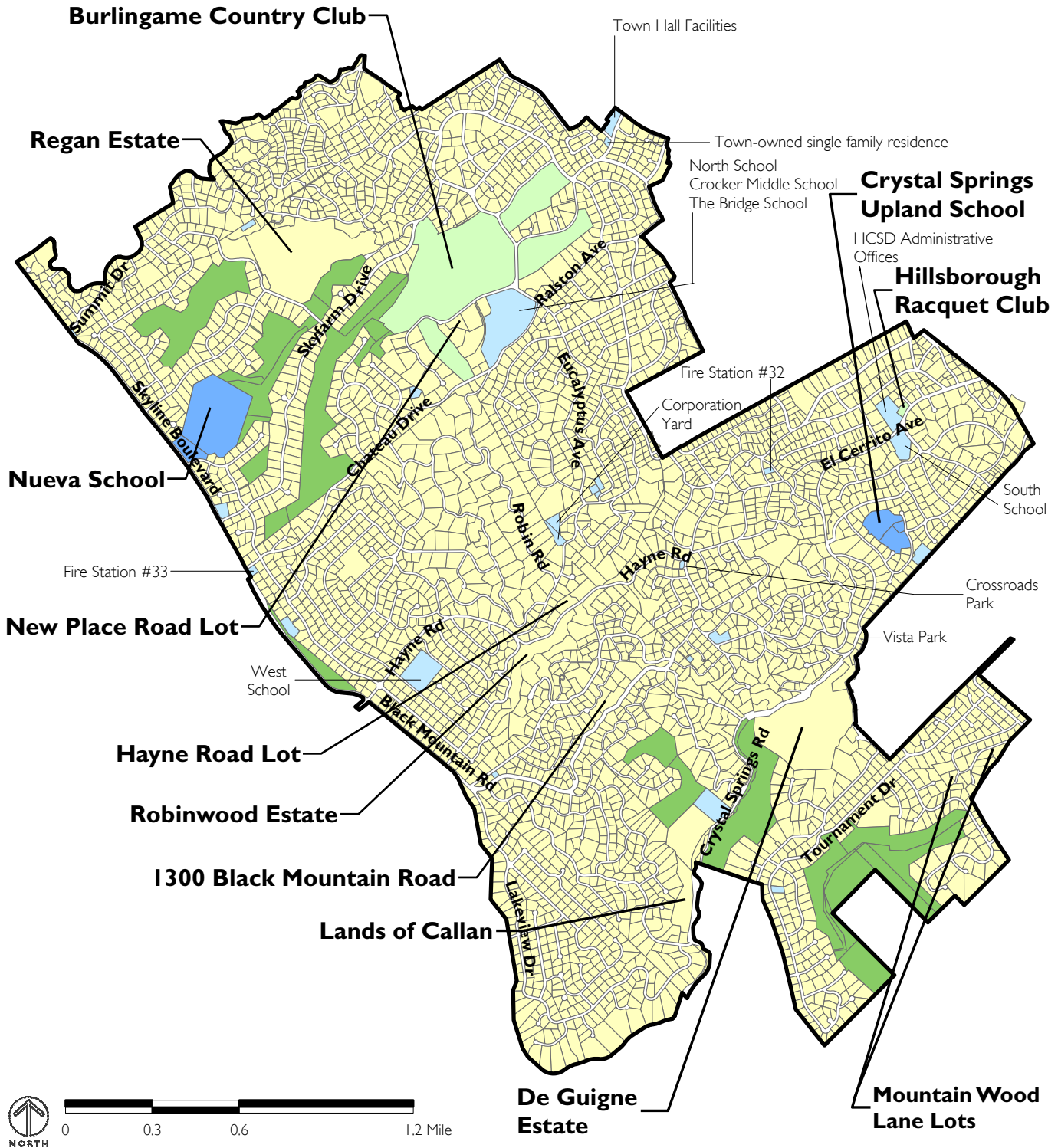
Hillsborough’s subdivision ordinance will permit the conversion of the Town’s remaining estates into new residential neighborhoods consistent with the Town’s requirements (in effect since 1953) for one-half acre minimum lots. Three remaining large estates—De Guigne and Callan (within city limits), and Beeson (unincorporated)—are identified in the Land Use Element of the General Plan as “Potentially Subdividable Estates.”

Town staff met in 2007-08 with developers interested in subdividing the Lands of De Guigne. The property (at 891/893 Crystal Springs Road) includes one existing residence on 47.7 acres along the southeastern border of the Town, surrounded by Open Space and residential neighborhoods. Any development will involve potentially significant environmental constraints/impacts. Additionally, challenges relating to cul-de-sac length, public right-of-way width, double lot frontage, lot configuration, and street maintenance must be addressed. The current General Plan estimates a potential for 20 units between the Regan and De Guigne properties combined. Staff has advised the developer of the Town’s affordable housing requirements and needs.

The Lands of Callan can net eight lots. Formerly called Meadowood Estates and Hillsborough Highlands, this estate includes three lots totaling approximately 20 acres, and is located north of Tartan Trail Road and west of Crystal Springs Road. The applicants have begun studies to examine environmental (intermittent tributary streams and endangered threatened species) and other development constraints. Preliminary concepts subdivide the property into eight clustered lots and nine acres of private open space. The unique lot configuration would require a General Plan Amendment and a rezoning to allow for a “Planned Development” of the property.

The Lands of Beeson (unincorporated, and therefore not shown on Figure 9, page 28) comprise approximately 60 acres in San Mateo County, along the east side of Crystal Springs Road west of Parrott Road. The property is currently within the San Mateo/Foster City School District. Like the Lands of Callan proposal, the project is in its very early stages and is environmentally constrained. A Development Agreement with the Town would likely be required for consideration of rezoning for purposes of annexation. Staff estimates a net maximum of 15 new lots. The developer has discussed constructing a triplex on one of the lots and deeding it to the Hillsborough City School District to house teachers.

There is an expectation that the success of second units in Hillsborough since 2003 will lead to the construction of several second units as part of the subdivision and development of the remaining large estates. Second units are discussed on page 25.



- General Plan Land Use Designations**
- Residential
 - Public Facilities and Services
 - Private Schools
 - Open Space and Conservation
 - Private Recreational

- Label Legend**
- Potential Housing Sites**
- Town Landmarks

Availability of Services

Water and sewer services are available for the number of housing units contemplated by the RHNA; however, developers may be required to fund any needed capacity increases.

Land use and development in Hillsborough are restricted by the steep terrain. The terrain separates the town into northern and southern halves, which are served by two different sewer districts. A potential concern, but one which is not a constraint on development, relates to the capacity to handle wet weather flow within the northern half of the town—flow that is treated by the Cities of Burlingame and San Mateo sewage treatment plants. Infrastructure is adequate and is not a problem.

Financial Resources

Without retail sales and transient occupancy taxes, the Town's budget operates mainly from property tax revenues, and has only limited funds for housing assistance. During the 1999-2006 planning period, the Town's total contribution to homeless shelters and transitional housing programs totaled \$17,270. This funding has been increasing, however. In the four years FY 2005–2008, the Town contributed \$25,832—an average of \$6,458 per year to shelters and transitional housing. For the period 1998–2008, the Town's housing contributions totaled \$33,602.00. (Source: Town Finance Department, grants to Shelter Network, YFES Starting Line, Sustainable San Mateo Affordable Housing, HEART, and HIP Housing.)

The Town does not receive direct federal housing assistance (such as CDBG and Emergency Shelter Grants). However, the Town has an administrative agreement with the County, which receives such funds for smaller jurisdictions like Hillsborough. If opportunities are found to create lower cost housing or shelter, the Town could work with the County to access federal financial assistance.

Existing Subsidized Units at-Risk

There are no government-assisted subsidized housing units within the Town limits.

4. Governmental Constraints

Land Use Constraints

Hillsborough's zoning ordinance requires lots of one-half acre minimum. Typically, lots of this size are considered large enough to act as a constraint to affordable housing. However, the purpose for the minimum lot size is to preserve the environmental stability and town character of Hillsborough. Because nearly all of the Town has been subdivided and built at this density, a higher density can not be achieved without drastic alterations to the existing street and utility systems, both of which were designed for lower volumes. The narrow streets follow the winding contours of the town's many hills and canyons. Indeed, many homes and entire neighborhoods are served only by culs-de-sac. In these and other parts of the town, the steep terrain makes it

impossible to widen streets or to construct connections between existing streets. For these reasons, it is not feasible in the time period of this Housing Element to increase density in already developed parts of town.

In those few areas which have some future development potential, similar constraints apply. Many of the undeveloped parcels lie high in the hills or deep in the canyons, where higher density development would challenge the terrain and increase traffic on narrow, existing residential streets.

Development is also limited by the Town's requirement for 150 feet of continuous street frontage for each lot. This regulation prevents the subdivision of lots larger than one acre that could otherwise accommodate two or more half-acre lots. The subdivision ordinance, however, provides for an exception to the 150-foot frontage requirement for lots fronting on the turnaround area of a cul-de-sac. For lots on cul-de-sac turnarounds, a frontage of 75 feet may be permitted if a longer frontage is impractical and if less frontage will produce a satisfactory street pattern.³⁸

The Municipal Code provides additional flexibility by allowing petitions for exceptions to lot frontage and size restrictions. If the shape of the lot, its physical condition, or natural obstacles make fulfilling the 150-foot lot frontage, 100-foot minimum width, or one-half acre minimum lot size requirements impractical or difficult, the owner may apply for an exception. The City Council decides, in a public hearing, whether to grant the exception.³⁹ Typically, the requests are granted.

The potential for new units is also limited by the Town's "Hillside Development Standard." In order to retain the scenic quality of hillsides and reduce the hazards to persons and property from erosion and landslide, density is reduced on all slopes greater than 10 percent. The permitted density is limited according to the degree of slope, ranging from 2 units per acre on slopes of less than 10 percent to 0.5 units per acre on slopes greater than 40 percent.

Although not a constraint, it should be noted that, prior to submitting a final subdivision map, a subdivider must file a preliminary soils report with the City Engineer.

The Town has reviewed the above Land Use issues and concludes that none is a significant constraint to development, given the topography and historical development of the town's infrastructure. In addition, in order to ease some of the difficulties associated with subdividing land in Hillsborough, the Town developed a preliminary review process for subdivisions on land with a slope greater than 10 percent or resulting in five or more lots. This review aids developers in preparing the necessary environmental documentation and an acceptable tentative map.⁴⁰

³⁸ Hillsborough Subdivision Ordinance §16.08.020

³⁹ Hillsborough Municipal Code §1.24.010

⁴⁰ Hillsborough Subdivision Ordinance §16.06.020

Building Restrictions

Building regulations can increase the cost of housing. Three such constraints have been identified in Hillsborough: *minimum floor area*, *noise insulation*, and *parking requirements*.

Minimum Floor Area. The Hillsborough zoning ordinance requires newly constructed houses (except second units) to have a minimum of 2,500 square feet of living space. The requirement is consistent with goals and policies in the General Plan to maintain the character of the community.

Noise Insulation. Policy N-1.1 of the Noise Element of the General Plan (page N-11) encourages new development in noise impacted areas to provide effective noise insulation measures in accord with State standards and requirements.

Parking Requirements. Houses with three or fewer bedrooms must have a two-car garage; houses with four or five bedrooms must have one additional parking space (total of three), and houses with six bedrooms must have two additional parking spaces (total of four). These additional parking spaces are not required to be in a garage. Given the average cost of new homes compared with the relatively minor cost of an additional parking space, the effect of these parking requirements on the affordability of single-family homes is negligible.

The parking requirements for second units are modest: One unenclosed parking space for a unit with up to two bedrooms; two unenclosed spaces for a unit of three bedrooms or more.

On- and Off-site Improvements

Hillsborough does not require sidewalks; however, for new construction and substantial remodeling, the Town requires the installation of a parking strip adjacent to the street. All streets within the subdivision and one-half of the width of streets adjacent to the subdivision are the responsibility of the developer. Because most future housing will be constructed on infill lots where streets are already in place, the street improvement requirement will not be a significant constraint to affordable housing.

Developers are also required to provide water and sewer connections and storm drainage facilities. These are not considered constraints to housing development because they are necessary to safe and sanitary housing and are generally required in all other cities in San Mateo County.

Slope stabilization measures are required for new construction on all sites with slope gradients above 10 percent. General Plan Public Safety Policy PS-2.3 states the Town will “Review new building plans for proper foundation and supports in areas with slope gradients greater than 10 percent [and] require property owners to provide minimal slope stabilization in properties high at risk to earthquake-induced slope failure.” Action PS-2.1 commits the Town to “continue to implement its Hillside Lot Size Ordinance that limits the density of development on slopes over 10 percent to reduce the risk of slope failure and to reduce runoff and erosion.” (2005 General Plan,

page PS-20.) However, Public Safety Policy PS-2.3 is viewed as a necessary measure to the safety of residents and is not considered a constraint.

Codes and Enforcement

Hillsborough regularly adopts the latest edition of the California Building Code to ensure the health and safety of residents of newly constructed housing, most recently in 2007. The Town enforces the building code through its Building Department. Inspections and approvals are completed promptly and do not add unnecessary delays in the construction of new housing.

Fees

Local governments typically assess more than a dozen different types of residential development fees. These include planning fees, building permit and related fees, and capital facilities fees. Figure 10 (below) compares fees for construction of a new single-family house in Hillsborough with fees in four other San Mateo County cities for which data was available in August 2008. Hillsborough's fees fall near the middle of the group—slightly higher than Half Moon Bay and San Carlos and considerably lower than Redwood City. Residential planning and building fees are broadly required by all jurisdictions in San Mateo County. They are noted here as affecting development, but are not viewed as a governmental constraint.

FIGURE 10. HOUSING CONSTRUCTION FEES IN FIVE AREA CITIES, 2008

City (in San Mateo County)	School Impact Fees	Total Fees, Single-family homes
Brisbane	15,361	21,169
Half Moon Bay	16,770	29,131
San Carlos	12,236	29,952
Hillsborough	8,830	31,709
Redwood City	34,406	45,371

Based on 2,400 sq. ft. house plus 400 sq. ft. garage, construction cost of \$500,000. Raw data provided by each city; survey by Baird + Driskell Community Planning for 21 Elements: San Mateo Countywide Housing Element Update Kit, September 17, 2008. Deposits were omitted; ranges were averaged. NOTE: Fees will vary by the specifics of the project. Fees not included above for Hillsborough are the potential monitoring fees for waste reduction plans.

In March 1998, the Hillsborough City Council passed a resolution, followed by an ordinance, to meet the goals of the California Integrated Waste Management Act of 1989. The Act requires all California cities and counties to divert away from landfills 50 percent of the waste they generate. Prior to demolition and building permit issuance, applicants must complete a Recycling and Waste Reduction Plan. All recycling, reuse, and disposal must be documented by receipts, weight tags, or other records in compliance with the Waste Reduction Plan. Fees to cover monitoring costs may be required. Before a permit is granted, the applicants must submit a Diversion

Summary Sheet and the related documentation. Possible penalties for noncompliance include up to 10 times the permit fee. Since waste diversion is broadly required of all jurisdictions under State law, it is noted here as affecting development, but is not viewed as a constraint.

Permit Processing Times

There are two basic means by which housing is developed in Hillsborough—through the construction of individual houses on existing lots, and through the subdivision of larger parcels. A Design Review approval and building permit for construction of a single house on an individual lot can be obtained in about 7-9 weeks, depending on the design quality.

The subdivision process takes longer. Obtaining approval of a subdivision map requires two to four months, and an Environmental Impact Report often takes about a year. (Both time frames depend on the completeness and accuracy of the materials submitted.) These time periods are reasonable by Bay Area standards. The Town processes subdivisions and building permits as efficiently as possible and is not aware of any changes that could be made to speed up this process.

Pollutant Discharge

The federal government, under the 1974 Clean Water Act, implemented a permit system regulating water discharge: NPDES (the National Pollutant Discharge Elimination System). Local jurisdictions are responsible for obtaining a permit and for enacting implementation measures to maintain compliance with the permit. The County of San Mateo and all of the individual jurisdictions within the county joined together to have a permit issued to the City/County Association of Governments (C/CAG). Permit regulations can significantly limit the developable area of any given parcel and may also increase the costs of residential development.

5. Nongovernmental Constraints

Land Availability and Cost

For over a century, San Mateo County in general and Hillsborough in particular have been a highly desirable place to live. People from around the United States and the world, who have the means to choose where they want to live, continue to pick Hillsborough. The result is a high demand for Hillsborough residences, with land and housing prices pushed up beyond what would be generated from local pressures alone. This makes it particularly difficult for local area employees to afford housing in Hillsborough or for the town to provide housing for lower-income households. With international demand for housing in Hillsborough continuing, the cost of land and housing is well beyond the ability of local government to influence.

Environmental Constraints

Land use is further restricted by the steep terrain. Aptly named, Hillsborough is literally a borough of hills. Construction on steep hillsides requires careful siting to insure safety and prevent soil erosion, limiting the number of dwellings that can be built and increasing their cost.

In some parts of Hillsborough, storm drainage problems can be a constraint to housing development. Construction of housing increases the impervious surface and limits absorption of storm waters, increasing runoff. Some areas of Hillsborough drain into areas served by City of San Mateo, Burlingame, and San Mateo County drainage facilities or unregulated private systems. Development in these areas requires the cooperation of the Town, San Mateo County, and individual homeowners.

Because of the combination of steep slopes and abundant vegetation in Hillsborough, wildfires may threaten residences. Since adoption of the 2002 Housing Element, the Hillsborough Fire Department merged with the City of Burlingame Fire Department to form the Central County Fire Department. Action PS 1.1 of the Hillsborough 2005 General Plan (page PS-18) provides for the Central County Fire Department to review plans for all new buildings and major additions and make recommendations for modifications to reduce fire hazards. All new homes are required to have Class-A fire resistant roofs and fire sprinklers.

Construction Costs

The cost of building has risen enormously throughout the United States since 1970, and Hillsborough is no exception. The steep terrain adds further to the costs of construction. The engineering of foundations, construction of retaining walls, and the grading necessary for access roads, all push up the cost of building in Hillsborough. The difficulty of building in Hillsborough virtually guarantees that, even in the absence of governmental constraints, housing in Hillsborough will be very expensive. Except for second units, it is extremely unlikely that housing affordable to low and moderate income households can be constructed in Hillsborough under any circumstances without considerable subsidy, public or private.

Financing

Financing is needed at three stages of the housing construction process: (1) *Predevelopment*. The developer must have financing to purchase the land and pay for planning, architecture, engineering, and holding the land (carrying costs) during the approval process. (2) *Construction*. The builder needs financing to pay for the costs of labor and materials. (3) *Purchase*. The homebuyer usually needs mortgage financing to purchase the completed dwelling. The availability of financing and the rate of interest can greatly affect the ability of developers and builders to produce housing and of consumers to purchase it. Lower interest rates generally result in more housing construction, while higher rates depress the rate of construction. The cost of construction is aggravated in areas like Hillsborough with difficult building conditions because developers incur substantially higher predevelopment costs.

6. Fair Housing

Hillsborough supports fair access to housing for all persons without regard to race, color, religion, sex, marital status, national origin, or ancestry. Project Sentinel, whose services are funded by cities and counties, serves Hillsborough in helping people resolve housing problems. The

nonprofit agency assists home seekers and housing providers through counseling, complaint investigation, mediation, conciliation and education.⁴¹

7. Opportunities for Energy Conservation

Hillsborough encourages its residents to become energy efficient, starting with their own homes. In February 2001, the City Council passed a resolution indicating that energy conservation was of utmost importance to the town. The resolution reflected the methods already employed by the Town to achieve a 5 percent reduction in the amount of electricity used, and it included a commitment to reduce by 7 percent the amount of electricity used in the future.

The Town recently expanded its efforts to be a more sustainable community by joining the International Council for Local Environmental Initiatives (ICLEI), Cities for Climate Protection, which works collaboratively to reduce greenhouse gas emissions. Through this collaboration, the Town completed a greenhouse gas inventory of Hillsborough's residential, municipal, and solid waste sectors and their GHG emissions. The Council also established a Sustainable Hillsborough Task Force (SHTF, 2007). The SHTF comprises members of the public, building professionals, two Council members, and staff. Armed with information from the GHG inventory, the SHTF is identifying and prioritizing programs and policies to reduce GHG emissions, and is preparing a comprehensive Sustainable Hillsborough Plan as a roadmap to sustainable programs and policies. The Plan will identify and prioritize sustainable policies and programs that reduce energy consumption and costs, reduce greenhouse gas emissions (GHG), expand renewable energy, and reduce water consumption and other natural resources.⁴²

The Town of Hillsborough enforces current State standards for energy efficiency in new construction. All new construction must conform with the State of California's residential building standards for energy efficiency (Title 24 of the California Administrative Code). Title 24 Standards were established in 1978 to insure that all new construction meets a minimum level of energy efficiency standards. Title 24 is updated annually.

All proposals for new houses and major additions in Hillsborough are required to be accompanied by a landscape plan, including a 2:1 replacement schedule for any trees to be removed (with some exceptions). In addition, a tree removal permit is required when trees greater than 36" in diameter are removed. The Town's Architecture and Design Review Board recognizes that homeowners can save up to 25 percent of a household's energy consumption for heating and cooling with the proper siting of trees to allow sun exposure in the winter and shade in the summer.

⁴¹ See www.housing.org/communities_we_serve_text.htm

⁴² Information on the Sustainable Hillsborough program can be accessed at http://www.hillsborough.net/about/sustainable_hillsborough.asp

The Town has been a leader in sustainability in the Bay Area with its green policies and programs. In 1998, Hillsborough was the first San Mateo County jurisdiction to approve a “C&D policy” and an ordinance requiring the recycling and salvaging of construction and demolition materials. The ordinance, which requires approved Waste Reduction Plans for building and demolition projects prior to permit issuance, reduces the amount of materials going to landfills and conserves energy through the reuse and recycling of materials. Town staff monitors and enforces the C&D Recycling Program⁴³ which, since 2002, has annually diverted an estimated 80 percent of C&D materials from construction projects. The program emphasizes “deconstruction” and salvage to find the highest-and-best uses for materials removed from Hillsborough building sites.

Pacific Gas and Electric Company (PG&E), which supplies all of the electric and gas service to the Town, offers an assortment of programs that provide residents with the opportunity for energy conservation. The State Energy Commission also offers rebate programs and other programs for low income residents.

As part of its broader sustainability initiatives, the Town of Hillsborough reduced its solar fees from \$500 to zero and partnered with SolarCity to offer residents a Community Solar Program. The program—which operated from January 10 to April 10, 2009—was designed to educate the consumer and facilitate the transformation of Hillsborough to clean energy. To do so, the program coupled an outreach campaign with discounts and other techniques to incentivize solar adoption. In addition to exclusive discounts on purchased systems, homeowners had the option of leasing their solar systems for no upfront cost and a monthly lease fee. The results were an immediate reduction in residential energy utility bills and a shift toward a more sustainable community powered by clean energy.

PART II: HOUSING GOALS, POLICIES, AND PROGRAMS

1. What is a Goal?

Goals are long-range in nature; policies and programs are intermediate or short-range. Goals determine *what* should be done, and *where*. Policies and programs establish *who* will carry out the goals, *how*, and *when*. Text often explains *why*. *Goal*, *policy*, and *program* are defined below, in the typeface used in the Hillsborough Housing Element.

⁴³ http://www.hillsborough.net/depts/building/debris_recycling.asp

“Goal: A description of the general desired result that the Town seeks to create through the implementation of its General Plan.”

“Policy: A specific statement that guides decision-making in working to achieve a goal. Such policies, once adopted, represent statements of Town regulation and require no further implementation. The General Plan’s policies set out the standards that will be used by Town staff and City Council in their review of land development projects and in decision-making about Town actions.”

“Program: An action, implementation measure, procedure, or technique intended to help to achieve a specified goal.”

TEXT: Language that is needed to further explain a particular goal, policy, or program immediately follows it and is indented in the manner of this paragraph. The clarifying language has the same force or obligation as the policy or program it explains.

In summary, goals determine *what* should be done, and *where*. Policies and programs establish *who* will carry out the goals, *how*, and *when*. Text often explains *why*.

In addition, *Quantified Objectives* are required by §65583(b)(1) of the Government Code to “establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.” This Housing Element provides, for each Program *where applicable*, a Quantified Objective that estimates the number of units that can be created during the effective time period of this Housing Element, January 1, 2007, through January 1, 2014. NOTE: Section 65583(b)(2) of the Government Code reads: “It is recognized that the total housing needs identified [in the RHNA] may exceed available resources and the community’s ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). *Under these circumstances, the quantified objectives need not be identical to the total housing needs.* The quantified objectives shall establish the *maximum* number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.” *[Emphasis added.]*

The majority of the Goals, Policies, and Programs adopted in the 2002 Hillsborough Housing Element have been retained. However, based on the Town’s experience and success since 2002, a few Programs have been dropped; some have been moved; others have been added; and a number of changes have been made throughout the text. The town’s current policies include:

- Town ordinances, including those related to housing, do not discriminate on the basis of race, religion, age, gender or country of origin.
- The current minimum one-half acre lot size and single-family zoning—which has not changed since 1953—is fundamental to maintaining the town’s existing character. (See Hillsborough General Plan, page I-1.)

- The City Council is committed to protecting Hillsborough's residents from geologic hazards. (Hillsborough General Plan, page PS-1.)
- The City Council is sensitive to the housing needs and opportunities of the area and will continue to work with adjoining communities on housing solutions.

2. Goals, Policies, and Programs

Goal 1 Increased housing opportunities in Hillsborough and surrounding communities.

Policy 1-A Actively participate in meeting the housing needs of the community.

Program 1-A1 Appoint one Councilmember to work on subregional housing efforts.

The City Council has appointed Councilmember Tom Kasten to represent the Town and provide continuing participation in subregional efforts. (Cf. page 5.)

Responsibility: City Council

Time Frame: 2007-2014

Quantified Objective: Not Applicable (NA)

Program 1-A2 Work with nearby communities to explore subregional housing needs and solutions.

1. Work with other communities on cooperative solutions to regional housing problems. (For example, work with nearby communities to explore subregional housing needs and solutions; work with similar communities to explore legislative needs and changes.)
2. Develop innovative ideas for increasing the availability of housing.

Responsibility: City Council

Time Frame: 2007-2014

Quantified Objective: Not Applicable (NA)

Program 1-A3 Work with local institutions under Chapter 17.16 of the Zoning Ordinance to develop employee housing on existing institutional lands in Hillsborough.

The Burlingame Country Club (located in Hillsborough) and the town's two private schools provide a total of three housing units for employees. The zoning ordinance was amended in 2003 to permit "multifamily rental housing on the school site for use and occupancy by faculty and other employees of the school" (§17.16.030(E)) and "on the country club site for use and occupancy by employees of the country club" (See §17.16.010(A)(2)). Accordingly,

such institutions can now build multifamily units which are not subject to the half-acre minimum lot size. The Town hopes thus to create new opportunities for employees of these institutions to live onsite, in Hillsborough. This program has the potential to provide affordable housing where none existed and to reduce commute traffic in a modest way. Town staff will discuss with the three local institutions the possibilities for developing employee housing. Salaries of staff range from \$35,000 to \$100,000.

Responsibility: City Council

Time Frame: 2009-2014

Quantified Objective: 15 units, as follows: 8 very-low income units; 6 low income units; one moderate income unit.

Program 1-A4 Work with local and nearby districts (including but not limited to the San Mateo County Community College District) to promote and support the development of affordable housing for faculty, staff, and others on existing institutional lands.

This program does not require any change to Hillsborough codes, as the lands are likely to be outside of the Town limits and/or not subject to local zoning. It also has the potential to provide affordable housing where none existed. Town staff will initiate discussions with the community college district to encourage the development of affordable housing on existing institutional lands.

Responsibility: City Council

Time Frame: 2009-2014

Quantified Objective: NA

Program 1-A5 Evaluate and report annually to the City Council on progress in developing cooperative solutions to regional housing problems.

Hillsborough has been and continues to be actively involved in subregional housing planning efforts. A City Councilmember represents the Town on the San Mateo County City/County Association of Governments (C/CAG), the countywide subregional body which oversees the Housing Element Regional Housing Needs Allocation (RHNA) through a Policy Advisory Committee (PAC). Additionally, a member of the Town planning staff serves on the organization's Technical Advisory Committee (TAC).

Responsibility: City Council

Time Frame: Annually, 2009-2014

Quantified Objective: NA

Program 1-A6 Continue Town contributions to San Mateo County homeless and transitional housing programs.⁴⁴ Enhance regional and subregional housing efforts by exploring partnerships through existing programs.⁴⁵

The Town's Police Department records show little to no homelessness in Hillsborough as of 2008. The Town committed long ago to work jointly with other San Mateo County cities toward alleviating the problem of homelessness in the county. Hillsborough was one of the first cities to contribute to a trust fund established in the 1990s to financially support homeless shelters and transitional housing. In the four fiscal years 2005–2008, the Town contributed \$25,832—an average of \$6,458 per year—to shelters and transitional housing (Finance Department records). The Town's policy is to continue to work to address the problem on a subregional basis with other cities and through nonprofit organizations as the most effective way to meet the special housing needs of those who are homeless and at-risk of becoming homeless.

Note: Emergency shelters and transitional housing for the homeless are covered under Goal 3, "A continuum of housing opportunities for members of the Hillsborough community in all stages of life." Program 3-A2 covers supportive and transitional housing; Program 3-A3 covers emergency shelters.

Responsibility: City Council

Time Frame: 2009-2014

Quantified Objective: \$6,600 annual funding

Policy 1-B Facilitate the private development of housing in Hillsborough.

Program 1-B1 Process design review applications and building permits promptly.

The prompt processing of subdivision and design review applications and building permits has resulted in average construction rates consistent with projected demand for housing in Hillsborough. The Town will continue to assist in the housing development process.

Responsibility: Building and Planning Department

Time Frame: 2007-2014

*Quantified Objective: 36 above-moderate income units**

⁴⁴ Transitional housing programs call for the termination of assistance and recirculation of the assisted housing unit to another eligible program recipient at a future time, but no less than six months. In general, transitional housing provides supportive services (including self-sufficiency development services) for recently homeless persons, with the goal of moving them to permanent housing as quickly as possible.

⁴⁵ Hillsborough has contributed funds to the following organizations serving persons with special needs in San Mateo County: HIP Housing, Shelter Network, Community Gatepath (formerly Poplar Recare), Samaritan House, HEART, YFES Starting Line, and Jobs for Youth.

*See Figure 3, Housing Needs Determinations, page 17. The RHNA for Hillsborough for the planning period 2007-2014 calls for 36 above-moderate income units. The Town has set that number as its objective for this specific program, which deals with facilitating the private housing development process.

Program 1-B2 Continue to waive planning and building permit fees for second units. (Cf. Program 3-C1.)

Following adoption of the 1999-2006 Housing Element in 2002 and a Second Unit ordinance in 2003, the construction of second units jumped from an average of one per year to an average of 15.5. In the five years FY 2004–2008, the Town waived approximately \$15,000 in planning fees and \$17,000 in building permit fees for second units.

Responsibility: Building and Planning Department

Time Frame: 2007-2014

Quantified Objective: NA (See objective for Program 3-C1)

Policy 1-C Use vacant land on the periphery of Hillsborough to increase housing opportunities.

Program 1-C1 Consider annexations of land adjacent to Hillsborough that permit housing opportunities.

The Hillsborough town limit is coterminous with the LAFCO-defined sphere of influence (SOI). Annexing land requires petitioning LAFCO to change the SOI boundary and depends on cooperation from neighboring cities. Nevertheless, some owners of unincorporated land recognize the advantages of annexing their land into Hillsborough, and the Town will consider such annexations in order to increase housing opportunities, including affordable housing. From discussions with developers, staff's best estimate is that a maximum of 12 new single-family units will result from annexations. If, as estimated, eight second units will be built (a total of 20 new units), it is further estimated that one second unit will be affordable to moderate-income households; two will be affordable to low income households, one unit will be affordable to very-low income households, and four will be affordable to extremely-low income households. It is recognized that the Town's RHNA allocation might be increased by a fraction as a result of any such annexation.

Responsibility: Building and Planning Department, City Council

Time Frame: 2007-2014

Quantified Objective: 20 units as follows: 12 Above-Moderate units, 1 moderate income second unit, 2 second units affordable to low income households, 1 affordable to very-low income households, and 4 affordable to extremely low income households.

Goal 2 Housing consistent with the character of the community.

Policy 2-A Allow subdivision of existing vacant lots larger than one acre.

Program 2-A1 Continue to permit subdivision of vacant parcels that are large enough to accommodate two or more half-acre lots, but which cannot meet street frontage or lot width requirements.

There may be parcels with enough total area to provide two or more half-acre residential lots, but which cannot be subdivided under current regulations. These lots are either of unusual shape or are oriented so that the side of the lot fronting the street is not wide enough to provide two lots with the required 150-foot street frontage. Hillsborough modified its subdivision ordinance to permit subdivision of these lots, thereby accommodating additional housing units without altering the large-lot residential character of the community. Proposals to subdivide lots are reviewed by the City Council on a case-by-case basis. Applicants for subdivision must show that lot splits will not adversely affect neighboring properties.

In addition, property owners are informed at the earliest possible stage of opportunities to add second units.

Responsibility: Building and Planning Department, City Council

Time Frame: 2009-2014

Quantified Objective: 10 units as follows: 6 above-moderate income units; 1 second unit affordable to low income households, and 3 second units affordable to extremely-low income households.

Policy 2-B Use a density bonus to encourage the creation of affordable housing in future subdivisions.

Program 2-B1 Continue to use the density bonus, as provided by Chapter 17.60 of the Hillsborough Municipal Code, to encourage affordable or senior housing or both.

The Town's density bonus ordinance provides incentives for affordable and senior housing to be added to small developments. Under §17.60.20 of the Hillsborough Municipal Code, the town must grant a density bonus that results in identifiable and actual cost reduction for a

housing development of at least five housing units, if the developer agrees to construct the units and maintain their affordability for 30 years or longer.

Section 17.60.040(C) includes criteria by which the Council will evaluate such proposals from developers. The legislature changed the density bonus statute extensively in 2005, and the Town's ordinance will be revised to conform with State law.

Responsibility: City Council

Time Frame: 2009-2014

Quantified Objective: 6 units as follows: 3 low income units; 3 units for moderate income seniors

Goal 3 A continuum of housing opportunities for the members of the Hillsborough community in all stages of life.

Policy 3-A Allow board and care and related facilities, especially for elderly and disabled residents who wish to remain in the community.

Program 3-A1 As required by State law, continue to allow board and care facilities for six or fewer residents. (Cf. Program 1-A6)

The intent of this program is to provide board and care opportunities for qualifying individuals, some of whom may be longtime Hillsborough residents who can no longer remain in their homes and who wish to continue living in Hillsborough. State law provides that a residential care facility (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed.⁴⁶

Hillsborough has had several board and care facilities over the years. As of July 2008, the Town is aware of one facility, serving 6 seniors at 515 Darrell Road. The proportion of elderly is growing, and housing them adequately will be a continuing concern on the Peninsula. According to the US Census, the number of elderly living in Hillsborough in 1990 was 1,797 (16.8 percent of the population). Claritas⁴⁷ indicates 2,121 residents over 65 living in Hillsborough (19.5 percent of the population).

Although many elderly and disabled residents continue to live in their own homes, particularly if structural modifications are made to help them cope with the disabilities that accompany aging, there will nevertheless be an increasing demand for specialized care facilities. (Such facilities are usually considered group quarters—not residences—and won't be counted toward meeting Hillsborough's RHNA.)

⁴⁶ Health and Safety Code §1568.0831

⁴⁷ 2008 CLARITAS INC, The Nielsen Company, accessed May 27, 2008.

Responsibility: Building and Planning Department, City Council

Time Frame: 2007-2014

Quantified Objective: 4 houses serving 24 seniors, disabled, and other qualifying residents, as follows: 6 above moderate, 12 moderate income, and 6 low income.

Program 3-A2 Assure that the Zoning Ordinance continues to treat supportive and transitional housing like single-family homes.

California Government Code §65583(i)(1) requires provisions for supportive and transitional housing. Together, **supportive and transitional housing** are one solution to homelessness. They offer the homeless a means to transition to permanent housing. Even though—as observed by the Town’s Police Department—there continues to be little to no homelessness in Hillsborough, the Town committed in the early 1990s to work jointly with other San Mateo County cities to alleviate homelessness in the county. Section 17.16.010(d)(3) of the Hillsborough Zoning Ordinance specifically allows any use which may not be prohibited by State or federal law and which is otherwise not provided for. Supportive and transitional housing is one such use.

Responsibility: City Council

Time Frame: 2009-2014

Quantified Objective: NA

Program 3-A3 Amend the zoning ordinance within one year of adoption of this housing element to insure that emergency shelters are allowed as a permitted use as required by State law.

State law enacted in 2007 requires that the Housing Element include a program to amend the zoning ordinance within one year and to identify a specific zoning district where emergency shelters will be allowed without a conditional use permit or other discretionary permit and without environmental review.⁴⁸

There is one zone in the town, the RD Residence District. Within that district, §17.16.010(3) of the Zoning Ordinance permits public buildings. By itself, the Town’s former fire station has sufficient capacity to accommodate the need for Hillsborough’s emergency shelter needs (estimated at three to five beds) in a year-round shelter. The Town’s permit processing, development, and management standards are codified and objective, and will enable the development of an emergency shelter of adequate size within the former fire station. Operation of

⁴⁸ Government Code §65583(a)(4).

the emergency shelter will be subject to the same development and management standards that apply to other developments in the RD zone, except that written, objective standards in the following categories will be adopted for emergency shelters in public buildings⁴⁹:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based only upon demonstrated need.
- The size and location of exterior and interior onsite waiting and client intake areas.
- The provision of onsite management.
- The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

Responsibility: City Council

Time Frame: 2009-2010

Quantified Objective: NA

Policy 3-B Continue to permit the renting of rooms in Hillsborough homes to provide additional housing opportunities for single people.

Program 3-B1 Continue to allow the renting of individual rooms in Hillsborough houses.

As the Hillsborough population has aged, many homes now house fewer residents than they were originally designed for. At the same time, Hillsborough provides no housing specifically suited for Hillsborough's own single people (for example, recent college graduates, teachers, or recently divorced persons). Allowing the renting of individual rooms—which does not require a Town Business License—makes existing surplus space legally available to people who previously were not allowed, under Town ordinances, to be housed in Hillsborough.

The Town will expand its outreach efforts to the school community and to existing shared housing organizations within the county, so that the community and the support organizations know that the renting of rooms is allowed. The intent is to develop, as part of a marketing outreach, a database of rooms for rent (and second units) that can easily be accessed by organizations and persons seeking such accommodations.

⁴⁹ Ibid. The Town may adopt certain fixed standards related to maximum size and number of occupants, parking, management, security, etc.

Responsibility: City Council

Time Frame: 2007-2014

Quantified Objective: NA

Program 3-B2 Continue to support and promote the shared housing concept.

Some residents who have available surplus space may wish to share that space or rent it in return for income or care, but may be reluctant to rent to strangers. Hillsborough supports and cooperates with the nonprofit Human Investment Project (HIP), which provides home sharing and property development services to assist seniors and the disadvantaged and disabled living within San Mateo County. Shared housing programs match persons needing housing with homeowners and others who have available space. HIP interviews applicants and providers and negotiates terms to assure a proper match between individuals' lifestyles. Hillsborough, by allowing sharing and/or rentals of this type, subject to Town standards, reduces the concerns of potential housing providers and thus provides affordable housing.

Responsibility: City Council

Time Frame: 2007-2014

Quantified Objective: 5 units housing the very-low income

Policy 3-C Continue to allow both attached and detached second units within the existing allowable Floor Area Ratio of Hillsborough homes.

Program 3-C1 Continue to promote and inform the public about the provisions of Chapter 17.52 of the Zoning Ordinance which allow “second units” to be (1) created within existing homes; (2) created by converting existing detached accessory buildings (freestanding cabanas or pool houses); (3) developed as new detached accessory buildings to existing homes; or (4) developed as part of newly constructed single-family residences—either as detached units or incorporated within the main house. (Cf. Program 1-B2)

A “second unit” means a smaller but independent unit on the same site as a new or existing single family house. The second unit can be part of the main house or it can be located in a detached building. All second units must have an exterior entry, which can be by stairway. For a complete discussion of second units, see page 25.

The Town will market the second unit program through brochures and its web site, local cable channel, and community newsletter.

Responsibility: Building and Planning Department

Time Frame: 2009-2014

*Quantified Objective: 70 units as follows: 5 above moderate income units, 5 moderate income units, 14 low income units, 7 very-low income units, and 39 units for extremely low income households.**

*Based on local information, staff estimates that 15 percent of the second units built in Hillsborough since 2003 are available at rents affordable by above moderate and moderate-income households. The remaining 85 percent are available to low income, very-low income, and extremely low income households. Second unit construction has averaged 16.75 units per year for the four years 2004–2007. An extremely conservative estimate would be 10 second units per year during the planning period ending in 2014 (or 70 units).

Program 3-C2 Approve second units through an administrative process.

From 2003 to Fall 2008, local code required second units over 500 square feet to pass the Architectural Design Review Board. In September 2008, the Town amended Chapter 17.52 of the Zoning Ordinance to allow second units up to the maximum of 1,200 square feet to be approved administratively, irrespective of location on the property or within a building. As a way to obtain basic information about the uses of second units in the community in general, staff will prepare—for use in connection with second unit applications—a one-page questionnaire to ascertain the owner’s initial intent for use of the unit (e.g., intergenerational family, housing for domestic workers, rental income, guest quarters, etc.).

Responsibility: Building and Planning Department

Time Frame: 2008-2009

Quantified Objective: (See objective for Program 3-C1, immediately above)

Policy 3-D Continue to allow existing second units to be used for rental housing whether the unit is attached to the main house or is a separate detached unit.

Program 3-D1 Renew, for an additional number of years, the provisions in §17.52.040 to convert existing, appropriate residential space to second units when upgraded to code.

Prior to 1983, Hillsborough permitted “Detached Servant’s Quarters” with a use permit. In no case were these units permitted to be used for rental purposes. Owners who held valid permits at that time could continue to use the units for housing domestic workers until 2013 by registering the units and submitting an annual declaration. No owners complied with the registration provisions, so all previously issued permits for detached servants quarters have expired. By enabling owners to legalize (obtain permits for) domestic housing units, and by permitting the units to be rented and to be renovated to include a separate entrance and

kitchen, the Town can enhance the safety of occupants while maintaining the availability of existing rental units.

Many of these units do not conform to the State's definition of "second unit" because they do not have either a kitchen or separate entrance or both. If renovated to provide a separate entrance and include a kitchen, sleeping, eating, cooking, and sanitation facilities, HCD could agree to count such units toward meeting the Town's fair share of the RHNA for lower income units.

The Town will market the conversion program through brochures and its web site, local cable channel, and community newsletter.

Responsibility: Building and Planning Department, City Council

Time Frame: Ordinance 2009; units 2009-2011

Quantified Objective: 20 second units as follows: 3 moderate income units, 2 very-low income units, 4 low income units, and 11 extremely-low income units.

Goal 4 Equal housing opportunities for all.

Policy 4-A Eliminate discrimination in housing based on age, race, color, religion, sex, marital status, national origin, ancestry, or occupation.

Program 4-A1 Continue to designate the City Attorney as the appropriate City official to receive and forward housing discrimination complaints for investigation and action.

Hillsborough supports fair access to housing for all persons without regard to race, color, religion, sex, marital status, national origin, or ancestry. The Town will assemble and promote the distribution of information to landlords regarding fair housing, focusing on the tie between fair housing and the housing element's emphasis on second units and the renting of rooms. Information will also be made available on the Town's website. Project Sentinel, whose services are funded by cities and counties, serves Hillsborough in helping people resolve housing problems. The nonprofit agency assists home seekers and housing providers through counseling, complaint investigation, mediation, conciliation and education.⁵⁰

Responsibility: City Attorney, City Council

Time Frame: Ongoing

Quantified Objective: NA

⁵⁰ See www.housing.org/communities_we_serve_text.htm

Program 4-A2 Continue to implement Chapter 17.42 of the Zoning Ordinance (Reasonable Accommodation) to expedite retrofit efforts to comply with the Americans with Disabilities Act (ADA), require ADA compliance in all new development that is subject to ADA, and provide flexibility in the development of housing for persons with disabilities.

Since this program was implemented in June 2003, a number of applications have been approved to add elevators and wheelchair ramps, and to make other modifications to facilitate disabled access to homes and institutions.

Responsibility: Building and Planning Department, City Council

Time Frame: Ongoing

Quantified Objective: NA

3. Summary of Quantified Objectives

Figure 11, page 52, summarizes the Town's quantified objectives for the housing programs listed above for the period 2007-2014.

The Housing Needs Analysis (beginning on page 14) identified a need for 86 units to accommodate the additional households projected for Hillsborough by 2014. The Summary of Quantified Objectives (below) shows a possible total of 151 newly constructed units, more than enough to meet the overall projected housing need of 86 units for the planning period. In addition, 20 of the 55 projected units (which could result from Program 3-D1) will meet the HCD and census definition of a new "housing unit" because they will be converted from rooms (existing domestic quarters) to new housing units (second units).

FIGURE 11. SUMMARY OF QUANTIFIED OBJECTIVES, 2007 TO 2014

Action Statement	Extremely -low in- come	Very-low income	Low income	Moderate income	Above moderate income	Total
Programs that promote dwelling units that fulfill the RHNA						
1-A3 Employee housing—institutional lands		8	6	1	0	15
1-B1 Process applications, permits promptly					36	36
1-C1 Consider annexation of adjacent land (8 of the 20 are second units)	4	1	2	1	12	20
2-A1 Subdivide vacant parcels for 2+ lots (4 of the 10 are second units)	3		1		6	10
3-C1 Allow and promote second units	39	7	14	5	5	70
TOTAL, ABOVE PROGRAMS	46	16	23	7	59	151
C/CAG RHNA for Hillsborough	10	10	14	16	36	86
Less units constructed in 2007*	10	2	3	3	6	24
REMAINING RHNA, 2008-2014	0	8	11	13	30	62
Programs that promote other affordable housing						
2-B1 Density bonus for senior housing			3	3	0	6
3-A1 Board and care for elderly			6	12	6	24
3-B2 Support and promote shared housing	5					5
3-D1 Legalize existing domestic quarters when upgraded to second unit status	15		5			20
Total, other affordable housing	20		14	15	6	55

*Hillsborough recorded a net addition of six new single family units in 2007 (assumed to be “above moderate”). In addition, a total of 18 second units were built in 2007 (net total of 24). As noted in Program 3-C1, pp. 45-46, based on Staff’s best estimate and local information prepared in 2008, the 18 second units built in 2007 are assumed to be available as follows: three of the 18 second units are available to above moderate and moderate income households, three units to low income, two units to very-low income, and 10 units to extremely low income households.

APPENDIX A: GLOSSARY OF HOUSING TERMS

1. Abbreviations

ABAG: Association of Bay Area Governments, the Bay Area's COG

AMI: Area Median (Household) Income

BMR: Below-market-rate dwelling unit

C/CAG: City/County Association of Governments, San Mateo County

CDBG: Community Development Block Grant

CEQA: California Environmental Quality Act

CHFA: California Housing Finance Agency

CIP: Capital Improvements Program

COG: Council of Governments

CRA: Community Redevelopment Agency

EIR: Environmental Impact Report

FAR: Floor Area Ratio

FY: Fiscal Year

GMI: Gross Monthly Income

HCD: Housing and Community Development Department of the State of California

HUD: U.S. Dept. of Housing and Urban Development

LAFCO: Local Agency Formation Commission

NA: Not Applicable

PUD: Planned Unit Development

PMSA: Primary Metropolitan Statistical Area

RHNA: Regional Housing Needs Allocation

SOI: Sphere of Influence

2. Definitions

Acres, Gross: The entire acreage of a site. Most communities calculate gross acreage to the centerline of proposed bounding streets and to the edge of the right-of-way of existing or dedicated streets.

Acres, Net: The portion of a site that can actually be built upon. The following generally are not included in the net acreage of a site: public or private road rights-of-way, public open space, and flood ways.

Adverse Impact: A negative consequence for the physical, social, or economic environment resulting from an action or project.

Affordability Requirements: Provisions established by a public agency to require that a specific percentage of housing units in a project or development remain affordable to very-low and low income households for a specified period.

Affordable Housing: Housing capable of being purchased or rented by a household with very low, low, or moderate income, based on a household's ability to make monthly payments necessary to obtain housing. Housing is considered affordable when a household pays less than 30 percent of its gross monthly income (GMI) for housing including utilities.

Agency: The governmental entity, department, office, or administrative unit responsible for carrying out regulations.

Air Rights: The right granted by a property owner to a buyer to use space above an existing right-of-way or other site, usually for development.

Alley: A narrow service way, either public or private, which provides a permanently reserved but secondary means of public access not intended for general traffic circulation. Alleys typically are located along rear property lines.

Annex, v: To incorporate a land area into an existing district or municipality, with a resulting change in the boundaries of the annexing jurisdiction.

Apartment: (1) One or more rooms of a building used as a place to live, in a building containing at least one other unit used for the same purpose. (2) A separate suite, not owner occupied, which includes kitchen facilities and is designed for and rented as the home, residence, or sleeping place of one or more persons living as a single housekeeping unit.

Appropriate: An act, condition, or state that is considered suitable.

Architectural Control; Architectural Review: Regulations and procedures requiring the exterior design of structures to be suitable, harmonious, and in keeping with the general appearance, historic character, and/or style of surrounding areas. A process used to exercise control over the design of buildings and their settings. (See "Design Review.")

Area; Area Median Income: As used in State of California housing law with respect to income eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development (HCD), "area" means metropolitan area or non-metropolitan county.

Assisted Housing: Generally multifamily rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs including, but not limited to Federal Section 8 (new construction, substantial rehabilitation, and loan management set-asides), Federal Sections 213, 236, and 202, Federal Section 221(d)(3) (below-market interest rate program), Federal Section 101 (rent supplement assistance), CDBG, FmHA Section 515, multifamily mortgage revenue bond programs, local redevelopment and in lieu fee programs, and units developed pursuant to local inclusionary housing and density bonus programs. All California Housing Elements are required to address the preservation or replacement of assisted housing that is eligible to change to market rate housing within 10 years.

Below-market-rate (BMR) Housing Unit: (1) Any housing unit specifically priced to be sold or rented to low- or moderate-income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as "low income" or "moderate income." (2) The financing of housing at less than prevailing interest rates.

Buffer Zone: An area of land separating two distinct land uses that acts to soften or mitigate the effects of one land use on the other.

Building: Any structure used or intended for supporting or sheltering any use or occupancy.

Building Height: The vertical distance from the average contact ground level of a building to the highest point of the coping of a flat roof or to the deck line of a mansard roof or to the mean height level between eaves and ridge for

a gable, hip, or gambrel roof. The exact definition varies by community. For example, in some communities building height is measured to the highest point of the roof, not including elevator and cooling towers.

Buildout; Build-out: Development of land to its full potential or theoretical capacity as permitted under current or proposed planning or zoning designations.

California Environmental Quality Act (CEQA): A State law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an Environmental Impact Report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project. An Initial Study must be prepared for housing elements, leading to a Negative Declaration in most cases.

California Housing Finance Agency (CHFA): A State agency, established by the Housing and Home Finance Act of 1975, which is authorized to sell revenue bonds and generate funds for the development, rehabilitation, and conservation of low-and moderate-income housing.

Capital Improvements Program (CIP) : A program, administered by a town or county government and reviewed by its planning commission, which schedules permanent improvements, usually for a minimum of five years in the future, to fit the projected fiscal capability of the local jurisdiction. The program generally is reviewed annually, for conformance to and consistency with the general plan.

Census: The official decennial enumeration of the population conducted by the federal government.

Character: Special physical characteristics of a structure or area that set it apart from its surroundings and contribute to its individuality.

Clustered Development: Development in which a number of dwelling units are placed in closer proximity than usual, or are attached, with the purpose of retaining an open space area.

Community Care Facility: Any facility maintained and operated to provide non-medical residential care, day treatment, adult day care, or foster family agency services for six or fewer persons. "Six or fewer persons" does not include the licensee or members of the licensee's family or persons employed as facility staff. Community care facilities which serve six or fewer persons are considered a residential use of property.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitlement communities, and by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Compatible: Capable of existing together without conflict or ill effects.

Condominium: A structure of two or more units, the interior spaces of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units. (See "Townhouse.")

Congregate Care: Apartment housing, usually for seniors, in a group setting that includes independent living and sleeping accommodations in conjunction with shared dining and recreational facilities. Congregate care usually implies a higher level of care than independent living. (See "Community Care Facility.")

Consistent: Free from variation or contradiction. Programs in the General Plan are to be consistent, not contradictory or preferential. State law requires consistency between a general plan and implementation measures such as the zoning ordinance.

County: County with a capital “C” generally refers to the government or administration of a county. County with a lower case “c” may mean any county or may refer to the geographical area of a county (e.g., the county’s 15 cities).

Covenants, Conditions, and Restrictions (CC&Rs): A term used to describe restrictive limitations that may be placed on property and its use, and which usually are made a condition of holding title or lease.

Criterion: A standard upon which a judgment or decision may be based. (See “Standards.”)

Density, Residential: The number of permanent residential dwelling units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre. (See “Acres, Gross,” and “Developable Acres, Net.”)

Density Bonus: The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity at the same site or at another location. Under California law, a housing development that provides 10 percent of its units for moderate income or lower income households, or 5 percent of its units for very-low income households, or is a senior housing facility, is entitled to a density bonus.

Density, Control of: A limitation on the occupancy of land. Density can be controlled through zoning in the following ways: use restrictions, minimum lot-size requirements, floor area ratios, land use-intensity ratios, setback and yard requirements, minimum house-size requirements, ratios comparing number and types of housing units to land area, limits on units per acre, and other means. Allowable density often serves as the major distinction between residential districts.

Design Review; Design Control: The comprehensive evaluation of a development and its impact on neighboring properties and the community as a whole, from the standpoint of site and landscape design, architecture, materials, colors, lighting, and signs, in accordance with a set of adopted criteria and standards. “Design Control” requires that certain specific things be done and that other things not be done. Design Control language is most often found within a zoning ordinance. “Design Review” usually refers to a system set up outside of the zoning ordinance, whereby projects are reviewed against certain standards and criteria by a specially established design review board or committee. (See “Architectural Control.”)

Developable Acres, Net: The portion of a site that can be used for density calculations. Some communities calculate density based on gross acreage. Public or private road rights-of-way are not included in the net developable acreage of a site.

Developable Land: Land that is suitable as a location for structures and that can be developed free of hazards to, and without disruption of, or significant impact on, natural resource areas.

Developer: An individual who or business that prepares raw land for the construction of buildings or causes to be built physical building space for use primarily by others, and in which the preparation of the land or the creation of the building space is in itself a business and is not incidental to another business or activity.

Development: The physical extension and/or construction of urban land uses. Development activities include subdivision of land; construction or alteration of structures, roads, utilities, and other facilities; installation of septic systems; grading; deposit of refuse, debris, or fill materials; and clearing of natural vegetative cover (with the exception of agricultural activities). Routine repair and maintenance activities are exempted.

Development Fee: (See “Impact Fee.”)

Development Rights: The right to develop land by a land owner who maintains fee-simple ownership over the land or by a party other than the owner who has obtained the rights to develop. Such rights usually are expressed in terms of density allowed under existing zoning. For example, one development right may equal one unit of housing or may equal a specific number of square feet of gross floor area in one or more specified zone districts. (See “Interest, Fee.”)

District: (1) An area of a town or county that has a unique character identifiable as different from surrounding areas because of distinctive architecture, streets, geographic features, culture, landmarks, activities, or land uses. (2) A portion of the territory of a town or county within which uniform zoning regulations and requirements apply; a zone.

Diversity: Differences among otherwise similar elements that give them unique forms and qualities. E.g., housing diversity can be achieved by differences in unit size, tenure, or cost.

Duplex: A single building under single ownership that is designed for occupation as the residence of two families living independently of each other. No part of a duplex is considered a “second unit.”

Dwelling Unit: A room or group of rooms (including sleeping, eating, cooking, and sanitation facilities, but not more than one kitchen), which constitutes an independent housekeeping unit, occupied or intended for occupancy by one household on a long-term basis.

Elderly Housing: Typically one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 35 units, persons 55 years of age and older, and restricted to occupancy by them. (See “Senior Housing.”)

Emergency Shelter: Housing with minimal supportive services that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. Supportive services usually include food, counseling, and access to other social programs. (See “Homeless” and “Transitional Housing.”)

Encourage, v: To stimulate or foster a particular condition through direct or indirect action by the private sector or government agencies.

Enhance, v: To improve existing conditions by increasing the quantity or quality of beneficial uses or features.

Environmental Impact Report (EIR): A report required by the California Environmental Quality Act for a project, including a general plan, that may have a significant effect on the environment. The report assesses all the environmental characteristics of an area and determines what effects or impacts will result if the area is altered or disturbed by a proposed action. (See “California Environmental Quality Act.”)

Exaction: A contribution or payment required as an authorized precondition for receiving a development permit; usually refers to mandatory dedication (or fee in lieu of dedication) requirements found in many subdivision regulations.

Extremely Low Income Household: A household with an annual income no greater than approximately 30 percent of the area median family income, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development (HCD). A local agency may either use available census data to calculate the percentage of very-low income households that qualify as extremely low income, or may presume that 50 percent so qualify. California Govt. Code §65583(a)(1).

Fair Market Rent: The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposes of administering the Section 8 Existing Housing Program.

Family: (1) Two or more persons related by birth, marriage, or adoption [U.S. Bureau of the Census]. (2) An individual or a group of persons living together who constitute a bona fide single-family housekeeping unit in a dwelling unit, not including a fraternity, sorority, club, or other group of persons occupying a hotel, lodging house or institution of any kind [California].

Feasible: Capable of being done, executed, or managed successfully from the standpoint of the physical and/or financial abilities of the implementer(s).

Feasible, Technically: Capable of being implemented because the industrial, mechanical, or application technology exists.

Finding(s): The basis upon which decisions are made. Findings are used by government agents and bodies to justify action taken by the entity and must be supported by substantial evidence.

Floor Area Ratio (FAR): The gross floor area permitted on a site divided by the total net area of the site, expressed in percent. For example, on a site with 10,000 net sq. ft. of land area, a Floor Area Ratio of 100 percent will allow a maximum of 10,000 gross sq. ft. of building floor area to be built. On the same site, an FAR of 150 percent would allow 15,000 sq. ft. of floor area; an FAR of 200 percent would allow 20,000 sq. ft.; and an FAR of 50 percent would allow only 5,000 sq. ft. Also commonly used in zoning, FARs typically are applied on a parcel-by-parcel basis as opposed to an average FAR for an entire land use or zoning district. In Hillsborough, the maximum permitted FAR is 25%.

Footprint; Building Footprint: The outline of a building at all of those points where it meets the ground.

General Plan: A compendium of town or county policies regarding its long-term development, in the form of maps and accompanying text. The General Plan is a legal document required of each local agency by the State of California Government Code Section 65301 and adopted by the City Council or Board of Supervisors. In California, the General Plan has 7 mandatory elements (Circulation, Conservation, Housing, Land Use, Noise, Open Space, Safety and Seismic Safety) and may include any number of optional elements (such as Air Quality, Economic Development, Hazardous Waste, and Parks and Recreation). The General Plan may also be called a “City Plan,” “Comprehensive Plan,” or “Master Plan.”

Granny Flat: (See “Second Unit.”)

Group Quarters: A residential living arrangement, other than the usual house, apartment, or mobile home, in which two or more unrelated persons share living quarters and cooking facilities. Institutional group quarters include nursing homes, orphanages, and prisons. Non-institutional group quarters include dormitories, shelters, and large boarding houses.

Guidelines: General statements of policy direction around which specific details may be later established.

Handicapped: A person determined to have a physical impairment or mental disorder expected to be of long or indefinite duration. Many such impairments or disorders are of such a nature that a person’s ability to live independently can be improved by appropriate housing conditions.

Historic; Historical: A historic building or site is one that is noteworthy for its significance in local, state, or national history or culture, its architecture or design, or its works of art, memorabilia, or artifacts.

Historic Preservation: The preservation of historically significant structures and neighborhoods until such time as, and in order to facilitate, restoration and rehabilitation of the building(s) to a former condition.

Home Occupation: A commercial activity conducted solely by the occupants of a particular dwelling unit in a manner incidental to residential occupancy.

Homeless: Persons [and families] who lack a fixed, regular, and adequate nighttime residence or whose primary nighttime residence is a shelter, an institution, or place not designed or ordinarily used as a regular sleeping accommodation for humans. (US Code, Title 42, Chapter 119, Subchapter I, §11302) Includes those who are accommodated with friends or others with the understanding that shelter is being provided as a last resort. (See “Emergency Shelter” and “Transitional Housing.”)

Household: All those persons—related or unrelated—who occupy a single housing unit. (See “Family.”)

Householder: The head of a household.

Households, Number of: The count of all year-round housing units occupied by one or more persons. The concept of household is important because the formation of new households generates the demand for housing. Each new household formed creates the need for one additional housing unit or requires that one existing housing unit be shared by two households. Thus, household formation can continue to take place even without an increase in population, thereby increasing the demand for housing.

Housing and Community Development Department of the State of California (HCD): The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

Housing Element: One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Under State law, Housing Elements must be updated every five years.

Housing and Urban Development, U.S. Department of (HUD): A cabinet-level department of the federal government that administers housing and community development programs.

Housing Unit: A house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as a separate living quarters, or if vacant, is intended for occupancy as a separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupancies whenever possible. (Source: US Census 2000. See also "Dwelling Unit," "Family," and "Household.")

Impact: The effect of any direct man-made actions or indirect repercussions of man-made actions on existing physical, social, or economic conditions.

Impact Fee: A fee, often called a development fee, levied on the developer of a project by a town, county, or other public agency as compensation for otherwise-unmitigated impacts the project will produce. California Government Code Section 66000 et seq. specifies that development fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. To lawfully impose a development fee, the public agency must verify its method of calculation and document proper restrictions on use of the fund.

Impacted Areas: Census tracts where more than 50 percent of the dwelling units house low- and very-low income households.

Implementation: Actions, procedures, programs, or techniques that carry out policies.

Improvement: The addition of one or more structures or utilities on a parcel of land.

Infill Development: Development of vacant land (usually individual lots or left-over properties) within areas that are already largely developed.

Infrastructure: Public services and facilities, such as sewage-disposal systems, water-supply systems, other utility systems, and roads.

In Lieu Fee: Cash payments that may be required of an owner or developer as a substitute for a dedication of land or construction of below-market-rate housing, and referred to as in lieu fees or in lieu contributions.

Institutional Use: (1) Publicly or privately owned and operated activities that are institutional in nature, such as hospitals, museums, and schools; (2) churches and other religious organizations; and (3) other nonprofit activities of a welfare, educational, or philanthropic nature that cannot be considered a residential, commercial, or industrial activity.

Interest, Fee: The broadest ownership interest in land, entitling a land owner to exercise the greatest control over use of land, subject only to recorded restrictions such as easements and covenants, government land use regulations, and other limitations.

Issues: Important unsettled community matters or problems that are identified in a community's general plan and are dealt with by the plan's goals, policies, and implementation programs.

Jobs/Housing Balance; Jobs/Housing Ratio: The availability of affordable housing for employees. The jobs/housing ratio divides the number of jobs in an area by the number of employed residents. A ratio of 1.0 indicates a balance. A ratio greater than 1.0 indicates a net in-commute; less than 1.0 indicates a net out-commute.

Land Banking: The purchase of land by a local government for use or resale at a later date. "Banked lands" have been used for development of low- and moderate-income housing, expansion of parks, and development of industrial and commercial centers. Federal rail-banking law allows railroads to bank unused rail corridors for future rail use while allowing interim use as trails.

Land Use Classification: A system for classifying and designating the appropriate use of properties.

Land Use Regulation: A term encompassing the regulation of land in general and often used to mean those regulations incorporated in the General Plan, as distinct from zoning regulations (which are more specific).

Lease: A contractual agreement by which an owner of real property (the lessor) gives the right of possession to another (a lessee) for a specified period of time (term) and for a specified consideration (rent).

Leasehold Interest: (1) The interest that the lessee has in the value of the lease itself in condemnation award determination. (2) The difference between the total remaining rent under the lease and the rent the lessee would currently pay for similar space for the same time period.

Lot: (See "Site.")

Lot of Record: A lot that is part of a recorded subdivision or a parcel of land that has been recorded at the County Recorder's office containing property tax records.

Low-income Household: A household with an annual income no greater than approximately 80 percent of the area median income for a household of that size and based on the latest available eligibility limits established by either the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Housing Program or the California Department of Housing and Community Development (HCD). (See "Area.")

Low-income Housing Tax Credits (LIHTC): Tax reductions provided by the federal and State governments for investors in housing for low income households.

Maintain, v: To keep in an existing state. (See "Preserve, v.")

Mandatory Element: A component of the General Plan mandated by State Law. California State law requires that a General Plan include elements dealing with seven subjects—circulation, conservation, housing, land use, noise, open space and safety—and specifies to various degrees the information to be incorporated in each element.

Manufactured Housing: Residential structures that are constructed entirely in the factory, and that since June 15, 1976, have been regulated by the federal Manufactured Home Construction and Safety Standards Act of 1974 under the administration of the U.S. Department of Housing and Urban Development (HUD). (See "Mobile Home" and "Modular Unit.")

May: That which is permissible.

Minimize, v : To reduce or lessen, but not necessarily to eliminate.

Ministerial (Administrative) Decision: An action taken by a governmental agency that follows established procedures and rules and does not call for the exercise of judgment in deciding whether to approve a project.

Mitigate, v : To ameliorate, alleviate, or avoid to the extent reasonably feasible.

Mixed-use: Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A “single site” may include contiguous properties.

Mobile Home: A structure, transportable in one or more sections, built on a permanent chassis and designed for use as a single-family dwelling unit and which (1) has a minimum of 400 square feet of living space; (2) has a minimum width in excess of 102 inches; (3) is connected to all available permanent utilities; and (4) is tied down (a) to a permanent foundation on a lot either owned or leased by the homeowner or (b) is set on piers, with wheels removed and skirted, in a mobile home park. (See “Manufactured Housing” and “Modular Unit.”)

Moderate-income Household: A household with an annual income between the lower income eligibility limits and 120 percent of the area median family income, as established by either the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development (HCD). (See “Area” and “Low-income Household.”)

Modular Unit: A factory-fabricated, transportable building or major component designed for use by itself or for incorporation with similar units on-site into a structure for residential, commercial, educational, or industrial use. Differs from mobile homes and manufactured housing by (in addition to lacking an integral chassis or permanent hitch to allow future movement) being subject to California housing law design standards. California standards are more restrictive than federal standards in some respects (e.g., plumbing and energy conservation). Also called Factory-built Housing and regulated by State law of that title. (See “Mobile Home” and “Manufactured Housing.”)

Multifamily Building: A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.

Must: That which is mandatory.

Necessary: Essential or required.

Need: A condition requiring supply or relief. The Town or County may act upon findings of need within or on behalf of the community.

Non-conforming Use: A use that was valid when brought into existence, but by subsequent regulation becomes no longer conforming. “Non-conforming use” is a generic term and includes (1) non-conforming structures (by virtue of size, type of construction, location on land, or proximity to other structures), (2) non-conforming use of a conforming building, (3) non-conforming use of a non-conforming building, and (4) non-conforming use of land. Thus, any use lawfully existing on any piece of property that is inconsistent with a new or amended General Plan, and that in turn is a violation of a zoning ordinance amendment subsequently adopted in conformance with the General Plan, will be a non-conforming use. Typically, non-conforming uses are permitted to continue for a designated period of time, subject to certain restrictions.

Objective: A specific statement of desired future condition toward which the Town or County will expend effort in the context of striving to achieve a broader goal. An objective should be achievable and, where possible, should be measurable and time-specific. The State Government Code (Section 65302) requires that general plans spell out the “objectives,” principles, standards, and proposals of the general plan. “The addition of 30 units of affordable housing by 2006” is an example of an objective.

Ordinance: A law or regulation set forth and adopted by a governmental authority, usually a town or county.

Overlay: A land use designation on the Land Use Map, or a zoning designation on a zoning map, that modifies the basic underlying designation in some specific manner.

Parcel: A lot, or contiguous group of lots, in single ownership or under single control, usually considered a unit for purposes of development.

Planned Community: A large-scale development whose essential features are a definable boundary; a consistent, but not necessarily uniform, character; overall control during the development process by a single development entity; private ownership of recreation amenities; and enforcement of covenants, conditions, and restrictions by a master community association.

Planned Unit Development (PUD): A description of a proposed unified development, consisting at a minimum of a map and adopted ordinance setting forth the regulations governing, and the location and phasing of all proposed uses and improvements to be included in the development.

Planning and Research, Office of (OPR): A governmental division of the State of California that has among its responsibilities the preparation of a set of guidelines for use by local jurisdictions in drafting General Plans.

Planning Area: The Planning Area is the land area addressed by the General Plan (and hence, by the Housing Element). For a town, the Planning Area boundary typically coincides with the Sphere of Influence that encompasses land both within the Town Limits and potentially annexable land.

Policy: A specific statement of principle or of guiding actions that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its goals and objectives before undertaking an action program. (See “Program.”)

Poverty Level: As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or “poverty thresholds” varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.

Preserve, v: To keep safe from destruction or decay; to maintain or keep intact. (See “Maintain.”)

Principle: An assumption, fundamental rule, or doctrine that will guide general plan policies, proposals, standards, and implementation measures. The State Government Code (Section 65302) requires that general plans spell out the objectives, “principles,” standards, and proposals of the general plan. “Adjacent land uses should be compatible with one another” is an example of a principle.

Program: An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and action statements establish the “who,” “how” and “when” for carrying out the “what” and “where” of goals and objectives.

Protect, v: To maintain and preserve beneficial uses in their present condition as nearly as possible. (See “Enhance.”)

Recognize, v: To officially (or by official action) identify or perceive a given situation.

Redevelop, v: To demolish existing buildings; or to increase the overall floor area existing on a property; or both; irrespective of whether a change occurs in land use.

Regional: Pertaining to activities or economies at a scale greater than that of a single jurisdiction, and affecting a broad geographic area.

Regional Housing Needs (RHN): A quantification by a COG (the regional planning agency, which in the Bay Area is ABAG, the Association of Bay Area Governments) or by HCD of existing and projected housing need, by household income group, for all localities within a region. San Mateo County and its 20 cities have used a provision in the law that allows formation of a subregional organization to accept the county’s RHN from ABAG with authority to distribute the total subregional need across the county’s 20 cities and its unincorporated areas. Members of the

City/County Association of Governments of San Mateo County (C/CAG) agreed on and adopted the local distribution of the subregional housing need for their cities.

Regulation: A rule or order prescribed for managing government.

Rehabilitation: The repair, preservation, and/or improvement of substandard housing.

Residential: Land designated in the Town or County General Plan and zoning ordinance for buildings consisting only of dwelling units. May be improved, vacant, or unimproved. (See “Dwelling Unit.”)

Residential Care Facility: A home serving six or fewer persons or family units who have chronic, life-threatening illness and who are 18 years of age or older or are emancipated minors. A “family unit” means at least one parent or guardian and one or more of that parent or guardian’s children, one of whom has a chronic, life-threatening illness. “Six or fewer persons” does not include the licensee or members of the licensee’s family or persons employed as facility staff. (Health and Safety Code, §1568.01) Residential care facilities which serve six or fewer persons are considered a residential use of property. (Health and Safety Code, §1568.0831)

Residential, Multifamily: Usually three or more dwelling units on a single site, which may be in the same or separate buildings.

Residential, Single-family: A single dwelling unit on a building site.

Restore, v: To renew, rebuild, or reconstruct to a former state.

Restrict, v: To check, bound, or decrease the range, scope, or incidence of a particular condition.

Retrofit, v: To add materials and/or devices to an existing building or system to improve its operation, safety, or efficiency. Buildings have been retrofitted to use solar energy and to strengthen their ability to withstand earthquakes, for example.

Reverse Annuity Mortgages: A home financing mechanism that enables a homeowner who a senior citizen to release equity from his or her home. The senior receives periodic payments that can be put to immediate use. Loans are fixed term and are paid when the house is sold or when the term expires.

Rezoning: An amendment to the map and/or text of a zoning ordinance to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.

Second Mortgage Program: The lending by a public or private agency of a portion of a required down payment to a developer or first-time homebuyer, usually with restrictions requiring that the units assisted through the program remain affordable to very-low and low income households.

Second Unit: A self-contained unit providing living, sleeping, eating, cooking, and sanitation accommodations, either attached to or detached from, and in addition to, the primary residential unit on a single lot. Sometimes called “Granny Flat.” (See “Dwelling Unit”; also see Government Code §65852.2(i)(4).)

Section 8 Rental Assistance Program: A federal (HUD) rent-subsidy program that is one of the main sources of federal housing assistance for low income households. The program operates by providing “housing assistance payments” to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by HUD) and the household’s contribution toward the rent, which is calculated at 30 percent of the household’s adjusted gross monthly income (GMI). “Section 8” includes programs for new construction, existing housing, and substantial or moderate housing rehabilitation.

Senior Housing: (See “Elderly Housing.”)

Seniors: Persons age 62 and older, or 55 years and older in senior housing with at least 35 dwelling units.

Shall: That which is obligatory or necessary.

Shared Living: The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and provide social contact, mutual support, and assistance.

Should: Signifies a directive to be honored if at all possible.

Significant Effect: An adverse impact on the environment. May include, but is not limited to, significant changes in an area's air, water, and land resources.

Single-family Dwelling, Attached: A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit. (See "Townhouse.")

Single-family Dwelling, Detached: A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use. (See "Family.")

Single Room Occupancy (SRO): A single room, typically 80-250 square feet, with a sink and closet, but that requires the occupant to share a communal bathroom, shower, and kitchen.

Site: A parcel of land used or intended for one use or a group of uses and having frontage on a public or an approved private street. A lot.

Specific Plan: Under Article 8 of the Government Code (Section 65450 et seq.), a legal tool for detailed design and implementation of a defined portion of the area covered by a General Plan. A specific plan may include all detailed regulations, conditions, programs, and/or proposed legislation that may be necessary or convenient for the systematic implementation of any General Plan element(s).

Sphere of Influence (SOI): The probable ultimate physical boundaries and service area of a local agency (town or district) as determined by the Local Agency Formation Commission of the County.

Standards: (1) A rule or measure establishing a level of quality or quantity that must be complied with or satisfied. The State Government Code (Section 65302) requires that general plans spell out the objectives, principles, "standards," and proposals of the general plan. Examples of standards might include the number of acres of park land per 1,000 population that the community will attempt to acquire and improve, or the "traffic Level of Service" (LOS) that the plan hopes to attain. (2) Requirements in a zoning ordinance that govern building and development as distinguished from use restrictions—for example, site-design regulations such as lot area, height limit, frontage, landscaping, and floor area ratio.

Stock Cooperative Housing: Multiple-family ownership housing in which the occupant of a unit holds a share of stock in a corporation that owns the structure in which the unit is located.

Structure: Anything constructed or erected that requires location on the ground (excluding swimming pools, fences, and walls used as fences).

Subdivision: The division of a tract of land into defined lots, either improved or unimproved, which can be separately conveyed by sale or lease, and which can be altered or developed. "Subdivision" includes a condominium project as defined in Section 1350 of the California Civil Code and a community apartment project as defined in Section 11004 of the Business and Professions Code.

Subdivision Map Act: Division 2 (Sections 66410 et seq.) of the California Government code, this act vests in local legislative bodies the regulation and control of the design and improvement of subdivisions, including the requirement for tentative and final maps. (See "Subdivision.")

Subregional: Pertaining to a portion of a region. C/CAG is a subregional task force.

Subsidize: To assist by payment of a sum of money or by the granting of terms or favors that reduce the need for monetary expenditures. Housing subsidies may take the forms of mortgage interest deductions or tax credits from federal and/or state income taxes, sale or lease at less than market value of land to be used for the construction of housing, payments to supplement a minimum affordable rent, and the like.

Substandard Housing: Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

Substantial: Considerable in importance, value, degree, or amount.

Supportive Housing: Housing with no limit on length of stay, that is occupied by a target population defined in Health and Safety Code §53260(d), and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. In general, “target population” means low-income adults with one or more disabilities, and may include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

Tax Credit: A dollar amount that may be subtracted from the amount of taxes owed.

Town: Town with a capital “T” generally refers to the government or administration of a town. Town with a lower case “t” may mean any town or may refer to the geographical area of a town (e.g., the properties in the town.)

Townhouse; Townhome: A one-family dwelling in a row of at least three such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common and fire-resistant walls. Townhouses usually have separate utilities; however, in some condominium situations, common areas are serviced by utilities purchased by a homeowners association on behalf of all townhouse members of the association. (See “Condominium.”)

Transitional Housing: Buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a future time, but no less than six months. In general, the program provides supportive services (including self-sufficiency development services) for recently homeless persons, with the goal of moving them to permanent housing as quickly as possible.

Undue: Improper, or more than necessary.

Uniform Building Code (UBC): A national, standard building code that sets forth minimum standards for construction.

Uniform Housing Code (UHC): State housing regulations governing the condition of habitable structures with regard to health and safety standards, and which provide for the conservation and rehabilitation of housing in accordance with the Uniform Building Code (UBC).

Urban Services: Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire, schools, parks, and recreation) provided to an urbanized or urbanizing area.

Use: The purpose for which a lot or structure is or may be leased, occupied, maintained, arranged, designed, intended, constructed, erected, moved, altered, and/or enlarged in accordance with the Town or County zoning ordinance and General Plan land use designations.

Use, Non-conforming: (See “Non-conforming Use.”)

Use Permit: The discretionary and conditional review of an activity or function or operation on a site or in a building or facility.

Vacant: Lands or buildings that are not actively used for any purpose.

Very-low Income Household: A household with an annual income no greater than approximately 50 percent of the area median family income, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Housing Program or the California Department of Housing and Community Development (HCD). “Very-low income households” includes extremely low income households as defined in Health and Safety Code §50106. A local agency may either use available census data to calculate the percentage of very-low income households that qualify as extremely low income, or may presume that 50 percent so qualify. California Govt. Code §65583(a)(1). (See “Area.”)

Zero Lot Line: A detached single family unit distinguished by the location of one exterior wall on a side property line.

Zone, Combining: A special purpose zone that is superimposed over the regular zoning map. Combining zones are used for a variety of purposes, such as airport compatibility, flood plain or wetlands protection, historic designation, or special parking regulations. Also called “overlay zone.”

Zone, Interim: A zoning designation that temporarily reduces or freezes allowable development in an area until a permanent classification can be fixed; generally assigned during General Plan preparation to provide a basis for permanent zoning.

Zone, Study: (See “Zone, Interim.”)

Zoning: The division of a town or county by legislative regulations into areas, or zones, which specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the General Plan.

Zoning Bonus: (See “Zoning, Incentive.”)

Zoning District: A designated section of a town or county for which prescribed land use requirements and building and development standards are uniform.

Zoning, Exclusionary: Development regulations that result in the exclusion of low- and moderate-income and/or minority families from a community.

Zoning, Incentive: The awarding of bonus credits to a development in the form of allowing more intensive use of land if public benefits—such as preservation of greater than the minimum required open space, provision for low- and moderate-income housing, or plans for public plazas and courts at ground level—are included in a project.

Zoning, Inclusionary: Regulations that increase housing choice by providing the opportunity to construct more diverse and economical housing to meet the needs of low- and moderate-income families. Often such regulations require a minimum percentage of housing for low- and moderate-income households in new housing developments and in conversions of apartments to condominiums.

Zoning Map: Government Code Section 65851 permits a legislative body to divide a county, a town, or portions thereof, into zones of the number, shape, and area it deems best suited to carry out the purposes of the zoning ordinance. These zones are delineated on a map or maps, called the Zoning Map.